

CIA, Drugs, and Wall Street

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may we recommend the following:

- Extracts and Commentary from Vol. II of the CIA Inspector General's Report.
- CIA Drugs and the Impeachment (video)
- The Salon at Fraser Court (5/99)

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NOTE: At the time this story was written it looked like the House Intelligence Committee was going to get away with closing out the CIA drug investigations. But thanks to the efforts of From The Wilderness that resulted in class action suits being filed against the CIA in Los Angeles and Oakland and other publicity we have generated Volume II has not been closed out. They can't because too many people are watching. On October 12, 1999, investigators from House Intelligence came to Los Angeles and copied 6,000 pages of our records for review. Going into 2000, Volume II is still very much an open investigation and FTW is proof that something can be done. - MCR

Don't Blink!

All Promises Broken - Volume II Hearings Held Without Notice - Behind Closed Doors

You Might Miss What's Next

by

Michael C. Ruppert

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On May 25, just four days after we published our last issue, under the totally misleading heading of "CIA and Drugs in Los Angeles" the House Permanent Select Committee on Intelligence (HPSCI) held a closed door hearing. It took us until June 22 to determine that the Committee heard testimony that day from Department of Justice Inspector General Michael Bromwich, who had not appeared before the Committee since the release of his report last year. And it also heard from current CIA Inspector General Britt Snider, who discussed Volume II of retired CIA IG Fred Hitz's report *on the whole Contra war* - not Los Angeles. Los Angeles was Volume I.

That's right - They have had the hearing on Volume II. They did it in secret. The press did not cover it. And it remains unclear, at this moment, as to whether HPSCI's final report will even be declassified or made available to the public in any form at all. This is not only a breach of every promise made to us in 1996 by both Houses; it is, in my opinion, a complete breach of trust between the government and the people.

In a June 22 conversation with HPSCI Deputy Staff Director, Tim Sample, I was told that the Committee "would like to wrap this up this summer." I was also told that the protocol for closing the investigation out had not been finalized. It is "not known" whether there will be another hearing. It is "not known" whether or if the Committee's final report will be declassified or ever released. It is "not known" if any additional witnesses will be called. I and retired DEA Agent Cele Castillo and presumably the other major figures in the investigation have all received letters asking us to submit whatever other evidence "we are aware of" before the Committee closes its work.

This is a sign of true desperation as the Republican controlled Committee must absolutely close the issue - to protect George W. Bush - before the 2000 Presidential campaign begins in earnest in October. It must also protect the biggest secret of all from the American people: The entire economy, and the entire political system itself, is currently hooked and dependent upon - drug money.

I have been saying for years that you could show a video of George Bush ordering drug runs, CIA agents laundering money and flying airplanes full of drugs and no one in power would do anything

about it. They would not be able to. In this issue I will tell you, and the House, about something almost as damning - a partially authenticated letter, written on CIA letterhead and stamped "Top Secret", ostensibly written and signed by CIA Director William J. Casey in late 1986, that admits to direct participation in the drug trade [SEE STORY THIS ISSUE]. I have been aware of the existence of this letter for approximately five months. I have had it read to me in its entirety. It was not until I was given this last chance by HPSCI to present "all of the information of which you are aware on the allegations" that I was able to obtain an "On the Record" statement about the letter from Attorney Ray Kohlman. The letter will be admitted into evidence in a new trial motion for former Green Beret William Tyree in the near future. When that happens, *From The Wilderness* will publish the letter, both on the Internet and in the newsletter.

Now that the House has indicated its intent to close the matter for good and all it is time to bring the letter forward - for good and all. I will also see to it that the letter is widely distributed enough so that any of the major news organizations will be able to follow up on it. The information in this issue is enough for the House Intelligence Committee to go to the CIA and compel it to confirm or deny the letter's authenticity.

Reading The Right Map

If nothing happens with further hearings, or with the letter, I will tell you in advance exactly why.

Contributing Editor Catherine Austin Fitts, who was a Managing Director at Dillon Read before becoming Assistant Secretary of Housing under George Bush and who holds an MBA from Wharton makes things very simple. She points out that the four largest states for the importation of drugs are New York, Florida, Texas and California. She then points out that the top four money laundering states in the U.S. (good for between 100 and 260 billion per year) are New York, Florida, Texas and California. No surprise there. Then she rips the breath from your lungs by pointing out that 80 per cent of all Presidential campaign funds come from - New York, Florida, Texas and California.

Civics test: Who are the current governors of Texas and Florida?

From The Wilderness has been working on a story for an upcoming issue that will show conclusively, using testimony of law enforcement officers and U.S. Government records, that Dominican drug gangs, who dominate the trade in the northeast United States - especially New York and Pennsylvania - have been making regular campaign donations to the Clinton-Gore-Democratic camp since the early 90s. California drug sales are currently split between Democratically allied crime factions and entrenched hard core Republican strongholds from the Reagan era. People who shudder at the thought of the Chinese buying into presidential politics would choke if they knew how much drug money was involved.

Why? Again, the answer is simpler than you might think. While the Department of Justice estimates that \$100 billion in drug funds are laundered in the U.S. each year, other research, including research material from the Andean Commission of Jurists cited by author Dan Russell in his soon to be published book *Drug War* place the figure at around \$250 billion per year. Catherine Austin Fitts places the figure at \$250 to \$300 billion. Given the fact that the UN estimated that in the early 1990s world retail volume in the illegal drugs was \$440 billion, \$250 billion seems about right. Fitts, using her Wall Street experience as an investment banker is then quick to point out that the multiplier effect (x6) of \$250 billion laundered would result in \$1.5 trillion dollars per year in U.S. cash transactions resulting from the drug trade. How many jobs does \$1.5 trillion represent? Why do President's get re-elected? As Bill Clinton's staff recognized in 1992, "It's the economy -Stupid!"

During the Contra years, when the CIA and Bill Clinton were swimming in cocaine, and Arkansas became the only state in the Union to ever issue bearer bonds (laundry certificates), employment in Arkansas rose to an all time high because there was so much money floating around. So what if they don't count all the dead bodies like two young boys Kevin Ives and Don Henry, shot, bludgeoned and dismembered on a railroad track after witnessing CIA drug drops. "It's the economy - Stupid!"

The Pop

Corporations trading on Wall Street, including many implicated in money laundering schemes where products are sold with questionable bookkeeping throughout drug producing regions, all have stock values that are based upon annual net profits. Known as "price to earnings" or "The Pop" the multiplier effect in stock values is sometimes as much as a factor of thirty. Thus, for a firm like GE or Piper Aircraft to have an additional \$10 million in net profits based upon the drug trade, the net increase in

these companies' stock value could be as much as \$300,000,000. Did GE make a \$10 million net profit on consumer products in Latin America last year? Easily. And since GE owns NBC is there a chance that accurate reporting on the drug trade and CIA's involvement therein might hurt their stock?

Disney owns ABC and has a huge retail, resort and entertainment empire that benefits from the "drug multiplier." Would ABC consider hurting its parent's stock value? Ronald Reagan's CIA Director, William Casey had been Chief Counsel to Cap Cities Broadcasting until 1981. His old law firm represented Cap Cities when it bought the ABC network in 1985. ABC's Peter Jennings, by the way, had been doing a series of investigative reports on the CIA drug bank (and successor to the Nugan Hand bank) Bishop, Baldwin, Rewald, Dillingham and Wong when the buyout was initiated. Cap Cities (not surprisingly) secured SEC approval in record time and effectively and immediately silenced Peter Jennings who had previously refused to back down from Casey's threats. Thereafter ABC was referred to as "The CIA network."

I have no doubt that the ABC "object lesson" was front and center for CNN founder Ted Turner and Time-Warner when Henry Kissinger, Colin Powell and (CIA vet) John Singlaub put the pressure on in the wake of April Oliver's 1998 "dead bang accurate" Sarin gas stories connecting CIA to the killing of American defectors.

Every major media corporation in the country trades on Wall Street. There are no "independents" left and the American people are left with the increasing cognitive dissonance of recognizing that they are being fed useless bullshit. I wonder how they would respond to real a news corporation if they saw or heard one.

It's Legal to be Bad

It is also perfectly legal for a Wall Street brokerage or investment bank to go "offshore" and borrow once laundered drug money to finance a corporate merger or leveraged buyout (LBO). Why do this? If you were a major multi-national corporation in a cutthroat competition to buy a company with a hundred million in sales (which might boost your stock value \$3 billion) you would be willing to pay a seemingly outrageous price. [How much would you be willing to spend to make \$3 billion? - 2.9?]. All an LBO is is an acquisition financed on borrowed money. If you are Goldman-Sachs, arranging the deal, and you can borrow laundered drug money at five per cent or a bank's money at ten per cent where are you going to go? Remember that since the cost of capital is lower using laundered drug money you are now able to outbid all the other competitors because your total payback stays the same. Does this actually happen? In 1998 the Russians asked for only \$18 billion to save their entire economy. With \$440 billion a year moving around how could it not happen?

And a major drug dealer, like a Carlos Lehder, a Pablo Escobar, an Amado Fuentes, a Matta Ballesteros or a Hank Rohn, sitting around with ten billion dollars of useless illegal money, is more than happy to loan it at five percent because his money is now legal and liquid. And, if one goes to prison or dies, there is always another dealer to fill the void so that the supply is not interrupted. The drug trade now has power because it is underwriting the investments of the largest corporations in the world. It underwrites politicians. It has hooked the gringos on Wall Street whose own children sometimes die from its drugs. Wall Street cannot afford to let the drug barons fall. Congress cannot afford to let the drug barons fall. Presidents and their campaign finances cannot afford to let the drug barons fall. Why? Because our top down economy, controlled by one per cent, cannot take the risk of letting competition (business or political) have the edge of using drug money. The third world has its revenge for European colonialism but Wall Street still calls the shots. And for every million dollars of increased sales or increased revenues from a buyout, the stock equity of the one per cent who control Wall Street, increases twenty to thirty times.

Remember - The National Security Act of 1947, which created the CIA, was written by Wall Street lawyer and banker Clark Clifford. Clark Clifford is the man who brought the CIA backed drug bank BCCI into the United States. Allen Dulles who virtually designed the CIA and served as its Director, and his brother John Foster who was Eisenhower's Secretary of State, were Wall Street lawyers from the firm Sullivan and Cromwell. Dwight Eisenhower's personal liaison with the CIA was none other than Nelson Rockefeller. William Casey was Chairman of the Securities and Exchange Commission under Richard Nixon. Former CIA Directors from William Raborn to William Webster to Robert Gates to James Woolsey to John Deutch all sit or have sat on the Boards of the largest, richest and most powerful companies in America.

As we near the millenium one thing is clear to anyone who sees the economic system clearly. The system is on the verge of implosion. Privately owned and operated prison companies trade on Wall Street. One of those, Wackenhut, is a virtual CIA proprietary. We have entered, at the end of the

industrial age, a phase of growth where we must incarcerate an ever expanding number of people to sustain the growth of all the companies profiting from law enforcement, crime, imprisonment and war. And the overheated stock market must grow or collapse. The reason this nation spends five dollars on prisons for every one dollar on higher education - even after seven straight years of falling crime rates - is because there is more profit in it in the current economic model. Hell, we have turned police departments into profit making entities through asset forfeiture. This is insane!

This economic model is patently no more sustainable than a snake eating its own tail can be considered nourishment. Organized crime has become the government and it seeks to make all citizens become subliminally guilty participants, fearing for their own livelihoods, believing that the system will collapse if someone really tackles the issues facing us - as surely as the iceberg faced the Titanic.

The system will collapse anyway - unless the economic model is turned upside down - unless a way is found or offered which will make it more profitable than all other ways - to do the right thing. The only thing that will sustain the current economic system, and its dependence on drug capital, is a police state. New enforcement programs involving HUD and the Department of Justice such as Project "Safe Streets" and "Weed and Seed" - along with their corresponding butchery of the Constitution - show an emerging police state already. The conduct of Congress and the White House in the CIA drug investigations further demonstrate the arrogance, the fear and the ever-increasing sloppiness of a system out of control.

The veneer, the illusion that we live under the rule of law cracks before our eyes, grows thinner and ever more difficult to sell with each passing minute. All at once the fears of the right of a New World Order and the fears of the left, of new concentration camps and genocide suddenly become one and the same thing. Dogma matters little to the oppressed. Pain tastes the same whether you call it Fascism or Communism. Carlos Enrique Lehder Rivas, co-founder of the Medellin Cartel, who was given a life sentence in 1990, now enjoys the sunshine at his home in the Bahamas. He frolics regularly with gaming magnate and owner of the Atlantis Hotel Sol Kerzner. His guests at parties include Kevin Costner who played (I am sorry to say) both Elliot Ness and Jim Garrison. Manuel Noriega will probably be out of prison before Bill Clinton leaves office. The Kosovo Liberation Army has been funded with drug money and has trained with Islamic terrorist Osama bin Laden. The son of a documented drug trafficker, who very few people in this country even know anything about, is "scheduled" to become our next President, simply because he has the most money and he and his backers control most of "The Pop."

How much time can this government have? How much time does it deserve? Bill Clinton's Farewell Address should probably be, "Apres moi, le deluge."

Mike Ruppert

Missed Call on Noriega

January 31, 2001 issue of From The Wilderness

FTW has been following the dynamics of the drug trade as it interfaces with political campaigns - and contributions - almost from our first issue. In April 2000 we described in detail the Democratic Party's Presidential Drug Money Pipeline and in subsequent issues we described a clear cut alliance between the Clinton-Gore administration and certain drug factions, especially those with less than friendly feelings for George Bush. That would apply especially to the Medellin Cartel which George Bush systematically began eliminating at the end of the Contra war. Among that group also was Gen. Manuel Noriega, a key player sentenced to 40 years in 1990 after George Bush proved his manhood and tested some new weapons by invading Panama.

As AP reported in March 1999 we were not alone in believing that, absent a release ordered by the courts, Bill Clinton would pardon Noriega before leaving office. On March 21, 2000 Reuters reported that former President Bush was afraid for his life if Noriega was released ahead of schedule. And as late as mid-December we were hearing from sources close to Noriega that a pardon was on the table.

But it was not to be. Nor was it to be for Leonard Peltier, the Indian activist politically imprisoned for the slaying of two FBI Agents at Wounded Knee in the 1970s. We wonder what Clinton got in return for the trades.

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