

## The truth behind Abscam: creating a Nazi judiciary

by L. Wolfe and Paul Goldstein

The United States has now been hit with what one Justice Department official called the greatest wave of scandals in its history—the interlocked FBI investigations code-named Abscam and Brilab. More than 1,200 cases are in progress, involving some 3,000 special FBI agents, networks of informants, under some 110 different categories of cases. Already one United States senator, several congressmen, state legislators, local government officials, labor leaders, and businessmen have been named, with the promise of more to come.

Despite the hundreds of thousands of column-inches in the newspapers, and the hours of television and radio time, the media has yet to come close to telling the American people what is really happening here.

Abscam was not merely a case of overzealous agents engaging in rather bald entrapment. It was rather a joint operation of sections of the FBI tied to the New York Council on Foreign Relations, and the major news media that are controlled by the same New York Council on Foreign Relations, directed against the domestic political enemies or potential enemies of the policies of the New York Council on Foreign Relations. No “leaks” on the investigation were necessary. News media were directly involved in planning and implementation from the start.

Thus, the Washington, D.C. home from which Abscam was run was owned by Lee Lescaze, a reporter for the Washington Post. In the house next door lives Marie Osmer, Director of Research of the New York Council on Foreign Relations. Three weeks before the story was

officially “broken,” the *New York Times*' Leslie Maitland, Bob Green of *Newsday* and Investigative Reporters and Editors, and a team of NBC reporters were all thoroughly briefed on when and how the story was to “break,” and were given all relevant documents, etc. by project chief Neil Welch. And so, when Harrison Williams, the Senator from New Jersey, was officially told that he was the subject of an FBI investigation, he looked out his window a few hours later to find a team of NBC cameramen on his front-lawn.

This is bigger than average, but nothing new for creatures like Neil Welch. According to Detroit police sources, Welch's FBI operations are always conducted through the press—no evidence but plenty of leaks. He once ran a scam operation against labor officials out of Detroit's Anchor Bar, trying to entrap and then blackmail them into becoming agency informants. In cases of resistance, he would leak to the press that they were already FBI informants. When targeting political and other public figures, Welch similarly leaked accusations to the press long before any grand jury would otherwise have convened, and the media would create the climate in which a grand jury would be hastily convened to hand down the indictment on the flimsiest of grounds. Conviction or not—and usually not—the victim of the “investigation” was ruined.

Sources in the American intelligence community agree: the real scandal of Abscam/Brilab is the investigation itself. Abscam/Brilab is part of an operation that has as its primary objective the transformation of the

American judicial system into something resembling the Nazi courts of the 1930s and 1940s.

More precisely, our sources tell us that Abscam/Brilab and related investigations will lead, within a period of six months to a year, to the following:

- The creation of a network of special prosecutors, with extraordinary powers, that will run roughshod over political and labor leaders. This will map into a special court system to handle cases of "political corruption" and "white collar crime."

- This is to be codified through the passage of the National Intelligence Act of 1980, which will create a star chamber court to deal with national security related indictments while legalizing "covert operations," both domestically and nationally, of the type used in the Abscam/Brilab stings.

- The passage of a new FBI charter, correlating with this operation,

- The creation of Watergate-style witchhunt committees in the Congress to "investigate" the scandals, already in progress in both the Senate and the House.

- The destruction of the Democratic Party as a viable institution, through the wrecking of urban and labor-based political machines. This is the final phase of subversive operations against both major parties, which started prior to the 1972 elections and continued through the Watergate period.

- The installing of a GOP candidate, George Bush, in the White House.

### The legal question

In defending the role of the bureau in Abscam, FBI Director William Webster stated in an interview last week, that it was the right and duty of the FBI to protect the public from officials who "intend to commit crimes, who will accept bribes." The director stressed that the FBI was doing no wrong in its probes because they had targeted individuals whom they believed "likely" to commit such crimes.

This and similar statements by former FBI director Clarence Kelley and attorney-generals Edward Levi and Benjamin Civiletti begin to rip the mask off the attack on "white collar crime."

Starting in the late 1950s and early 1960s, especially under the Robert Kennedy Justice Department, the American justice system began to be oriented away from pursuit of the murderer, the drug pusher, etc. toward the "white collar criminal." This was supported by documentation from various criminology schools, including the University of California at Berkeley, conveniently suggesting that this category of crime was growing.

At face value, this might seem good reason to change policy. But the real core of the white collar crime policy is its explicit threat to the Constitution, to the right to

due process. Webster, Levi, et al. state that they are dealing with subjective law, the intent to commit crime. Therefore they see no obligation to present evidence about the commission of real crimes, but only evidence—obtained through entrapment.

This is the criminal code of the witchhunt, explicitly the code of Karl Schmitt, the man who designed the Nazi legal system. It is the code of secret courts that can try people in absentia, arrest them the next morning, and ship them off to jail. It is the system of a political police, who have the power to entrap people, to fake evidence, to deal with political enemies. It is a "justice system," that works hand in glove with a corrupt press to try people in the media through the smear and big lie techniques of Josef Goebbels.

This is the real meaning of Abscam/Brilab.

### The Watergate connection

The real story of Abscam/Brilab dates back to the days before the Watergate break-in in 1972. Watergate was in fact the first phase of the current operation. Watergate and the famous "dirty tricks" operations that

#### Key actors in Abscam caper



*Former  
Attorney General,  
Edward Levi*



*Current  
Attorney General,  
Benjamin Civiletti*

were revealed in 1973-74 were part of an elaborate entrapment operation against the Nixon White House. The Watergate break-in itself was carried out by the infamous "plumbers" unit which was composed exclusively of former CIA operatives. This dirty trick was not conceived by Nixon but was foisted upon the White House by the "plumbers unit" itself. Once this sting was accomplished, Nixon was then prodded by several inside operatives, including then National Security Advisor Henry Kissinger, to "cover it up," to "stonewall."

The coverup was leaked to the press by informants inside the White House, reportedly with connection to the CIA-Justice Department crew which devised and directed the initial break-in. From then on Nixon became the target of an extensive media campaign run through such newspapers as the *Washington Post* and the *Boston Globe*, which had him tried and convicted long before Congress got around to its investigations. When the congressional committees finally started investigating the matter, they were treated to a parade of informants who unwound a series of interlocked scandals, touching upon other figures in the GOP. A special prosecutor was established to accelerate the process.

As GOP chairman, George Bush worked closely with Kissinger and White House chief of staff Alexander Haig, to finish off Nixon and drive him from the oval office. The "Nixon machine" in the GOP was destroyed.

As a byproduct of Watergate, a flock of liberal oriented Democratic congressmen were swept into office in the 1974 elections. Coupled with the 1972 nomination of arch-liberal George McGovern and related reforms within the Democratic Party, the 1974 elections went a long way toward weakening the Democratic Party. The mechanisms for Abscam/Brilab were already being put in place to finish the job.

### **The current operation**

Official FBI sources say that Abscam/Brilab grew out of a series of investigations into art and security thefts that involved public officials and organized crime figures. This probe was then "expanded," says the FBI.

These initial fishing expeditions were aimed at government officials and legitimate businessmen. Our sources say that none of these people were in fact guilty of anything, until they were entrapped by FBI informants, some of whom had longstanding connections to organized crime. Typical was "Project Alpha," an FBI-informants project based in New Jersey and Pennsylvania, started in 1974. Alpha used known, organized-crime figures for entrapment purposes. In some cases, Alpha was directed against well known organized-crime operatives. But in most cases, political enemies of the Carter administration became the targets. The success of Alpha was used to justify the expansion of the

"entrapment" informants operation into the current full blown "Abscam."

How is the Abscam/Brilab operation run? There are three basic levels.

One level involves the agencies of the federal government including the executive and legislative branches. The institutions being deployed at this level are:

- The Department of Justice Criminal Division: Abscam/Brilab is being run through a triumvirate which includes the office of Attorney General Benjamin Civiletti, the FBI, and the criminal division of the Department of Justice, which includes the Law Enforcement Assistance Administration, under its special program on "white collar and organized crime," Civiletti's role in the process has been key; he is the former head of the criminal division of the DoJ and helped set up and authorize the "implementation" phase of Abscam/Brilab. William Webster, the current FBI director, was sold the Abscam program by Civiletti and Neil Welch, the Assistant FBI Director who runs the New York office. Welch has been on the inside of the program since its inception and has direct field responsibility for running major portions of the operation, according to our sources.

The Special FBI Task Force involved in Abscam/Brilab coordinates directly with the Organized Crime Strike Force of the Justice Department. The LEAA provides funding and additional equipment and personnel. The LEAA in fact designed the entire program.

- The Congress: It is through the Congress in consultation with the Department of Justice and the White House that "special prosecutors" and investigators will be appointed to deal with Abscam and related cases. The Senate Judiciary Committee and the House Ethics Committee have already started the first phases of a Watergate-style probe. The House Ethics Committee last week appointed its own special counsel, E. Barrett Prettyman of the law firm of Hogan and Hartson. That law firm is a depository of former Robert Kennedy Justice Department lawyers. Prettyman himself was a special aide to Robert F. Kennedy and counsel to several of Ralph Nader's front groups, including the Center for Law and Social Policy. In 1968, prior to the drafting of the Omnibus Crime Bill of 1968, Prettyman headed a commission which laid the groundwork for the present criminal code reform, Senator Edward Kennedy's S-1722, which would codify Abscam type probes, complete with their entrapment techniques.

The Senate Permanent Investigations Subcommittee of the Senate Judiciary Committee has been reorganized by former head of the Buffalo Organized Crime Strike Force Martin Steinberg to handle the fallout from Abscam/Brilab and in particular, to continue its ongoing assault against the International Brotherhood of Teams-

ters. The Teamsters union is one of the major "enemy" targets of the Brilab probe, intelligence sources report.

Meanwhile the Senate Intelligence Committee, headed by Senator Birch Bayh (D-Ind.) has begun hearings on the National Intelligence Act of 1980. The Carter administration has already created a secret "star chamber" court composed of seven District Court judges whose function is to issue court orders for warrants requested by an intelligence agency to conduct electronic surveillance of U.S. citizens. The new bill, called the Huddleston Bill after the Democratic senator from Kentucky who is sponsoring it with Bayh, would expand the function of the existing court to include provision for issuing orders for physical searches—break-ins—and mail openings against U.S. citizens. In short, Watergate-type plumbers units could conduct their activities with the full blessing of the law, under the type of court system the Nazis employed to direct political-police operations against domestic political "enemies" This turns the FBI, CIA and NSA into a Himmler's Gestapo.

The next level of the operation centers around extra-governmental agencies in alliance with the DoJ, FBI, etc. In this category we find: the financial, corporate, and private intelligence agencies linked to Dope, Inc., the international drug cartel that influences and controls governments, including the U.S. government. Key to the Abscam/Brilab operation are:

- **Resorts International:** This outfit, linked to Miami based organized crime kingpin Meyer Lansky, cooperated with federal authorities in allowing the FBI to set up a scam out of their Atlantic City Hotel Casino. Intertel, the private intelligence network, operated by Resorts, aided in the FBI entrapment probe. Intertel has many former FBI, NSA and Justice Department officials, including Intertel head Robert Peloquin, who worked with Neil Welch when both were in Buffalo in 1966.

- **Chase Manhattan Bank:** This bank which funds Resorts projects, laundered the money for Abscam through a dummy account. Chase's involvement in Abscam was approved by senior officials of the bank.

- **Prudential Life Insurance:** Prudential knowingly provided the cover for FBI operations around Brilab using insurance agents for entrapment. Prudential also has longstanding connections with Resorts and a famous role in sponsoring LEAA race-riot operations in Newark, N.J. in the late 1960s and early 1970s

The third level of the overall Abscam/Brilab operation is the media.

Before a single indictment was handed down, Neil Welch, the FBI Assistant Director along with the Organized Crime Strike Force chief Puccio in Brooklyn and Queens, leaked the details of Abscam to NBC, the *New York Times* and *Newsday*. This set off a wave of stories across the country that carried the FBI-leaked allega-

## What is Hogan & Hartson?

### PARTNERS

*Edward A. McDermott.* Director of the Office of Emergency Planning under President John F. Kennedy; member, NSC, Kennedy administration; chairman, Emergency Planning Committee, NATO, Kennedy administration.

*Lee Loevingen.* Assistant Attorney General, Anti-Trust Division, Department of Justice, under Robert F. Kennedy.

*E. Barrett Prettyman.* Law Clerk to Justice Jackson, 1963; aide to Attorney General, Robert F. Kennedy, 1963-1964; Special Assistant to President Lyndon B. Johnson; member, Board of Directors, Institute for Public Interest Representation, Georgetown University.

*Linwood Holton.* Republican Governor of Virginia, 1970-1974; Assistant Secretary of State for Congressional Relations, under Henry Kissinger, 1974-1975.

*Sherwin Markman.* Assistant to President Lyndon B. Johnson, 1966-1968.

*Dennis J. Lehr.* Attorney for the SEC, 1963-1966; Associate General Counsel for the Office of the Comptroller of the Currency, 1964-1967. Professor of Law, Georgetown University.

*Arthur Rothkopf.* Attorney for the SEC, 1963-1966.

*Jerome N. Sonosky.* Special Assistant to HEW Secretary, Abraham Ribicoff, 1961-1963; legislative assistant, Senator Abraham Ribicoff, 1963-1966; Staff Director, Senate Sub-Committee on Executive Reorganization, 1965-1967.

*Austin Mittler.* Attorney, Criminal Division, Department of Justice, 1963-1966; Staff Assistant to Assistant Attorney General, Warren Christopher, 1967-1968, under Ramsey Clark.

*George U. Carneal.* Law Clerk to Wash. D.C. Court of Appeals Judge, E. Barret Prettyman, 1961-1962; General Counsel to the FAA, 1971-1972.

*Stewart Ross.* Law Clerk to Justice Tom Clark (father of Ramsey Clark).

*Peter W. Tredick.* Counsel to Special sub-Committee on Labor, House of Representatives, 1967-1969.

### ASSOCIATES

*J. W. Fulbright.* Chairman, Senate Foreign Relations Committee, 1959-1974. Rhodes scholar, Oxford.

tions against a U.S. Senator, Harrison Williams, and several Congressmen and public officials.

As has been pointed out by several of the individuals so accused, they are being tried by the media without the benefit of due process. Regardless of whether the charges are ever substantiated, the names and careers of the targeted individuals have been smeared.

The FBI-DoJ networks are fully aware of this, as are the media carrying the almost-daily revelations. Both are witting components of the same conspiracy. For example:

Neil Welch leaked the Abscam information to *Newsday's* Bob Greene, Greene is a director of a group known as the Investigative Reporters and Editors, Inc. (IRE). This group was responsible in 1977 for the publication, in major newspapers across the country, of a series of articles ostensibly on the organized-crime directed assassination of reporter Don Bolles. The series in fact served as the basis for the publication of leaked DoJ-FBI smears against several targeted individuals and organizations. It is the opinion of several law enforcement officials that that series helped cover up the real leads uncovered by reporter Bolles and misdirected its readers towards FBI-DoJ ongoing investigations. Bob Greene is really nothing more than a conduit for the dirty operations of Welch, etc.

The IRE is paralleled by a much larger network of investigative reporters coordinated under the umbrella of the so-called Fund for Investigative Journalism, based out of Washington, D.C. This organization, financed by the Stern Foundation and the *Chicago Sun Times*-linked Field Foundation, is in actuality a special investigative unit of the DoJ/NSA, through which investigations and smear campaigns can be laundered and conducted.

Many of the scandals leading to the current phase of operations, including the entirety of the press side of Watergate were carried out by associate members of the FIJ. This network included reporters on most of major and "counterculture" newspapers and journals of the country, like Bob Woodward and Carl Bernstein of the *Washington Post*, columnist Jack Anderson and Robert Novak, Jack Nelson of the Washington bureau of the *Los Angeles Times*, William Atwood, former publisher of *Newsday*, and Seymour Hersh of *The New York Times*.

Above this plumbers unit of the press corps are the interlocking directorships of the national media, which are in turn plugged into the DoJ/NSA operation. Full documentation of this would cover pages.

Most of the direction and guidance for using the media as part of the Watergate entrapment operations comes from a project on communications of the Aspen Institute for Humanistic Studies, headed by Henry Kissinger and Douglas Cater and including Charles Yost, a director of the Aspen Institute and the FIJ.

### The targets

The press, backed up by certain statements from members of Congress, including Senator Adlai Stevenson (D-Ill.), say that FBI officials randomly selected their targets from the Congressional phone directory. A cursory examination of those targets shows that statement to be misdirection; most if not all of the "targets" were chosen politically, i.e., for either potential smear or political leverage.

For example take the case of Senator Howard Cannon, the chairman of the powerful Senate Commerce Committee. Cannon has not been named in any indictment, yet the FBI-DoJ "sting" team leaked his name to

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## Neil Welch: Entrapment and trial by press

Neil Welch is a career FBI agent who got his big break from Robert Kennedy's Justice Department in the early 1960s. After Montgomery, Alabama during the 1964 civil rights confrontations, Welch was promoted to Special Agent in Charge of the Buffalo FBI office in 1966, parallel with the formation of the Organized Crime Strike Force by Ramsey Clark.

On assuming power in the Buffalo FBI office, Welch launched a

"reorganization" of the office shifting the majority of agents into organized crime investigations. But the Buffalo FBI and Buffalo Strike Force never uncovered the Jacobs family-run Emprise, nexus of drug trafficking and dirty money laundering run out of Buffalo.

Welch's claim to fame as a fighter of organized crime is the indictment of the Maggadino mafia family. While this looked like a spectacular bust in the media, and sealed Welch's and the Strike Force's reputations as tough crime fighters, the case was a simple diversion from Jacobs' Emprise operation. Most of the indictments never came to court, and Don Mag-

gadino, the prize catch in the case, was hurriedly indicted on his death bed, before nature robbed Welch and the Strike Force of their main publicity feature. While Welch's friends on the Buffalo Strike Force moved into Jacobs' SportsSystems and Meyer Lansky's Resorts International, Welch stayed inside the FBI to help clean out the competition.

Next Welch was moved to head up the Detroit FBI office, where his crime busting campaign again overlooked the alleged central crime figure in the area, Max Fisher. Instead Welch went after a political pay-off caper which he claimed was run out of the Anchor Bar in

the *New York Times* as the subject of a probe. Cannon allegedly received a de facto kickback from the Teamsters through their involvement in an Arizona land deal. This connection was said to be drawn from an ongoing FBI-DoJ operation, codenamed "Pendorf." The deal, the FBI alleged through the *New York Times*, was that Cannon would back the Teamsters and the trucking industry against deregulation measures backed by the Carter administration and Senator Edward Kennedy.

A few days before the story was released, Cannon introduced a trucking deregulation measure of his own—one that some of his own aides thought harsher than they had expected. An aide in Senator Kennedy's office was tipped off that an operation was underway against Cannon as early as last spring. The aide stated that despite appearances, Cannon would come across with a pro-deregulation bill, that a deal was in the offing. "Don't worry," the aide told a reporter, "we have Cannon over a barrel ... he'll come across."

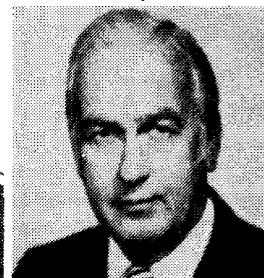
Individuals like Senator Harrison Williams and Rep. Frank Thompson are similar "big fish." Each controls the chairmanship of powerful committees—Thompson, the Administration Committee and Williams, the Senate Education and Labor Committee. These committees pass on much key social legislation—targeted for drastic cuts by Council on Foreign Relations "economists." Other, related targeting involves local government officials in New Jersey, portions of the Louisiana state government, etc. What is being gone after are patronage machines, and the whole question of patronage itself. By smearing key members of Congress, local politicians, etc., the FBI-DoJ are moving to alter the way in which the American political process has functioned—with foreknowledge that the maintenance of viable political machines will be

## Targets of Abscam smear

*New Jersey's Sen.  
Harrison Williams (D)*



*New Jersey's Sen.  
Frank Thompson (D),*



*Nevada's Sen.  
Howard Cannon (D)*

Detroit. When the investigation neared completion Welch discovered that all of his authorizations for wiretaps and mail-cover surveillance which had come from Washington, D.C. were not legitimate, having been signed by a Justice Department underling without proper clearance. Since the evidence would not stand up in court, Welch dumped the entire file into the press, including a list of 150 names under investigation in the case, letting the media finish what he started.

Despite numerous denials, Welch was deeply involved in the Cointelpro, "dirty tricks" operations of the FBI while he was in

Detroit. In 1971 and during the school bussing confrontations, the famous Pontiac bus bombing was carried out by an informant who was working out of the Detroit FBI offices. This same informant was then infiltrated into a political organization in 1974, still under control of Welch's Detroit FBI office. A lawsuit is still pending against Welch and others on this case.

In 1975, Welch moved on to head up the Philadelphia FBI office, which began with a reorganization to aim the FBI against "political corruption." During his three years there, he succeeded in dislodging the Democratic Party's "Rizzo" machine from power in

the city, though there were few if any actual indictments.

At present, Neil Welch is the Special Agent in Charge of the New York FBI office. His main activity has been the "brick-by-brick" reorganization of the office, designed to purge all of the old-line antiterrorist elements and build up another "political corruption" unit.

His success to date is witnessed by the fact that he has been able to resume his old trick of leaking information inadmissible in court to the media on the Abscam case.

On examination of his record it appears that Neil Welch has found trial by press far superior to a trial by jury.

rendered impossible by these attacks. If these machines are destroyed, there can be no basis for mounting an effective defense against proposed austerity measures coming from both the Bush and Carter camps.

Our sources say that the Teamsters and the International Longshoreman's Association are key targets of the Abscam/Brilab operation. These unions have been the targets of the FBI-DoJ since the early 1950s. The story that has generally appeared in the press about the corruption of the IBT and ILA is a cover for this operation—the real aim is to control these unions, to prevent them from acting as an independent force on American politics. This was the reason behind the vendetta against the late Teamster President James Hoffa—a vendetta conducted by the same FBI-DoJ networks involved in Abscam/Brilab. FBI Assistant Director Neil Welch, for example, ran the last phases of the “Get Hoffa” operation, including the investigation into Hoffa’s 1977 “disappearance.” Some people say that it was Welch who helped make Hoffa “disappear.”

### How to stop it

It is the responsibility of our elected officials to put an end to Abscam/Brilab. It would be wrong, as is being proposed now, for Congress to pass judgment on a case by case basis. It would be equally wrong, as is also proposed, to simply focus on the legal implications of the “sting” entrapment techniques from the standpoint of “overzealousness.”

The real question that must frame a proper investigation is, who benefits? The relevant Congressional committees must immediately begin an investigation of the who, the why and the how of Abscam/Brilab, before the entire 1980 election campaign is turned into a travesty.

## What is the National Intelligence Act of 1980?

Two weeks ago, in the midst of the public unveiling of the Abscam/Brilab scandals, Senator Dee Huddleston (D-Ky.) together with Senator Birch Bayh (D-Ind.), chairman of the Select Committee on Intelligence, Senator Charles Mathias (D-Md.) and Senator Barry Goldwater (R-Az.) introduced the National Intelligence Act of 1980, whose purpose is to supersede the National Security Act of 1947.

According to critics and supporters alike, the 124-page bill, which incorporates and/or amends sections of the existing Executive Orders and the Foreign Intelligence Surveillance Act, written in the wake of the famous Church Committee Report on intelligence community abuses, the central, most radical feature of the bill is what is most commonly called the “secret court” or the “Star Chamber.”

This special court is already in existence and includes 7 federal district court judges whose function is to issue court orders for warrants requested by an intelligence agency to conduct electronic surveillance of U.S. citizens.

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## Organized crime's strike force

The Justice Department's Organized Crime Strike Force has, since its inception in 1966, created more heat and less light than any other institution in the history of American law enforcement. Despite tremendous publicity on its successes in fighting organized crime, the Strike Force has avoided every single one of the central figures in the drug running and dirty money empire in the U.S.

Moreover, for their careful work in overlooking the Jacobs' family SportsSystems; Max Fisher's United Brands (formerly United Fruit); Meyer Lansky's Resorts International and Intertel; etc. many of the leading figures in the Strike Force have “retired” to high positions in these companies

The first strike force was put together in Buffalo by Attorney General Ramsey Clark in 1966. Clark chose Buffalo because of the extremely high profile of organized crime there and claimed it would be the best place to test his “concept” of bringing together a number of federal agencies in a coordinated effort.

The record of the Buffalo Strike Force during its first year set the tone for the activities of the entire Strike Force apparatus, now deployed in major cities across the country. Instead of launching the Strike Force against Max Jacobs and his associates, Clark aimed the first Strike Force campaign against Jacobs' local competition. To pull this scam off Clark appointed Robert Peloquin who had been in Attorney General Robert Kennedy's “Get Hoffa” unit, to head up the Strike Force team.

Starting out as a recruit to the Office of Naval Intelligence during the War, Peloquin spent the 1950s in the National Security Agency