

Commission finds Nebraska bigwigs covering up child abuse and satanism

by An EIR Investigative Team

On Oct. 11, a Citizens' Fact Finding Commission traveled to Nebraska in response to a call by the Schiller Institute, which had received urgent requests from citizens of Nebraska whose lives had been threatened. The commission's mission was to investigate reports of a ring involving child abuse and satanism in which financial and civic leaders as well as law enforcement officials were participants. Its preliminary findings were reported at a press conference at the Omaha Press Club on Oct. 17. The group concluded that a high-level coverup of child abuse surrounding the Franklin Credit Union scandal was under way; that lives—those of victim-witnesses as well as others—were in danger, particularly abuse victim Paul Bonacci; and that people who have been highly visible, either as advocates for the abused children, or fighting to keep the investigation going, are being terrorized.

As evidence of a coverup, they cited the fact that the Douglas County, Nebraska grand jury which indicted two victim-witnesses Alisha Owen and Paul Bonacci for perjury, and which called the entire investigation a "carefully crafted hoax," never even called the central figure in the suspected child abuse ring, Larry King, to the stand. King, the manager and treasurer of the Franklin Credit Union, was also a leading figure in the national Republican Party. Allegations of child abuse emerged around the collapse of his credit union in late 1988.

The commission also cited the role of child abuse victim-witness Troy Boner, who initially gave testimony confirming abuse to Gary Caradori, the investigator for the state legislative committee probing the Franklin collapse. Boner later recanted his testimony before the grand jury. It was Boner's recanted testimony upon which the grand jury evidently relied in discrediting Owen's and Bonacci's testimony, and dismissing the voluminous evidence of abuse amassed by Caradori as a "carefully crafted hoax."

Yet as the commission noted, "if there is one person in the whole Franklin affair who has definitively been proven to be a liar, it is Troy Boner. Even the FBI, which seems to have relied upon his veracity against Miss Owen, has called him a liar."

The six-hour videotaped testimony of 21-year-old Alisha Owen was viewed at length by the commission, whose members deemed it highly credible. It implicated Larry King,

former Omaha police chief Robert Wadman, former *World-Herald* chief executive Harold Andersen, who is also an adviser to the State Department, and others, in a child abuse and child pornography ring.

The Douglas County grand jury and a Federally convened grand jury indicted Owen for her testimony against Wadman and Andersen and exonerated the two men. Owen had charged in sworn statements to Caradori that Wadman, now the police chief in Aurora, Illinois, had molested her from the time she was 14 years old. She also charged that Wadman is the father of her 5-year-old child.

Grand jury suspect

The commission reported that the Douglas County grand jury, which had the responsibility to the community of reviewing the evidence and determining whether to file charges against the accused pedophiles, had the appearance of the fox investigating the chicken coop. The report says, "We have further received extremely disturbing allegations regarding the grand jury's foreman Michael Flanagan. It is outrageous that the jury's foreman, an official of Union Pacific Railroad, was not disqualified, since another Union Pacific official was a board member of the Franklin Credit Union. But, still more serious, are the allegations we have received that Mr. Flanagan, some two and a half years ago, made aggressive homosexual advances toward a Union Pacific trainee, one John Dillard. Flanagan reportedly made some settlement with Dillard, who is no longer with Union Pacific. It is crucial that these allegations be further investigated."

Not part of the commission's findings, but reported to *EIR* by reliable sources, was the fact that Flanagan, who is in charge of legal records at Union Pacific, reviewed the grand jury testimony every day with the legal department at Union Pacific. Henry Kissinger, widely rumored to be a pedophile, is also on the board of Union Pacific.

Also with respect to the coverup, the commission noted a startling fact which contradicted the Douglas County grand jury's report. The grand jury reported that Bonacci's psychiatrist said he was incapable of telling the truth. But, to the contrary, Bonacci's psychiatrist, Dr. Beverly Mead of Creighton University, stated to the commission on the record that, despite Bonacci's multiple personality disorder as a

result of years of abuse, he is capable of telling the truth, and in fact Mead believes he is telling the truth.

The commission questioned the one-sided coverage of the investigation in the Omaha *World-Herald*, its editorial policy of attacking the credibility of the witnesses and investigators, and of protecting the individuals accused. Most of the articles, the commission found, were the articles in the *World-Herald* questioning the integrity of the slain Franklin Committee investigator Gary Caradori, whose detailed, videotaped interviews with the abuse victims taken under oath are at the heart of the abuse allegations.

The Commission's members interviewed 16 people in total, ranging from officials who had participated in the Franklin investigation, to ordinary citizens with information. They reviewed extensive documentation of child abuse and satanic activity, including many hours of videotaped testimony. They met with the FBI and questioned in their report the disparaging remarks made at the meeting regarding the credibility of investigator Caradori. They also contacted the *World-Herald*. The editor, Mr. Pearman, refused to meet with the commission to answer their questions without a written request which included their credentials and all of the questions. When contacted for followup, he said he had not had time to review the request.

No remedy in Nebraska

The report was presented to the citizens of Nebraska at a well-attended press conference on Oct. 17. It was then circulated to the Nebraska press corps and internationally through commission members. They concluded that "the victims and child advocates in this case all feel they have little or no remedy at law within the State of Nebraska at present. Therefore, we are committed to reporting back to our own organizations, and to many others beyond us, in the U.S. and around the world, the scandal of the Nebraska child abuse coverup." They reported that an international spotlight was required on the situation.

Since the preliminary report was released, numbers of people sent telegrams to Nebraska Governor Kay Orr to demand protection for Paul Bonacci, who, along with Owen, has steadfastly refused to recant his testimony. Bonacci and Owen are both serving jail sentences on unrelated charges and have reportedly refused any deal involving recantation of their accusations.

The commission found that there was "torture and a murder in progress" under way against Bonacci, due to his extraordinarily bad treatment in the Omaha Correctional Center, which caused, among other things, a severe drop in his body weight. Prison director Joseph Vitek claimed in an interview to the *World-Herald* immediately after the commission released its findings, that Bonacci's weight had only fallen from 137 to 134 pounds. Bonacci's family has said he weighed 150 when he went in. Whatever his initial weight, when he was weighed at a state prison in Lincoln several

days after Vitek's claim to the *World-Herald*, he weighed only 121 pounds. Within one and one half hours after the commission's press conference, Bonacci's treatment improved markedly, and he was shortly thereafter moved back to the state prison in Lincoln, where he had been held before the grand jury and where his treatment had been better than in Omaha. The Department of Corrections responded to citizens who had contacted them with an official note of concern.

The *World-Herald*, for its part, has been ablaze with articles attempting to discredit the work of the commission since the press conference. At the press conference, *World-Herald* reporter Bob Dorr was roundly attacked by concerned citizens for his paper's distorted coverage. On Oct. 20, the *World-Herald* covered the commission's findings by citing "three factual errors," and ignoring the body of the report.

On Sunday Oct. 28, the *World-Herald* penned a highly inflammatory article entitled "Extremist group attacks Wadman: LaRouche article contains falsehood." The "falsehood" refers to *EIR*'s Aug. 31 coverage of the Nebraska scandal which reported that babies had been sacrificed in satanic rituals at which members of the Franklin ring were present. The *World-Herald* called this an "outrageous charge" and quoted two experts to denounce associates of Lyndon LaRouche. One, not unexpectedly, was Mira Lansky Boland from the organized crime-linked Anti-Defamation League's (ADL) Washington office. Boland, who was employed by the CIA before moving to the ADL and who has made a career out of trying to put associates of Lyndon LaRouche in jail, tried to disparage *EIR*'s charges of satanic activity.

Commission members investigating abuse

The Citizens' Fact-Finding Commission to Investigate Human Rights Violations of Children in Nebraska, includes: Suzanne Rose, Schiller Institute, Washington, D.C.; David Hall, president, Texas Life Advocates, Fort Worth, Texas; Mimi Bull, lawyer, San Francisco; William Nezowy, president, American Ukrainian Political Action Council of the United States, Pennsylvania; Reverend James Bevel, civil rights activist, Washington, D.C.; Danielle Alexander, treasurer, Students for Education and Economic Development, Washington, D.C.; Dr. Wayne Poley, registered clinical psychologist, Vancouver, British Columbia; Martin Humer, European Citizens' Initiative to Protect Life and Human Dignity, Austria; Elke Fimmen, Club of Life, Munich, Germany.