

Destroy Drug Trade's Financial Support

by Roger Moore

June 6—Speaking at the International Drug Enforcement Conference (IDEC-2013) in Moscow June 5, President Vladimir Putin challenged NATO and the EU to work with Russia and its allies in Central Asia, the Collective Security Treaty Organization (CSTO), to eliminate the plague of illegal drugs. “The drug trade is a breeding ground for organized crime, smuggling, and illegal migration” Putin said. “Even sadder and more dangerous, it is also a breeding ground for terrorism. We therefore believe it essential to fight all types of drugs, and we are worried by the more ‘relaxed laws’ that some countries have passed, and that lead to legalization of so-called ‘soft’ drugs. This is a very dangerous path.”

After referencing Afghanistan, a major source of opium/heroin, where CSTO/NATO cooperation is needed, Putin added: “Another key area for action is to destroy the drug trade’s financial base.” He called for a “step-up of efforts to identify, arrest, and confiscate money and assets obtained through illegal trade of narcotics and precursors.”

Conference co-host and Russian Federal Drug Control Service (FSKN) director Viktor Ivanov stated at the opening of the conference, “When drug money comes to banks, competition is disrupted and the economy sustains significant damage.” His written text further stated: “Specifics of the current situation are that drug money and transcontinental drug trafficking, acting as donors of scarce liquidity for the global banking system, are in fact a vital and integral segment of the whole monetary system today; they are accelerating the global financial and economic crisis, which in turn is a kind of a driver, a moving spring of the financial and economic order for the continuation of drug production.”

Ivanov identified Wachovia Bank, Bank of America, and HSBC as case studies for this. “That is why a drug police, destroying the financial basis of drug crime, contributes to securing of prosperity of our countries and to return of the global financial system to

normal economics, which works not to enrich clubby elites at any cost, but for the whole population.”

Glass-Steagall Needed in Fight vs. Money-Laundering

Speaking before the Argentine Center for International Relations (CARI) on June 27, 2012, Ivanov said that a Glass-Steagall-style banking separation is fundamental to ending the marriage between international finance and the global drug trade.¹

Yuri Chikhanchin, the Russian head of the Eurasian Group on Combating Money-Laundering and Terrorism, stated at the 2013 Moscow conference, “There is information that some banks attracted such funds during the crisis to stabilize their position and to solve the liquidity problems.” Unlike the U.S. Department of Justice, which refused to prosecute HSBC’s narcotics money-laundering because it might bring down this system, or the “see-no-evil” head of the German Criminal Agency (BKA) Financial Intelligence Unit, Dr. Michael Dewald, who publicly told *EIR* that he and the OECD’s Financial Actions Task Force had found no evidence that banks were expanding criminal money-laundering at the outset of the financial crisis, Ivanov and Chikhanchin, who also heads Russia’s Financial Monitoring Service (Rosfinmonitoring), are pulling no punches.

A bipartisan U.S. Congressional delegation led by Rep. Dana Rohrabacher (R-Calif.) was in Moscow just prior to the IDEC-2013, where the lawmakers put emphasis on increasing U.S.-Russian collaboration against jihadi terrorism, particularly after April’s Boston Marathon bombing. Rohrabacher visited Beslan, where Chechen jihadis occupied a school in 2004, taking hostage more than 1,200 schoolchildren and adults. Over 300 died during the rescue attempt, after the terrorists had begun killing hostages.

Ivanov has charged that money from the heroin trade is financing jihadi mercenaries in Syria. As stated in his written text: “It should be emphasized that an integral consequence, or actually an attribute of long-distance trafficking of heroin and cocaine, is highly rapid expansion of extremist and terroristic activities in drug transit countries.”

It is long overdue that the necessary changes in the United States be undertaken; there are many in the U.S. military and law enforcement who know that. Some were at that conference in Moscow.

1. *EIR*, July 13, 2013.