

The U.S. and the Drug Trade

<p>It is estimated that between \$100 and \$250 billion of drug money is being laundered through the United States.</p> <p>The common investment banking multiplier effect is 6, so that laundered money reflects about \$1 to \$1.5 trillion in cash transactions</p>	<p>Sources: *Dept of Justice *Andean Commission of Jurists *Catherine Austin Fitts - Former Assistant to Secretary of HUD under the Bush Sr. Administration [CIA, Drugs and Wall Street - Ruppert]</p>
<p>Four states having the largest drug importation: New York, Florida, Texas, and California</p>	<p>Sources: *Catherine Austin Fitts</p>
<p>States making up 80% of all Presidential campaign funds: New York, Florida, Texas, and California</p>	<p>Sources: *Catherine Austin Fitts</p>
<p>The National Security Act of 1947 which created the CIA was largely written and sponsored by Clifford Clark.</p>	<p>Sources: CIA, Drugs and Wall Street - Ruppert</p>
<p>1. Clifford Clark was a Wall Street banker and lawyer 2. 1968 Secretary of Defense in the Johnson Administration 1960 he was a member of President-elect Kennedy's Committee on the Defense Establishment</p> <p>1961 Kennedy appointed him to the President's Foreign Intelligence Advisory Board, which he chaired beginning in April 1963. After President Johnson entered office, Clifford served frequently as an unofficial counselor and sometimes undertook short-term official duties, including a trip with General Maxwell Taylor in 1967 to Vietnam and other countries in Southeast Asia and the Pacific. Clifford estimated that in the year prior to his appointment as secretary of defense he had spent about half of his time advising the president and the other half with his law firm.</p> <p>3. "Clifford insisting on his innocence to the end as he faced charges of fraud, conspiracy and taking bribes in the biggest banking scandal in history, the collapse of the Bank of Credit and Commerce International. (BCCI scandal)"</p> <p>... "his law partner, Robert A. Altman, reached a \$5 million settlement with the Federal Reserve Board..."</p>	<p>Sources: 1. CIA, Drugs and Wall Street - Ruppert 2. "History of the National Security Council" Whitehouse.gov 3. MARILYN BERGER, "Clark Clifford, Key Adviser to Four Presidents, Dies," New York Times, October 11, 1998</p>
<p>1. "Chairman Grasso [chairman of the NYSE] and members of his executive staff flew to Colombia to meet with a spokesperson for Raul</p>	<p>Sources: 1. The Ultimate New Business</p>

<p>Reyes of the Revolutionary Armed Forces of Columbia (FARC), the country's largest leftist rebel group. The purpose of the trip was "to bring a "message of cooperation from U.S. financial services" and to discuss foreign investment and the future role of U.S. businesses in Colombia.</p> <p>"It was only a few days after Grasso's trip that BBC News reported a GAO report to Congress as saying: "Colombia's cocaine and heroin production is set to rise by as much as 50% as the U.S. backed drug war flounders, due largely to the growing strength of Marxist rebels"</p>	<p>Cold Call: NYSE Exchange Chief Pitches Colombian Rebel Forces Catherine Austin Fitts, Contributing Editor</p>
<p>Guatemala</p> <p>1. As the New York Times reported (June 30, 1995), "American and Guatemalan officials, who long denied these links, now acknowledge that the CIA gave the Guatemalan military millions of dollars in the 1980s and 1990s, used some of the money as bribes to buy information from high-ranking military intelligence officers, and provided intelligence to the army for its long war against guerrillas, farmers, peasants and other opponents." In an unusually candid admission, the former inspector-general of the CIA, Fred Hitz, told Clifford Krauss of the New York Times (March 6, 1999), "It's one of the saddest chapters of American relations with Latin America. The United States felt responsible for what it started by removing Arbenz and essentially we were trapped. We started something and didn't know how to get off the train."</p> <p>2. "Whilst anticommunism, promoted by the United States within the framework of its foreign policy, received firm support from right-wing political parties and from various other powerful actors in Guatemala, the United States demonstrated that it was willing to provide support for strong military regimes in its strategic backyard. In the case of Guatemala, military assistance was directed towards reinforcing the national intelligence apparatus and for training the officer corps in counterinsurgency techniques, key factors which had significant bearing on human rights violations during the armed confrontation."</p> <p>"Through its investigation, the CEH discovered one of the most devastating effects of this policy: state forces and related paramilitary groups were responsible for 93% of the violations documented by the CEH, including 92% of the arbitrary executions and 91% of forced disappearances. Victims included men, women and children of all social strata: workers, professionals, church members, politicians, peasants, students and academics; in ethnic terms, the vast majority were Mayans."</p>	<p>Sources:</p> <p>1. http://www.us.net/cip/rethinking.htm Lessons from Latin America By Robert E. White</p> <p>2. "The Tragedy of Armed Confrontations." United Nations Committee for Historical Clarification [CEH] investigation report from the Conclusions section.</p>
<p>Guatemala continued</p> <p>Using the National Security Doctrine as its justification, and acting in the</p>	<p>Sources:</p> <p>2. "The Tragedy of Armed Confrontations." United Nations</p>

<p>name of anti-communism, crimes were committed which include the kidnapping and assassination of political activists, students, trade unionists and human rights activists, all categorized as “subversives”; the forced disappearance of political and social leaders and poor peasants; and the systematic use of torture.”</p> <p>“During most of the internal armed confrontation, attempts to form organisations for the defence of human rights resulted in the elimination of their leaders. In the 1980s, the appearance of new groups of human rights defenders in various areas was received by the State with intensive repression which resulted in the murder or disappearance of many of their members. Campaigns directed towards discrediting this type of organisation, presenting them as “subversive”, were one of the constants of the repression.”</p>	<p>Committee for Historical Clarification [CEH] investigation report from the Conclusions section.</p>
<p>Columbia</p> <p>1. Otto Reich appointed by Bush Jr. as Assistant Secretary for Western Hemisphere Affairs was Office of Diplomacy under Reagan and convicted in Iran / Contra</p> <p>2. “Colombia’s 40 million inhabitants and its democracy are under assault by three terrorist groups –the Revolutionary Armed Forces of Colombia (FARC), National Liberation Army (ELN) and the United Self-Defense Forces of Colombia (AUC). The three groups have a combined force of over 25,000 combatants, and engage regularly in massacres, kidnappings, and attacks on infrastructure and public utilities. The FARC and AUC are involved in all facets of narcotics trafficking, including cultivation, processing, and transportation. The income they derive – estimated at over \$300 million a year - has been key to their expansion over the last ten years.”</p> <p>“Since July 2000, the U.S has provided Colombia with \$1.7 billion to combat narcotics trafficking and terrorism, strengthen democratic institutions and human rights, foster socio-economic development, and mitigate the impact of the violence on Colombian civilians. We also during most of this time have provided Colombia and our other Andean partners with trade benefits under the Andean Trade Preferences Act (ATPA) to encourage economic development outside of the narcotics trade. Our assistance to Colombia using Plan Colombia funds is limited to support of counternarcotics activities.”</p> <p>“We have asked for \$439 million in Andean Counterdrug Initiative funds in our FY-03 budget request to sustain our Plan Colombia programs, as well as \$98 million in FMF funds to train and equip Colombian military units protecting the Cano Limon oil pipeline. The \$439 million request includes \$275 million for the Colombian military and police, and \$164 million for democracy and human rights programs, alternative development, assistance to vulnerable groups, and promotion of the rule of law.”</p>	<p>Sources:</p> <p>1. OpenSecrets.com Presidential Profiles: George W. Bush’s Cabinet</p> <p>2. http://www.state.gov/p/wha/rls/rm/9264.htm U.S. Assistance to Colombia and the Andean Region Otto J. Reich, Assistant Secretary for Western Hemisphere Affairs . Testimony Before the House International Relations Committee, Subcommittee on the Western Hemisphere. Washington, DC April 11, 2002</p>

<p>“We have also requested \$292 million in FY-03 Andean Counterdrug Initiative funds, along with \$44 million in Economic Support Funds (ESF), to support programs in Colombia’s neighboring countries.</p>	
<p>We are also seeking \$35 million in the FY-02 counterterrorism supplemental to help the Colombian Government protect its citizens from kidnapping, infrastructure attacks and other terrorist actions. Our \$35 million request includes:</p> <ul style="list-style-type: none"> \$25 million in NADR funding for anti-kidnapping training and equipment for special units of the Colombian police and military; \$6 million in FMF funding for training for Colombian military units protecting the key Cano Limon oil pipeline; and \$4 million in INCLE funding for the construction of reinforced police stations to enable the police to reestablish a presence in conflicted areas. <p>We have also requested \$3 million in the FY-02 counterterrorism supplemental in FMF funding for Ecuador, principally for the purchase of spare parts and equipment to improve the air mobility of Ecuador’s military. This is a particularly critical need to address if we are to assist the Government of Ecuador in strengthening its controls over provinces bordering Colombia.”</p> <p>This is a request thus far of \$911 million and this is not the only monies requested for Columbia. We are also funding “counter-terrorist” support.</p> <p>3. “Stretching U.S.-provided military assets – creating demand for more military aid Since 2000, the United States has provided Colombia’s about \$1.35 billion in military and police aid.”</p> <p>“As noted in the April 7 Washington Post, some provisions in the supplemental appropriations request would allow the Defense Department to provide \$130 million in defense articles, services and training “in furtherance of the global war on terrorism, on such terms and conditions as the Secretary of Defense may determine.”</p>	<p>Sources:</p> <p>2. http://www.state.gov/p/wha/rls/rm/9264.htm U.S. Assistance to Colombia and the Andean Region Otto J. Reich, Assistant Secretary for Western Hemisphere Affairs . Testimony Before the House International Relations Committee, Subcommittee on the Western Hemisphere. Washington, DC April 11, 2002</p> <p>3. http://www.ciponline.org/colombia/02041107.htm Updated 4/12/02 Testimony of Adam Isacson, senior associate, Center for International Policy, April 11, 2002 To the Subcommittee on the Western Hemisphere, House International Relations Committee</p>
<p>Columbia continued</p> <p>“This is also a crucial moment for the United States’ policy toward Colombia. This year, the administration’s 2003 Foreign Operations request asks Congress for significant amounts of non-drug military assistance for the first time since the Cold War, most of it equipment and training to help defend an oil pipeline. The emergency supplemental legislation also before Congress would go still further, allowing all</p>	<p>Sources:</p> <p>http://www.ciponline.org/colombia/02041107.htm Updated 4/12/02 Testimony of Adam Isacson, senior associate, Center for International Policy, April 11, 2002</p>

<p>previous narcotics-related military assistance – including the contents of the 2000 “Plan Colombia” aid package – to be used in a “unified campaign against narcotics trafficking, terrorist activities, and other threats to its national security.”</p> <p>“Broadening our military assistance mission in Colombia beyond counter-narcotics is a major departure. This may be the last time we get to debate such a qualitative change; future debates will center not on whether we should be involved in Colombia’s conflict, but how deeply we should be involved.”</p> <p>“Colombia is a big country, its illegal armed groups are large and well-funded from a variety of sources (including drugs), and the conflict’s roots are old and complex. The military’s small size and chronic human rights problems are symptoms of years of institutional neglect and lack of professionalization. The guerrillas’ strength is also a symptom of the government’s historical neglect of rural Colombia.”</p> <p>Columbia’s Army “The small size of Colombia’s armed forces increases the potential for U.S. overcommitment. Currently, the Colombian Army has about 150,000 members, but only about 40,000 of them can be deployed into battle.[2] The rest are at desk jobs or tied down to guarding static infrastructure like pipelines and power lines.”</p> <p>“This force would need to triple or quadruple in size to take on the insurgents effectively. In fact, a 1999 paper on Colombia from the U.S. Army War College argues, “Conventional wisdom holds that a successful counter-insurgency requires a ratio of 10 soldiers to 1 guerrilla. ... Even if the army were to achieve the 10 to 1 force ratio, it might still not be enough to ‘saturate’ the country.”</p>	<p>To the Subcommittee on the Western Hemisphere, House International Relations Committee</p>
<p>Columbia’s Army continued “Worse, it is far from clear whether Colombia’s leadership – the ten percent that earn 42 times in a year what the bottom ten percent earn, or the three percent of landholders who control 70 percent of farmland – would be committed to joining the United States in sharing the burden of a serious war effort.”</p> <p>“Current Colombian law excludes conscripts with high school degrees – meaning all but the poor – from service in combat units.” ... “Colombia’s National Association of Financial Institutions (ANIF) reports that Colombia spends only 1.97 percent of GDP on defense, despite having been at war for decades. Worse, much of what is raised ends up lost to corruption. The “corruption perceptions index” maintained by Berlin-based Transparency International ranks Colombia 50th on a list of 91 countries.”</p>	<p>Sources:</p>

<p>“Even if Colombia’s military could somehow be brought to the strength needed to secure all of the country’s territory, U.S. aid would still have disastrous consequences if lingering ties between the armed forces and rightist paramilitaries continue to go unaddressed. It alarms and sickens many to think that our assistance could indirectly benefit a group that is responsible for the vast majority of Colombia’s killings, disappearances and forced displacement of civilians.</p> <p>Due to the Colombian military’s well-documented ties to the paramilitaries, as well as the impunity enjoyed by officers credibly alleged to have been involved in abuses, the U.S. government was unable to certify that its aid recipients met a series of human rights conditions that Congress included in the 2000-2001 aid package law.”</p> <p>Collusion between the Colombian military and the terrorists of the right is continuing. The following examples are taken from the United Nations High Commissioner for Human Rights’ just-released report on Colombia, which notes that “the Office continued receiving disturbing information about ties between the armed forces and paramilitary groups” throughout 2001.”</p>	
<p>Disciplinary and penal investigations are being carried out in the cases of the Chengue [January 2001] and Buga [October 2001] massacres, to establish the responsibility of armed forces members in the violent acts perpetrated by paramilitaries. Information collected by the Office indicates strong evidence of military responsibility by omission of duty.</p> <p>“The paramilitaries, who many tax-paying Colombians may view as a cheaper, quicker option than multiplying the size of their military, are getting stronger. They are the fastest-growing of Colombia’s armed groups, increasing from about 4,000 in 1998 to about 14,000 today, and their leaders say they aim to double in size again by next year. They have made significant territorial gains, moving from traditional strongholds like northwestern Colombia and the Middle Magdalena region to town centers in many longtime guerrilla strongholds in southern Colombia and elsewhere. The paramilitaries also fund themselves through the drug trade, and not just because Colombia’s drug lords are among their longtime benefactors. Like the guerrillas, the paramilitaries tax coca and heroin-poppy in areas where they are strong. The so-called “political director” of the AUC, the media-savvy Carlos Castaño, has admitted in interviews that his group gets about 70 percent of its funding from the drug trade.”</p> <p>“The supplemental appropriations request also would provide Colombia with \$6 million in Foreign Military Financing (FMF) assistance to begin training military units to protect the Caño Limón-Coveñas pipeline in northeastern Colombia. FARC and ELN guerrillas attacked the pipeline – whose oil belongs to a joint venture involving U.S.-based Occidental Petroleum – 170 times in 2001. The administration’s 2003 Foreign Operations Appropriations request includes another \$98 million in FMF</p>	<p>Sources:</p>

<p>for pipeline protection. This aid includes helicopters, training and equipment for Colombia's 18th Brigade, based in Arauca department on the Venezuelan border, and a new 5th Mobile Brigade. The \$6 million in the supplemental merely seeks to "jump-start" this larger aid program."</p>	
<p>"The proposal raises questions about whether the additional assistance, which will include \$60 million for helicopters, will be able to bring an end to guerrilla attacks on the 400-mile-long pipeline. The guerrillas may adapt and begin to concentrate their attacks beyond the 18th Brigade's jurisdiction (about the first 75 miles of the pipeline). If this happens, it is likely that Congress will be asked to provide still more FMF to protect the pipeline. Even in this one area there is plenty of room for escalation.</p> <p>But the pipeline is just one strategic element, in one corner of Colombia. U.S. Ambassador Anne Patterson told Colombia's El Tiempo newspaper in February, "There are more than 300 infrastructure sites that are strategic for the United States in Colombia." [15] Under the banner of infrastructure protection, then, there is plenty of room for escalated involvement."</p>	<p>Sources:</p>
<p>International Drugs-Terrorism</p> <p>1. "I appear before you today to testify on the nexus between international drug trafficking and terrorism, commonly referred to as narco-terrorism. As the tragic events that occurred on September 11, 2001 so shockingly demonstrated, terrorist organizations and the dependence on and relation of some of these organizations to international drug trafficking poses a threat to the national security of the United States. Consequently, the DEA has directed enforcement and intelligence assets to identify, investigate, and dismantle all organizations, including terrorist groups, engaged in the drug trafficking trade. The degree to which terrorist organizations utilize drug profits to finance their horrific activities is of paramount concern to the DEA."</p> <p>"The Colombian Narco-Terrorist Threat On February 23, 2002, Colombian presidential candidate Ingrid Betancourt and her chief of staff, Clara Rojas were kidnapped by the Revolutionary Armed Forces of Colombia (FARC). Other acts of terrorism include Colombian Congresswoman Martha Catalina Daniels' torture and assassination. Colombia continues to be plagued by complex crime and national security issues that are, in part, fueled by the drug trade.</p> <p>In Colombia, drug traffickers, terrorist groups, and illegal self-defense groups all carry out attacks of the most extreme violence on society.</p>	<p>Sources:</p> <p>1. http://www.state.gov/g/inl/rls/rm/2002/9239.htm International Drug Trafficking and Terrorism Asa Hutchinson, DEA Administrator Testimony Before the Senate Judiciary Committee Subcommittee on Technology, Terrorism, and Government Information Washington, DC March 13, 2002</p>

<p>Colombia's two major insurgent groups are the Revolutionary Armed Forces of Colombia (Fuerzas Armadas Revolucionarias de Colombia or FARC) and the National Liberation Army (Ejercito de Liberacion or ELN). The FARC controls large areas of Colombia's eastern lowlands and rain forest, which are the primary coca cultivation and cocaine processing regions in the country. The ELN operates primarily along Colombia's northeastern border with Venezuela and in central and northwestern Colombia, including Colombia's cannabis and opium poppy growing areas."</p>	
<p>International Drugs-Terrorism</p> <p>1. "There often is a nexus between terrorism and organized crime, including drug trafficking. Links between terrorist organizations and drug traffickers take many forms, ranging from facilitation -- protection, transportation, and taxation -- to direct trafficking by the terrorist organization itself in order to finance its activities. Traffickers and terrorists have similar logistical needs in terms of material and the covert movement of goods, people and money.</p> <p>Relationships between drug traffickers and terrorists benefit both. Drug traffickers benefit from the terrorists' military skills, weapons supply, and access to clandestine organizations. Terrorists gain a source of revenue and expertise in illicit transfer and laundering of proceeds from illicit transactions. Both groups bring corrupt officials whose services provide mutual benefits, such as greater access to fraudulent documents, including passports and customs papers. Drug traffickers may also gain considerable freedom of movement when they operate in conjunction with terrorists who control large amounts of territory."</p> <p>"In the past, state sponsors provided funding for terrorists, and their relationships with terrorist organizations were used to secure territory or provide access to gray arms networks. Lately, however, as state sponsorship of terrorism has come under increased scrutiny and greater international condemnation, terrorist groups have looked increasingly at drug trafficking as a source of revenue. But trafficking often has a two-fold purpose for the terrorists. Not only does it provide funds, it also furthers the strategic objectives of the terrorists. Some terrorist groups believe that they can weaken their enemies by flooding their societies with addictive drugs."</p>	<p>Sources:</p> <p>1. http://www.state.gov/g/inl/rls/rm/2002/8743.htm US Department of State Site Narco-Terror: The Worldwide Connection Between Drugs and Terror Rand Beers, Assistant Secretary for International Narcotics and Law Enforcement Affairs; Francis X. Taylor, Ambassador-At-Large For Counterterrorism Testimony Before the Senate Committee on the Judiciary Subcommittee on Technology, Terrorism and Government Information Washington, DC March 13, 2002</p>
<p>"The National Security Act of 1947, which created the</p>	<p>Sources:</p>

<p>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."</p> <p>A. B. "Buzzy" Konrad the current Executive Director of the CIA. Konrad also served as the Vice Chair of the Board of Bankers Trust and engineered its merger with Deutchbank-Alex Brown</p>	<p>1. CIA, Drigs and Wall Street - Rupert</p> <p>2. Rupert, 10/9/01. FTW. Suppressed details of insider trading leading directly into the CIA's highest ranks</p> <p>2. Flocco, and Rupert, 12/6/01. CRG -- Profits of Death -- Insider Trading and 9-11 (Parts 1 and 2)</p> <p>2. OpenSecrets. Bush Cabinet</p>
<p>"The best estimates say that more than \$1 trillion in dirty money passes into the West each year." Much of this through larger commercial transactions.</p>	<p>Sources: Baker. "Businesses Dirty Little Secrets." Harvard Business Review. 1/24/02</p>
<p>Roberto Hernandez Ramirez former head of the third largest bank in Mexico and having intimate links to Mexican drug cartels now sits on the board of Citibank.</p>	<p>Sources:</p>