

The Family That Preys Together

From Issue No. 41, Summer, 1992

by Jack Colhoun

GEORGE JR.'S BCCI CONNECTION

"This is an incredible deal, unbelievable for this small company," energy analyst Charles Strain told Forbes magazine, describing the oil production sharing agreement the Harken Energy Corporation signed in anuary 1990 with Bahrain.

Under the terms of the deal, Harken was given the exclusive right to explore for gas and oil off the shores of the Gulf island nation. If gas or oil were found in waters near two of the world's largest gas and oil fields, Harken would have exclusive marketing and transportation rights for the energy resources. Truly an "incredible deal" for a company that had never drilled an offshore well.

Strain failed to point out, however, the one fact that puts the Harken deal in focus: George Bush, Jr., the eldest son of George and Barbara Bush of 1600 Pennsylvania Avenue, Washington, DC, is a member of Harken's board of directors, a consultant, and a stockholder in the Texas-based company. In light of this connection, the deal makes more sense. The involvement of Junior-George Walker Bush's childhood nickname-with Harken is a walking conflict of interest. His relationship to President Bush, rather than any business acumen, made him a valuable asset for Harken, the Republican Party benefactors, Middle East oil sheikhs and covert operators who played a part in Harken's Bahrain deal.

In fact, Junior's track record as an oilman is pretty dismal. He began his career in Midland, Texas, in the mid-1970s when he founded Arbusto Energy, Inc. When oil prices dropped in the early 1980s, Arbusto fell upon hard times. Junior was only rescued from business failure when his company was purchased by Spectrum 7 Energy Corporation, a small oil firm owned by William DeWitt and Mercer Reynolds. As part of the September 1984 deal, Bush became Spectrum 7's president and was given a 13.6 percent share in the company's stock. Oil prices stayed low and within two years, Spectrum 7 was in trouble.

In the six months before Spectrum 7 was acquired by Harken in 1986, it had lost \$400,000. In the buyout deal, George "Jr." and his partners were given more than \$2 million worth of Harken stock for the 180-well operation. Made a director and hired as a "consultant" to Harken, Junior received another \$600,000 of Harken stock, and has been paid between \$42,000 and \$120,000 a year since 1986.

Junior's value to Harken soon became apparent when the company needed an infusion of cash in the spring of 1987. Junior and other Harken officials met with Jackson Stephens, head of

Stephens, Inc., a large investment bank in Little Rock, Arkansas (Stephens made a \$100,000 contribution to the Reagan-Bush campaign in 1980 and gave another \$100,000 to the Bush dinner committee in 1990.)

In 1987, Stephens made arrangements with Union Bank of Switzerland (UBS) to provide \$25 million to Harken in return for a stock interest in Harken. As part of the Stephens-brokered deal, Sheikh Abdullah Bakhsh, a Saudi real estate tycoon and financier, joined Harken's board as a major investor. *5 Stephens, UBS, and Bakhsh each have ties to the scandal-ridden Bank of Credit and Commerce International (BCCI).

It was Stephens who suggested in the late 1970s that BCCI purchase what became First American Bankshares in Washington, D.C. BCCI later acquired First American's predecessor, Financial General Bankshares. At the time of the Harken investment, UBS was a joint-venture partner with BCCI in a bank in Geneva, Switzerland. Bakhsh has been an investment partner in Saudi Arabia with Gaith Pharoan, identified by the U.S. Federal Reserve Board as a "front man" for BCCI's secret acquisitions of U.S. banks.

Stephens, Inc. played a role in the Harken deal with Bahrain as well. Former Stephens bankers David and Mike Edwards contacted Michael Ameen, the former chief of Mobil Oil's Middle East operations, when Bahrain broke off 1989 talks with Amoco for a gas and oil exploration contract. The Edwardses recommended Harken for the job and urged Ameen to get in touch with Bahrain, which he did.

"In the midst of Harken's talks with Bahrain, Ameen — simultaneously working as a State Department consultant — briefed the incoming U.S. ambassador in Bahrain, Charles Hostler," the Wall Street Journal noted, adding that Hostler, a San Diego real estate investor, was a \$100,000 contributor to the Republican Party. Hostler claimed he never discussed Harken with the Bahrainis.

Harken lacked sufficient financing to explore off the coast of Bahrain so it brought in Bass Enterprises Production Company of Fort Worth, Texas, as a partner. The Bass family contributed more than \$200,000 to the Republican Party in the late 1980s and early 1990s. *9 On June 22, 1990, George Jr. sold two-thirds of his Harken stock for \$848,560—a cool 200 percent profit. The move was well timed. One week after Junior sold his stock, Harken announced a \$23.2 million loss in quarterly earnings and Harken stock dropped sharply, losing 60 percent of its value over the next six months. On August 2, 1990, Iraqi troops moved into Kuwait and 541,000 U.S. forces were deployed to the Gulf.

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"There is substantial evidence to suggest that Bush knew Harken was in dire straits in the weeks before he sold the \$848,560 of Harken stock," asserted U.S. News & World Report. The magazine noted Harken appointed Junior to a "fairness committee" to study possible economic restructuring of the company. Junior worked closely with financial advisers from Smith Barney, Harris Upham & Company, who concluded "only drastic action could save Harken."

George "Jr." also violated Securities and Exchange Commission (SEC) regulations which require "insider" stock deals to be reported promptly, in Bush's case by July 10, 1990. He didn't file the stock sale with the SEC until the first week of March 1991.

Meanwhile, a cloak-and-dagger aura surrounds Junior's business dealings. James Bath, a Texas entrepreneur who invested \$50,000 in Arbusto Energy, may be a business cutout for the CIA. Bath also acted as an investment "adviser" to Saudi Arabian oil sheikhs, linked to the outlaw BCCI, which also has ties to the CIA.

Bill White, a former Bath partner, claims that Bath has "national security" connections. White, a United States Naval Academy graduate and former fighter pilot, charges that Bath developed a network of off-shore companies to camouflage the movement of money and aircraft between Texas and the Middle East, especially Saudi Arabia.

Alan Quasha, a Harken director and former chair of the company, is the son of attorney William Quasha, who defended figures in the Nugan Hand Bank scandal in Australia. Closed in 1980, Nugan Hand was not only tied to drug-money laundering and U.S. intelligence and military circles, but also to the CIA's covert backing for a "constitutional coup" in Australia that caused the fall of Prime Minister Gough Whitlam.

The Harken deal with Bahrain raises another troubling question: Did the Bahrainis and the BCCI-linked Saudi oil sheikhs use the production sharing agreement with Harken to curry favor with the Bush administration and influence U.S. policy in the Middle East? Talat Othman's sudden rise to prominence in Bush administration foreign policy circles is a case in point. Othman, who sits on the Harken board as Sheikh Bakhsh's representative, didn't have access to President Bush before Harken's Bahrain agreement. "But since August 1990, the Palestinian-born Chicago investor has attended three White House meetings with President Bush to discuss Middle East policy," the Wall Street Journal pointed out. "His name was added by the White House to a select list of 15 Arab-Americans chosen to meet with President Bush, [then White House Chief of

Staff John] Sununu and National Security Adviser Brent Scowcroft in the White House two days after Iraq's August 1990 invasion of Kuwait."

PRESCOTT'S BIG ASIAN ADVENTURE

Prescott Bush, Jr., the president's older brother, also has a knack for nailing down "incredible deal[s]." Prescott took advantage of his brother's first presidential visit abroad in February 1989 to schedule a business trip to the same countries—China, Japan and South Korea.

Prescott arrived in Tokyo February 14, 1989, ten days before President Bush's stop in Japan, to drum up business for Prescott Bush Resources Ltd., a real estate and development consulting company. Prescott said he was dealing with four Japanese companies wanting to do business in the U.S.

From Japan, Prescott went to China, where he had a joint partnership with Akoi Corporation to develop an \$18 million golf course and resort near Shanghai. Prescott had introduced the Tokyo-based Akoi to Chinese officials in 1988. With a 30 percent stake in the project, Prescott used his China connections to pave the way for capital-rich Akoi. Akoi had run into business obstacles in China because of lingering Chinese resentment over Japan's brutal occupation of China in the 1930s and 1940s.

Some of Prescott's most controversial business deals have been with Asset Management International Financing & Settlement Ltd., a Wall Street investment firm which has been in bankruptcy proceedings since fall 1991. Prescott was hired by Asset Management, which paid him a \$250,000 fee for consulting in its joint venture with China to set up its internal communications network. Asset Management enlisted Prescott's services soon after President Bush imposed economic sanctions in June 1989 in response to Beijing's brutal crackdown on anti-government demonstrators in Tienanmen Square.

Under the sanctions, United States export licenses were suspended for \$300 million worth of Hughes Aircraft satellites, a key component of Asset Management's joint venture with the Chinese government. The satellites would beam television programming to broadcasters in China and provide telecommunications links for the country's far-flung provinces. In November 1989, Congress passed additional sanctions specifically barring the export of U.S. satellites to China unless the president found the sale "in the national interest."

On December 19, 1989, President Bush lifted the sanctions that blocked the satellite deal, citing "the national interest." Two months earlier, the Bush administration had granted Hughes Aircraft

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"preliminary licenses" to exchange data with Chinese officials to ensure that the satellites met the technical specifications of the Long March rockets which would launch them into space.

Meanwhile, Prescott was hard at work in the summer of 1989 as middleman in the takeover of Asset Management by West Tsusho, a Tokyo-based investment firm linked to one of Japan's biggest mob syndicates. Prescott, as head of Prescott Bush & Co., received a \$250,000 "finder's fee" from West Tsusho when the deal was closed and was promised an annual retainer of \$250,000 over the next three years as a "consultant." Asset Management, however, went bankrupt in March 1991. In May 1992, West Tsusho filed a \$2.5 million lawsuit against Prescott claiming that he reneged on his promise to protect the mob-linked firm's \$5 million investment in Asset Management.

According to Japanese police, West Tsusho is controlled by the Inagawakai branch of the Yakuza, the Japanese equivalent of the Mafia crime syndicate. By the mid-1980s, the Yakuza were buying up real estate and investments in Japan and overseas to launder their ill-gotten profits from drug sales, prostitution, gambling and extortion. Yakuza's annual income is estimated at \$10 billion.

Like George Jr., Prescott combined business with secret operations. He offered his services to the covert operations of the Reagan-Bush campaign in 1980, and later to the Reagan administration. A September 3, 1980, letter from Prescott to James Baker indicates Prescott was part of the Reagan-Bush campaign's secret surveillance of the Carter administration's efforts to obtain release of U.S. hostages held in Iran. Prior to inauguration, the Reagan-Bush campaign recruited retired military and intelligence officers to monitor activities of the CIA, the Defense Department, the National Security Council, the State Department, and the White House. This operation later became known as the "October Surprise."

"Herb Cohen-the guy that offered help on the Iranian hostage situation-called me yesterday afternoon," Prescott wrote in a letter designated "PRIVATE AND CONFIDENTIAL." "Herb has a couple of reliable sources on the National Security Council, about whom the [Carter] administration does not know, who can keep him posted on developments."

Prescott continued, "He cannot come out now and say that Carter is going to do something on Iran in October because he said everything is a contingency plan that is loose and fluid from day to day.... Herb says, however, that if he and others in the administration who really care about

the country and cannot stand to see Carter playing politics with the hostages, see Carter making a move to politicize the release of the hostages, he and they will come out at that time and expose him."

Prescott's covert associations continued while his younger brother was vice president. He appears to have aided the Reagan administration's clandestine support of the Nicaraguan Contras. In the 1980s, he served on the advisory board of Amicareas, the U.S.-based relief organization with ties to prominent right-wing Republicans and the intelligence community. Bush's other son, Marvin, also helped the family's pet charity and accompanied a flight of medical supplies to Nicaragua three days after Chamorro's inauguration. An undisclosed amount of the \$680,000 in Amicareas aid to Honduras was delivered to Nicaraguan Miskito Indian guerrillas. Based in Honduras, they were aligned with the CIA-funded Contras, according to Roberto Alejos, a Guatemalan sugar and coffee grower who coordinated the Amicareas project in Honduras. In 1960, Alejos had permitted the CIA to use his plantations to train right-wing Cubans in preparation for the Bay of Pigs invasion of Cuba.

In 1985 and 1986, after Congress cut off U.S. aid to the Contras, Amicareas donated more than \$100,000 worth of newsprint to the pro-Contra newspaper La Prensa in Managua. Amicareas supplied \$291,383 in food and medicine and \$5,750 in cash to Mario Calero, New Orleans-based quartermaster and arms purchaser for the Contras, and brother of Contra leader Adolfo Calero. In this same period, groups associated with Lt. Col. Oliver North's off-the-shelf Contra arms network provided covert support for La Prensa.

Jeb: Liaison to Anti-Castro Right

George Herbert Walker Bush's second eldest son, John Ellis or Jeb, was also linked to clandestine schemes in support of the Contras. Soon after congressional prohibition in late 1984, Jeb helped put a right-wing Guatemalan politician, Dr. Mario Castejon, in touch with Oliver North. Jeb acted as the Reagan administration's unofficial link with the Contras and Nicaraguan exiles in Miami.

Jeb was contacted in February 1985 by a friend of Castejon, who gave him a letter from Castejon to be passed on to then Vice President Bush. In his letter Castejon, a pediatrician and later an unsuccessful National Conservative Party presidential candidate, requested a meeting with George Bush to discuss a proposed medical aid project for the Contras. Jeb forwarded the letter to his father. In a March 3, 1985, letter, Vice President Bush expressed interest in Castejon's

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proposal to create an international medical brigade.

"I might suggest, if you are willing, that you consider meeting with Lt. Colonel Oliver North of the President's National Security Council Staff at a time that would be convenient for you," Bush wrote. "My staff has been in contact with Lt. Col. North concerning your projects and I know that he would be most happy to see you. You may feel free to make arrangements to see Lt. Colonel North, if you wish, by corresponding directly with him at the White House or by contacting Philip Hughes of my staff."

Castejon later met with North in the White House, where he also saw President Ronald Reagan. When Castejon returned to Washington for a second visit, he was introduced to members of North's secret Contra support network, including retired Maj. Gen. John Singlaub and Contra leader Adolfo Calero. Castejon also met with a group of doctors working with Rob Owen, North's liaison with the Contras.

"He [Castejon] was offering us a pipeline into Guatemala," said Henry Whaley, a former arms dealer who said he was asked by his intelligence community connections to help Castejon. Whaley was optimistic about opening a new shipping route to the Contras through Guatemala. "If you can move Band-Aids," he reportedly said, "you can move bullets."

With Castejon, Whaley prepared a proposal to the State Department for the purchase of medical supplies for the Contras from the Department's newly established Nicaraguan Humanitarian Assistance Office. The document included requests for mobile field hospitals and light aircraft to evacuate wounded Contra guerrillas. Congress approved \$27 million in "humanitarian" aid to the Contras in 1985. The Castejon proposal was hand-delivered to TGS International Limited in the Virginia suburbs of Washington. Whaley said he sent the report to TGS so it would be "quietly" forwarded to the CIA. TGS International is owned by Ted Shackley, who was CIA Associate Deputy Director of Operations when Bush Sr. headed the Agency in 1976-77.

Jeb had another Contra connection in his involvement with Miguel Recarey, Jr., a right-wing Cuban who headed the International Medical Centers (IMC) in Miami. In 1985 and 1986, Recarey and his associates gave more than \$25,000 in contributions to political action committees controlled by then Vice President Bush. In 1986, Recarey hired Jeb, a real estate developer, to find a new headquarters for IMC. Jeb was paid a \$75,000 fee, even though he never located a new building.

In September 1984, two months after IMC's \$2,000 contribution to the Dade County Republican Party, which was headed by Jeb, the vice president's son contacted several top HHS (Department of Health and Human Services) officials on behalf of IMC. "Contrary to rumors, [Recarey] was a good community citizen and a good supporter of the Republican Party," one official of the HHC remembered Jeb telling him in late 1984. Jeb successfully sought an HHS waiver of a rule so that IMC could receive more than 50 percent of its income from Medicare.³⁰

Leon Weinstein, an HHS Medicare fraud inspector, worked on an audit of IMC in 1986; he has charged that IMC used Medicare funds to treat wounded Contras at its hospital. ³¹ The transaction was arranged by IMC official José Basulto, a right-wing Cuban trained by the CIA, who arranged for Contras to receive treatment in Miami. Basulto was praised for his commitment by Felix Rodriguez: "He has been active for a decade in supporting the Nicaraguan freedom fighters ever since the Sandinistas took power, and is constantly organizing Contra support among Miami's Cuban community. He has even been to Contra camps in Central America, helping to dispense humanitarian aid."

At the same time as Recarey was providing medical assistance to the Contras, he was embezzling Medicare funds. IMC, one of the largest health maintenance organizations in the United States, received \$30 million a month for its Medicare patients, clearing \$1 billion in federal monies from 1981 to 1987. While he headed IMC, Recarey's personal wealth jumped from \$1 million to \$100 million, U.S. investigators believe.

"IMC is the classic case of embezzlement of government funds," according to Robert Teich, the head of the Drug Enforcement Administration's Office on Labor Racketeering in Miami. Reich described IMC's skimming Medicare funds as a "bust-out" where money was "drained out the back door." A Florida state investigator concluded in a 1982 report that some federal funds IMC received "are being put in banks outside the country."

Recarey's links to the Mafia also raised eyebrows in Washington. "As far back as the 1960s, he had ties with reputed racketeers who had operated out of pre-Castro Cuba and who later forged an anti-Castro alliance with the CIA," the Wall Street Journal reported. The Journal added that the late Santos Trafficante, Jr., the Mafia boss of Florida, "helped out when Recarey needed business financing." Trafficante, a major drug trafficker, joined a failed CIA effort to assassinate Cuban President Fidel Castro in the early 1960s.

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Recarey's access to Republican circles was probably one reason he was able to rip-off U.S. tax dollars for so long. He hired former Reagan aide Lyn Nofziger, the public relations firm Black, Manafort, Stone and Kelly, which was close to the Reagan White House, and attorney John Sears, a former Reagan campaign manager, to look out for his interests in Washington. Recarey fled the United States in 1987 to avoid a federal indictment for racketeering and defrauding the U.S. government. The Bush administration has made no effort to extradite him from Venezuela where he is currently living.

JEB LINKED TO SMUGGLERS AND THIEVES

Jeb Bush has also been linked to Leonel Martinez, a Miami-based right-wing Cuban-American drug trafficker. Martinez, who was linked to Contra dissident Eden Pastora, was involved in efforts to smuggle more than 3,000 pounds of cocaine into Miami in 1985-86. He was arrested in 1989 and later convicted for bringing 300 kilos of cocaine into the U.S. He also reportedly arranged for the delivery of two helicopters, arms, ammunition, and clothing to Pastora's Costa Rica-based Contras.

Federal prosecutors in Miami have a photograph of Jeb and Martinez shaking hands but won't release the photo to the public. Whether Jeb was aware of Martinez's drug trafficking activities is not known, but it is known that Leonel and his wife Margarita made a \$2,200 contribution to the Dade County Republican Party four months after Jeb became the chair of the local GOP.

It is also known that Martinez wrote \$5,000 checks to then Vice President Bush's Fund for America's Future in both December 1985 and July 1986 and made a \$2,000 contribution to the Bush for President campaign in October 1987.

Martinez's construction company gave \$6,000 in October 1986 to Bob Martinez (no relation), the GOP candidate for governor in Florida; he was governor from 1987 to 1991. At that time, Vice President Bush was serving as head of the South Florida Drug Task Force and later as chair of the National Narcotics Interdiction System, both set up to stem the flow of drugs into the U.S. While Bush was drug czar, the volume of cocaine smuggled into the U.S. tripled.

President Bush later appointed Bob Martinez in 1991 head of the U.S. Office of National Drug Control Policy- the drug czar to succeed the controversial William Bennett.

JEB GETS IN ON THE BCCI ACTION

In 1988, Jeb was mentioned in a deposition taken by a Senate Foreign Relations subcommittee, chaired by Sen. John Kerry (D-Mass.), which was

investigating drug money laundering operations in the U.S.

"I saw Jeb Bush two or three times over there with [Abdur] Sakhia," stated Aziz Rehman, a junior BCCI-Miami official in the 1980s. "This was all part of the bank's trying to cultivate public officials and prominent individuals." *38 Rehman said BCCI's practice was to "bribe" government officials in the United States.

"Jeb Bush, V.P. George Bush's son," Sakhia noted in a 1986 BCCI document, was a "name...to be remembered."

Most of Rehman's testimony focused on his role in BCCI-Miami's money laundering operation. Rehman said it was his job, in the mid-1980s, to chauffeur and entertain BCCI-Miami's big clients when they came to the city from the Caribbean and Latin America. Rehman described how he deposited large amounts of cash for these clients, ranging from \$100,000 to \$2 million, in other Miami banks at which BCCI-Miami had accounts. To disguise the money trail, BCCI transferred the cash electronically from Miami to BCCI banks in Panama and the Grand Cayman Islands.

Jeb's name also shows up in a September 1987 BCCI document written by Amjad Awan, then a senior BCCI-Miami official. The memorandum planned a BCCI breakfast meeting with a senior level delegation from the People's Republic of China and high Florida state government officials, including Secretary of Commerce Jeb Bush. Among the Chinese delegation was Ge Zhong Xue, Deputy Division Chief of the Ministry of Public Security, a top police official.

Meanwhile, Jeb and his business partner Armando Codina profited handsomely when the Bush administration bailed out Broward Federal Savings and Loan in Sunrise, Florida, which went belly up in 1988. The Federal Deposit Insurance Corporation (FDIC) absorbed \$285 million in bad loans, including a \$4.6 million loan by the Bush-Codina partnership. According to the deal struck by federal regulators, the Bush-Codina partnership wrote a check for \$505,000 to the FDIC, and the government paid off the remaining \$4.1 million of the loan for an office building on which Jeb and Codina defaulted. As a result of the bailout, the Bush-Codina partnership retained possession of its office building at 1390 Brickell Avenue in Miami's posh financial district.

Currently, Jeb is involved in a number of joint ventures with Codina, a Miami real estate developer who is also a leader of the right-wing Cuban American National Foundation (CANF). The Brickell Avenue office building is owned by IntraAmerica Investments. Jeb was listed in business documents in 1985 and in 1986 as the

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president of IntrAmerica Investments, and the building is managed by one of Jeb's real estate companies. Codina owns 80 percent of the building, while Jeb owns the remaining 20 percent.

Jeb has acted as the Reagan and Bush administration's liaison with the politically influential Cuban exile community in South Florida. Jorge Mas Canosa, president of CANF, succinctly described Jeb's role as the ultra-right Cuban-American community's liaison with the White House: "He is one of us."

Jeb Asks Dad To Free Terrorist

As a link to that powerful and wealthy South Florida community, Jeb has been a tireless supporter of some of the most reactionary Cuban-American political causes -from promoting CANF projects like Radio and TV Marti & acute;, to lobbying for the release of anti-Castro terrorist Orlando Bosch from a Miami jail. TV propaganda broadcasts into Cuba, considered by legal experts a violation of the International Telecommunications Convention, are fully subsidized by U.S. taxpayers.

Anti-Castro terrorist Orlando Bosch was paroled in 1990 after Jeb lobbied the Bush administration for his release from prison in Miami. Bosch had been jailed in 1988 for jumping bail on a 1968 conviction for shooting a bazooka at a Polish freighter in the Miami harbor. He is better known as the mastermind of the explosion of a Cuban commercial airliner over Barbados on October 5, 1976, in which 73 passengers were killed. A U.S. District Court judge revealed in 1988 that secret U.S. documents concluded Bosch was a leader of the Coordination of United Revolutionary Organizations (CORU), which was responsible for more than 50 anti-Castro bombings in Cuba and elsewhere in the Western Hemisphere.

The Cuban government filed an order for his extradition in May 1992.

"Tell Him...The Vice President's Son" Called

"There was no conflict of interest," third Bush son Neil told reporters after the Office of Thrift Supervision (OTS) in Washington issued a notice of intent in January 1990 to hold a hearing on the failure of Silverado Banking Savings and Loan. Neil had been a member of Silverado's board of directors from 1985 to 1988. *45 Federal regulators shut down Silverado shortly after George Bush was elected president in 1988. The federal bailout cost U.S. taxpayers \$1 billion.

Neil was responding to charges made in an OTS report that he had "breached his fiduciary duty" to Silverado by engaging in unethical business deals while a board member of the Denver

savings and loan. The report documented that Neil personally profited from questionable Silverado loans to his business partners, Ken Good and Bill Walters. Good and Walters later defaulted on \$132 million in loans to Silverado, leaving the taxpayers to pick up the tab.

The OTS report alleged that Neil failed to disclose his business connections to Good and Walters when he voted to approve a \$900,000 line of credit to Good International, Inc. Neil got Silverado to write a letter of recommendation to authorities in Argentina, where Good International, in partnership with Neil's JNB Exploration Company, was exploring for gas and oil. Good also gave the President's third son a \$100,000 loan to invest in the commodities market, which Bush was never required to repay.

Neil failed to inform Silverado that Walters had contributed \$150,000 to the initial capitalization of JNB Exploration, or that Walters' Cherry Creek National Bank in Denver extended a \$1.5 million line of credit to JNB Exploration. Neil put up a paltry \$100 in start-up funds in 1983 when he founded JNB Exploration, but over the next five years was paid \$550,000 in salary drawn from the Cherry Creek National Bank line of credit.

Neil brought few business skills to his job at JNB Exploration but he was adept at cashing in on his family name. "Tell him Neil Bush called," Neil once told the secretary of a wealthy Denver oil entrepreneur. "You know, the vice president's son."

"Neil knew people because of his name," acknowledged Evans Nash, one of Neil's partners at JNB Exploration. "He's the one that got us going. He's the one that made it happen for us."

When Neil left JNB Exploration in 1989, the company had yet to discover a profitable gas or oil well.

Neil: The Sensitive One

Neil's business partners also included shady characters with ties to the world of covert operations. In 1985, Good received an \$86 million loan from the Dallas Western Savings Association, which was tied to Robert Corson, a Texas developer and reputed CIA operative, and Herman Beebe, Sr., a convicted Mafia associate of Louisiana mob boss Carlos Marcello.

Neil profited from the Western Savings loan to Good, because the loan helped Good buy Gulfstream Land and Development, a Florida real estate company. Good made Neil a board member of one of Gulfstream's subsidiaries in 1988. Bush was paid \$100,000 a year to attend occasional Gulfstream board meetings before it went out of business in 1990.

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Investigative reporter Pete Brewton identified Corson as a CIA operative in a long Houston Post series on CIA links to organized crime and failed savings and loans. "One former CIA operative told the Post that Corson frequently acted as 'a mule' for the agency, meaning he would carry large sums of money from country to country," Brewton wrote.

Corson's Vision Banc Savings in Kingsville, Texas, loaned about \$20 million to Mike Atkinson, a Corson associate, for a Florida land deal put together by Lawrence Freeman. Freeman, who laundered money for Santos Trafficante, Jr., was also tied to veteran CIA operative Paul Helliwell. In the Bahamas, Helliwell set up Castle Bank and Trust Ltd., which was the CIA's primary financial front in Latin America and the Caribbean during the 1960s and 1970s. Castle laundered funds for the Agency's covert operations against Cuba.

Walters had ties to Richard Rossmiller, a Beebe associate. In the mid-1970s, Walters was a part-owner with Rossmiller, of Peoples State Bank in Marshall, Texas, at the same time as Rossmiller was doing business with Beebe.

Wayne Reeder, another Beebe associate, a big borrower from Silverado, defaulted on a \$14 million loan. Reeder was involved in an unsuccessful arms deal with the Contras. Reeder accompanied his partner, John Nichols, in 1981 to a weapons demonstration attended by Contra leaders Eden Pastora and Raul Arana, both of whom were interested in buying military equipment from Nichols.

"Among the equipment were night vision goggles ... and light machine guns," according to the book, *Inside Job: The Looting of America's Savings and Loans*. "Nichols ... had a plan in the early 1980s to build a munitions plant on the Cabezon Indian Reservation near Palm Springs, California, in partnership with Wackenhut, the Florida security firm. [But] the plan fell through."

There was another Silverado-Contra connection, however, that didn't fall through. E. Trine Starnes, Jr., the third largest Silverado borrower, was a major donor to the National Endowment for the Preservation of Liberty (NEPL), directed by Carl "Spitz" Channell, which was a part of Oliver North's Contra funding and arms support network. A NEPL document, "Top 25 Contributors as of October 3, 1986," showed Starnes contributed \$30,000 to NEPL's Central America Freedom Program. Starnes closed a deal with Silverado on September 30, 1986, for three business loans totaling \$77.5 million, on which Starnes later defaulted.

The Central America Freedom Program was a propaganda effort in conjunction with the Reagan administration's campaign in 1986 to win congressional support for resuming arms aid to the Contras. When the administration wooed potential NEPL donors, Starnes was invited to a January 30, 1986, White House briefing, which included Reagan, National Security Adviser John Poindexter, White House Chief of Staff Donald Regan and Assistant Secretary of State Elliott Abrams. Congress resumed U.S. arms aid to the Contras in mid-1986.

In a final ironic Silverado-Contra connection, NEPL banked at the Palmer National Bank in Washington, a bank with ties to Vice President Bush and Herman Beebe. Palmer National was also linked to North's Contra arms network.

Palmer National was established in 1983 by Stefan Halper and Harvey McClean, Jr., two former aides in Bush's unsuccessful presidential campaign in 1980. Halper, who had links to the intelligence community, became deputy director of the State Department's Bureau of Politico-Military Affairs in the Reagan administration. McClean was a Beebe associate. Beebe supplied the majority of the capitalization for the start-up of Palmer National.

"Palmer National lent money to individuals and organizations that were involved in covert aid to the Nicaraguan Contra rebels," Brewton wrote in the Houston Post. "Money was channeled through Palmer National to a Swiss bank account used by ... North to provide military assistance to the Contras."

Bushed Out

George Herbert Walker Bush is the first former CIA director to serve as president. The implications for U.S. politics of Bush's move from CIA headquarters to the White House are profound and chilling, but seldom the subject of mainstream political discussion. The corruption of the Bush family, however, is a good introduction.

The Bushes' shadowy business partners come straight out of the world in which the CIA thrives—the netherworld of secret wars and covert operators, drug runners, mafiosi and crooked entrepreneurs out to make a fast buck. What Bush family members lack in business acumen, they make up for by cashing in on their blood ties to the former Director of Central Intelligence who became president. In return for throwing business their way, the Bushes give their partners political access, legitimacy, and perhaps protection. The big loser in the deal is the democratic process.

The Family That Preys Together

From Issue No. 41, Summer, 1992

by Jack Colhoun

Recommended by MediaFilter!

More on Bush Family Nefariousness:

Fortunate Son: The Making of an American President

By J. H. Hatfield

After a media trashing of the author, this book was pulled by its former publisher and BURNED. SOFT SKULL PRESS has republished it and put it back in circulation!. This book will certainly become a collectors item!

Get it from the **SHADOW Shop!**

GEORGE BUSH: The Super-Spy Druq-Smuqqlinq President

By Bill Weinberg

A well-researched history of George Bush and his family includes: Where Was George Bush on November 22, 1963?; Global Power Broker; CIA Man; October Surprise; Conragate; Panamagate; Hinckleygate and Other Mysteries; Nazigate; The New World Order; Afghanigate; The BCCI Octopus; Quaylegate; Kuwaitgate; Was "Desert Storm" Smoke and Mirrors?