

The CIA: 70 Years of Organized Crime

by Douglas Valentine – Lars Schall via sal - *Counterpunch* *Saturday, Sep 23 2017, 11:37pm*
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Lars Schall: 70 years ago, on September 18, 1947, the National Security Act created the Central Intelligence Agency, CIA. Douglas, you refer to the CIA as “the organized crime branch of the U.S. government.” Why so?

Douglas Valentine: Everything the CIA does is illegal, which is why the government provides it with an impenetrable cloak of secrecy. While mythographers in the information industry portray America as a bastion of peace and democracy, CIA officers manage criminal organizations around the world. For example, the CIA hired one of America’s premier drug trafficker in the 1950s and 1960s, Santo Trafficante, to murder Fidel Castro. In exchange, the CIA allowed Trafficante to import tons of narcotics into America. The CIA sets up proprietary arms, shipping, and banking companies to facilitate the criminal drug trafficking organizations that do its dirty work. Mafia money gets mixed up in offshore banks with CIA money, until the two are indistinguishable.

Drug trafficking is just one example.

LS: What is most important to understand about the CIA?

DV: Its organizational history, which, if studied closely enough, reveals how the CIA manages to maintain its secrecy. This is the essential contradiction at the heart of America’s problems: if we were a democracy and if we truly enjoyed free speech, we would be able to study and speak about the CIA. We would confront our institutionalized racism and sadism. But we can’t, and so our history remains unknown, which in turn means we have no idea who we are, as individuals or as a nation. We imagine ourselves to be things we are not. Our leaders know bits and pieces of the truth, but they cease being leaders once they begin to talk about the truly evil things the CIA is doing.

LS: A term of interest related to the CIA is “plausible deniability”. Please explain.

DV: The CIA doesn’t do anything it can’t deny. Tom Donohue, a retired senior CIA officer, told me about this.

Let me tell you a bit about my source. In 1984, former CIA Director William Colby agreed to help me write my book, *The Phoenix Program*. Colby introduced me to Donohue in 1985. Donohue had managed the CIA’s “covert action” branch in Vietnam from 1964-1966, and many of the programs he developed were incorporated in Phoenix. Because Colby had vouched for me, Donohue was very forthcoming and explained a lot about how the CIA works.

Donohue was a typical first-generation CIA officer. He’d studied Comparative Religion at Columbia and understood symbolic transformation. He was a product and practitioner of Cook County politics who joined the CIA after World War Two when he perceived the Cold War as “a growth industry.” He had been the CIA’s station chief in the Philippines at the end of his career and, when I spoke to him, he was in business with a former Filipino Defense Minister. He was putting his contacts to good use, which is par for the course. It’s how corruption works for senior bureaucrats.

Donohue said the CIA doesn't do anything unless it meets two criteria. The first criterion is "intelligence potential." The program must benefit the CIA; maybe it tells them how to overthrow a government, or how to blackmail an official, or where a report is hidden, or how to get an agent across a border. The term "intelligence potential" means it has some use for the CIA. The second criterion is that it can be denied. If they can't find a way to structure the program or operation so they can deny it, they won't do it. Plausible denial can be as simple as providing an officer or asset with military cover. Then the CIA can say, "The army did it."

Plausible denial is all about language. During Senate hearings into CIA assassination plots against Fidel Castro and other foreign leaders, the CIA's erstwhile deputy director of operations Richard Bissell defined „plausible denial“ as “the use of circumlocution and euphemism in discussions where precise definitions would expose covert actions and bring them to an end.”

Everything the CIA does is deniable. It's part of its Congressional mandate. Congress doesn't want to be held accountable for the criminal things the CIA does. The only time something the CIA does become public knowledge - other than the rare accident or whistleblower - is when Congress or the President think it's helpful for psychological warfare reasons to let the American people know the CIA is doing it. Torture is a good example. After 9/11, and up until and through the invasion of Iraq, the American people wanted revenge. They wanted to see Muslim blood flowing, so the Bush administration let it leak that they were torturing evil doers. They played it cute and called it "enhanced interrogation," but everyone understood symbolically. Circumlocution and euphemism. Plausible denial.

LS: Do the people at the CIA know that they're part of "the organized crime branch of the U.S. government"? In the past, you've suggested related to the Phoenix program, for example: "Because the CIA compartmentalizes itself, I ended up knowing more about the program than any individual in the CIA."

DV: Yes, they do. I talk at length about this in my book *The CIA as Organized Crime*. Most people have no idea what cops really do. They think cops give you a speeding ticket. They don't see the cops associating with professional criminals and making money in the process. They believe that when a guy puts on a uniform, he or she becomes virtuous. But people who go into law enforcement do so for the thrill of wielding power over other people, and in this sense, they relate more to the crooks they associate with than the citizens they're supposed to protect and serve. They're looking to bully someone and they're corrupt. That's law enforcement.

The CIA is populated with the same kind of people, but without any of the constraints. The CIA officer who created the Phoenix program, Nelson Brickham, told me this about his colleagues: "I have described the intelligence service as a socially acceptable way of expressing criminal tendencies. A guy who has strong criminal tendencies but is too much of a coward to be one, would wind up in a place like the CIA if he had the education." Brickham described CIA officers as wannabe mercenaries "who found a socially acceptable way of doing these things and, I might add, getting very well paid for it."

It's well known that when the CIA selects agents or people to run militias or secret police units in foreign nations, it subjects its candidates to rigorous psychological screening. John Marks in *The Search for the Manchurian Candidate* told how the CIA sent its top psychologist, John Winne, to Seoul to "select the initial cadre" for the Korean CIA. "I set up an office with two translators," Winne told Marks, "and used a Korean version of the Wechsler." CIA shrinks gave the personality assessment test to two dozen military and police officers, "then wrote up a half-page report on each, listing their strengths and weaknesses. Winne wanted to know about each candidate's ability to

follow orders, creativity, lack of personality disorders, motivation – why he wanted out of his current job. It was mostly for the money, especially with the civilians.”

In this way, the CIA recruits secret police forces as assets in every country where it operates, including occupied Iraq and Afghanistan. In Latin America, Marks wrote, “The CIA...found the assessment process most useful for showing how to train the anti-terrorist section. According to results, these men were shown to have very dependent psychologies and needed strong direction.”

That “direction” came from the CIA. Marks quoted one assessor as saying, “Anytime the Company spent money for training a foreigner, the object was that he would ultimately serve our purposes.” CIA officers “were not content simply to work closely with these foreign intelligence agencies; they insisted on penetrating them, and the Personality Assessment System provided a useful aid.”

What’s less well known is that the CIA’s executive management staff is far more concerned with selecting the right candidates to serve as CIA officers than it is about selecting agents overseas. The CIA dedicates a huge portion of its budget figuring how to select, control, and manage its own work force. It begins with instilling blind obedience. Most CIA officers consider themselves to be soldiers. The CIA is set up as a military organization with a sacred chain of command that cannot be violated. Somebody tells you what to do, and you salute and do it. Or you’re out.

Other systems of control, such as “motivational indoctrination programs”, make CIA officers think of themselves as special. Such systems have been perfected and put in place over the past seven decades to shape the beliefs and responses of CIA officers. In exchange for signing away their legal rights, they benefit from reward systems – most importantly, CIA officers are immune from prosecution for their crimes. They consider themselves the Protected Few and, if they wholeheartedly embrace the culture of dominance and exploitation, they can look to cushy jobs in the private sector when they retire.

The CIA’s executive management staff compartments the various divisions and branches so that individual CIA officers can remain detached. Highly indoctrinated, they blindly obey on a “need to know” basis. This institutionalized system of self-imposed ignorance and self-deceit sustains, in their warped minds, the illusion of American righteousness, upon which their motivation to commit all manner of crimes in the name of national security depends. That and the fact that most are sociopaths.

It’s a self-regulating system too. As FBN Agent Martin Pera explained, “If you’re successful because you can lie, cheat, and steal, those things become tools you use in the bureaucracy.”

LS: Can you tell us please what’s behind a term you like to use, the “Universal Brotherhood of Officers”?

DV: The ruling class in any state views the people it rules as lesser beings to be manipulated, coerced, and exploited. The rulers institute all manner of systems – which function as protection rackets – to assure their class prerogatives. The military is the real power in any state, and the military in every state has a chain of command in which blind obedience to superiors is sacred and inviolable. Officers don’t fraternize with enlisted men because they will at some point send them to their deaths. There is an officer corps in every military, as well as in every bureaucracy and every ruling class in every state, which has more in common with military officers, top bureaucrats, and rulers in other states, than it does with the expendable, exploitable riff raff in its own state.

Cops are members of the Universal Brotherhood of Officers. They exist above the law. CIA officers

exist near the pinnacle of the Brotherhood. Blessed with fake identities and bodyguards, they fly around in private planes, live in villas, and kill with state-of-the-art technology. They tell army generals what to do. They direct Congressional committees. They assassinate heads of state and murder innocent children with impunity and with indifference. Everyone to them, but their bosses, is expendable.

LS: In your opinion, it is the “National Security Establishment’s deepest, darkest secret” that it is involved in the global drug trade. How did this involvement come about?

DV: There are two facets to the CIA’s management and control of international drug trafficking, on behalf of the corporate interests that rule America. It’s important to note that the US government’s involvement in drug trafficking began before the CIA existed, as a means of controlling states, as well as the political and social movements within them, including America. Direct involvement started in the 1920s when the US helped Chiang Kai-shek’s Nationalist regime in China support itself through the narcotics trade.

During World War II, the CIA’s predecessor, the OSS, provided opium to Kachin guerrillas fighting the Japanese. The OSS and the US military also forged ties with the American criminal underworld during the Second World War, and would thereafter secretly provide protection to American drug traffickers whom it hired to do its dirty work at home and abroad.

After the Nationalists were chased out of China, the CIA established these drug traffickers in Taiwan and Burma. By the 1960’s, the CIA was running the drug trade throughout Southeast Asia, and expanding its control worldwide, especially into South America, but also throughout Europe. The CIA supported its drug trafficking allies in Laos and Vietnam. Air Force General Nguyen Cao Ky, while serving in 1965 as head of South Vietnam’s national security directorate, sold the CIA the right to organize private militias and build secret interrogation centers in every province, in exchange for control over a lucrative narcotic smuggling franchise. Through his strongman, General Loan, Ky and his clique financed both their political apparatus and their security forces through opium profits. All with CIA assistance.

The risk of having its ties to drug traffickers in Southeast Asia exposed, is what marks the beginning of the second facet – the CIA’s infiltration and commandeering of the various government agencies involved in drug law enforcement. Senior American officials arranged for the old Bureau of Narcotics to be dissolved and recreated in 1968 within the Justice Department as the Bureau of Narcotics and Dangerous Drugs. The CIA immediately began infiltrating the highest levels of the BNDD for the purpose of protecting its drug trafficking allies around the world, especially in Southeast Asia. The CIA’s Counter-Intelligence Branch, under James Angleton, had been in liaison with these drug agencies since 1962, but in 1971 the function was passed to the CIA’s operations division. In 1972, CIA officer Seymour Bolten was appointed as the CIA director’s Special Assistant for the Coordination of Narcotics. Bolten became an advisor to William Colby and later DCI George H.W. Bush. By 1973, with the establishment of the DEA, the CIA was in total control of all foreign drug law enforcement operations and was able to protect traffickers in the US as well. In 1990 the CIA created its own counter-narcotics center, despite being prohibited from exercising any domestic law enforcement function.

LS: Is the war on drugs also a war on blacks? Let me give you some framework for this question, because John Ehrlichman, a former top aide to Richard Nixon, supposedly admitted that: “The Nixon campaign in 1968, and the Nixon White House after that, had two enemies: the antiwar left and black people. You understand what I’m saying? We knew we couldn’t make it illegal to be either against the war or black, but by getting the public to associate the hippies with marijuana and

blacks with heroin, and then criminalizing both heavily, we could disrupt those communities. We could arrest their leaders, raid their homes, break up their meetings, and vilify them night after night on the evening news. Did we know we were lying about the drugs? Of course we did.” (1) And I can quote from H. R. Haldeman’s diaries in this respect, of course. In the early stages of his presidency, more specifically on April 28, 1969, Nixon outlined his basic strategy to his chief of staff: “[President Nixon] emphasized that you have to face the fact that the whole problem is really the blacks. The key is to devise a system that recognizes this while not appearing to.” (2) So, is the war on drugs that started under Nixon also a war on blacks? And if so, what does this tell us about the United States?

DV: America is a former slave state and a blatantly racist society, so yes, the war on drugs, which is managed by white supremacists, was and is directed against blacks and other despised minorities as a way of keeping them disenfranchised. The old Bureau of Narcotics was blatantly racist: not until 1968 were black FBN agents allowed to become group supervisors (Grade 13) and manage white agents.

I interviewed former FBN Agent William Davis for my book about the FBN, *The Strength of the Wolf*. Davis articulated the predicament of black agents. After graduating from Rutgers University in 1950, Davis, while visiting New York City, heard singer Kate Smith praising FBN Agent Bill Jackson on a radio show. “She described him as a black lawyer who was doing a fine job as a federal narcotic agent,” Davis recalled, “and that was my inspiration. I applied to the Narcotics Bureau and was hired right away, but I soon found out there was an unwritten rule that Black agents could not hold positions of respect: they could not become group leaders, or manage or give direction to whites. The few black agents we had at any one time,” he said bitterly, “maybe eight in the whole country, had indignities heaped upon us.”

Davis told how Wade McCree, while working as an FBN agent in the 1930s, created a patent medicine. But McCree made the mistake of writing to Eleanor Roosevelt to complain that prosecutors in the South were calling black agents “niggers.” As a result, the FBN’s legal staff charge McCree with using FBN facilities to create his patent medicine. McCree was fired with the intended ripple effect: his dismissal sent a clear message that complaints from black agents would not be tolerated.

In an interview for *The Strength of the Wolf*, Clarence Giarusso, a veteran New Orleans narcotic agent and its chief of police in the 1970s, explained to me the racial situation from local law enforcement’s perspective. “We made cases in Black neighborhoods because it was easy,” he said. “We didn’t need a search warrant, it allowed us to meet our quotas, and it was ongoing. If we found dope on a Black man we could put him in jail for a few days and no one cared. He has no money for a lawyer, and the courts are ready to convict; there’s no expectation on the jury’s part that we even have to make a case. So rather than go cold turkey he becomes an informant, which means we can make more cases in his neighborhood, which is all we’re interested in. We don’t care about Carlos Marcello or the Mafia. City cops have no interest in who brings the dope in. That’s the job of federal agents.”

Anyone who thinks it is any different nowadays is living in a fantasy world. Where I live, in Longmeadow, MA, the cops are the first line of defense against the blacks and Puerto Ricans in the nearby city of Springfield. About 15 years ago, there was a Mafia murder in Springfield’s Little Italy section. At the time, blacks and Puerto Ricans were moving into the neighborhood and there was a lot of racial tension. The local TV station interviewed me about it, and I said the Al Bruno, the murdered Mafia boss, was probably an FBI informant. The next day, people I knew wouldn’t talk to me. Comments were made. Someone told me Bruno’s son went to the same health club as me. In a city

like Springfield and its suburban neighborhoods, everyone is related to or friends with someone in the Mafia.

A few years before Bruno's murder, I had befriended the janitor at the health club I belong to. By chance, the janitor was the son of a Springfield narcotics detective. The janitor and I shot pool and drank beers in local bars. One day he told me a secret his father had told him. His father told him that the Springfield cops let the Mafia bosses bring narcotics into Springfield and in exchange, the hoods named their black and Puerto Ricans customers. That way, like Giarusso said above, the cops keep making cases and the minority communities have a harder time buying houses and encroaching on the established whites in their neighborhoods. This happens everywhere in the US every day.

LS: Is it ironic to you that the whole drug trade wouldn't exist as it does today if the drugs were not illegal in the first place?

DV: The outlawing of narcotic drugs turned the issue of addiction from a matter of "public health" into a law enforcement issue, and thus a pretext for expanding police forces and reorganizing the criminal justice and social welfare systems to prevent despised minorities from making political and social advances. The health care industry was placed in the hands of businessmen seeking profits at the expense of despised minorities, the poor and working classes. Private businesses established civic institutions to sanctify this repressive policy. Public educators developed curriculums that doubled as political indoctrination promoting the Business Party's racist line. Bureaucracies were established to promote the expansion of business interests abroad, while suppressing political and social resistance to the medical, pharmaceutical, drug manufacturing and law enforcement industries that benefited from it.

It takes a library full of books to explain the economic foundations of the war on drugs, and the reasons for America's laissez faire regulation of the industries that profit from it. Briefly stated, they profit from it just like the Mafia profits from it. Suffice it to say that Wall Street investors in the drug industries have used the government to unleash and transform their economic power into political and global military might; never forget, America is not an opium or cocaine producing nation, and narcotic drugs are a strategic resource, upon which all of the above industries - including the military - depend. Controlling the world's drug supply, both legal and illegal, is a matter of national security. Read my books for examples of how this has played out over the past 70 years

LS: Is the CIA part of the opium problem today in Afghanistan?

DV: In Afghanistan, CIA officers manage the drug trade from their hammocks in the shade. Opium production has soared since they created the Karzai government in 2001-2 and established intelligence networks into the Afghan resistance through "friendly civilians" in the employ of the opium trafficking warlord, Gul Agha Sherzai. The American public is largely unaware that the Taliban laid down its arms after the American invasion, and that the Afghan people took up arms only after the CIA installed Sherzai in Kabul. In league with the Karzai brothers, Sherzai supplied the CIA with a network of informants that targeted their business rivals, not the Taliban. As Anand Gopal revealed in *No Good Men Among the Living*, as a result of Sherzai's friendly tips, the CIA methodically tortured and killed Afghanistan's most revered leaders in a series of Phoenix-style raids that radicalized the Afghan people. The CIA started the war as a pretext for a prolonged occupation and colonization of Afghanistan.

In return for his services, Sherzai received the contract to build the first US military base in Afghanistan, along with a major drug franchise. The CIA arranged for its Afghan drug warlords to be exempted from DEA lists. All this is documented in Gopal's book. The CIA officers in charge watch in

amusement as addiction rates soar among young Afghan people whose parents have been killed and whose minds have been damaged by 15 + years of US aggression. They don't care that the drugs reach America's inner cities, for all the economic, social, and political reasons cited above.

The drug trade also has "intelligence potential". CIA officers have an accommodation with the protected Afghan warlords who convert opium into heroin and sell it to the Russian mob. It's no different than cops working with Mafia drug dealers in America; it's an accommodation with an enemy that ensures the political security of the ruling class. The accommodation is based on the fact that crime cannot be eradicated, it can only be managed.

The CIA is authorized to negotiate with the enemy, but only if the channels are secure and deniable. It happened during the Iran Contra scandal, when President Reagan won the love of the American people by promising never to negotiate with terrorists, while his two-faced administration secretly sent CIA officers to Tehran to sell missiles to the Iranians and use the money to buy guns for the drug dealing Contras. In Afghanistan, the accommodation within the drug underworld provides the CIA with a secure channel to the Taliban leadership, with whom they negotiate on simple matters like prisoner exchanges. The criminal-espionage underworld in Afghanistan provides the intellectual space for any eventual reconciliation. There are always preliminary negotiations for a ceasefire, and in every modern American conflict that's the CIA's job. Trump, however, is going to prolong the occupation indefinitely.

The fact that 600 subordinate DEA agents are in Afghanistan makes the whole thing plausibly deniable.

LS: Did the U.S. employ characteristics of the Phoenix program as a replay in Afghanistan? I ask especially related to the beginning of "Operation Enduring Freedom" when the Taliban leaders initially laid down their weapons.

DV: Afghanistan is a case study of the standard two-tiered Phoenix program developed in South Vietnam. It's guerrilla warfare targeting "high value" cadre, both for recruitment and assassination. That's the top tier. It's also psychological warfare against the civilian population - letting everyone know they will be kidnapped, imprisoned, tortured, extorted and/or killed if they can be said to support the resistance. That's the second tier - terrorizing the civilians into supporting the US puppet government.

The US military resisted being involved in this repugnant form of warfare (modeled on SS Einsatzgruppen-style special forces and Gestapo-style secret police) through the early part of the Vietnam War, but got hooked into providing soldiers to flesh out Phoenix. That's when the CIA started infiltrating the military's junior officer corps. CIA officers Donald Gregg (featured by the revisionist war monger Ken Burns in his Vietnam War series) and Rudy Enders (both of whom I interviewed for my book *The Phoenix Program*), exported Phoenix to El Salvador and Central America in 1980, at the same time the CIA and military were joining forces to create Delta Force and the Joint Special Operations Command to combat "terrorism" worldwide using the Phoenix model. There are no more conventional wars, so the military, for economic and political reasons, has become, under the junior officer corps recruited by the CIA years ago, the de-facto police force for the American empire, operating out of 700 + bases around the world.

LS: In what form and fashion is the Phoenix program alive today in America's homeland?

DV: Karl Marx explained over 150 years ago how and why capitalists treat workers the same, whether at home or abroad. As capitalism evolves and centralizes its power, as the climate

degenerates, as the gap between rich and poor widens, and as resources become scarcer, America police forces adopt Phoenix-style “anti-terror” strategies and tactics to use against the civilian population. The government has enacted “administrative detention” laws, which are the legal basis for Phoenix-style operations, so that civilians can be arrested on suspicion of being a threat to national security. Phoenix was a bureaucratic method of coordinating agencies involved in intelligence gathering with those conducting “anti-terror” operations, and the Department of Homeland Security has established “fusion centers” based on this model around the nation. Informant nets and psychological operations against the American people have also proliferated since 9-11. This is all explained in detail in my book, *The CIA as Organized Crime*.

LS: How important is mainstream media for the public perception of the CIA?

DV: It’s the most critical feature. Guy Debord said that secrecy dominates the world, foremost as secret of domination. The media prevents you from knowing how you’re being dominated, by keeping the CIA’s secrets. The media and the CIA are same thing.

What FOX and MSNBC have in common is that, in a free-wheeling capitalist society, news is a commodity. News outlets target demographic audience to sell a product. It’s all fake news, in so far as each media outlet skews its presentation of the news to satisfy its customers. But when it comes to the CIA, it’s not just fake, it’s poison. It subverts democratic institutions.

Any domestic Phoenix-style organization or operation depends on double-speak and deniability, as well as official secrecy and media self-censorship. The CIA’s overarching need for total control of information requires media complicity. This was one of the great lesson defeat in Vietnam taught our leaders. The highly indoctrinated and well rewarded managers who run the government and media will never again allow the public to see the carnage they inflict upon foreign civilians. Americans never will see the mutilated Iraqi, Afghani, Libyan, and Syrian children killed by marauding US mercenary forces and cluster bombs.

On the other hand, falsified portrayals of CIA kidnappings, torture, and assassinations are glorified on TV and in movies. Telling the proper story is the key. Thanks to media complicity, Phoenix has already become the template for providing internal political security for America’s leaders.

LS: Is the CIA an enemy of the American people?

DV: Yes. It’s an instrument of the rich political elite, it does their dirty business.

References.

(1) Dan Baum: “Legalize It All – How to win the war on drugs”, published at Harper’s Magazine in April 2016.

(2) “Haldeman Diary Shows Nixon Was Wary of Blacks and Jews”, published at The New York Times on May 18, 1994.

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