

America's NarcoBank: Wachovia Bank was BCCI with a drawl

Posted on [February 20, 2012](#) by [Daniel Hopsicker](#)

Convicted Sarasota Ponzi fraudster Art Nadel, currently holed up in a Federal prison in North Carolina, is back in the news, after a Federal bankruptcy receiver filed a lawsuit accusing Wachovia Bank of criminal complicity in Nadel's theft of \$168 million.

This is a story about financial fraud, drug money, and a global crime network that links BCCI, known as the Bank of Crooks & Criminals Incorporated, with North Carolina's Wachovia Bank.

While Art Nadel's Ponzi scheme was at its peak, between 2003 and 2007, Wachovia Bank was engaged in more continuing criminal activity than in all six seasons of *The Sopranos*.

Wachovia helped Nadel—who had recently been playing piano lounges around Sarasota for a living—masquerade as a "hedge fund advisor," even though the bank knew he was nothing of the kind, the suit alleges.

Wachovia Bank was "inexplicably unconcerned," the suit alleges, that Nadel, a lawyer disbarred for stealing \$50K from his clients to pay off a loan-shark, improperly opened shadow bank accounts to loot six hedge funds he was supposedly "advising."

Nadel engaged in at least a dozen regular financial transactions that were serious criminal violations, the suit alleges. About them all, Wachovia remained "inexplicably unconcerned."

For Wachovia's failure, there is "no legitimate explanation," the suit states baldly.

One of the attorneys for federal receiver Burt Wiand, Terry Smiljanich, told me flatly, "Wachovia has a history of assisting and profiting from the commission of fraud by the bank's account holders."

The American Drug Lords speak English solamente.

Wachovia was assisting in systematically defrauding \$150 million from senior citizens on fixed incomes. While there was far more to be made laundering drug money, for the bank this was still a sweet score.

Every night, working from lists of names and phone numbers, telemarketing boiler rooms called World War II veterans, retired schoolteachers and thousands of other elderly Americans, posing as government and insurance workers updating their files.

They tricked people like Richard Guthrie, 92, a World War II veteran in Iowa, into revealing their banking information. Guthrie lived alone since his wife died. His children had moved away from the farm.

"I loved getting those calls," Guthrie told [the New York Times](#). "Since my wife passed away, I don't have many people to talk with. One gal in particular loved to hear stories about when I was younger.

After getting the banking information, the crooks emptied the old people's bank accounts, assisted

by Wachovia Bank. Wachovia let them withdraw funds from Guthrie's account using unsigned checks.

When Guthrie's bank told Wachovia that the checks had not been authorized, Wachovia returned his funds, but never investigated whether the bank was being used by criminals, according to prosecutors who studied the transactions. They never asked the question because they already knew the answer.

Wachovia collected millions of dollars in fees for cashing \$142 million in unsigned checks.

"I can't understand why they were allowed inside my account," Guthrie told a reporter. "I just chatted with this woman for a few minutes. I didn't know they were stealing from me until everything was gone. They took everything I had."

Meet George Jetson

But financial fraud was just an appetizer. The bank's biggest "earner"—by far—was laundering, according to government investigators, \$375 billion (that's 'billion' with a 'b') dollars of drug money.

It's a specialized world, and modern day drug trafficking is a specialized activity. When Mexican drug cartels needed a transportation coordinator, they bought a DC-9—as well as at least a dozen luxury jets—from two companies in St. Petersburg, Florida. Both were named SkyWay Aircraft.

They claimed to be singular entities. But both sold airplanes to traffickers.

And since these its bad form to walk into an airplane dealership in Florida with a paper bag filled with cash, the traffickers turned to Wachovia Bank to pay for the planes.

Even Ponzi fraudster Art Nadel had a specialty. He was a 'plane mover.'

Nadel owned Tradewinds LLC, with aircraft and hangers in North Carolina and Newnan-Coweta County Airport in Georgia. And in Venice Florida Art Nadel succeeded secretive Wisconsin financier Wally Hilliard as owner of infamous Huffman Aviation, which trained terrorists like Mohamed Atta to fly.

"Both aviation entities were funded with money from Nadel's scheme," said federal receiver Wiand in court documents.

Nadel re-named Huffman the "Venice Jet Port."

It was lipstick on a pig. Many found it odd that—for the second time in less than a decade—the business occupying an otherwise nondescript building at the tiny Venice Airport had become a major crime scene.

The FBI, of course, did nothing to encourage this speculation.

Slouching towards Salt Lake City

The jig was up for Wachovia, finally, when the American-registered (N900SA) DC-9 airliner from St. Petersburg was busted in the Yucatan carrying 5.5 tons of cocaine in April 2006.

No thanks to the FBI or the DEA... It was the Mexican Attorney General who discovered that Wachovia had laundered the money used to buy the DC-9, as well as a second plane which went down 18 months later. (An archive of stories of our investigation into [the DC-9's true ownership is here.](#))

That set off a chain of consequences which resulted in the disappearance of America's 4th largest bank, after Wachovia was repeatedly cited by the Federal Government for "failing to maintain an anti-money laundering program."

Once again, the bank ignored the warnings.

Charged with criminal violations in March of 2009, the bank paid a record fine of \$160 million, was sold to Wells Fargo in a Fed-brokered transaction, and slunk away to lay low in Salt Lake City.

BCCI and Wachovia serve same satisfied customers

It was a cold day in Detroit. That day, Dec 8, 1987, Colombian drug trafficker *Jamie Giraldo* delivered \$1.2 million to an undercover U.S. Customs Agent.

The next day, a BCCI bank manager in Tampa opened an account for him at BCCI Panama, arranged for the funds to be transferred there, and then on to a bank in Tampa.

It was easy. BCCI was called the Bank of Crooks and Criminals because it rolled out the red carpet for the international drug trafficking set.

When the BCCI Bank Officer in Tampa was later arrested for money laundering, he immediately rolled. No omerta here, signor.

He told an undercover agent that his bank, BCCI, secretly owned First American Bancshares, a shady Washington DC bank being fronted by a man who called the Godfather of the Democratic Party, Clark Clifford.

Adding an even more lurid taint, First American was being kept busy laundering the ill-gotten gains—measured in hundreds of million of dollars—of Panama strongman Manuel Noriega.

Much later—rivers of cocaine under the bridge later, in 2001—Wachovia Bank would buy what was left of Clark Clifford's bank. But the connection went deeper than that.

Wachovia served many, like Jaime Giraldo, who had been among BCCI's best customers.

Fast forward 15 years

Fifteen years later, [Jaime Giraldo, still at it, was caught again](#) laundering drug money in 2004.

Now Giraldo was being called the "kingpin" of a Cali, Colombia-based drug network, and an international playboy, with homes in Miami, Los Angeles, and Queens.

Two DEA stings, one called Operation Busted Manatee, the other Operation Double Talk, snared 50 suspects, including drug "kingpin" Giraldo, another Colombian "kingpin" named Elias Cobos-Munez, and a Bahamian "kingpin" named Melvin

Maycock, head of what the DEA called the Maycock/Smith transportation organization.

The men didn't know each other. The two Colombians were "kingpins" in separate Colombia-based networks. What both men had in common was laundering their drug money through Wachovia Bank.

Giraldo was arrested, at Tequila Sunrise in Coral Gables, Fla., one of the many restaurants he owns across the country. New reports said his pockets were full of Viagra tablets. One of his lieutenants was busted at the Rainforest Café at Disney World, while on vacation with his family.

Another was busted in Miami, where she kept her stash in a room at St. Agnes Convent, a home for troubled women run by nuns. Two days after her arrest, thugs banged on the door of the convent to retrieve her belongings. But Sister Mary Pius Frey stood her ground and shooed them away before calling police.

The busts gave the DEA a key to decipher the "code" used by the drug network suspects in cell-phone conversations...

"Big Sombrero" meant Mexico. "Okey Doky" meant the drugs are on their way.

No word on the importance this has played in efforts to "win" the Drug War.

Congrats all around

This series of indictments and related arrests represents the successful culmination of DEA's

Caribbean Initiative," Attorney General John Ashcroft said at a news conference in Washington.

"These are the modern day Pirates of the Caribbean who prey on the vulnerable, plunder for profit, and intimidate through violence," said DEA Administrator Karen Tandy.

"We are seeking extradition of these alleged criminals to the United States so that they will answer to the courts in the same land where they profited from poisoning America's children."

Ashcroft called the indictments "a significant victory over the culture of crime, of corruption and death that is fuelled by illicit drugs. One by one, we are dismantling the most dangerous drug cartels that poison our citizens and communities."

This seems a bit much, but its probably only to be expected from a man who lost a US Senate race o a dead guy. And the hyperbole didn't end with him...

"We have had one hell of an impact on the trafficking in the Caribbean," Thomas Raffanello, special agent in charge of the DEA's Miami field office, said in an interview.

"The Caribbean Initiative has caused a system shock to some of the operations of some major cocaine and marijuana traffickers," said John Walters, Director of National Drug Control Policy.

"We believe this operation will severely disrupt the entire Caribbean drug trade," an AP report out of Washington quoted Tandy as saying.

Wachovia was BCCI with a drawl, y'all

But why no word about the bank that had made it all possible? How come no one thought to "take down" Wachovia executives in dramatic pre-dawn raids in Winston-Salem?

Over five years, between 2002 and 2007, Wachovia laundered more drug money—including billions of dollars traced directly to violent Mexican drug cartels—than any bank since BCCI, the notorious international bank known in its heyday as the Bank of Crooks & Criminals.

But the entire US Government knew what Wachovia was up to well before that. Despite formidable competition, Wachovia was the most crooked bank since BCCI.

The native habitat of the elusive and seldom-photographed American Drug Lord, it turns out, isn't a gaudy waterfront mansion in Miami, with Uzi-carrying henchmen providing 24-hour security, like in Scarface.

Today's American Drug Lord feels more at home in a hospitality suite at a 5-star hotel, during a meeting of the American Bankers Association.

A final note

One of the "kingpins" targeted by the two DEA operations had been Daniel Muir, a Quebec drug importer. He wasn't indicted, however, because by then he was dead.

He was killed in downtown Montreal after being chased by two men, one with an axe, the other with a knife. At the time of Muir's death, he held \$35 million for several Quebec "investors"

seeking to smuggle cocaine into Canada, but the money was "missing."

Another target of the investigation, "kingpin" Melvin Maycock, was recently in the news... A judge in the Bahamas ordered Maycock tagged with a GPS-enabled monitoring device as a condition for bail.

Maycock was on bail regarding an extradition case for his alleged role as the head of the Caribbean arm of a multi-national drug smuggling gang.

Maycock was also on bail for a drug case in the Bahamas involving 1,500 pounds of marijuana. And he had a pending case involving his alleged escape from a Bahamian Police Station.

Even so, Melvin Maycock asked a Bahamian court to remove his ankle bracelet, which he was being forced to wear while under house arrest. Officials at the monitoring center were trying to restrict his movements, his lawyers said.

Senior Justice Jon Isaacs told Maycock that if officials continued to interfere with him, he would order the bracelet removed.

Allen Stanford, American Drug Lord

Posted on [March 21, 2012](#) by [Daniel Hopsicker](#)

Missing from coverage of the conviction two weeks ago of Texas "financier" Allen Stanford for running a \$7 billion Ponzi scheme was any mention of Stanford's long-time role as an authentic—if no longer certified—American Drug Lord.

"Sir" Allen (the title was bought) is an excellent example of a curiously under-publicized species: the American Drug Lord. (The U.S. Drug Enforcement Administration claims the species doesn't even exist; it may be they have their own reasons.)

To most observers in the Caribbean, however, Stanford's narco-bank was as visible a manifestation of the global drug trade as a homemade semi-submersible submarine, or a convoy of SUV's snaking through Sinaloa's Sierra Madre Mountains.

Banks like his immodestly-named Stanford International Bank on the island of Antigua, where financial regulators are apparently even more easily-corrupted than their counterparts in the U.S., are as essential to global drug trafficking as fleets of late-model, preferably American-registered luxury jets.

"Every island has one," one veteran Caribbean observer told us from Kingston Jamaica, referring to Stanford's bank. "The days are mostly gone when you could walk in and lay out three suitcases of cash and get a penthouse condo on Miami Beach."

"You can't spend money you haven't first deposited in a bank these days."

It's the little things

Conspicuously missing at Stanford's trial were answers to questions widely being asked, especially in the Caribbean, where many lost their life savings, about Stanford's relationship with the CIA.

Was Stanford's bank in Antigua just the latest in a long line of money-laundering banks—like Castle Bank, Nugan Hand, and Wachovia—used to move money around by the CIA and organized crime?

One telling detail: when Stanford's fellow Ponzi All-Star Art Nadel (of Huffman Aviation in Venice Florida fame) went on the lam, he lit out for Slidell, Louisiana, the legendary site of Carlos Marcello's hunting lodge just outside New Orleans.

After Stanford went on the lam he was found in Fredericksburg, Virginia, just over the hill from "The Farm," the training facility of one of the U.S. Government's most famous three-letter agencies at the Marine Corps Base in Quantico.

White kid gloves only, please

The kid-glove treatment accorded two of Stanford's accomplices is another clue to Stanford's provenance. Without their help, say observers, Stanford's operation would have been shut down as much as a decade earlier.

Both were high-level U.S. Federal Agency employees, one in the DEA, the other in the SEC, America's Securities Exchange Commission, charged with preventing financial fraud.

Neither Agency has exactly covered itself in glory in living memory.

In the \$3 trillion financial heist in 2008, the SEC, unfortunately, got there a little late...

And in the now 40-year old War on Drugs, the DEA cannot be said to be “shock and awe-ing” the global drug trade into anything like submission.

In the aftermath of Stanford’s arrest, the two former high-level Federal employees fared pretty well. One, deeply and criminally implicated by numerous sources, paid just a \$50,000 fine, and never even faced criminal charges.

And when the second one did face criminal charges, a miracle occurred.

The 'Immaculate Acquittal'

It’s morning in Miami. Tuesday the 10th of February, 2010. Inside the Federal Courthouse downtown something extremely rare is about to take place: a miracle, at least the closest thing to a miracle veteran court-watchers have seen in a long time.

It comes at the end of the trial of Thomas Raffanello, Allen Stanford’s Chief of Security, and the long-time chief of the Drug Enforcement Administration's Miami office. Before joining Stanford, Raffanello led investigations against Manuel Noriega and the Medellin Cartel.

There has long been speculation about Stanford’s connections with the world of “*los narcos*.” But Raffanello is the one verifiable link between Allen Stanford and the global drug trade.

Raffanello, accused of illegally shredding documents at Stanford Financial Group after Stanford’s arrest, was taken to a Fort Lauderdale federal courtroom in shackles, facing charges of

conspiracy, obstruction of justice and destroying records.

But he had committed no crime, his lawyers said in a court filing. He was simply ‘taking out the garbage.’

On the morning of February 10, 2010, Raffanello sat in court awaiting the jury’s verdict as the jury asked for clarification on one of the charges. Then, after they retired to continue their deliberations, Judge Richard Goldberg ordered the charges dismissed.

Lawyers called the ruling extremely rare, almost unprecedented. “Something smells here,” said one courtroom observer afterwards.

It was the Immaculate Acquittal.

“Judges always wait for the jury to finish deliberations. If the jury finds the defendant not guilty, case closed. If they find him guilty, the judge has the power to over turn the conviction. But in that case the judge proclaims, ‘Judgment notwithstanding the verdict.’”

"We witnessed a miracle," said one of Raffanello's defense attorneys, Janice Burton Sharpstein.

It's a small world, after all

Sharpstein is married to Richard Sharpstein, a Miami attorney who represented one of the trigger men in the assassination of Barry Seal in Baton Rouge Louisiana in 1986.

We interviewed him while researching “Barry & the Boys.” But the story he told us speaks volumes about the world of Allen Stanford.

“Why was Barry Seal murdered?” we asked.

“Seal had been irate when the IRS seized all his property,” Sharstein related. “The IRS man said to Seal, ‘You owe us \$30 million for the money you made drug smuggling.’”

“Hey, I work for you,” was Seal’s reply. “We both work for the same people.”

“You don’t work for us,” the IRS agent replied. “We’re the IRS.”

“Then Unglesby (Seal’s attorney) watched as Seal place a call to (then-Vice President) George Bush,” Sharpstein stated.

“He heard Barry say, ‘If you don’t get these assholes off my back I’m going to blow the whistle on the Contra scheme.’”

“What Unglesby says is, ‘That’s why he’s dead.’”

Allen Stanford isn’t dead. But he pissed somebody off bad enough to make him wish he were.

Allen Stanford & ‘The Caribbean Two-Step’

Posted on [March 23, 2012](#) by [Daniel Hopsicker](#)

Call it the “Caribbean two-step.”

The dance the U.S. Government has just pirouetted through with convicted mega-swindler Allen Stanford, repeats a familiar pattern its been

using for at least 30 years. But rarely has it looked more like a lumberjack in *The Nutcracker*.

According to final reports of investigations by the two hand-wringing U.S. Agencies most involved—[the SEC](#) and the Financial Industry Regulatory Authority, Inc. ([“FINRA”](#))—cowboy bandit Stanford was known to have been running a Ponzi scheme as early as 1997.

Those were simpler times. Back then, scientists were still trying to clone dolly the sheep. And Allen Stanford had “only” stolen a billion dollars. By the time he was busted the figure had gone up to \$7 billion.

So, who was out the big bucks? Mostly investors from Latin America: Colombia, Mexico, and Venezuela, most of whom are currently either suing the SEC, or thinking about it.

However jilted investors could probably make an equally good case against the DEA, because at the same time he had a Fly-Through Window open at his narco-bank laundering drug money, according to the BBC, Allen Stanford was a DEA informant.

No word yet on whether the DEA felt this might present a concern.

None of this is exactly cricket

It was February 9 2009. After unsuccessfully trying to flee the country (his credit card was refused at a Houston charter jet service), Allen Stanford was picked up by the FBI in Virginia, sitting in his girlfriend's car.

Just three days earlier (Feb. 6 2009), a second American-sponsored drug figure in the Caribbean had been arrested. When 35-year old drug pilot [Michael Francis Brassington](#) was taken down in Miami by the FBI, it marked the end of a very long run.

The tall rangy Texan and the short pudgy Guyanese pilot looked nothing alike. Yet they shared some remarkable characteristics.

Michael Brassington was a drug pilot from Guyana. Yet oddly enough he was politically very well-connected in Washington, D.C. His father had for many years been a top figure at Barclay's Bank in the Caribbean.

While Allen Stanford could do pretty much anything he wanted with his bank, financially, Michael Brassington's charter jets flew with little regard to impediments like borders. His charter jet company in Fort Lauderdale had what envious aviation observers in Florida thought was diplomatic impunity, or at least a laminated non-revocable "get out of jail free" card.

Almost daily, Brassington flew into and out of the U.S. At Fort Lauderdale Executive Airport, where he often landed, U.S. Customs Agents sometimes didn't even bother to check his plane.

Allen Stanford's "luck" with financial regulators is clearly visible in the record. So is Brassington's. In July of 2000, he was caught co-piloting a Learjet in Orlando carrying 43 lbs of heroin; yet he suffered no ill effects.

He wasn't arrested. His name wasn't even in the papers, which is really impressive, because 43 lbs

of heroin is known in the drug trade as "heavy weight."

It is a *lot* of heroin.

Turning a blind eye

They say timing is everything.

30 years ago officials in Washington were turning what is euphemistically called a "blind eye" to the cocaine and weapons trafficking operation run by Marine Colonel Oliver North, flown on hastily-decommissioned U.S. military cargo planes by a motley crew put together by ex-CIA pilot Barry Seal. The cocaine his planes were hauling belonged to the Medellin Cartel, which fell from favor and was then brought down in 1989.

The Cali Cartel then picked up the slack, until it too was brought down a half-dozen years later. Strangely, however, these two massive "victories" in the "War on Drugs" affected neither the price nor the availability of cocaine in America, which is re-stocked onto the nation's illicit drug shelf with Procter & Gamble-like efficiency.

"Drug trafficking is a movable feat," stated a drug pilot who regularly flew cocaine into Mena Arkansas during the infamous contra-cocaine debacle. "There's plenty of other places to go to avoid the glare of the spotlight when things get hot somewhere. Moving is easy."

It's all done with smoke and mirrors.

For more than 30 years the drug trade has remained a remarkably stable industry. The effect of constant movement is achieved by constantly

moving things around, to give an illusion of progress in the never-ending War on Drugs.

Time marches on, and the “Oliver Norths” become the “Allen Stanfords.”

Back when Oliver North was an active American Drug Lord, the movie of the moment was Basic Instinct and starred Sharon Stone crossing and recrossing her legs.

Today Sharon Stone is on the cover of AARP, the glossy magazine of the American Association for Retired People. (No word on whether Stone does anything scandalous or naughty in her interview with the retired people.)

But not much else has changed.

When Stanford was arrested, the first thing he did was retain Oliver North’s lawyer.

Seen in this light, when DEA Chief Administrator Michele Leonhart showed up in Afghanistan last year [on the arm of former American Drug Lord Oliver North](#), it was business as usual.

Learning to spell "philanthropist"

Sir Allen Stanford was America's 205th richest man. Somebody was getting him some good PR. One widely circulated story was that when a Catholic priest stricken with the stigmata (wounds resembling those Jesus suffered in his crucifixion) needed medical treatment in the United States, Stanford flew him on his private plane.

“His strong bond with the islands,” one paper reported, “was strengthened by an encounter with

Father Gerard Critch, a local priest afflicted by stigmata, which Sir Allen believed to be the wounds of Jesus. He carries a vial of congealed fluids from the clergyman's foot.”

Stanford said he remembered touching his head to the priest’s and experiencing a “life-changing” surge that strengthened his faith in God. "That was a major personal event in my life," Stanford said. "It was truly an out-of-this-world experience, a supernatural experience."

The priest survived. Stanford lost touch with him.

NEXT: Was the timing of the two men's arrests IN FEB 2009 just A coincidence? Or something more?

Sarasota, Florida: “The Meanest City in America”

Posted on [April 2, 2012](#) by [Daniel Hopsicker](#)

As their son’s killer was sentenced to life in prison last week, the parents of two vacationing Brits murdered in Florida [expressed anger](#) over receiving no message of condolence from President Barack Obama, even though the President had recently expressed sympathy in the slaying of a 17-year old black teenager, also in Florida.

The two young British tourists, still in their early twenties, were murdered [by a sneering teen](#) with a tattoo reading 'Savage' across his chest, who ‘capped’ them after ignoring their pleas for their lives, squeezing off round after round until his gun was out of bullets.

Unknown to the grieving parents was that Obama's embarrassed silence may not have been a matter of race, but of *place*: Sarasota, where the young Brits were slain, has been called "[the meanest city in America](#)" for the less fortunate by one newspaper, USA TODAY, and "heartless" [by another](#).

A "balmy, palm-studded resort town on the shores of the Gulf of Mexico," is how the city of Sarasota likes to see itself. A more apt description might be "playground of the parasitic rich."

In fact loathing for the homeless is so intense [the city removed benches](#) from downtown parks to prevent them from sitting on them.

"Cities like Sarasota are unsympathetic places for those down on their luck," [stated London's Economist](#). "One of the reasons they grew so fast in the boom years were their low taxes, leaving little money for social programs. Homelessness is often seen as a threat to migration and tourism."

Hometown paper, hometown values

Nowhere are Sarasota's philistine values more readily visible than in the pages of the hometown paper, the Sarasota Herald-Tribune. Despite the tragic dimensions of the crime, in the week leading up to the trial the paper ran numerous stories speculating on the impact of the brutal deaths on tourism from Great Britain.

"Tourism: New publicity over killing of two British visitors is a concern" [read one headline](#). "With the trial of accused killer Shawn Tyson now under way, Sarasota County officials are closely

monitoring reactions across the Atlantic through a London-based public relations firm.

"British tourist killings: Will trial affect tourism?" [asked another](#). "A year after the killing of a pair of visitors threatened to derail travel to Southwest Florida from the United Kingdom, tourism officials are once again bracing for an onslaught from the British press — and a potential hit to the area's most important industry.

The next day [the paper's headline](#) answered its own question: **"Trial's effects likely to be slight."**

What saved Sarasota from further negative scrutiny were the nuptials of Prince William and Catherine Middleton, just two weeks after the murders, which took much of the tabloid heat off Sarasota. "That helped," Haley says. "We were going through a couple weeks of ever-more salacious stories, and then they basically went into 24/7 royal wedding coverage."

The paper's insensitive coverage is the legacy of David B. Lindsay Jr., the long-time owner and publisher, who ran a highly-unusual sideline for a newspaperman. He was a "[a merchant of death](#)," selling arms to some of the most repressive regimes on the planet.

Lindsay left an indelible mark on life in his former fiefdom of Sarasota County, where he was a powerful force upholding a 70 year-old tradition of allowing covert operations to be carried out in secrecy under strict media blackout on Florida's Gulf Coast. Take, for example, the Saudis of Sarasota County.

The Saudis of Sarasota County

What makes all this more than merely a local concern is the powerful and profoundly negative effect Sarasota has had on life in America in recent times.

Sarasota has long been a welcome port of call for grifters, from seedy American spy E. Howard Hunt, to, more recently, convicted felon Jonathon Curshen, henchman and [fellow felon to Marc Harris](#), the drug trafficker and former Congressional aide to deceased North Carolina Senator Jesse Helms.

Sarasota is well-known as the home of Katherine Harris, the pivotal figure who as Florida Secretary of State refused to count the votes in what many perceive as the stolen Presidential election of 2000.

More recently the city made headlines last year with revelations about [a wealthy Saudi couple](#) living in a gated community there who before 9/11 received regular visits from Mohamed Atta before abruptly abandoning their home a week before the attack, leaving behind cars, furniture, and food on countertops.

There was no mention of the couple in the Sept. 11 commission report, or in FBI briefings to congressional investigators, according to former Florida Sen. Bob Graham. Author Anthony Summers finally drew attention to it on the eve of publication of his book about the 9/11 attack. The dodgy Saudis, now safe from questioning in Riyadh, must have felt right at home in Sarasota.

Living behind "The Orange Curtain"

The city boasts a brand-new spare-no-expense \$50 million jail built to incarcerate vagrants and others down on their luck.

The new Sarasota County Jail is privately-run, either because of the history of ethically-challenged Sarasota County Sheriffs, or, more likely, because incarceration is a major local industry.

Sarasota is home to Corrections Corporation of America (CCA), the largest private prison company in America, recently re-branded "The GEO Group" to escape bad publicity, much as notorious Blackwater Security became Xe Services when the war in Iraq wound down, or cancer mass merchant Philip Morris, now known as Altria.

Despite widespread protest and scandal after scandal, private prisons are a growth industry. But if the three-strikes rule applied to corporations—and why not, since Republican Presidential candidate Mitt Romney insists corporations are people—CCA, ironically, might be locked up in one of its own prisons.

According to an investigation by NPR, [CCA pitched the construction of a new prison](#) in Arizona to house illegal immigrants, but local officials were not convinced that the prison could be kept full. They were unaware that CCA was at the same time drafting, promoting and lobbying for a bill in the Arizona Senate to require police to lock up anyone unable to prove they were in the US legally.

While its hard to think of a more cynical way to earn one's fortune than to devise means of placing

more people in prison, its not at all hard to see why CCA's founder is a long-time resident of Sarasota.

No doubt he feels right at home.

Narco-Banker: The Allen Stanford Story

Posted on [April 13, 2012](#) by [Daniel Hopsicker](#)

With his recent conviction on 13 counts of money laundering—ensuring that a man who once lived in a \$57 million mansion with a moat will be doing his entertaining behind bars for a very long time—the Allen Stanford scandal would seem to be all but over.

But Allen Stanford's Ponzi scandal is ending before the most important question about the scandal has even been asked...

How did a gym owner filing bankruptcy in Texas happen to wake up a year later owning an offshore bank?

In 1982, Allen Stanford was the bankrupt owner of a bankrupt chain of athletic clubs in Waco Texas. In his personal bankruptcy filing he listed \$13.6 million in debt against less than \$200,000 in assets.

Paul Holt, a businessman in Waco Texas, watched as Stanford's sketchy business career was getting underway. "I knew about Stanford's failed health club in Waco, Texas, because that's where I live, and I was there when it happened," Holt told Vanity Fair in 2010.

"Then one day I go online and out of the corner of my eye I see this headline: 'Allen Stanford, Caribbean Banking King, in \$8 billion Scandal.'"

"And I'm going, whoa! How does somebody go from bankrupting a Total Fitness Center to becoming a knight in the Caribbean?"

Whoa, indeed.

Allen Stanford's startling transition from bankrupt Texas grifter to star money launderer is a vivid snapshot which authorities don't want anyone examining too closely... a Polaroid capturing the collapse of the rule of law in the United States of America during the Iran Contra-inspired cocaine epidemic of the 1980's.

According to news accounts, the government's tepid response to Allen Stanford's continuing criminal enterprise began in the late 1990's.

Not so. Stanford was fingered as a criminal as far back as **1989**, when George Bush the Elder was in the White House, "Back to the Future II" was in theaters, and tanks were rolling through Tienanmen Square.

So the real villains in the scandal of Allen Stanford and his \$8 billion Ponzi scheme are the people who prevented his prosecution for **two full decades**. And many of **them** have yet to be publicly named, let alone punished.

The Stanford scandal produced the usual tepid admissions of wrongdoing by government Agencies charged with guarding America from crooks and grifters. Many saw criminal negligence in the government's inaction.

The SEC knew all about Stanford's criminal fraud back in 1996, for example, a full decade before taking even baby steps to end it.

This disclosure prompted some public handwringing, but not much else. And the results of the official investigations into Stanford's big score were less than inconclusive...

In a civil proceeding, one former SEC administrator paid a \$50,000 fine for crimes that would send an ordinary citizen to jail for a decade.

And the longtime head of the DEA in Miami—a Stanford “security” official caught red-handed after Stanford's indictment in an orgy of file-shredding that would have done Oliver North and Fawn Hall proud—was acquitted in an extraordinary extrajudicial move by a Federal judge who snatched the case from the hands of a jury deliberating a verdict.

In such cases, one wonders: why bother with the expense of a trial? Tea Party advocates should have been outraged. But perhaps they were all on vacation.

Get out of jail passes all around!

A little history lesson offers some big clues.

The Caribbean island of Montserrat was ‘discovered’ by Christopher Columbus in 1493. A volcanic eruption in 2003 rendered the island all but uninhabitable.

Somewhere in between those two dates came Allen Stanford, who opened a bank on the island in 1985. It was his first.

Stanford's bank was chartered by a fraudster from Beverly Hills named Jerome Schneider, author of an early entry in the booming field of helping the parasitic rich avoid paying taxes. It was called “Hiding Your Money.”

Schneider also hosted "offshore wealth summits" in places like Cancun, attended by congressmen and other public figures, according to the Los Angeles Times.

Schneider set up about 800 offshore banks in 15 years, and was a “thorn in the side of federal banking authorities and the Internal Revenue Service for years,” according to the LA Times.

But if he was a thorn in their side, you couldn't tell. They never did anything about him. Nothing.

To anyone who has felt the full force of the government come down over unpaid parking tickets or a minor moving violation, this must seem strange.

What such people need to understand is that selective prosecution is not the exception in the U.S. It's the rule.

Chase, Morgan, Stanford, DuPont

Frequently, the names of Schneider-chartered banks were similar to those of well-known domestic banks, with words like "Chase" or "Morgan" in their titles.

Schneider must have seen Stanford, already an inveterate liar, as manna from the gods. Soon he was boasting of his family ties with the founder of

Stanford University in Palo Alto, Leland Stanford, a tie the University has taken pains to refute.

Schneider's most famous client before Stanford was a fraudster from La Jolla, a city which, given its small size turns out fraudsters with astonishing regularity, was a man named J David Dominelli.

Dominelli's claim to fame, oddly enough, is that before Allen Stanford, Bernie Madoff and Art Nadel came along, he was America's biggest Ponzi All-Star. When he went down, so did a number of Republican politicians in San Diego like Roger Hedgecock, the city's long-time mayor.

When the scandal grew too big to ignore, the island of Montserrat shut down most of the phony banks. One oft-cited closure featured the prestigious-sounding Zurich Overseas Bank, which operated out of a tavern in the island's capital, Plymouth.

"Almost every bank in Montserrat was operated illegally," says David Marchant, editor of OffshoreAlert, a newsletter covering offshore banking.

"The fact that Stanford had a banking license in Montserrat is all you needed to know about his credibility. It wasn't like most of the banks were good and you had a few bad eggs. The only reason you opened a bank in Montserrat was to commit fraud."

Allen Stanford, lucky fellow, emerged unscathed, if not unnoticed. He moved his bank to Antigua, then a British Crown Colony.

They didn't call them the go-go 80's for nothing

So, just what was going on in 1985 that made starting an American-owned no-questions-asked bank in the Caribbean such a sure thing?

The answer is obvious to everyone... except American authorities, who never asked the question... save for a few brave souls, quickly hounded out of the government or moved to jobs watering plants in the office.

But someone from Scotland Yard was apparently paying attention, detective Paul Marston, who in 1989 targeted Stanford's bank, which had already grown into one of the Caribbean's largest.

Where were all Stanford's deposits coming from? Marston didn't have to wonder long to find the answer. Colombian drug money was flooding into banks across the region, and there were persistent rumors that this was the source of Stanford's growth.

Marston called in an expert from the U.S. Government's Office of the Comptroller of the Currency. "The O.C.C. guy went down there, stood across from the Stanford office for maybe several hours, came back and said, 'Yep, that's a money-laundering operation,'" recalled an agent involved in the operation.

"So Marston goes, 'How can you tell from just standing across the street?' And the guy goes, 'I'm telling you, it is.'

"Then, a little later, we got fairly detailed intelligence that they were indeed laundering for major Colombian drug traffickers."

"We own it. You can *always* count on Florida"

Montserrat authorities finally revoked Stanford's license, in May 1991.

This cut no ice with banking officials in Florida, however. Despite objections from the state's chief banking counsel, Florida regulators allowed Stanford to open a Miami office and transfer significant amounts of money outside the US...

with no government oversight.

This is one of countless pieces of damning evidence, clues, absolute indications, sure signs, telltale tip-offs, unmistakable signs, and, yes, smoking guns illustrating Allen Stanford's favored position as an officially-sanctioned drug money launderer.

As, in other words, an American Drug Lord.

Anyone wanting to know why the US Government is roundly despised in so many places around the world need look no further:

Christopher Sandrolini, chargé d'affaires at the US Embassy in Barbados, recently lectured a meeting of Caribbean heads of state in Barbados on how they could become crime-busters—just like us!—if only they tried hard enough.

“The Stanford case should serve as a warning to small societies in the Caribbean,” he said. “Given the region's vulnerability to criminals, Caribbean nation's cannot afford to relax their vigilance and laws.”

Hear hear

Art Nadel and the Wall Street Wise Guys

Posted on [April 25, 2012](#) by [Daniel Hopsicker](#)

The death in prison of Art Nadel last week left numerous questions about the scandal that may never be answered.

Authorities will now be rolling up the sidewalks on the Art Nadel scandal, continuing the trend of American scandals going unexplained and largely unexplored stretching back to Iran Contra.

Art Nadel was a disbarred NY attorney with a recent work history consisting of playing gigs in second rate piano bars. Yet apparently the FBI's best "thinking" is that Nadel was a lounge act who stole \$166 million... all by himself.

Was Art Nadel the mastermind of a huge financial fraud, or just a hapless front man? A Ponzi all star? Or a Ponzi patsy? We may never know.

Two matters cry out for more attention. The first involves the names of the firms which made Nadel's fraud possible: Wachovia Bank, whose assistance enabled Nadel's scheme, and Goldman Sachs, the Wall Street firm which cleared his trades.

Fishing in muddy Wall Street waters

Goldman Sachs and Wachovia Bank are names with a lot of mud on them. Both firms have recently paid huge fines for criminal behavior for which individuals spend decades in prison.

Art Nadel's use of Goldman and Wachovia in tandem seems too prescient for a man of his

meager talents. So, how did this arrangement come about?

“Nadel engaged in at least a dozen regular financial transactions that were serious criminal violations,” a recent lawsuit by the Federal receiver in the case alleges. About them all, Wachovia remained “inexplicably unconcerned.”

The suit states baldly, “For Wachovia's failure, there is no legitimate explanation.”

And the attorney for the Federal receiver who filed the lawsuit, Terry Smiljanich, told me flatly, “Wachovia has a history of assisting and profiting from the commission of fraud by the bank’s account holders.”

Was Art Nadel really a Lone Nut Ponzi All Star?

The second thing about the Nadel scandal which seems more than odd concerns the omission in news stories of his death in prison of the fact that—while his Ponzi scheme was in full flight—Nadel bought the notorious Huffman Aviation at the Venice Airport, the place where both terrorists who flew planes into the World Trade Center learned to fly.

Apparently the mainstream media did not find it significant that Nadel used a goodly portion of his ill-gotten gains to buy a flight school whose name will forever live in ignominy.

In fact, a Google search for “Art Nadel” and Huffman Aviation” turns up 600 results, all of which link to stories published first on this website.

While defrauding \$166 million from investors, Nadel was establishing a sizeable aviation presence, buying and FBO’s at airports in Georgia, North Carolina and in Venice. To what end? For what purpose?

We’ll likely never know. No one is even asking. Why? Perhaps because Art Nadel wasn't even the first recent owner of Huffman Aviation to be involved in a Ponzi scheme.

That honor belonged to previous owner Wallace J. Hilliard, who owned Huffman Aviation while Mohamed Atta took flying lessons there. Hilliard was involved in two separate Ponzi schemes...

Both of them were bigger than Nadel's. This stretches the boundaries of coincidence way beyond any reasonable definition of the word.

Hilliard was a grateful beneficiary of a massive \$300 million financial fraud involving Richard Boehlke, Hilliard’s partner in a soon-to-be-bankrupt airline called Florida Air.

According to the Portland Oregonian, the scheme scammed \$300 million dollars from the pension funds of mostly-Mob run unions.

Boehlke shoveled trunk-loads of cash—more than \$12 million—into the back of his Hummer. His Ponzi money paid for the half-dozen jets used by the airline.

Hilliard was an “health insurance” executive from Green Bay, Wisconsin who “retired” to Florida. Most retirees in Florida buy a set of golf clubs and matching sans-a-belt slacks and sweater combos in canary yellow or lime green.

Hilliard, on the other hand, bought two dozen luxury jets as well as flight schools in Venice and Naples, FL. that enrolled unknown but statistically-significant numbers of Arab men, many of whom are now suspected of being terrorists.

What prompted Hilliard to establish such a serious aviation presence in Florida? Good question. Someone should ask him. Under oath.

A continuing criminal conspiracy

Hilliard was also doing business with notorious Arab arms merchant Adnan Khashoggi (who was just then also involved in a \$200 million fraud, called Stockwalk, which led to the biggest collapse of a brokerage since the Depression.)

A Lear jet owned by Hilliard flew regularly for Khashoggi to an off-the-beaten-path island in the Bahamas called Rum Cay.

The island once served as a refuge for pirates looting ships from the Spanish Main. It became a center of gun-running during the American Civil War, then was a port used for boot-legging alcohol into the US during Prohibition

The island's current attraction is a new 5000 foot runway. It can now be used by mid-sided business jets, offering a strategic refueling location between Colombia and Florida. DEA officials sometimes—when its convenient—say as much as two-thirds of all cocaine entering the US transits the Bahamas.

And, of course, just three weeks after Mohamed Atta arrived to attend Huffman Aviation,

Hilliard's Lear jet was busted carrying 43 lbs of heroin. The Orlando Sentinel called it "the largest heroin bust in Central Florida history."

The DEA confiscated his Lear jet and was instrumental in a Federal Court ruling denying Hilliard his plane back, shredding his pretense to being an "innocent owner."

"Guido, meet Mohamed. Mohamed, Guido."

To call the recent past of Huffman Aviation "troubled" is like saying the ruined American economy has been undergoing a "correction."

It's true, as far as it goes, but it doesn't go very far. And it certainly doesn't convey the magnitude of the criminal turpitude which somehow found a home at the tiny Venice Airport.

Two recent owners of the aviation business at the Venice Airport that taught Mohamed Atta to fly were involved in crimes traditionally associated with organized crime.

Ponzi schemes are—and have always been—the hallmark of the Mafia. What were Art Nadel's Mob ties? That he had them is already known. He was a lawyer in New York disbarred for stealing client monies to pay back a loan shark.

So if terrorist ringleader Mohamed Atta met guys with names like "*Fat Pete*" or "*Joey Cakes*" while learning to fly at Huffman Aviation, it would come as no great surprise.

A mountain of evidence points to the conclusion that the men who *owned* the flight school—both

then and now—have more than a passing acquaintance with organized crime.

Owning Huffman Aviation—even if you change the name—seems to be like being the head of the Teamsters: “Going away for a while” seems to be just part of the job.

Once Nadel bought Huffman Aviation, he ordered the company’s familiar blue-awning façade obliterated, rebranding terror flight Huffman Aviation as the Venice Jet Center.

The move closely replicates the obliteration of a prominent landmark in the Kennedy Assassination: the tearing down of the building in New Orleans at 544 Camp that housed Guy Banister, David Ferrie, and Lee Harvey Oswald, from which many believe the conspiracy to assassinate John Kennedy was orchestrated.

Today it is a Federal office building. A calculated effort to make the truth disappear? Or just a coincidence?

The Clean-up crew cleans up

The last time Art Nadel appeared in public—without handcuffs—the dress code specified “circus glamorous.”

The aging social set in Sarasota Florida turned out under the Big Top on January 9, 2009, to see and be seen at a circus-style gala & fund-raiser wistfully entitled “An Evening of Ageless Delight.”

Nadel and his wife, the evening’s event chair, were known for their charity. Peg Nadel, nee

Quisenberry, had been a social fixture in Sarasota for over a decade.

Aerialists, contortionists and circus clowns, met arriving grandees as they stepped out of their cars, wafting them through a tunnel-like portal opening into what the Sarasota Herald Tribune called a “magical and grand” ringside-cum-dining-room.

The “laughter and good vibes were unlimited,” the paper reported.

It wouldn’t last.

Four days later Nadel went on the lam, leaving behind a green Subaru parked at Sarasota International Airport, and a curious suicide note which stated that if people wanted him dead, he’d be happy to oblige.

Rumors spread that Nadel was already dead. He wasn’t...

Instead he was flying above the clouds on a sleek luxury 1996 Learjet 31-A worth \$2.3 million, which cruises comfortably at 500 miles an hour at an altitude of 51,000 feet.

Nadel flew from Sarasota to San Antonio to Los Angeles, San Francisco, and ended up in Slidell La. just outside New Orleans, legendary home of Carlos Marcello’s hunting lodge, a part of JFK assassination lore.

Questions which were never answered include: Why did he end his journey there? Who did he meet with? And just who did Nadel suspect wanted him dead? Jilted investors?

Perhaps some may have harbored homicidal impulses towards him. But not, certainly, until *after* they'd discovered what he'd done with their money.

What do Ponzi schemers, drug traffickers, terrorist hijackers & private equity capital firms investing money from Arab sovereign wealth funds have in common? As the buzz about Facebook's upcoming IPO intensifies, it may be important to note that criminals have social networks too.

The basis for organized crime— interlocking social networks, or what used to be called “relationships”—is always the same, across time, space, and culture.

“He's connected,” accompanied with a shrug, seems to be a universal statement of the way things are.

Would they were different.

The San Diego DEA's Dirty Secret

Posted on [May 8, 2012](#) by [Daniel Hopsicker](#)

If the San Diego DEA is looking for suspects with more than a little bit of coke dust sticking to their lapels or a few marijuana seeds in a car ashtray, we'd like to help.

Nine college students got together on a Friday night recently in an off-campus apartment in San Diego to commemorate a group of teenagers calling themselves the Waldos, who met during the school year back in 1971 promptly at 4:20 pm every day beneath a statue of Louis Pasteur at San Rafael High School to smoke pot.

At the San Diego office of the Drug Enforcement Administration, this harmless bit of frivolity apparently caused something of a hissy fit. The next day, Apr. 21, DEA agents with guns drawn burst through the door at the apartment of a friend of Daniel Chong, and took all nine people inside into custody.

The result—as is now well-known—was that Daniel Chong, a senior engineering student at a California university, was handcuffed and then abandoned for nearly five days in a federal holding cell, where he was forced to drink his own urine to stay alive. Chong says he suffered kidney failure and nearly died.

But that wasn't even the worst thing that happened.

While in complete darkness in a 5-by-10-foot cell, Chong grew so desperately hungry that he ingested a powdery substance in a bag left in the cell.

It turned out to be methamphetamine. Chong began hallucinating. In a fit of suicidal despair he broke his glasses, carved the words "Sorry Mom" on his arm, and then swallowed a shard of the shattered lens, slicing his esophagus.

Too much time on their hands

When the truth came out, the recriminations began. Observers were forced to consider which was worse: was the DEA that inept, or—a more sinister note—whether they were capable of having done it intentionally. But this begs the real question:

Can't the San Diego DEA find a more worthy opponent than college kids smoking pot? The answer—which is 'no'—lies at the heart of America's endless Drug War.

The San Diego DEA's big dirty secret is this: they cost a lot of money but don't add value to the human enterprise. DEA Agents are men and women with literally nothing to do of any real social utility... and they know it.

They are not allowed to interrupt or interdict major operations transporting the overwhelming percentage of illicit drugs into the U.S., because those operations are protected, at the local, state, federal, and international level.

Ten years ago Miami Private Detective Gary McDaniel, a 30-year veteran investigator for both Government prosecutors and attorneys for major drug traffickers, educated me on the basics of the drug trade.

“Every successful drug trafficking organization (DTO) needs four things to be successful,” he said. He ticked each one off on his fingers: “Production, distribution, transportation, and—most important of all—protection.”

La plus ca change

Since then, nothing has changed. All over the world in drug-consuming nations, the overwhelming percentage of illicit drugs come into the country under official auspices. When a tin-horn General in Venezuela, or a former President of Colombia or Mexico is implicated in drug trafficking—Fox, Salinas, Calderon, Uribe—no one seems surprised.

Why the media acts as if things were different in the U.S. is a source of profound bafflement and envy in places where the political discourse is less naïve.

So, as a public service to San Diego's hapless DEA, here are a few leads to major local drug trafficking targets that might be worth strapping on the Kevlar vests.

But they're not college kids. They're not easy marks. Like Wall Street bankers whose \$3000 three-piece suits masks their true criminal status, the real American Drug Lords wrap themselves in cloaks of respectability... and national security.

The parasitic rich and U.S. national security

Two San Diego corporations were instrumental in a mammoth operation that supplied more than 30 American aircraft to the Sinaloa Cartel, two of which were busted in the Yucatan, one carrying more than 5.5 tons of cocaine, the other 4 tons. These guys got caught with more than 10 tons of cocaine, and suffered no legal recriminations. Zero. Zip. Either somebody taught them how to walk on water, or they've got immunity.

They don't get much bigger than San Diego defense contractor Titan Corporation, today a division of L3, one of America's largest defense contractors.

And there's also Argyll Equities LLC, a shady Texas “investment bank” transplanted to La Jolla, California, a city whose La Mesa Resort has hosted top Mobsters and Mafia conclaves for decades.

Both companies sit in plain sight in San Diego. Bringing down either one would be a feather in the cap of any ambitious DEA Special Agent.

Here's how it went down:

The operation started unraveling at 6:30 pm on the evening of April 10, 2006. The last rays of sunlight were glinting off the wings of a sleek silver American-registered DC-9 airliner circling the international airport in Ciudad del Carmen, a hardscrabble industrial town set on the edge of the vast green jungle of Mexico's Yucatan Peninsula.

Waiting on the ground were a half-dozen officers from Mexico's Federal Police (PFP) dressed in civilian clothes, scanning the sky nervously from the air-conditioned chill of the airport terminal. They were not there, as soon became plain, to interdict the drug shipment on the Dc-9 as it landed...

They were there to protect it.

When the DC-9 rolled by, the waiting bystanders were treated to a quick glimpse of the plane's unusual color scheme: a gold-bordered blue stripe running down the side, and the Great Seal of the United States on the fuselage next to the door, containing the familiar eagle clutching twin olive branches, surrounded by blue-and-white with gold trim.

The plane looked as if it might be carrying US government potentates home from the international conference recently held at a posh hotel in Cancun, on drug interdiction, which was ironic, because inside the plane, which carried no passengers, were 128 identical black leather

suitcases stuffed with what turned out to be 5.5 tons of cocaine.

Around the Seal on the side of the DC-9 was a legend: "SkyWay Aircraft, Protection of America's Skies."

It was a 'milk run,' until it wasn't

The plane, it would be learned, belonged to SkyWay Aircraft in St Petersburg, FL, from whose airport it had taken off five days earlier.

The American-registered DC9 airliner (N900SA) was busted while flying what evidence indicates was a "milk run"—a routine flight flown many times before without incident.

When you're flying a commercial airliner carrying 128 suitcases—but no passengers—you're clearly not expecting any serious scrutiny.

The big question in the seizure of 5.5 tons of cocaine, as in all big seizures, is why it happened in the first place. Which brings us to Titan Corp...

If corporations really were people, as Mitt Romney asserts, Titan Corp—awash in criminal charges, political payoffs and the Abu Ghraib torture scandal—would have long ago gone down on a three strikes charge.

Even more bizarre, the embattled San Diego defense contractor has unexplained and inexplicable—but deep—ties to SkyWay Aircraft. At SkyWay Aircraft's inception in 2000, Titan Corporation put up \$72,386 for 1,113,627 restricted shares of a company with no employees and no product located 3000 miles away.

San Diego is on the other side of the country from Miami, where SkyWay was brought to life. Yet Titan made an early investment (\$70,000) in a company which didn't have enough cash on hand to buy paper clips. The company's founder made reference to Titan's investment [six times in early SEC filings](#).

Why did Titan do it? What did they see in a company which never produced anything but planes to fly cocaine?

Titan has always been extremely well-connected. The company used to be the biggest campaign contributor of San Diego's perennial Congressional powerhouse, Randy Cunningham... at least until he went to prison.

Word is, they perform the same function for House Armed Services Committee Chairman Duncan Hunter. Not only has he proudly earmarked hundreds of millions of dollars for Titan, he's also obstructed efforts to investigate the company, which is his largest campaign contributor.

Yet if drug officials are correct in asserting that only 10% of drugs being transported into the U.S., then Titan Corporation participated in a scheme that brought 100 tons of cocaine into the U.S. before getting busted with ten.

Sunny La Jolla exerts a strange pull

And there's also Argyll Equities LLC, a shady Texas "investment bank" transplanted to La Jolla, California, a city whose La Costa Resort has hosted top Mobsters and Mafia conclaves for decades.

Argyll Equities LLC was the second-largest shareholder in SkyWay Aircraft, according to bankruptcy filings. Argyll owned nearly 21 million shares of worthless stock, which might be considered something of an investment black eye.

Very likely, however, other undisclosed considerations were involved.

Another one of Argyll's clients was Jose Serrano Segovia, a Mexican industrialist accused in published reports of involvement in drug trafficking. Serrano passed on Argyll's investment to Manuel Losada, a major Chilean drug trafficker who Chilean authorities said worked for the Cali Cartel.

Argyll had a pretty sweet market niche for an investment bank, offering specialty financing to drug traffickers.

Welcome to America's Endless Drug War. It's more than four decades old and shows no signs of progress, let alone ultimate success. But it is guaranteed to remain fully funded as far into the future as anyone can see.

How odd is that?

How to become an American "non-person"

Posted on [May 24, 2012](#) by [Daniel Hopsicker](#)
Psst. Don't tell anyone. Here's the biggest open secret of the 21st Century:

The drug trade—the raging river of illicit drugs flowing into the U.S.—provides corrupt officials and the elite deviants who run America's national security state a slush fund bigger than **The Great Pacific Ocean Garbage Patch**.

Just don't tell the *truth* about it... unless you want to become an American "non-person." Its not a game for the weak-kneed or faint-hearted.

Back during the Russian purges of the 1930's, people who fell from favor were said to be "non-persons," basically people whose existence—for reasons of ideological or political deviation—were systematically ignored and erased from public memory.

In Russia, such people were officially said to not exist. They were purged from documents, records, and even photographs, like ones showing Stalin with Molotov until Molotov was "rubbed out" and airbrushed out of history.

That sort of thing can't happen here, though, can it? Hell yeah.

It can. And does.

Cuts like a knife, slices like a blade

The latest saw-toothed blade slicing through my thin-skinned hide is embedded in a recent book about the cocaine cowboys of the 1980's.

Called "American Desperado, its being made into a major motion picture starring Mark Wahlberg.

It's an "as-told-to" about a guy, Jon Roberts, who claims to have been the de-facto "transportation chief" for the Medellin Cartel during the 1980s, as well as famous drug smuggler Barry Seal's boss.

Both claims would certainly surprise Seal, except he's conveniently (at least for the book's author) dead.

And since the book doesn't even mention truly significant Miami players on the Medellin squad, such as Carlos Bustamonte, its claims should probably be taken with a large grain of salt.

An industry technical term, defined

But the book's true shoddiness shines through when author Evan Wright casually relates—without attribution or credit, as if they were common knowledge—shocking revelations from "*Barry & the boys: The CIA, the Mob, and America's Secret History*," my book about famous American drug smuggler and CIA pilot Barry Seal.

Even worse, it insinuates the revelations came from HBO's 1991 "piece-of shit" (an industry term) movie "Doublecrossed," starring (in an ill-considered move which should not be held against him) Dennis Hopper, back in his pre-Betty Ford days when his skin appeared almost completely translucent.

"Barry Seal, subject of the 1991 HBO film Double-crossed, is one of the most storied figures of the early drug smuggling era," Wright reports.

So far so good. Now here's the next line:

"In 1955, at age 16, Seal joined the Baton Rouge Civil Air Patrol, a flying club whose members included future Presidential assassin Lee Harvey Oswald. By 1963 Seal had been recruited by the CIA to join Operation 40 as an arms smuggling pilot."

Wait a minute! That's not in "Doublecrossed."

I'm the guy that dug out that nugget of wisdom.

After unearthing a picture of a young Barry Seal wearing a Civil Air Patrol uniform, I discovered that he and Lee Harvey Oswald had both been at a two-week CAP training program at Barksdale Air Force Base in Louisiana in 1955.

The point being, uncovering previously-unknown and very unauthorized intelligence like this *cost* me, first two years of research in Louisiana.

And then, because I found out more than (literally) the law allows, I then had to watch helplessly as spurious lawsuits kept "*Barry & 'the boys'*" from reaching bookstores for almost five years.

That's Operation WD-40 to you, bub

But the real kicker is the next line, another uncredited revelation:

“The group, based in Mexico, included Frank Sturgis, who would later gain infamy as one of the Watergate burglars, and Porter Goss, later a congressman and then director of the CIA from 2004 to 2006.”

That is from the picture on the cover of "*Barry & the boys*." It includes Barry Seal and Frank Sturgis, and Felix Rodriguez, famous from Iran Contra and a good friend of George Bush the First.

Rodriguez, before publication of "*Barry & 'the boys'*," had through a third party threatened me with death if I identified him. Though I'm still here, it was not a threat to take lightly: Rodriguez reportedly has a jar on a bedroom chest of drawers

containing the hands of Che Guevara, who he tracked down and helped kill in Bolivia in 1967.

The identification of Porter Goss seated next to Barry Seal was in an exclusive story published on this website on May 7, 2006, when a correspondent wrote me—credit where credit is due—with conclusive evidence [proving Goss was in the picture](#).

Walking into the buzzsaw

All this would be less than earth-shattering, except it's clearly deliberate.

How I know: the author made a fetish of noting his sources, to the point where [many comments about the book](#) at Amazon.com are actually about the footnotes.

One reads, “This book is actually a history lesson, with the footnotes backing up what Jon has to say. I actually have had more fun reading them than I did reading the book.”

“This book would have been better without all the unnecessary footnotes,” says another. “Maybe the authors thought they were academics, or that the readers would get a thrill with all the footnotes. But most of them I could have done without.”

Telling the truth in America today often feels like walking into a buzzsaw, which is the [title of a very good book](#) about American journalists—Pete Brewton, Robert Parry and Gary Webb come to mind—who were exiled to the American gulag, which is a sort of Siberia of the mind for anyone having the temerity to speak the truth about America's big dirty secrets.

When you try to investigate or expose anything this country's large institutions want kept under wraps, the buzzsaw rips through you.

In Part Two of "How to become an American Un-person," I'll have more to say about this, as well as more about the truth that's being (kindly) *fudged* in *American Desperado*.

Evan Wright, a Vassar graduate and the son of a former District Attorney in Cleveland, legendary home of burning rivers, philanthropist-cum- Vegas gangster Moe Dalitz and his vassal, long-time Hollywood Uber-Lord Lew Wasserman, clearly knows which side his bread is buttered on.

It's the chief reason his book isn't very good.

The Real American Desperadoes

Posted on [June 4, 2012](#) by [Daniel Hopsicker](#)

Few events have exposed the secrets of America's phony drug war like the 1986 assassination of the man the U.S. government called the biggest drug smuggler in American history, Barry Seal.

Barry Seal was assassinated on a "Night of the Long Knives" that decimated the top ranks of the Medellin Cartel. One of the seminal events in America's phony 'drug war,' that fateful night in February of 1986 remains a part of America's Secret History.

Yet the official story—the Big Lie that Jorge Ochoa, head of the Medellin Cartel, ordered Seal's death, has been churned out ad nauseum by the CIA's so-called Mighty Wurlitzer and its circus-full of media organ-grinders.

While flacking for one of the CIA's Big Lies has never been a bad career move, a recent book about the drug war reportedly being made into an HBO miniseries and a major movie from Paramount starring Mark Wahlberg takes this 'art form'—dissembling for dollars—to a new low, made possible only by assiduously ignoring known facts while simultaneously hoping your readers won't notice.

"American Desperado," an as-told-to book about the drug war by Evan Wright about supposed Medellin cartel transportation boss Jon Roberts, repeats the big lie that the Medellin Cartel was responsible for the assassination of Barry Seal.

Nothing borrowed, nothing gained

Wright was only too happy to borrow, without attribution, [as we recounted two weeks ago](#), my discovery of Barry Seal's CIA recruitment while a member of the Louisiana Civil Air Patrol, where he met both Lee Harvey Oswald and Kennedy assassination factotum David Ferrie.

He was also happy to borrow—again without attribution—my discovery of the now-famous [nightclub picture taken in Mexico City](#) in 1963 showing Seal sitting next to a man who would later become George W. Bush's head of the CIA, Porter Goss.

His "borrowings" are convincing evidence of his familiarity with my work.

So when Wright suddenly develops either scruples, or more likely, cold feet, and neglects to borrow copious evidence in "Barry & 'the boys'"

about the assassination of Barry Seal, and instead repeats the canard (read: Big Lie) that Seal was murdered by the Medellin Cartel, it is safe to assume the mistake is not one of ignorance, but design.

Let's hear how he retells the story, supposedly in the words of admitted sociopath and all-around scumbag Jon Roberts.

Meet the Forrest Gump of the Drug War

"What I'm going to tell you will blow your mind," Roberts begins.

"What happened is, in April 1983 the DEA busted Barry (Seal) at Fort Lauderdale Airport when he tried to fly in a load of counterfeit Quaaludes. Once they got Barry on the Quaalude charge they forced him to set up Pablo Escobar."

This is flat-out wrong, but let it pass...

Incredibly, Robert's places himself on the plane on the way to the famous sting in Nicaragua, which would surely be news to either Seal or Emile Camp, who really were there. Both of them are now dead.

"The time I flew with him to Nicaragua, I told him I was uptight. Barry laughed and said, don't worry, Jon. We're working for Vice President Bush," Robert's continues. "Barry set up Pablo because that's what they told him to do, probably to work off his Quaalude charges. For that Barry would have to be killed."

Roberts next claim is to have been involved in Seal's assassination. He was apparently

everywhere. He is the Forrest Gump of the drug war.

"Max (Mermelstein) ran to me with a shoebox with \$250,000 and begged me to hire a hitman. Of course its never that easy."

Jon and Max fly to Baton Rouge, where while driving around they spot Seal, who is living in a halfway house, and Robert's gets the bright idea to run him over and be done with it.

"Maybe we can do something here Max," says Roberts.

"But he's under federal protection!" exclaims Max, apparently forgetting about the shoebox with \$250,000 he's already given Roberts to have Seal rubbed out.

Roberts, ever the hard-headed realist, replies, "So was Kennedy you asshole."

"What are we doing?" Max exclaims again.

"Shut up," replies Roberts. "We're running him over."

For his part, Max is now done exclaiming. Perhaps he somehow realized that no matter what he said, Robert's would never give him any good lines.

He screams "No!" and locks his hand on the wheel.

"Max won. I slowed down, and Barry got to live another day," says Roberts, finishing his (fairy) tale.

A blowhard blows. No one says a word.

Robert's is not yet done with Seal, who he has earlier referred to as "his employee." This would no doubt have come as a surprise to, not just Seal, but also to *real* Mob bosses, like Salvatore Reale, who coordinated moving the cocaine Seal flew into Mena Arkansas up to New York for distribution.

Talk about convenient. Through the simple expedient of never mentioning the word "Mena" in his book—which even the Wall Street Journal called "the scandal behind the Iran Contra scandal"—Wright avoids having to call out his writing partner Roberts on the error.

In a book about the cocaine epidemic of the 1980's, Wright doesn't mention Mena. That is some kind of new world record for dishonest reporting.

Roberts says, "I had unfinished business with Barry Seal. Fabito slipped into Miami to emphasize how important it was to kill him."

"When Rafa (Cardona, a Medellin lieutenant) brought hit men from Colombia into the US to kill him, I told them they could find Barry driving his Eldorado on Airport Road between the Waffle House and the Salvation Army. I had Rafa draw them a map."

"People say that a search of his briefcase turned up a piece of paper with George Bush's direct phone number on it. A lot of good it did Barry."

"It's the little things that trip you up."

"The most baffling part of Seal's story is simply that after serving as an instrument of American clandestine policies, the case against him for Quaalude smuggling pressed ahead, with the results that Seal was ordered to live in a Baton Rouge halfway house for drug addicts, with scant police or federal protection," says Roberts.

Proving that Robert's has no idea what he's talking about is a simple matter: In 1985, any real cartel insider would have been only too aware that Seal's trial in Baton Rouge had nothing whatever to do with his Quaalude conviction in Miami.

In fact, Seal's 'beef' with Vice President George Bush was because Seal believed his deal with Bush to clear up the Quaalude bust precluded other charges—like those in Baton Rouge—being filed against him.

That Roberts knows nothing about all this says more about author Wright—who accepts his tall tale as the truth—that it does about Roberts, a self-admitted sociopath.

Barry Seal was not murdered by the Medellin Cartel. A few simple facts—which we were lucky enough to rescue from the media hole to which they had been consigned—prove it.

The official story—that Jorge Ochoa, head of the Medellin Cartel, ordered Seal's death is a Big Lie which has been churned out ad nauseum by the CIA's so-called Mighty Wurlitzer, its media organ-grinders.

Just another organ-grinder

Who killed Barry Seal?

Just ten days before he died, in a typical display of the fearlessness for which he was justly famous, Barry Seal threatened to expose the gunrunning and drug smuggling that flourished in Mena Arkansas, according to his Baton Rouge attorney, who witnessed the phone call.

The man he threatened was the Vice President of the United States, George Bush.

Then, on the night Barry Seal was slain, at least three other top lieutenants of the Medellin Cartel were murdered, in coordinated hits across three continents.

On the night after Seal was assassinated, a local Baton Rouge TV newscast (see the accompanying video)reported the following:

“MetroNews has uncovered some new information in the assassination of Barry Seal. Reporter Dana Kaye has the story:

"MetroNews has learned there were a total of four drug-related killings the same day Barry Seal was gunned down here in Baton Rouge.”

“All of them seem to have been related to the same drug ring operated out of Colombia.”

“MetroNews reported last night that a lieutenant in the Medellin cartel named Pablo Carrera was shot and killed in Colombia the same night Barry Seal was gunned down in Baton Rouge by a professional hit squad. Carrera was identified as the number two man in the Colombian drug organization run by Jorge Ochoa.”

“Metro News has now learned that two other Ochoa associates were shot to death at the same time, including Pablo Ochilla, the brother-in-law of Jorge Ochoa, executed in Colombia, as well as an Ochoa associate, a woman identified only as ‘Barbara,’ who was killed in Miami.”

Divide and conquer 101

The brother-in-law of Jorge Ochoa, the number two man in the Medellin Cartel, and ‘Barbara’, at the time Barry Seal’s paramour in Miami, living in a home he owned in Plantation, Florida, and Barry Seal...all died in a coordinated hit ordered by...the Medellin Cartel?

A drug cartel doesn't whack its top lieutenants... but another drug cartel might.

We were told by a reliable source, but were unable to verify, that as many as 30 cartel soldiers were also murdered that same evening.

Seal’s assassination occurred as the U.S. switched horses from backing the Medellin Cartel to protecting their arch-rivals: the Cali Cartel.

Wright repeats the DEA canard that 80% of the cocaine entering the U.S. was coming from the Medellin Cartel. But when the Medellin Cartel had been decimated, and Pablo Escobar killed, cocaine didn’t become more difficult to find, and its price remained stable.

According to prominent Miami attorney Richard Sharpstein, who defended Miguel Velez, one of the three Colombian shooters who went on trial for Seal's murder, all three of the men told their attorneys that once they reached the U.S. their

actions had been directed by a U.S. military officer, who they learned was Lt. Colonel Oliver North.

Oliver North, American Drug Lord

"All three Colombians who went on trial always said they were being directed, after they got into this country, on what to do and where to go by an 'anonymous gringo,' a US military officer, who they very quickly figured out was Oliver North," Sharpstein told me.

We should all thank Evan Wright. His highly selective use of known facts reveals more than it should about the true beneficiaries of the phony drug war: the American Drug Lords.

A sad fact of American life is that 50 years from now you can pretty much rest assured someone will still be out there flogging—and making a buck—touting probably the biggest of the CIA's Big Lies, that Lee Harvey Oswald acted alone. If we weren't paying for it, their persistence would almost be admirable.

The three men convicted of killing Barry Seal are still in prison in Homer, Louisiana.

All three men are from Cali, Colombia.

Hollywood Head Mystery

February 2, 2012

It was a murder mystery made for Hollywood, as well as made *in* Hollywood...

Two weeks ago, on a hiking trail in the shadow of the iconic Hollywood Sign, a decapitated human head was found in a plastic bag.

It was a moment many have dreaded, when the Drug War raging in Mexico and along the U.S.-Mexican Border finally spilled over into Anytown USA.

The LAPD, the law enforcement agency in charge of the investigation, has apparently been too busy with local crime to realize that decapitation has become a Mexican drug cartel's signature atrocity.

They announced that until they had a motive, the killers could be anyone.

"Without identifying the victim, and without knowing why this person was killed, and the people that's he's associated with, it could be anything," said Commander Andrew Smith, the officer in charge of the investigation, and chief spokesman in the case.

But that's not strictly true. A lot of men kill their wives. Very few cut their heads off. That shrinks the pool of potential suspects somewhat.

The LAPD announced they had a 100-person crime team of detectives, criminologists and search & rescue specialists on the severed head case. Maybe they should get them all in a room somewhere to brainstorm a little. Get their thinking caps on. Ask questions. Think outside the box.

Guys, you've got a severed head case to solve. Hmm. Severed head, severed heads... Where are they seeing a lot of that sort of thing these days?

Few noticed the potentially dire consequences. Police didn't mention it. Neither did reporters. Why?

Because there was a cover-up. Yes, but why was there a cover-up?

Ay, that's the real question, now, isn't it? This is the story of how it went down.

Dog days in Hollywood

It was Tuesday, the 17th of January, at 2.30 in the afternoon.

Two professional dog-watchers, a mother and daughter, are running nine dogs in their charge on a hiking trail which leads up to the famous Hollywood Sign, a half-mile past the road that winds up through Bronson Canyon Park's front gate.

The neighborhood is filled with the homes of the rich and famous, like Brad Pitt and Angelina Jolie, whose mansion is nearby. Many of them are willing to pay dog-watchers to exercise their dogs for them.

And it's a dog who steps up to fill the hero's role in the story. On the hike, a golden retriever named "Ollie" strayed from the pack—as is his wont, say the dogwatchers—to go off and explore.

"One of the dogs ran into the brush," walker Lauren Kornberg told local reporters. "He was going crazy. He was digging, digging, digging... Digging, and barking."

Ollie emerged from the bushes carrying a round plastic grocery bag in his mouth. "He trotted back with a shredded plastic bag, and then dropped it, and let it roll down the hill."

Before the bag came to rest, something fell out that looked like a human head.

An alternate Universe

The area where the head is lying, Bronson Canyon, dead-ends at a rustic park that's been used for filming movies and TV shows for decades. It's the home of the Bat Cave. It's where they used to film Batman.

When they've stumbled into the presence of a recently-severed head, many say they experienced

the event as unreal in the middle of an atmosphere of unreality.

For her part, Lauren Kornberg's reaction wasn't shock and horror. She didn't go 'eek!' "I didn't think anything of it," she explained to reporters. "I thought it was a prop."

Her older companion disagreed, and started scrambling down the hill. She said, "It looked like a redhead to me."

The women moved in for a closer look. "'Even as we got closer, we still couldn't say for sure whether it was ... real,'" Kornberg said. "Until my mom was literally about a foot away, face to face, and could see bloody hair and eyeballs..."

"I heard her gasp. 'It's real, oh my God, it's real.'"

Police immediately closed the park. A search for more body parts commenced. Late the next day a coroner's cadaver dog named Indiana Bones found two hands and two feet.

Police got fingerprints from one of the hands. They belonged to a missing 66-year old Hollywood resident named Hervey Medellin.

The head was his too.

Hacking the story of the Hollywood Head

The head found in Hollywood, or the Hollywood Head, as it inevitably came to be called, received extensive but not very serious news coverage.

It made the news three days straight in U.S. papers and London tabloids. Even Entertainment Tonight did a story. They focused on the celebrity angle.

Brad Pitt and Angelina Jolie's Hollywood Hills mansion was very near the spot of the gruesome discovery. There was a rumor (erroneous) that someone from his security detail might be involved.

The location of Medellín's death was unknown. But police said it did not occur inside Medellín's Hollywood apartment, and not inside Griffith Park either.

What police did know was one important piece of information about the grisly find that was somehow kept from the public, a detail which must have been instantly-obvious to investigators at the scene, and to any well-informed journalist.

The murder, decapitation, and placement of the severed human head—in a spot where it was sure to be found—was the work of one of the brutally-murderous Mexican Drug Cartels.

Who's in the business of cutting people's heads off these days? Ask any 14-year male. Beheadings are their signature atrocity. Decapitation is an almost-daily occurrence in Mexico.

Police didn't mention it. Neither did reporters.

Let's Play Lead Detective

Consider the circumstances.

A human head is lying in the shadow of the Hollywood Sign, after being discovered by a dog belonging to a Hollywood publicist.

It's a drug cartel's dream. It's the ultimate narco-banner.

And it's a circumstance that more than hints that the murder was left intentionally-visible, done in a way almost guaranteed to provide maximum media exposure.

Right out in the open in the middle of the day and in front of everybody... somebody sent a message to somebody else.

For the next 48 hours, police helicopters and news-station choppers would be jockeying for space over the site.

Location location location

There were problems with the story. For one thing—and this is no trivial matter in highly status-conscious Los Angeles—the head had turned up on the *wrong side* of the hill.

"Griffith Park is a huge, rugged expanse on the other side of the hill," explained LAPD Officer Bruce Borihahn. "Usually that's the dumping place for bodies."

"This marked the first time police could recall finding a head or other body part," an on-air reporter from KTLA intoned, "on the Hollywood side of the hill."

Hervey Medellín's partner in an apartment reported him missing to police on January 9, after the resident failed to return.

Then, too, there was the background of Hervey Medellín himself.

He was a Mexican national with no local relatives. But he had a brother and sister in Laredo, Texas, a city which is to drug traffickers what Vienna is to opera buffs.

Medellin was retired. He was a flight attendant on Mexicana Airlines for 20 years.

At the same time, he is said to have owned what became an immediate source of concern to many of his friends and family: an extensive and highly-valuable art collection.

The initial reaction of several friends and family members in Laredo was to inquire of reporters whether the art collection had been stolen.

It was an art collection, it would seem, which was clearly way out of reach for someone working on a flight attendant's salary.

The criminal hierarchy of Mexico

However, there is an alternative scenario that I think—you can judge for yourself— has more of a ring of the truth to it.

Hervey Medellin, a Mexican national, resided in Hollywood for years. Before that he spent 20 years as a flight attendant at Mexicana Airlines.

Anecdotally, when it comes to drug smuggling, Mexicana Airlines was for many years known as, drug-wise, Mexico's national carrier. The reason was simple.

While Hervey Medellin worked at Mexicana, his boss, the airline's owner, was a powerful Mexican "industrialist" named Jose Serrano Segovia.

Serrano was a man with a checkered past.

Today Serrano stands at Number 68 on the list of 100 Richest and Most Powerful Men in Mexico...

But Chilean prosecutors once accused Serrano of being a member of the Cali Cartel. (Back in the day, when Cali was the most powerful cartel in the world.)

Serrano was more recently accused in published reports of using his numerous transportation companies (airlines, trucking companies, and railroads) to smuggle drugs into the United States.

Moreover Jose Serrano Segovia is a figure in the most visible drug move of the century so far, the seizure of a St. Petersburg-based DC-9 carrying 5.5 tons of cocaine onboard which eventually led Wachovia Bank, at the time the nation's 4th largest, to cease to exist.

(A closer look at Medellin's employer, and the criminal hierarchy in Mexico, will be in a second story. There's a lot to tell.)

"A gay man in Griffith Park, what'd you expect?"

Public reaction was a mixture of fear and revulsion.

"It's like something out of 'The Godfather!' " exclaimed L.A. city council member Tom LaBonge, who hikes in Griffith Park almost every day.

Renee Dake Wilson, who walks her boxer-pit bull mix Sweet Pea near the park, told the L.A. Times she'd been unnerved by the find. "I'm a little worried," she said. "It's a concern to have such an event happen in your neighborhood. But I do think it's an isolated event."

A Medellin friend named Vilma Aguilar told KCBS-TV that Medellin often hiked through Griffith Park, and that during one hike last year met a new "friend."

This will become one line of speculation, that there was something about Griffith Park so that travelers there could reasonably expect to face a greater than usual chance of decapitation.

The other line of speculation was: Medellin was gay. He lived with a man. Maybe gay men in Hollywood regularly turn up decapitated. Who knew? Newspapers said Medellin's boyfriend told friends Medellin left their home after Christmas to vacation in Tijuana.

That alone—at this point in time—was more than passing strange. There's a war there. Who vacations in Tijuana?

"Go back to your homes and wait for the All Clear!"

The LAPD understandably wanted the citizens of Los Angeles to know that the murder was targeted, and not the act of a serial killer. Police said they were working round the clock to hunt down the retiree's killer.

"They did serve a search warrant last night. They are following clues, and the case is progressing,"

Commander Andrew Smith told reporters a few days later.

Medellin's boyfriend wasn't convinced. The last time he heard Hervey Medellin's voice, he told police, was in a phone call in early January. On January 9th he reported him missing.

That was all he knew. He said, "I am afraid for my life."

"The detectives continue to make progress in investigating the case and reveal more details as possible," said a Police Department spokesman. While generally a safe area, "we ask visitors to be cautious, to be walking with friends, do not go alone."

"This is an unusual occurrence," said Officer Rosario Herrera with the Los Angeles Police Department. "There's no evidence at the scene that the crime occurred there. In fact, it looks like the head was placed in that location."

"There's no reason to believe that this is part of any kind of a series," said Smith in a news briefing. He noted that the canyon is well-travelled by both cars and hikers, with picnic areas and a children's playground. "There's no other evidence to indicate that this is anything besides just a single, individual isolated occurrence."

"A single isolated occurrence"

Since the statement ten days ago assuring the public of the safety of the reopened Bronson Park LAPD's Robbery-Homicide Division has said nothing publicly about the case.

Two weeks later, the decapitation of Hervey Medellin remains unsolved, and officially mysterious and baffling. "A motive for the murder has not been determined," said the L.A. Times.

"The death of Hervey Medellin, the dismembered resident of Hollywood, remains a mystery," reported the Associated Press.

The discovery *did* reveal something, however, but its only a mystery to people who haven't been paying attention: the lengths the U.S. Government will go to suppress news it finds inconvenient in America's "War on Drugs."

The fiercely-fought Drug War in Mexico has until now been largely confined inside Mexico, and along the U.S.-Mexico Border. But the public beheading of Hervey Medellin is a salvo across the bow from that conflict that landed in the U.S.

"Was it a random attack?" asked a headline in a London tabloid. In a sub-head, the paper supplied its own answer.

"Hollywood beheading victim regularly hiked through park where his body parts were found. Lived near rugged, hillside and met roommate while hiking with his dogs."

Peddling wolf cookies to the Great Unwashed

Have Mexican drug cartels been ruled out as suspects in the beheading? A detective on the case refused to discuss whether drug trafficking played any role in the murder.

"You can report that story if you want to," he said, "but we have nothing new to report about any aspect of the case, other than to say that we're doing our investigation."

In any event, the decapitation is already yesterday's news. After the initial flurry of publicity, there have been no new stories about the Hollywood Head mystery for at least ten days now.

Think. Just since then, in the last ten days, Pat Sajak's admitted hosting 'Wheel of Fortune' while drunk... A helicopter rescued a woman from a cliff in Pasadena... And a mother got death from a jury for killing her husband and children with a pillow and a sword.(?)

A Great White Shark was spotted off Imperial Beach... Police said a woman offered sexual

favors for Chicken McNuggets... And a man was awarded \$7 million in a penis-shortening accident.

I mentioned to the police detective I had on the phone that any list of career flight attendants with museum quality art collections must be a short one. Then I asked:

Could Hervey Medellin's career as a flight attendant have just been his 'cover' for a more lucrative kind of employment?

The detective's response was to repeat his previous no comment.

And why not? Time is clearly on his side.

Four Weeks since head discovered

February 9, 2012

It was the most conspicuous head disposal in living memory.

It's been four weeks since a decapitated human head was found beside a well-traveled hiking trail leading to the iconic Hollywood Sign. The head was in a plastic bag underneath a bush, virtually right next door to Brad Pitt and Angelina Jolie's Hollywood Hills home.

It was there for no more than a few hours, investigators believe, before a golden retriever belonging to a top Hollywood publicist nosed it out and plopped it down for all to see.

It was a moment many have dreaded, when the vicious drug war raging in Mexico finally spilled over into Anytown USA. Being just a hundred or so miles north of the country that's the world capital of severed heads was enough to make some think of names—Los Zetas, the Sinaloa Cartel—that Americans have so far only had to read about in newspapers.

But the moment passed without notice. The police agency in charge of the case, the LAPD, went all out to discourage speculation that the head was the grisly work of a Mexican drug cartel.

Head had 'no idea' it might be discovered

On the four week anniversary of the discovery, authorities have nothing to report on efforts to solve the crime. A phone call to the LAPD's Robbery-Homicide Division revealed only that "the investigation is ongoing."

A detective who identified himself as being assigned to the case answered a question about the frequency of decapitation in Southern California by saying he had "no clue" how many decapitations Southern California experiences annually.

Has beheading become an indigenous phenomenon in L.A. just since I left?

Still, however rare it may be, it was completely safe to say that the head was no — repeat not — a message left in the heart of America's dream factory by any Mexican drug cartel..

The reason, according to LAPD Commander Andrew Smith, was simple. "The head was never meant to be found."

Severed Head Disposal 101

"The remains may have been disturbed by animals at some point" Smith stated. "But we believe that everything was hidden off the trail. Whoever put it there did not want it to be found."

If true, it instantly became the most inept severed head disposal in recent history. Disposing of a decapitated human head by leaving it next door to Brad Pitt and Angelina Jolie's house is clearly not a winning criminal strategy.

People sell maps to the stars on almost every corner leading into the Hollywood Hills. Picking a neighborhood less flush with A-list movie stars would have been the way to go.

Moreover Pitt already had a history with severed heads, Entertainment Tonight reported breathlessly, going back to when he starred in the movie *Se7en*.

Maya Rudolph & the Hollywood Head

Finally, if it is even remotely possible for the first dog to stumble onto where-ever you've decided to drop the head will belong to a top Hollywood publicist... you're asking for trouble.

The dog that found the head, Ollie, a golden retriever, belonged to a good friend of SNL and Bridesmaid's star Maya Rudolph, who told her story on Conan.

When Ollie dragged a plastic bag with the head of Hervey Medellin out from under a bush, it signaled more than just a dashed bit of bad luck. It was beyond incompetent.

However, if on the other hand, you *wanted* the head to be found, the placement was brilliant. The celebrity connection quickly turned the story into a three-ring media circus.

But, LAPD Commander Andrew Smith emphasized to reporters, that's not what happened. "Whoever put it there did not want it to be found."

"Without identifying the victim, and without identifying who he was associated with, it could be anything," Smith stated.

"There is no indication that this was a serial case; there's no indication that there's more than one victim here. What we have, by all appearances, is a single victim."

A freshly-carved head, visible to all

Was the severed head just a case of a criminal scratching his head at his hide-out, wishing, in retrospect, he'd buried the head somewhere where it would have been less noticeable?

Probably not. For starters, LAPD Commander Andrew Smith's statement was contradicted by an LAPD officer who was physically present at the crime scene on the night of the discovery.

The remains had not been there long enough to have been disturbed by animals.

"The head appears to be rather new," stated LAPD Sgt Mitzi Fierro, as the coroner prepared to remove the head later that night. "There aren't any signs of decomposition yet."

More importantly, there had been no attempt to conceal the crime. The head was clearly visible from the hiking trail.

"It was not far off the trail," Fierro told reporters. "It was visible to passers-by. They were able to see it without walking off the trail."

"Its not that kind of severed head"

It is safe to say this was one of the more conspicuous head disposals in recent memory.

The head couldn't have more publicity if it had bounced out of an open trunk into the fast lane of the Hollywood Freeway at rush hour.

It was all over the news.

The LAPD sent a spokesman to shape the wild imaginings of an unruly crowd of reporters from the international media. But he did it by saying things which were not—in point of fact—true.

Still, it worked. No one questioned him closely. No one demanded proof. Police had no motive, and no suspects, didn't know where Medellin had

been the last three weeks of his life, nor where he was murdered.

But what he *did* know, with an apparent rock-solid conviction, was that the head was never meant to be found.

Getting ready for the real drug war

Mexican Drug Cartels regularly use the placement of severed heads to make statements. And leaving a decapitated human head next door Angelina Jolie's house is certainly one way of making a statement.

Even Nancy Grace could see that.

"It appears to many crime scene analysts, including myself," she said on her show on Headline News, "that it's as if the perpetrator wanted the severed human head to be found. It was not left in a dumpster to be sent to be crushed and put into a landfill. It was not in some remote area. It was right there on a hiking trail."

"You're right," replied a correspondent from the scene.

"There are people around here all the time, hiking walking sight-seeing. Almost every day someone says to me, "how do I get to the Hollywood Sign?"

"It seems this person had nothing to fear, and nothing to hide."

Well said.

The severed head was intentionally-visible, and placed at a spot almost guaranteed to provide maximum media exposure. Right out in the open in the middle of the day and in front of everybody... somebody sent a message to somebody else.

And this is how something big—the intrusion of Mexican drug cartels—was concealed in a news story that received saturation coverage around the globe for three days in a row.

“Hollywood Head” Was Drug Cartel ‘Concierge’

Posted on [May 18, 2012](#) by [Daniel Hopsicker](#)

The decapitated head found in a plastic bag on a hiking trail in the shadow of the Hollywood Sign four months ago belonged to a man known to local authorities as the former “concierge” in Los Angeles for the now-defunct Cali drug cartel, the Mad Cow MorningNews has learned exclusively.

“His activities were legal; he booked hotels, limos, dinner reservations, that sort of thing,” a source inside the LAPD told us. “We didn’t consider it relevant because he was most active back in the early 90’s.”

A spokesman for the LAPD didn’t just fail to mention Medellin’s former status as a cartel employee... he actively misled reporters, concealing the brazen intrusion into American life of the signature atrocity of Mexican drug cartels by insinuating that Medellin’s beheading had been, somehow, a “gay thing.”

The disinformation was reported in [hundreds of places](#).

Brangelina reportedly "unamused"

It was a murder mystery made for Hollywood, the top story on Entertainment Tonight, which focused on the celebrity angle: the head was found near Brad Pitt and Angelina Jolie’s Hollywood Hills mansion.

For 48 hours police helicopters jockeyed with news-station choppers for space over the site. The gruesome discovery made news in U.S. papers and

London tabloids, and received saturation coverage around the globe.

A human head lying in the shadow of the Hollywood Sign was discovered by a dog belonging to a Hollywood publicist, a good friend of former Saturday Night Live and Bridesmaids star Maya Rudolph, who later told the story on Conan O'Brien.

It was the ultimate narco-banner.

Yet nobody mentioned the words "drug cartel," which was curious, since that's where all the action is currently, beheading-wise. On one popular [border war blog](#), for example, we counted 212 posts mentioning "decapitation"

When the head of Harvey Medelin, a 66-year old Mexican national, was discovered alongside a hiking trail in Los Angeles, the moment many have dreaded— when the Drug War raging in Mexico would spill over onto the streets of a major American city, arrived, and passed without recognition.

We remain the only media outlet to report ([Hollywood Head Was Mex Drug Cartel Hit](#)) the murder's connection to drug violence in Mexico.

Dog days in Hollywood

It happened on a Tuesday, the 17th of January, at 2.30 in the afternoon.

Two professional dog-watchers, a mother and daughter, were running nine dogs in their charge on a hiking trail which leads up to the famous Hollywood Sign. The neighborhood is filled with

the homes of the rich and famous, like Brad Pitt and Angelina Jolie, whose mansion is nearby.

"One of the dogs ran into the brush," walker Lauren Kornberg told local reporters. "He was going crazy. He was digging, digging, digging... Digging, and barking."

Ollie emerged from the bushes carrying a round plastic grocery bag in his mouth. "He trotted back with a shredded plastic bag, and then dropped it, and let it roll down the hill."

Before the bag came to rest, something fell out. The women moved in for a closer look.

"Even as we got closer, we still couldn't say for sure whether it was ... real," Kornberg said. "Until my mom was literally about a foot away, face to face, and could see bloody hair and eyeballs..."

"I heard her gasp. 'It's real, oh my God, it's real.'"

Police immediately closed the park. A search for more body parts commenced. Late the next day a coroner's cadaver dog named Indiana Bones found two hands and two feet.

Police got fingerprints from one of the hands. They belonged to a missing 66-year old Hollywood resident named Hervey Medelin.

The head was his too.

A curiously incurious LAPD detective

Hervey Medelin's background—a Mexican national whose brother and sister both live in

Laredo, Texas, a city that today is to drug traffickers what Vienna is to opera buffs— gave the story away.

There were numerous reports that Medellin had a museum quality art collection. Yet Medellin had spent 20 years as a flight attendant, not known as a particularly lucrative career.

A phone call to the LAPD's Robbery-Homicide Division revealed only that "the investigation is ongoing."

A detective who identified himself as being assigned to the case answered a question about the frequency of decapitation in Southern California by saying he had "no clue" how many decapitations Southern California experiences annually.

"Had Mexican drug cartels been ruled out as suspects in the beheading?" we asked.

The detective refused to discuss whether drug trafficking played any role in the murder. We mentioned to the detective that any list of career flight attendants with museum quality art collections must be a short one. Could Hervey Medellin's career as a flight attendant have just been his 'cover' for a more lucrative kind of employment?

The detective's response was to repeat his previous no comment. "You can report that story if you want to," he said, "but we have nothing new to report about any aspect of the case, other than to say that we're doing our investigation."

Times may change. The LAPD doesn't.

Mexico's real Drug Lords always wear suits

Hervey Medellin's boss at Mexicana Airlines was a powerful Mexican "industrialist," Jose Serrano Segovia. On the list of 100 Richest and Most Powerful Men in Mexico, Serrano is No. 68.

However Serrano is a man with a checkered past. Serrano has been accused in published reports of using his numerous transportation companies (airlines, trucking companies, and railroads) to smuggle drugs into the United States.

Chilean prosecutors once accused him of being a member of the Cali Cartel, at the time the most powerful drug cartel in the world. Serrano was more recently accused in published reports of using his numerous transportation companies (airlines, trucking companies, and railroads) to smuggle drugs into the United States.

Moreover Serrano was a figure in the most visible drug move of the 21st century, the seizure of a St. Petersburg-based DC-9 carrying 5.5 tons of cocaine onboard which eventually led Wachovia Bank, at the time the nation's 4th largest, to cease to exist. The company that owned the DC9 busted with 5.5 tons of cocaine was Skyway Communications.

Sunny La Jolla exerts a strange pull

According to Skyway's bankruptcy trustee, Skyway's chief shareholder was Argyll Equities LLC, a dodgy private investment bank in tiny Boerne, Texas (pop. 7,500) that later moved to La Jolla, Ca., every Mobster's Shangri-La. Argyll owned nearly 21 million shares of SkyWay stock that is today totally worthless.

This was something of a black eye, investment-wise, unless there were other considerations involved.

Argyll was in the business of providing “creative financial solutions globally.” According to documents filed with the SEC, Argyll arranged for Mexican businessman Jose Serrano Segovia to get a \$17 million “loan.”

Serrano then turned around and provided a “creative financial solution” of his own, to “Chilean narcotics trafficker Manuel Losada, who is linked to both the Cali and Juarez Cartel,” according to The Santiago Times, an English language newspaper in Chile.

When Losada was arrested in the Chilean capital of Santiago, the paper reported, “he was linked to a shipment of five tons of cocaine, which U.S. drug enforcement officials in Miami intercepted on the vessel Harbour, as it headed toward Guantanamo Bay.”

An aquatic interlude during which the crew abandons ship

It was Jan. 5, 1992. A U.S. Coast Guard cutter was slicing through the Windward Passage, the sweep of warm blue Caribbean Sea separating Cuba from Haiti.

The Coast Guard cutter, the Campbell, was looking for the MV Harbour, a Chilean freighter steaming for Baltimore under a Panamanian flag carrying a cargo of zinc.

When the Harbour sailed to Chile from Peru, it was known as the Golden Hill, the Coast Guard learns. Then it was re-registered and renamed The Harbour by a Chilean company, headed by a Chilean shipping magnate named *Manuel Losada*.

It was close to midnight when the Harbour heaved into view. The Coast Guard cutter radioed for permission to board. Drug agents suspected a shipment of cocaine was aboard. They were right.

The Harbour doused its lights, and radioed back, “We’re on fire and sinking.”

The crew was abandoning ship, while trying to scuttle the Harbour.

Coast Guard crewmen scrambled aboard and put out a fire they had started in the engine room. There was three feet of water below decks. Another few minutes and the ship would have gone down. They stopped the flooding, and began to dig through the zinc, where they found 5 tons of cocaine.

At the time it was the Coast Guard's third-largest cocaine seizure in history.

“Mexican newspaper El Universal de Mexico connected Losada to the Juarez Cartel of Mexico, referring to him as the Chilean narcotics trafficker, in September 1997,” the paper reported.

Both Losada and Jose Serrano denied any connections to the Juarez Cartel, which seems to have fallen from official favor in recent years. Curiously, this is the same cartel Allen Stanford was suspected of working with to launder hundreds of millions in drug money.

The LAPD announced a 100-person crime team of detectives, criminologists and search & rescue specialists were investigating the severed head.

Four months later, they have no comment on any progress they’ve made in the case.

The border war cover-up in the Hollywood Hills increases suspicion that stories of violence in Mexico spilling over into the U.S. are being covered-up by America's political and media elite.

At the intersection between Mexican drug cartel violence and the Corporatization of the Drug Trade lies the Hollywood Head.

FBI Investigating Hollywood Head

Posted on May 30, 2012 by Daniel Hopsicker

The murder-decapitation of a 66-year old man whose head was found beneath the Hollywood Sign four months ago is now a Federal case, the MadCow Morning News has learned. The development is a sure sign that the LAPD's theory about a gay love triangle gone wrong is no longer being pursued.

A more plausible reason for the beheading emerged in an angle that was barely reported at the time: Medellin went missing after leaving on a "business trip" to Tijuana.

Last week the Mad Cow MorningNews reported exclusively that the decapitated head found in a plastic bag on a hiking trail in the shadow of the Hollywood Sign four months ago belonged to a man known to local authorities as the former "conciierge" in Los Angeles for the now-defunct Cali drug cartel.

After that story a family vacationing in Los Angeles in March contacted us to say they had been unable to visit the Hollywood Sign. "We were turned away," one member wrote. "The entire area was swarming with Federal law enforcement personnel, and access to the Hollywood Sign had been completely cordoned

off. I had no idea why until reading your story last week."

LAPD Commander Andrew Smith told reporters four months ago that whoever dumped the head had gone to some effort to conceal it. "If it had not been for the dog walker, we might never have found it," he said.

His account was disputed by eyewitnesses at the scene, and even other investigators.

Smith also said a search warrant was executed on the apartment Medellin shared with his boyfriend. But he did not elaborate on why the warrant was served or what, if anything, detectives found. Smith said, "They did serve a search warrant last night. They are following clues, and the case is progressing."

The insinuation was enough for media outlets to conclude that suspicion had settled on Medellin's gay boyfriend, with whom he shared an apartment.

"LAPD Detectives investigating the death are focusing on whether the killing was tied in some way to his personal life, according to law enforcement sources," [the LA Times reported](#).

Sources told them they believe the murder was the result of a "*love triangle gone wrong*," local station KCAL 9 reported.

"In the LAPD's body parts investigation detectives are taking a closer look at the personal life of the man who was found dismembered in the Hollywood Hills," [CBS NEWS reported](#). "Though they haven't named any suspects, neighbors are speculating all about the case."

"There's no other evidence to indicate this is anything besides just a single, individual isolated occurrence," asserted LAPD Commander Smith.

Beheadings have become a daily feature in Mexico's ongoing drug war.

Disinfo 2012: Canadian Cannibal meets Hollywood Head

Posted on [June 14, 2012](#) by [Daniel Hopsicker](#)

Months of [exclusive reporting](#) on [this website](#) that 66-year old Hervey Medellin, the decapitation victim known as the [Hollywood Head](#), was not murdered as the result of a 'gay love triangle gone wrong,' as reported, but because of long-standing connections to drug trafficking through the notorious and now-defunct Cali Cartel was confirmed (typically, without attribution) by a local TV newscast in L.A.

Still, the news caused nary a ripple. The reason:

For 72 hours last week some of the biggest guns of the world's major media—[TIME](#), [ABC NEWS](#), [CNN](#), CBS, [Reuters](#), FOX NEWS, London newspapers The Observer, The Independent, and the tabloid SUN and Daily Mail, the New York Observer, even Gawker—pounded home a conspiracy theory to readers and TV viewers as rank and baseless as anything on the farthest fringes of the Internet, where, to cite one example, the role of alien locusts in the 9/11 attack is understood within a Biblical framework.

It was a tsunami of disinformation. It swept away the truth.

Incredibly, six months after the severed head of former Mexicana Airlines "steward" Hervey Medellin was discovered on a trail beneath the Hollywood Sign, the major media's suggested explanation remains what it was in the immediate aftermath of the crime:

"It's a gay thing."

The question is 'why.' The answer can be seen in a graphic of recent decapitations and dismemberment in North America.

The media was atwitter about connections between Montreal's Canadian Cannibal and a murder 3000 miles away in Los Angeles. Yet no talk at all about Mexico, only 120 miles from L.A.. where there were a total of 81 decapitated and dismembered bodies found...just *last month*.

We weren't even able to stick enough pins close enough (using Google maps) to represent the carnage.

Location location location

Readers will recall that a mother and daughter were walking dogs on a popular hiking trail below the iconic Hollywood sign in mid-January when they had stumbled across a human head in a paper bag. A later search of the area turned up severed hands and feet.

In the beginning, it looked like an open-and-shut case.

Three days after the head was found, Gigi Graciette of Fox 11 News called it a "crime of

passion" and felt confident enough to predict (via Twitter: " ... Arrest soon."

Another TV news station reported: "Sources tell ABC News that there is a large body of evidence suggesting Medellin's murder was the result of a love triangle."

Despite the fact that the victim's boyfriend had reported him missing in Mexico a week before his head was discovered, the chief suspect initially was Medellin's gay boyfriend-slash-roommate.

Fast forward six months and—since the grisly Hollywood head case superficially echoed Luka Magnotta's gruesome murder of Chinese student Jun Lin—it was the much-in-the-news gay Canadian cannibal on the hot seat.

Do a lot of 'gay love triangles' end in beheading?

The coverage was relentless, the insinuation insidious, and completely, almost-laughably, wrong: How many "gay love triangles" end in beheadings?

A few sample headlines from last week's three days of incessant coverage:

"Did Accused Canadian Cannibal Luke Magnotta Strike in Hollywood?" asked ABC News.

British tabloid The Mirror's headline read: "Did Cannibal Killer Dump Severed Head Beneath Hollywood Sign?"

"Did 'Canadian Psycho' Kill in Hollywood?" asked TIME magazine.

"Police in Los Angeles are investigating whether accused killer Luka Rocco Magnotta could be responsible for a January killing in the Hollywood Hills," went one typical lead.

"The body parts are the common denominator here," asserted LAPD spokesman Lyle Knight last Wednesday. "It's an open investigation. Our detectives are trying to see if there is a connection."

"That's why our investigators want to talk to the Canadians. We want to know if his whereabouts included Hollywood because we understand he was in the acting field and Hollywood being the acting and movie Mecca, we want to know."

Needed: A 'gay' time machine

The media frenzy was all based on rumors that gay porn actor Magnotta was in Los Angeles almost a month after Medellin was slain, advertising "massages" to male clients in Hollywood on his Facebook page. No wonder it was such a big story.

Clearly the only thing lacking for Magnotta to be fingered for the crime was access to a time machine.

The big question is whether the coverage was 'merely' sensationalistic (like, for example, the Internet speculation that the government had left significant parts of the TRUE story of the 9/11 attack the major media found so irresponsible.)

Or did it serve another, more sinister, agenda? Was it, in other words, deliberate disinformation?

The real news from the 'decapitation beat' received no publicity at all.

“It has been six months since the gruesome discovery of a human head near the Hollywood Sign,” began yesterday’s KTLA TV News Los Angeles broadcast. “We have exclusive new details about the victim and his alleged involvement with the notorious Cali drug Cartel.”

“On January 16, 21 days after Medellin left Hollywood to go to Mexico on business, his severed head was found,” began reporter David Begnaud. “Publicly the victim was an airline attendant. But privately he had a side job as a concierge for the Cali Cartel.”

Not really news... but it was on TV

What followed wasn't really news to anyone who has followed our investigation. Still some fun can be had watching a squirming Captain Billy Hays, the head of the LAPD’s elite robbery-homicide team.

“Our law enforcement source says Medellin’s activities were legal, renting limos and hotel rooms, and even going shopping with the wives of the cartels-men(sic),” Begnaud reported.

“That’s something we’re following through on and can’t substantiate one way or another at this point in time,” responded Hays.

Then Begnaud asked: “Is the boyfriend a suspect?”

Despite the fact that the LAPD had done everything to implicate the boyfriend to the media

for the crime except arrest him, Hays replied, “Not at this point in time.”

While much remains unanswered, there are already several important take-aways from the fiasco. The mere fact that the LAPD is well aware when drug cartel insiders go shopping in Beverly Hills can be seen as hugely incriminating.

In Colombia, in Mexico, and on Rodeo Drive, its business as usual.

And then of course, when someone lies, its always for a reason. So the mis-direction by the LAPD and lapdogs in the media should alert even casual observers to the fact that—when it comes to the financially hugely-sensitive subject of the drug war—the less the average citizen knows, the better.

Why, do you think, might that be the case?

Mexican Drug Lord linked to 5.5 ton-cocaine bust

Posted on [June 27, 2012](#) by [Daniel Hopsicker](#)

Six months ago, the LAPD was telling reporters the decapitated head found underneath the Hollywood Sign was the result of a "gay lovers triangle."

Six months later, they were still pursuing the gay "thing," only instead of a gay boyfriend in Hollywood, their chief suspect was the now-notorious Canadian Cannibal. Their efforts at disinformation were successful, and widely disseminated.

But it also created a teachable moment about the Mexican drug war. The reason for all the disinformation about Hervey Medellin's head, found beneath the Hollywood Sign in January 2012, has to do with the identity of Medellin's longtime boss:

Jose Serrano Segovia is one of Mexico's wealthiest oligarchs. He owns Mexico's biggest shipping line, whose fleets of cargo ships, trucks and planes bring goods from Central and South America into the U.S. He even owns a railroad, that goes all the way to Kansas City.

And he is known as one Mexico's biggest Drug Lords.

In APRIL 1998 The Wall Street Journal revealed that the FBI was investigating Jose Serrano Segovia for drug trafficking and money laundering, after a huge shipment of cocaine from Colombia was found on one of his cargo vessels.

The next year, Serrano hired a lobbying firm to block a bill in Congress which aimed to impose sanctions on companies linked to drug trafficking. And even though a top staffer to Republican Senator Richard Shelby resigned in protest, the effort was successful.

Much more recently, Hervey Medellin's boss was connected with the American drug trafficking operation in St Petersburg which was exposed when 5.5 tons of cocaine were found on an American-registered DC9.

The company that owned the busted DC9, Skyway, was itself owned by its biggest shareholder, a shady investment bank in Texas

called Argyll Equities. Argyll was said in the business of providing "creative financial solutions globally," which can look a lot like money laundering.

One of Argyll's creative financial solutions was arranging a \$17 million "loan" to Mexican businessman Jose Serrano Segovia's shipping line, Grupo TMM