THE CONTINUING REAL LIFE SAGA OF AN IMMIGRANT'S PURSUIT OF JUSTICE IN A WORLD INFESTED WITH BETRAYAL, CORRUPTION, SUBTERFUGE AND FRAUD

INDICTING GOLIATH

Lal Bhatia





Notion Press

Old No. 38, New No. 6
McNichols Road, Chetpet
Chennai - 600 031, India

First Published by Notion Press 2018
Copyright © Lal Bhatia 2018
All Rights Reserved.

ISBN 978-1-64324-184-5

This book has been published with all efforts taken to make the material error-free after the consent of the author. However, the author and the publisher do not assume and hereby disclaim any liability to any party for any loss, damage, or disruption caused by errors or omissions, whether such errors or omissions result from negligence, accident, or any other cause.

No part of this book may be used, reproduced in any manner whatsoever without written permission from the author, except in the case of brief quotations embodied in critical articles and reviews.

CONTENTS

Acknowledgements . . . . . *vii*

PART A

1: They Are Coming for You 3
2: The Middle Eastern Connection. 5
3: Bank of Crooks and Criminals International 13
4: One More Crook – Mon Wig. 33
5: All the King's Horses & All the King's Men 44
6: Covering-Up Humpty-Dumpty Had a Great Fall… *Not* 60
7: Outrage 73
8: The Crook's Masterstroke. 84

PART B

9: Who Is Lal Bhatia?. 89
10: Suckered – Hook, Line and Sinker 104
11: Lal v. The Racket 138
12: Byzantine Maneuvering 178
13: *Knock… Knock…* Can American Justice Be Prostituted? . . . 188
14: Justice Denied?. 201
15: And the Hits Keep on Coming… 204
16: Goliath Indicted. 217

Appendix 1: Unopposed Declaration of Mon Wig's Partner, George Loonie *229*
Appendix 2: Mon Wig's Crimes, Including His Money Laundering Activities, Deemed Admitted and Conclusively Established *245*
Endnotes *257*

PART A

–1–

THEY ARE COMING FOR YOU

You might think it was an ordinary morning in my life. I woke up, showered, dressed, ate breakfast, dropped my daughter to school and headed to work twenty minutes away. So the idea I was being followed by Federal Bureau of Investigation (FBI) and Internal Revenue Service (IRS) agents or my imminent arrest had never occurred to me.

Nothing had prepared me for what the next decade would have in store for me – it was shortly after ten in the morning when they, with guns drawn, stormed the office shouting: *"FBI – hands in the air, where is Lal Bhatia?"* FBI agent Janet Berry and IRS Special Agent Joseph Cammaluuci and a motley crew of other agents were already in my office, they asked me to stand up, place my hands behind my back; and I was cuffed.

Their unnecessary drama was so intense that I collapsed. I was placed on the floor and Cammaluuci placed my head on his lap, an ambulance was called. While Berry and others in her crew were scrambling like chickens with their heads cut off trying to figure out what to do next, the ambulance arrived; the agents were instructed and I was reluctantly un-cuffed, made to lay on a gurney, and taken to the ambulance. At the John Muir Hospital, the agents, visibly sullen, were made to sit outside the emergency room. After my condition was stabilized, I was admitted into the hospital for observation.

Three days later, after the FBI agents got fed-up watching me, the United States Attorney's Office agreed that my bail motion would not be opposed. I was taken to court, and the agents were made to push

my wheel chair. I pled not guilty to mail fraud and money laundering charges and bail was promptly granted. When the indictment was unsealed, it revealed that the United States of America charged me for engaging in a scheme to defraud by making false representations to my aunts, Krishna Kirpalani, Sheila Verghese; uncle, Indru Bhatia; cousin, Zamin Mitha and my wife's uncle, Manmohan "Mon" Wig to invest in Abe Technologies, Inc.[i]

Yet, even more curious than what was said was what was left out. Betrayal, corruption, subterfuge, and fraud made the prosecution omit that Mon Wig, my wife's uncle, manipulating my aunt Krishna, my uncle Indru, my aunt Sheila and my cousin's husband Zamin, had engineered the trumped-up charges that led to the indictment to conceal his specific money laundering crimes in excess of $1.3 billion using the services of Allied Group – Bank of Credit and Commerce International. (BCCI)[ii] Wreaking havoc on our lives, my wife of thirty years, our children, and I stomached it together. We paid far too high a price — suffered and endured through torture, victimization, terror, bluster, anxiety, stress and ravages for fifteen years of persecution.

–2–

THE MIDDLE EASTERN CONNECTION

The first waves of European immigrants to land on American shores were often comprised of refugees fleeing various forms of persecution.[iii] *Throughout its history, the United States has considered itself a safe harbour where the oppressed and suffering of the world may find rest.*[iv] *As early as 1783, George Washington declared the young nation "open to receive the persecuted and oppressed of all nations." In light of America's strong tradition of protecting the persecuted and congressional actions affirming that heritage,*[v] *experiencing the extent of influence by a handful on the United States Government in destroying this well-established tradition placed into sharp relief a facet of American tradition that although deceptively straightforward in theory, turned out to be, at best, misleading in practice. To understand, I delved into BCCI's provenance*:

BCCI's founder, Agha Hasan Abedi (Abedi), was born in 1922 in the glittering Muslim kingdom of Oudh, in the town of Mahmudabad, in north-central India. As a child, he listened to tales of baroque luxuries of the Mughal Raj, and the bloody struggle against the British conquest. He grew up intensely aware of his status as a double minority – not only was Abedi a Muslim (Muslims made up only 20 percent of the population of north-central India), but he was also a Shia Muslim. Shias accounted for 15 percent of Muslims – a minority sect known for its "obsessive attention to work, politics and religion."

Abedi's family was intensely religious and teetotalling, who dutifully and rigidly observed all Islamic rites. Islam pervaded every corner of Abedi's life.

At twenty-five, Abedi ventured into the big city of Bombay — India's financial capital and banking center. After graduating from the Lucknow University in Law and English, he sought work but found what it meant to be a Muslim looking for work in a society where Hindus, with warm British encouragement, held most of the influence and jobs. A phone call from his father's boss, the rajah of Mahmudabad, landed him a job at a new Islamic institution called Habib Bank. He started as a petty clerk sitting behind a dirty counter in a dingy office shuffling wads of rupee bills or filling out ledgers. Soon thereafter, he settled into an arranged marriage.[vi]

That year — 1947 — witnessed one of the most violent demographic upheavals in modern history: the migration of 14 million Muslims from India to the newly-created nation of East and West Pakistan, and the deaths of 3 million people in the violent civil war that accompanied the birth of Pakistan. The end of the British Raj meant that Muslims, including Abedi and his family, would now feel the full fury of Hindu prejudice and thus was forced to relocate to Pakistan.[vii]

Abedi joined the mass migration, along with a number of urban Muslims from India — the old heart of the Mughal Empire, traveling west to Pakistan. In Pakistan, they were called "refugees," most of who quickly settled in the larger cities of Karachi, Lahore and Islamabad. This new group, as a whole, constituted something like a readymade middle class in a backward agrarian nation. Fortunately, Abedi's job at Habib Bank moved with him to the city of Lahore. Abedi rose quickly to branch manager and then into the corporate hierarchy of the bank.

Around 1950, being restless and ready to strike out on his own, Abedi quit his job at Habib Bank. With a talent for recruitment and persuasion, he found just the man to help him do it: Main Yusif Saigol. Main Yusif, a leading textile manufacturer, was part of one of the "twenty-two families" whose fortunes dominated Pakistani commerce. According to Main Yusif's son, Naseem Saigol, Abedi simply, "convinced my father that he should have a bank. Dad gave him a check for ten million rupees [$2 million] and appointed his elder brother Shafiq as director with Abedi under him."[viii]

Around 1959, Abedi, with no capital of his own, launched a rival to his old employer and the first new bank in Pakistan since independence. He called it United Bank Limited. Counting on his rich and influential friends in Pakistan, such as Field Marshal Muhammad Ayub Khan — the military dictator who seized power in a 1958 coup, United grew fat with deposits, became the first Pakistani bank to rely on computers, and introduced the notion of "customer service."

Despite being successful, United remained a local bank in a less-developed country with a natural limit on how much capital – and deposits – the bank could absorb. Abedi made two critical decisions: First, his ambitions could not be satisfied focusing only on Pakistan. Second, he decided to hunt for petrodollars. Abedi was the first banker in the "Third World," and among the first anywhere, to anticipate that dollar deposits from the Middle Eastern oil exports would turn the banking world on its head and make many rich along the way.

By 1959, oil was discovered in the waters of Abu Dhabi. The feudal kingdom of Abu Dhabi, ruled by Emir Shakhbut bin Sultan Al-Nayayan, (Shakhbut) was going to be immensely rich. Shakhbut's ideas of wealth were odd. While he was aware banks existed, he was oblivious of how one worked, nor could he fathom why anyone would

give his money to a bank. Wealth, according to him, was measured in camels, weapons, tents and rugs.

So, Shakhbut kept sacks of money, which began to grow exponentially fatter with new oil revenues, under his bed where he could see it, feel it and comfort himself that he was becoming rich. He was broken of this habit only when rats and mice of the royal household began eating his horde of cash. This only convinced him to have his cash hauled over to the vault of the newly-established British Bank of the Middle East. He, nonetheless, was in the habit of summoning the startled bleary-eyed English bank manager in the middle of the night and requesting to see all his money.

Abedi's first trip to this British-controlled Trucial Coast — a hodgepodge of tribal baronies on the northern border of Saudi Arabia, best known to history for their exploits as pirates and slave traders — was in 1965. He had come up with the implausible notion of paying an impromptu call on the Emir Shakhbut ostensibly to present rugs of goodwill as the president of a Pakistani bank started eight years ago and built it into Pakistan's third largest bank.[ix]

Even though, at the time, the banking system in Abedi's Pakistan was archaic by modern standards, it was still several hundred years ahead of the Bedouin notions of finance in Abu Dhabi. Abedi presented himself at the court and was given an audience with the Emir, who accepted the rugs, but promptly and coldly rejected the Pakistani's offer for banking services. Abedi returned to Karachi empty handed, but without the notion of giving up his splendid idea of opening up a branch in the splendid oil-rich Gulf.[x]

While the al-Nahayans were ignorant of the complexities of western finance, they were smart enough to realize that Shakhbut was unable to grapple with the stunning changes that were already

rumbling through this tiny sheikhdom. In 1966, the ruling family was led by Shakhbut's younger brother, Zayed bin Sultan Al-Nahayan, (Zayed) — after he deposed, exiled the Emir, and ascended the throne.[xi]

While little else changed, there was no ignoring the prodigious oil strikes on the land controlled by the Emir. Upon realizing Zayed was not modern in any sense of the word: he knew nothing about money, banking, business, or trading nor had he ever travelled outside his country, but, both the smell of oil and the hope Zayed would be desperate enough to be more open-minded than his brother, encouraged Abedi to make his second trip across the Persian Gulf.

Their conversation proceeded. Abedi impressed Zayed. Zayed confessed he was unsure of what to do with all that money and although he had received timid overtures from the west, he distrusted them. Abedi persuaded Zayed that although he was from a poor country, he was, nevertheless, a Muslim who knew about banking. Being adamant and in his typical persuasive manner, Abedi eventually convinced Zayed to have no suspicion of any impertinence or inappropriateness in trusting him.

To convince Zayed, Abedi was willing to do anything to please him. Initially, that meant frequent gifts and visits. Zayed's passion was falconing — a sport consisting of setting a trained falcon upon a helpless Houbara (a bird, known in the west as MacQueen's bustard).[xii] With the advent of oil money and the opportunity afforded to other sheikhs or wealthy businessmen with Land Rovers to venture off into the desert, the Houbara was hunted out of the Gulf. Recognizing the opportunity, Abedi invited Zayed to Pakistan for his favorite sport. Abedi handled all the details of accommodations to take Zayed to the province of Baluchistan, where the Houbaras were plentiful. Through

the sheer zealousness of Abedi and his lieutenants, these visits were logistical triumphs. Abedi's passion in attending to Zayed's needs impressed the Emir, who eventually found Pakistan to his liking. Subsequently, Zayed, in return, gave Abedi permission to open a branch of United Bank in Abu Dhabi and take deposits from thousands of Pakistani workers assisting in Abu Dhabi's modernization.[xiii]

By the 1970s, Zayed began pumping petro deposits into Abedi's United Bank. Abedi's bank also handled the purchase of a large number of homes for the Sheikh's use in Pakistan. United Bank managed Zayed's properties and others assets; handled all details of Zayed's trips, including, food, lodging, and entertainment ranging from camel racing to trips to Lahore's red-light district for more than one hundred people in the entourage. In essence, Abedi began running the Sheikh's financial and, in several instances, his personal life. Further capitalizing on his connection to Zayed, Abedi set up meetings with the ruling elites of Kuwait, Bahrain, Saudi Arabia and other Emirates, all of whom he also took on similar hunting trips.

At home in Pakistan, in the meanwhile, there was ongoing tension between Abedi's ambition to move beyond Pakistan, and the Pakistani Government to keep Pakistani institutions, generally, and Abedi's bank specifically, under its control. From the time he came to power, Pakistani Prime Minister, Zulfikar Ali Bhutto, typifying the socialist cast much of the former colonial world in this period, was threatening to nationalize Pakistani banks, as he had already nationalized other sectors. Accordingly, Abedi, began moving forward with the initial steps to form BCCI as a Pakistani-managed bank outside Pakistan. When Bhutto learned about Abedi's attempts to circumvent his new socialist order, he not only went ahead with his plans for nationalizing United Bank, but also promptly placed Abedi under house arrest.[xiv]

While under house arrest, undeterred, Abedi continued to cultivate his plans for his new institution. Abedi was insistent that unlike United Bank, it would operate in a manner to defy the ability of Pakistani or any other Government to impede any objective it might seek. It would not only be the first global, international, and indeed a transnational bank, but something more: a charity; a foundation; a shipping empire; an insurer; a brokerage firm; a commodities exchange; a publishing house; a world-class hospital for the rich; a real estate empire; an employee cooperative; an Islamic investment bank; and a Third World powerhouse.[xv]

Abedi often expressed his desire of achieving equality of status with other financial institutions of the former colonial powers. During the colonial period, millions of Indian and Pakistani expatriates had fanned out across British possessions to become the commercial class in many of them. As they yet had to develop their own financial institutions, they relied on European financial institutions whose attitude toward them ranged from ignorance to neglect to sheer contempt. A bank of their own would understand the cultural nuances; treat them better; be able to do far more to help; and make itself great at the same time.

Five things were needed to create BCCI: *First*, a bank secrecy and confidentiality haven — found in Luxembourg, and then in Grand Caymans. *Second*, a source of capital — $2.5 million — obtained from Bank of America (BofA) supplemented by Zayed of Abu Dhabi. *Third*, a source of initial assets — $100 million — half was provided as deposits by Zayed. *Fourth*, a group of like-minded Pakistanis to operate the bank, widely available as a result of Bhutto's nationalization of banks in Pakistan. *Lastly*, credibility in the international community through a relationship with an established western financial institution which

would provide prestige to BCCI, but not interfere with its unique approach to banking — this too was provided by Bank of America (BofA) during BCCI's formative years.[xvi]

During his years at United Bank, Abedi had cultivated a friendship with a Dutchman named J.D. "Dick" Van Oenen, the local representative of BofA in Karachi, who rented an office in Abedi's United Bank building. Around 1970, BofA was the largest bank in the world, and its ambitious President, A.W. Clausen, was drooling at the prospect of opening up operations in the oil-rich Arabian Gulf. Though Van Oenen was merely a representative — in those days it meant looking after a handful of government and banking relationships, and serving as tour guide and travel agent for the suits from San Francisco — he too had big ideas and his own ambition. Van Oenen decided to take Abedi to the United States to pitch his idea at the home office.

At what Abedi would later refer to as the "historic lunch" in San Francisco, Abedi effectively promised BofA management the keys to the kingdom — superb access to the coffers of OPEC. In exchange, BofA would take a 30 percent share of the new bank for some $650,000 and a seat on the board. Complete control of the day-to-day affairs was ceded to Abedi. In subsequent weeks, Abedi convinced his friend Zayed to put up another $1,875,000. Abedi, thus, raised capital for his new bank without any investment of his own.

In 1972, in a ballroom at the five-star Phoenicia Hotel in pre-civil-war Beirut, Abedi, along with a group of one hundred faithfuls, including, many from Mahmudabad in India, who would eventually become the core of the bank's management, launched Bank of Credit and Commerce International.[xvii]

–3–

BANK OF CROOKS AND CRIMINALS INTERNATIONAL

Rendered insignificant, abandoned and alone, while continuously bearing extraordinary physical, mental, and emotional torture, persecution and victimization by the United States Government, I became determined to unmask their injustice — betrayal, corruption, subterfuge and fraud that made the United States Government blatantly ignore Mon Wig's engineering of the trumped-up charges to conceal his specific money laundering crimes. A slew of questions required answers and numerous facts required testing in open court: How could the United States of America — that prides itself to be a "nation of laws" — knowingly condone its Government's blatant action of physically, mentally and economically torturing me? What made seasoned federal judges, veteran prosecutors, and experienced investigating agents turn into ostriches? How can I get them to take their constantly buried heads out of the sand? How could Wig's tentacles extend to hardened prison wardens, vile snitches, and despicable others? Despite being incarcerated, sometimes placed in solitary confinement without cause, often subjected to search and destruction of my notes. Without "legal" access to the internet or basic research tools, I established, on over fifty occasions, facts, evidence and testimony that the charges were trumped-up, and knowingly ignored? But, understanding the genesis and extent of the hydra's[xviii] *criminal empire became vital:*

BCCI was not a Pakistani bank in any sense of the word, and was shortly banned in Pakistan by an irritated Ali Bhutto. With only $3 million in capital, Abedi kept BCCI's ownership down by promising the "core" initial one-hundred faithfuls that they were members of a family; employed for life, whose future prosperity was being built collectively. He made them "founder" shareholders and put them to work in a dingy office in Abu Dhabi. Working conditions in Abu Dhabi, and at BCCI in those early days were exceedingly primitive – more easily accepted by Pakistani and Indian bankers than would have been accepted by western ones.

Simultaneously, Abedi relied on his BofA board for their credibility; to recruit additional bankers; and evaluate major loans. Among the key figures retained by Abedi as directors from BofA were Yves Lamarche, who had previously managed BofA's operations in the Middle East; J.D. Van Oenen; and P.C. Twitchen, formally, Vice Presidents of BofA.[xix]

Around 1973, as a result of disruptions in the flow of Middle Eastern oil, oil prices rose exponentially. These disruptions resulting from the formation of OPEC; the Yom Kippur War of October 1973; and the Arab boycott, saw a fourfold increase in the price of oil. Saudi Arabia; Kuwait; Abu Dhabi, and other Trucial States were no longer just rich; they were shamelessly rich and politically powerful. Additionally, the 1971 departure of the British Empire from the Trucial Coast made Abu Dhabi and other kingdoms independent and federated into a group called the United Arab Emirates (UAE). Both UAE's president, Zayed bin Sultan al-Nahayan, and its Vice-President, Sheikh Mohammed bin Rashid al-Maktom, considered Abedi a close adviser and confidant. In fact, it was rumored Abedi planted the idea of UAE as a federation to Zayed. These people had

no standing anywhere in the world. With the creation of the UAE, Zayed received the status which played into Abedi's agenda for BCCI.[xx]

In the 1960s, not only did the UAE not exist as a country, there wasn't even a marked highway system to connect the small number of people who lived there. In those days' life, even for members of the ruling family, was simple. Education was generally confined to lessons in reading and writing, along with instruction in Islam from a local preacher. Transport was by camel or boat, and the harshness of the arid climate meant that survival itself was often a major concern. In fact, back then in the Trucial States as it was called by the British, didn't need paved roads because few people had cars. Until 1966, the UAE used the Gulf Rupee, which was issued by the Government of India and the Reserve Bank of India. It was equivalent to the Indian Rupee. After that, the northern Emirates used the Qatar-Dubai Riyal, and Abu Dhabi used the Bahraini Dinar. The UAE Dirham was issued in 1973.[xxi]

Historian J.B. Kelly offers a snapshot of Zayed's court in those days: "Zayed's court is packed with a host of imposters, intriguers, sycophants and flaneurs, who ceaselessly jostle with one another for his attention and favor. Flattering, wheedling, shamelessly soliciting for personal ends, they swarm about the person of the ruler like so many flies… Of the hundreds or even thousands of émigré Egyptians, Palestinians, Syrians and Iraqis who reside in Abu Dhabi, only a minority are men of ability and integrity whose presence confers a positive benefit. The rest are mostly self-seekers who conspire and compete among themselves for position, money, preferment or advantage, ceaselessly intriguing to supplant rivals with nominees or placements of their own."[xxii]

It was precisely because of the arrival of the flimflam artists that Zayed needed Abedi. The Sheikh did not trust the west, and he was being preyed upon by ethnic Arabs. BCCI functioned as the official bank of the Gulf and handled a substantial portion of Abu Dhabi's oil revenues. Around the 1970s, Abu Dhabi and the al-Nahayan family were earning around $750 million a year. BCCI provided Zayed with great benefits for what appeared at the time very little risk. Zayed deposited billions of dollars in BCCI receiving a guaranteed rate of return on these deposits — sometimes as high as 1.5 percent over LIBOR (London Interbank Offered Rate).[xxiii] In return for a relationship that was costing him little and indeed, making him enormous profits, Zayed received the prestige and benefits of having people over the world believe it was his bank without his own funds being at risk.[xxiv] Other compelling reasons for Zayed to trust Abedi included Zayed's financial unsophistication and his need of assistance from someone he could trust to handle his finances in a manner that would meet his personal, cultural and political needs. These encompassed the need for secrecy as to the location and size of his wealth given the political instability within the region; the need to adhere to Islamic law, through structuring of transactions that could be profitable and safe without the payment of interest in violation of that law. There was, moreover, no one within Abu Dhabi who Zayed could trust to provide adequate secrecy and financial assistance. Zayed may well have known no one inside or outside Abu Dhabi with the apparent sophistication to handle finances of the magnitude that were being generated by the petrodollars. In any case, Abedi had already been attending to all of Zayed's personal needs in Pakistan for over five years, thereby demonstrating his ability to make the relationship worry-free for Zayed.

Because of the Abedi-Zayed arrangement, Abedi now had essentially unrestricted resources to make his dreams about BCCI come true. He could now act simultaneously as manager of billions of Zayed's personal wealth as well as a "central" banker to the UAE, of which Zayed was chief of state, and as chairman of BCCI that had guaranteed assets in hundreds of millions of dollars from its inception. Besides, Zayed became accustomed to the use of nominees, as nominee purchases were frequently employed whenever he wished to buy anything to avoid the price increasing if the Sheikh's name had been mentioned as part of the negotiations. Likewise, BCCI's finances became so intermingled with the finances of Abu Dhabi, it became difficult even for BCCI insiders to determine where one left off and the other began.[xxv]

Abedi, thus, became entrenched in UAE's business and politics on behalf of Zayed. For example, in relation to a contract with Boeing, Zayed introduced Abedi to Sheikh Kamala Adham (Adham). Adham was a Middle Eastern power player — a shrewd and jovial man who had for decades straddled the world of Middle Eastern business and politics. He was the half-brother of Iffat, the favorite wife of King Faisal, ruler of Saudi Arabia from 1964 until his death in 1975. Adham had so impressed his brother-in-law that by the time he was in his early thirties he became the king's closest confidants.[xxvi]

For example, around 1975, McDonnell Douglas was closing in on a contract with the state of Egypt for six airliners. At the last minute, believed to be the result of Adham's influence, Egypt, instead, decided to buy Boeing jets. To secure the deal, in classic Middle Eastern business style, in exchange for a hefty commission, Boeing tapped Mahdi Tajir, a close friend of Zayed's and UAE's ambassador to London and Paris, who in turn tapped Zayed for a $90 million advance to Egypt. Zayed sought Abedi for his advice. Boeing turned to

Adham to intervene at the highest levels of the Egyptian Government to ensure that Zayed's money was solely used for the purchase of the Boeing planes.[xxvii]

Boeing's commission payments led to a three-year investigation by the Securities and Exchange Commission, whose goal, in part, was to figure out exactly who Boeing was using to accomplish these sleights of hand. In a *Wall Street Journal* article, Boeing's efforts to suppress those names, particularly, Adham's, had "been accomplished with significant help from the State Department who entered a court fight between the SEC and Boeing to argue the disclosure of Boeing's 'highly placed' consultants abroad could harm U.S. foreign policy interests."

The mere disclosure of Adham's name would affect U.S. foreign policy in two ways: *First*, Adham was the head of the Saudi internal security service – arguably the most important agency of the government, since it protected the royal family – and also headed the General Intelligence Directorate of Saudi Arabia. In that role he was the principal liaison between the CIA and European intelligence agencies, and he even had a code name: "Tumbleweed." But the *second* and more important foreign policy concern was that Adham was the key link to Egyptian President Anwar Sadat in the years leading to the Camp David accords in 1979. When Sadat expelled Soviet advisers and severed relations with Russia in 1972, it was a direct result of King Faisal's anti-Soviet campaign.

Given Abedi's longing to make BCCI into a global powerhouse, the size and importance of the United States financial and banking markets resulted in BCCI's campaign to inevitably enter the United States.[xxviii] BCCI's initial attempt to obtain a bank in the U.S. was notably unsuccessful. Around 1975, BCCI decided it would enter

the United States by covertly acquiring the Chelsea Bank, a national bank with a state-chartered holding company in New York. In order to keep the transaction discreet, BCCI decided to proceed through a nominee: a member of the Gokal family — BCCI's largest customer and part of an immensely rich Pakistani shipping family. New York bank regulators soon enough discovered the puppeteer behind the curtain and blocked the acquisition. However, based on its reputation for nefarious dealings, nobody in the United States wanted BCCI to ever acquire an American bank.[xxix]

Abedi's chief lieutenant at BCCI was Saiyid Mohammad Swaleh Naqvi, (Naqvi). Naqvi appointed Syed Ziauddin Ali Akbar, (Akbar) from the National Bank of Oman. His primary duty as Naqvi's protégé was to manage and service BCCI's main customers, convincing them along the way to make BCCI as the only bank they did business with. In essence, Akbar was given the mandate: the shadier the deal the better.[xxx]

Undaunted by being blocked by the New York banking regulators, another Abedi minion, Abdus Sami attempted to gain regulatory approval to buy the Bank of Commerce, another bank in New York. So hostile were the New York State authorities that no bid was ever made. Shortly thereafter, it looked as though Abedi's unchecked ambitions to open up operations in the United States had driven him permanently into the rocks.[xxxi]

Around 1976, accordingly, Abedi incorporated the International Credit and Investment Company Holdings (ICIC) in the Cayman Islands, through which much of BCCI's growing business would pass. While Abedi would deftly continue to tap Zayed and the money-glutted Abu Dhabians for real money, he needed Adham for diplomatic stature, credibility, influence and connections. Abedi

approached shareholders in BCCI to finance the bank's expansion. BCCI's shares were not publicly traded and were sold through private placements on an invitation-only basis. Abedi sought genuine capital infusions, but also needed investors to act as nominee purchasers of BCCI shares. Abedi gave the appearance that wealthy investors were investing into BCCI and new capital was being infused into BCCI. In order not to dilute his control, Abedi established the "special secret nominee arrangement" with a number of investors/directors.[xxxii]

Sheikh Abdul Raouf Hasan Khalil (Khalil) worked for Adham in the Foreign Liaison Bureau as Adham's personal assistant, gathering and analyzing news media articles about Saudi Arabia. Khalil had worked in the Saudi Government with Adham for around sixteen years. Khalil and Adham were very close and had a number of business dealings in common.[xxxiii]

While in London, upon Adham's insistence, Khalil began a banking relationship with BCCI. Khalil signed account opening forms but did not make any deposits at the time. Approximately three weeks later, Akbar came to Khalil's house in Jeddah to collect the first deposit. Khalil, like many living in Saudi Arabia, kept his substantial wealth in suitcases, primarily in Saudi currency, locked in a strong room inside his house. Khalil's first deposit was fifty million Saudi riyals in cash (about U.S. $13 million) packed in ten or eleven Samsonite suitcases, provided to Akbar for deposit into Khalil's account at BCCI. Although, ostensibly, the cash deposit came from Khalil's house, some of it belonged to partners whose identities he did not reveal.[xxxiv]

Around the same time, former Georgia State Senator, Eugene Holley, who had set up the Cayman Oil Company had run up a debt of $17 million which he was unable to repay. He made a deal with

Abedi — in exchange for his interests in Qatari oil concessions, Abedi bailed him out. Holley, both grateful and anxious to curry favor with Abedi, knew of his deep interest in acquiring an American bank, came upon a way of returning the favor.[xxxv]

Around October 1977, Holley arranged a meeting between his friend T. Bertram Lance, (Lance) and the chieftains of BCCI — Abedi and Naqvi — in New York. Lance was the president of the National Bank of Georgia and close confidant of President Jimmy Carter. Lance had gained quick fame as President Carter's director of the Office of Management and Budget. This meeting was less than a month after the embattled and deeply indebted Lance had resigned as Jimmy Carter's budget chief. At the time, Lance had also become the most notorious banker in the United States. Abedi was looking for someone who was bribable with influence and connections and Lance was looking for work and a way out of his financial predicament. After their altruistic foreplay concluded, Abedi informed Lance that he was interested in gaining a foothold in the United States banking market. Lance concurred that in order to be a global bank, some sort of banking presence in the United States was vital.[xxxvi]

Lance, however, needed more information about BCCI — the last thing either Abedi or Lance wished to do was further embarrass the President of the Unites States. Accordingly, Abedi provided Lance with BCCI's annual reports. Lance stated that he would get back to Abedi as to whether he could assist. Lance turned to Clark Clifford (Clifford), the former United States Defense Secretary who had represented Lance in the Congressional hearings into Lance's unlawful activities in Georgia. He requested Clifford to conduct due diligence on BCCI and Abedi. When Clifford called Lance back, he informed that Abedi was "a man of integrity and character." Lance

Enjoyed reading this sample?

Purchase the whole copy at

amazon.in