

# Bohemian Grove & Reagan's 'Treason'

**Exclusive:** This weekend, Occupy protesters are targeting the Bohemian Grove in California, where well-connected rich men go on retreats several weekends each summer. The secrecy of the 1980 encampment became a factor in the cover-up of possible "treason" by Ronald Reagan and George H.W. Bush, writes Robert Parry.

By Robert Parry

In 1992, the protectors of Ronald Reagan's legacy and George H.W. Bush's presidency were in a bind. They had gained the upper hand in shutting down an investigation into allegations that Reagan and Bush had gone behind President Jimmy Carter's back in 1980 to undermine his negotiations to free 52 Americans held by Iranian radicals, but then one of their crucial alibis collapsed.

In a stranger-than-fiction moment, these protectors turned to the exclusive Bohemian Grove the target of a new round of Occupy protests this weekend as a location for cobbling together a replacement alibi, thus sparing the Establishment the unpleasantness of a thorough investigation into what had the appearance of "treason" by the widely admired Reagan and Bush Sr.

Official Washington had thought questions about the so-called "October Surprise" of 1980 had been put to rest in November 1991 when the neoconservative *New Republic* and the pro-Establishment *Newsweek* splashed debunking articles on their covers.

Both magazines claimed that an alleged meeting between Reagan's campaign chief William Casey and Iranians could not have happened because Casey had an alibi. Instead of meeting with Iranians in Madrid on Monday, July 28, 1980, as Iranian businessman (and CIA operative) Jamshid Hashemi had indicated, Casey was at a historical conference in London, his presence established by attendance records, the magazines said.

Gloating that they had proven once and for all that the October Surprise suspicions were "a myth," *The New Republic* and *Newsweek* mocked any remaining doubters as "conspiracy theorists."

The impact of the magazine stories and their ridiculing tone could not be overstated. Ted Koppel's ABC News "Nightline" program, which had aired an interview with Hashemi about the Madrid meeting, was humiliated. The producer who had brought Hashemi in for the interview was soon out of a job.

Armed with the magazine articles, congressional Republicans blocked a full

investigation in the Senate and convinced House investigators to simply go through the motions before ratifying the innocence of Reagan and Bush. But then something unexpected happened. The London alibi collapsed.

It turned out that historian Robert Dallek, who had given the lecture to the morning conference on July 28, 1980, had looked for Casey in the board room at London's Imperial War Museum and was disappointed to find that Casey wasn't there. Other attendees also noticed Casey's absence; they recalled him arriving later in the day.

And a careful examination of the attendance records revealed that Newsweek and The New Republic had misread them. The markings actually showed Casey arriving in the afternoon, not the morning. In other words, the much-touted Newsweek/New Republic "alibi" was worthless.

### **A Back-up Plan**

So what were the House investigators to do? They certainly weren't going to get serious and conduct an aggressive investigation. That might raise the ire of powerful Republicans and draw fire from influential neoconservatives. Instead, the investigators simply substituted a new and possibly even more ludicrous alibi. For that weekend in late July 1980, they put Casey at the Bohemian Grove.

The House investigators concocted this alibi by having Casey (who died in 1987) travel to northern California that last weekend in July 1980, take part in the exclusive retreat for rich and powerful men, then drive to San Francisco on Sunday afternoon and take an overnight flight to London, arriving for the historical conference on Monday afternoon, July 28, 1980.

The only trouble with this alibi was that there was not a shred of credible evidence to support it. Indeed, the clear evidence including records of Casey's transactions at the Grove and a contemporaneous diary entry by one of the members who stayed in the Parsonage camp with Casey showed that Casey attended the Grove on the first weekend of August, not the last weekend in July.

But the House investigators were determined to create this new alibi for Casey. They went so far as to throw out the documentary evidence of Casey's attendance in August, claiming that they had trumped that evidence with a notation by Reagan's foreign policy adviser Richard Allen who had written down Casey's home phone number on Aug. 2, 1980.

That act of writing down Casey's home number proved, the House investigators said, that Casey must have been at home and therefore not at the Bohemian Grove the first weekend of August. Ergo, the only alternative date would have been the last weekend in July and presto! the new alibi was created.

Some of you might object to this reasoning. It might seem to you that just because someone writes a person's home phone number down doesn't mean the person is necessarily at home, especially since Allen told the investigators he had no memory or record of reaching Casey at his home.

As an experiment, you might test out the investigators' logic yourself. If you're, say, out to dinner with someone and you write their home number down, are they still sitting across from you or have they vanished and rematerialized at home?

One of the Democratic congressmen on the House task force investigating the October Surprise issue even made this observation. Rep. Mervyn Dymally, D-California, wrote a draft dissent that said "just because phones ring doesn't mean that someone is there to answer the phone." But Dymally said he was subsequently bullied by task force chairman Lee Hamilton into withdrawing his objection.

So, with the new Bohemian Grove alibi grafted in along with other alibis almost as meritorious the October Surprise allegations were again debunked, assigned to the loony ward of conspiracy theories along with the two dozen or so witnesses and various documents that indicated that Reagan's team had gone behind Carter's back on the hostage crisis to gain an advantage in the 1980 election.

Thus, the reputations of Ronald Reagan and George H.W. Bush were preserved. Everyone who mattered in the U.S. political/media structure could breathe a sigh of relief.

### **Finding a Photo**

But the absurd Bohemian Grove alibi and the task force's other strange cover stories never sat well with me, leading me in late 1994 to arrange access to some of the raw documents from the 1992 October Surprise task force investigation.

Inside the boxes of those records, I found a number of documents that pointed in the opposite direction from the official conclusion of Reagan/Bush innocence, including some that were marked "secret" and "top secret," apparently left behind with the unclassified documents by mistake. I managed to make copies of some of these papers and later posted them on the Internet.

But one photo was particularly interesting to me. It was a group picture of the Bohemian Grove members and guests who had stayed at the Parsonage cottage on that last weekend in July 1980. The Parsonage is where Casey had been assigned in 1980. So, it would seem material to the October Surprise investigation whether he was in the group photo or not.

I scanned the photo ([and you can, too](#)). Casey was not in the group that stayed in the Parsonage the last weekend of July 1980. In other words, the October Surprise investigators not only had documentary evidence showing that Casey was at the Grove the first weekend of August; they had a photo showing that he was not there on the last weekend of July.

Not surprisingly, I guess, the House task force investigators hid the photograph and went ahead with their Bohemian Grove alibi.

After obtaining the photograph and other concealed evidence that revealed the House task force debunking to be more a cover-up than an investigation, I tried to speak with Rep. Lee Hamilton and chief counsel Lawrence Barcella about the discrepancies, but they refused to engage in the details. They clearly felt that I lacked the clout to get anyone to take my criticisms seriously and they were right.

To this day, the House task force debunking of the October Surprise allegations, with the Bohemian Grove alibi a key link in the chain, is the Official Wisdom of Washington. It also stands as a case study of how power and influence can trump logic and fact.

[For more on this topic, see Consortiumnews.com's "[Where's Bill Casey](#)" or "[Unmasking October Surprise Debunker](#)" or Robert Parry's [Secrecy & Privilege](#).]

To read more of Robert Parry's writings, you can now order his last two books, *Secrecy & Privilege* and *Neck Deep*, at the discount price of only \$16 for both. For details on the special offer, [click here](#).]

Robert Parry broke many of the Iran-Contra stories in the 1980s for the Associated Press and Newsweek. His latest book, *Neck Deep: The Disastrous Presidency of George W. Bush*, was written with two of his sons, Sam and Nat, and can be ordered at [neckdeepbook.com](#). His two previous books, *Secrecy & Privilege: The Rise of the Bush Dynasty from Watergate to Iraq* and *Lost History: Contras, Cocaine, the Press & 'Project Truth'* are also available there.

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## How Banksters Rig the System

The Libor scandal is just the latest revelation of how the VIPs of high finance rig the system for themselves and their friends while millions of "common people" are driven into poverty. But the fix is also in when it comes to buying political protection, write Bill Moyers and Michael Winship.

By Bill Moyers and Michael Winship

Every day brings more reminders of the terrible unfairness that besets our country, the tragic reversal of fortune experienced by millions who once had good lives and steady jobs, now gone.

An article in the current issue of *Rolling Stone* chronicles "The Fallen: The Sharp, Sudden Decline of America's Middle Class" and describes a handful of middle-class men and women made homeless, forced to live out of their cars in church parking lots in Southern California.

One of them, Janis Adkins, drove a van filled with her belongings to Santa Barbara, where she panhandled at an intersection with a sign reading, "I'd Rather Be Working Hire Me If You Have a Job."

Once upon a time she had a successful plant nursery business in Utah that annually grossed \$300,000. But two years after the nation's financial meltdown her sales had dropped by 50 percent and the value of her land plunged even more. She tried to refinance but four banks turned her down flat.

"Everyone was talking about bailouts," Adkins told reporter Jeff Tietz. "I said, 'I'm not asking for a bailout, I'm asking you to work with me.' They look at you, no expression on their faces, saying, 'There's nothing we can do.'"

"Nothing we can do." And yet it was banks like these who helped get people like Janis Adkins into such desperate jams in the first place. When faced with their own financial catastrophes, all those big-time bankers came running to the government and taxpayers for those aforementioned bailouts worth hundreds of billions of dollars, then scooped up big bonuses and perks for themselves, and went back to business as usual.

And what a business! You've most likely been hearing about the newest scandal in banking, centering on Barclays Bank in Great Britain and something called Libor. That stands for London Interbank Offered Rate and involves a group of bankers who set a daily interest rate affecting trillions of dollars of transactions around the world. Your home mortgage, your college debt, your credit card fees; all of these could have been affected by Libor.

Now you would think the rates would be set by market forces, right? Aren't they what makes the world go 'round? But it turns out some of those insiders were manipulating the index for their own gain, to make their banks look better off during the financial crisis, lower their borrowing costs, and raise their profits by cheating. Picking our pockets and lining theirs.

*The Economist* magazine describes it as "the rotten heart of finance." Here are

some of the e-mails that have come to light: A banker in on the fix writes another, "Dude. I owe you big time! Come over one day after work and I'm opening a bottle of Bollinger."

One employee after being asked to submit false information, answered: "Always happy to help." And another, recruiting a colleague in the fix, wrote: "If you know how to keep a secret, I'll bring you in on it."

Caught with its hand in the cookie jar, Barclay's agreed to pay nearly half a billion dollars in fines to British and American authorities, and as many as 20 other megabanks are under investigation, including Deutsche Bank, Citigroup, UBS, HSBC, and JPMorgan Chase. As one MIT authority on finance told CNN, "This dwarfs by orders of magnitude any financial scams in the history of markets."

In the middle of this mess is an American named Bob Diamond. He was the CEO of Barclays and the man behind Barclays' takeover of what was left of Lehman Brothers when, at the height of the financial crisis in 2008, Lehman filed for the largest bankruptcy in U.S. history.

His goal was to make Barclays a global investment powerhouse but his enormous salary – his net worth has been estimated at \$165 million – and unrepentant defense of the financial industry's behavior led one British government official to describe him as "the unacceptable face of banking."

Diamond did wind up apologizing for Barclay's role in the Libor interest rate scandal, even offering to forfeit his annual bonus – last year he received one worth more than \$4 million. But in the end, under pressure from stockholders and public opinion, he was forced to resign.

Meanwhile, the ripples from the scandal continue to spread. *The New York Times* reports that the city of Baltimore, stricken by financial losses and layoffs, is in the midst of a court battle against the banks that set the Libor index and that, "Now cities, states and municipal agencies nationwide, including Massachusetts, Nassau County on Long Island, and California's public pension system, are looking at whether they suffered similar losses and are weighing legal action

"American municipalities have been among the first to claim losses from the supposed rate-rigging, because many of them borrow money through investment vehicles that directly derive their value from Libor. Peter Shapiro, who advises Baltimore and other cities on their use of these investments, said that 'about 75 percent of major cities have contracts linked to this.'"

What's more, indications are that government agencies like the Bank of England and the British treasury also may have been involved, or at least looked the

other way, raising questions whether other government agencies including our own Federal Reserve may have played a role.

That remains for the investigators to find out but according to *The Washington Post*, the Federal Reserve Bank of New York said "it had received word as early as 2007 from the British bank Barclays about problems" with Libor.

"In testimony last week before the British Parliament, former Barclays chief executive Robert E. Diamond said the bank had repeatedly brought to the attention of U.S. regulators as well as U.K. regulators the problems that the bank was experiencing in the Libor market.

"He said the bank's warnings to regulators that Libor was artificially low did not lead to action. Barclays' regulator in the United States is the Federal Reserve Bank of New York, which was run at the time by current Treasury Secretary Timothy F. Geithner."

This week the Senate Banking Committee asked for meetings with the principals involved and the House Financial Services Committee sent a letter to the New York Fed asking for transcripts of a dozen phone calls with Barclays executives.

But how far will inquiries go, especially when both American political parties are so beholden to high finance for cash? Just hours after Bob Diamond's resignation, Mitt Romney's campaign announced that, sadly, the disgraced financier would no longer be hosting one of two Romney fundraising events for American expatriates being held in London later this month.

But no worries. The *Boston Globe* notes that "still among those hosting the events is Patrick Durkin, a registered lobbyist for Barclays Durkin, who has been a top Romney bundler, is one of seven chairs for the reception and among the 13 co-chairs for the dinner.

"Others involved in hosting the events are Dwight Poler, managing director at the European branch of Bain Capital, the firm Romney founded; Raj Bhattacharyya, managing director at Deutsche Bank; and Dan Bricken, a managing director at Wells Fargo Securities." Each guest at the dinner event will pay between \$25,000 and \$75,000 for the opportunity to sup with the Republican presidential nominee.

The non-partisan Center for Responsive Politics reports that through the end of May, Bob Diamond and other Barclays employees had donated nearly a quarter of a million dollars to the Romney campaign and of course, the entire securities and investment industry has been a major donor to the Republican, more than any other.

They're giving to President Obama, too; just not as much, although they're

Number 3 on the list of top ten interest groups sending cash to the president and the Democratic National Committee.

And you wonder why the banksters still roam free, like gunslingers in a Wild West town without a sheriff.

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