

**Naomi Fowler:** This is Jack Blum: The Corruption Diaries from the Tax Justice Network. I'm Naomi Fowler.

**Jack Blum:** The idea that you're going to get rich and that counts a whole lot more than doing what you really feel like doing is an open question, and people have frequently said to me, well, you could have made x much more money or whatever. Sure, the answer is sure, but a lot of people die of boredom in the process.

**Naomi Fowler:** Jack Blum worked as a private attorney for some years but it wasn't long before other work was calling him. One particular job eventually led him to what was to become one of the biggest investigations of his career.

**Jack Blum:** I was hired by a group of wholesalers who were selling petroleum products relating to the Getty Oil Company. Getty Oil was a relatively small company, not on global scale and one day, these guys get the word that Getty is selling out to Texaco. Texaco is buying the whole thing, lock, stock, and barrel. These guys were terrified because they're going to lose their supplier and that'll be the end of their business. So they asked me to get involved and see what could be done to help them. Well, we tried going to court, arguing against the Texaco Getty merger. That failed. And option B was, the Federal Trade Commission was saying, well, as a result of the merger, there'd be a problem because Texaco had a refinery in Philadelphia, and so did Getty. And Federal Trade was going to say that one of those refineries had to be sold off. So these guys had the idea that they would buy the refinery, but they would need help with both the financing and the supply of crude oil for that refinery. So they asked me, would I help them do that? And I start sounding around and saying, okay, yeah, I think we can see what we can do. I then talked to some friends of mine who put me in touch with the middle man who said, yep, I got a perfect situation. There's a company out of Pakistan that owns an oil company that has an ample supply of crude and they would probably be very interested in a transaction involving a U.S. refinery and marketing opportunities in the U.S. And the name of the oil company was Attock Oil, which turned out to be a subsidiary of BCCI, Bank of Credit and Commerce International.

Well, what happened next was, having gotten the name of an oil company, flown to London, met with some of the people involved, the deal looked like it was possible and it was going to happen and we organized a meeting with Mellon Bank in Philadelphia that was going to provide the financing. Say, look, it's all lined up, we're ready to go. And Mellon Bank guy listens to the whole thing, lay it all out. And he says, now, you said it was Attock Oil, and you said it's a subsidiary of this bank, BCCI. We will not do business with anybody who's connected to that bank. We don't believe that they're legitimate, and sorry, we won't finance it. Well, that was the end of that.

In private practice of law, if a deal falls apart, that's the end of it. You just go on about your business. But it was pretty odd to have a banker say, we won't deal with those people because we don't like their method of doing business. That was one very important step in what later became the investigation of BCCI. It was the first time I heard about it. Now a light goes on that maybe these are troubled people, but I have no reason to pursue it any further, and I'm not in a position to, you know, I'm a private lawyer.

In 1985, an informant came to me and said, there's something really bad going on in Panama. The problem is that General Noriega is harboring the Medellin cartel, and that he is helping the drug traffickers launder money and he is a very bad guy and something has to be done about him if we're ever going to get the drug problem under control. I turned around and using contacts I had, arranged to testify in a closed session of the Senate Foreign Relations Committee. At roughly the same time I was testifying, Seymour Hersh, a reporter for the New York Times, who I knew, ran a front page story about Noriega and his involvement with drug traffickers. That then became a basis for a conversation between John Kerry and Jesse Helms about doing something to investigate what was going on and what was happening with drug trafficking in Central America. Coincidentally, I had been working with a non-profit that invited me to go to Miami to meet with a number of people who had been involved with the Contras. They had a camp in Honduras on the Nicaraguan border, and these people had quit, and they now wanted to talk to journalists about their experience working with the Contras.

**Naomi Fowler:** The Contras were right wing armed rebel groups active in Nicaragua in the 1980s and backed by the United States. They were opposed to the Sandinista Reconstruction government in Nicaragua following the revolution in 1979.

**Jack Blum:** I flew to Miami and met with a group of Contras in a hotel along South Beach. The hotel was actually named the Waldorf but it was a renovated Art Deco hotel along that strip in South Beach and in fact had been used as part of that television narco drama that was in vogue at the time, it was the set for Miami Vice.

Well these contras were saying that this was not a war that made any sense, that they were not doing much, that the hey guys who were running it were corrupt, that they had walked away from it. And this led to a number of stories. The Miami Herald, New York Times wrote about meeting with those Contras at that hotel. But it was an obvious thing to me that there was something really bizarre going on, because here were people who were supposed to be the dedicated anti-communist fighters, and they had been there, saw what was happening, and said, this isn't legitimate, we're out of here. And you want to know more.

It was about this time, 1985 going into '86, that I was invited to work with Kerry to figure out what the relationship was between what was going on in in Nicaragua and what was going on in the world of drug trafficking. There were people who had come to Kerry's office to talk about how there had been drug trafficking through the Contra camp, that there had been a lot of drug trafficking through Miami, there were rumors of the Contras being financed by drug trafficking. And that was the way they were getting around the Boland Amendment. And this was what was keeping the Contras alive.

The Boland Amendment was a prohibition on the U.S. supporting an insurgency in Nicaragua, it was very specific to Nicaragua, you cannot spend any money to overthrow that government in Nicaragua, however much you'd like to do it. And that was the Boland Amendment. That would have been in the '80s as Reagan was ramping up and talking about the communist threat and so forth and so on. And the Democratic Congress said, no way, we're not going to let that happen, and they passed an amendment that barred spending money on it. The Reagan administration thing became, well, we've got to support them, to quote Reagan, body and soul, keep them alive. And there began a whole bunch of things

that were going to keep the Contras going until they could figure out how to get around the Boland Amendment and how to move forward.

There was one other thing that happened. There was a plane crash and the pilot was captured and it turned out that the plane was loaded with supplies for the Contras and it included lethal weapons and that was the prohibition - you can't provide them with arms and support an insurgency. The pilot was American and the plane was American. The plane crash sort of iced it and made it very clear that something was going on here and something had to be investigated. So I began working with Kerry's office and then the subcommittee was formed. Kerry initially didn't want to chair it. A senator from Nebraska was originally the chair. He was the chair for something like three or four months, and he died. And Kerry then became the chair of the committee.

I took a pay cut that was quite significant to go back to work for the Senate. You do what you have to do, and let's say the salary I was getting at the Senate was sufficient to survive on, so you do what you do.

**Naomi Fowler:** The Corruption Diaries is a production of The Tax Justice Network, made by Naomi Fowler and Jo Barratt. Interviews with Jack Blum were recorded over several days at Jack's home in Maryland by Zoe Sullivan.