

**(Some) Justice Comes to Chile  
- Is More on the Way?**

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**December 15, 2004**

**Submerging Markets**

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**A**fter decades of inaction, **Chile's own judicial system** is finally beginning to hold leading members of the **Pinochet dictatorship directly responsible** for the brutal reign of terror that it inflicted on Chile from September 11, 1973 to March 11, 1990.

The first piece of good news was [this week's indictment](#) of 89-year old former Chilean dictator **General Augusto Pinochet Ugarte** on charges stemming from the disappearance and murder of several individual activists.



In July 2002, another serious human rights case against General Pinochet had been [dismissed](#) in Chile on grounds that he was mentally incompetent to stand trial. That case echoed the [controversial March 2000 decision](#) by UK authorities to permit him to return home rather than extradite him to Spain, France, Switzerland, or Belgium, after he'd spent more than 17 months under house arrest in London.

As noted below, this week's indictment is just the latest in a series of recent efforts by Chile's judicial system to provide justice for more than **3,200 civilians** who were murdered by the regime, more than **28,000** others who recently stepped forward to bare witness about being illegally jailed and tortured, and **tens of thousands more** who had similar experiences, but have so far kept silent.

Several other cases that have been brought against Pinochet in Chile have recently been allowed to proceed, especially after Pinochet gave a [lucid, self-serving interview](#) to **Channel 22**, a Spanish language TV station in Miami, in November 2003. This incredible act of hubris may have finally brought the arrogant Pinochet to ground.

While this latest ruling will no doubt be appealed to Chile's Supreme Court, it is at least another step in the right direction.

In addition to providing justice, such efforts also provide a measure of vindication for those who have long maintained that the Pinochet dictatorship was an unwarranted, illegal, and counterproductive intrusion on Chile's long-standing traditions of democracy and respect for human rights.



However, the **disgrace now** is that while Spain, France, Belgium, Switzerland, Argentina, and Chile itself have brought serious criminal charges against Pinochet or his key associates,

**the US Government has never done so.**

This is **despite** the fact that **several US citizens were also murdered by the regime**, not only in Chile but also in the US itself.



Furthermore, as examined below, **many of the Chilean junta's most important confederates and accomplices** -- including leading bankers, economists, lawyers, media magnates, convicted professional terrorists, and several senior government officials -- **continue to enjoy sanctuary** abroad -- **especially in the US**, the champion of the "post-September 11<sup>th</sup>" global anti-terrorist campaign and global democracy.

Many Americans may not recall that there was **another September 11<sup>th</sup>**, at least as terror-stricken bloody as their own.

Indeed, this **"other September 11<sup>th</sup>"** was one that their own government helped to create.



To do so, it worked closely with an incredible bevy of transnational terrorists and tin-horn "generals," like Pinochet (Chile), and later, Videla (Argentina), Banzer (Bolivia), Stroessner (Paraguay), and Rios Montt (Guatemala). These valorous "generals" **specialized** in the use of terror against defenseless civilians.

It is high time for Americans who care about human rights to demand that the US Government follow the courageous lead that Chile has taken, and **bring these uniformed savages and their foreign and domestic collaborators** to justice.

## THE END OF IMPUNITY?

**A**s noted above, there have been several other important recent steps toward justice in Chile with respect to the Pinochet regime. Among the most important are the following:

→ On December 10, 2004, [Colonel Mario Manriquez](#), a retired Chilean colonel, was arrested and charged with ordering the September 1973 execution of **Victor Jara**, an internationally-recognized Chilean folksinger and playwright. Jara, 38 at the time, was detained and tortured to death at Santiago's infamous National Stadium, where thousands were detained after the coup. (For an example of Jara's songs, [Download victor jara ni chicha ni limona .mp3.](#))



→ In addition to the decision by **Judge Juan Guzman** noted above, on December 4, 2004, Chile's Court of Appeals also [lifted Pinochet's immunity](#) from prosecution with respect to his possible involvement in the 1974 murder of his predecessor as Commander-in-Chief of the Chilean Army, **General Carlos Prats Gonzales**.



General Prats, a highly-regarded "constitutionalist" who stalwartly opposed the Army's intervention in political affairs, had fled Chile in September 1973 after the coup against Allende's duly-elected government.

In one of that decade's clearest cases of international terrorism, General Prats and his wife Sofia Cuthbert were killed by a car bomb in Buenos Aires in September 1974.

In 2000, **Eduardo Arancibia Clavel**, a member of Chile's DINA, its secret service, was [convicted](#) by an Argentine court of helping to organize the killing, and was sentenced to life in prison. Argentina also requested the extradition of six other DINA agents to stand trial in the case, plus Pinochet, who was indicted for first-degree murder as the "intellectual author" of the crime. Chile's Supreme Court denied the extradition request in 2003, but the case was picked up by a Chilean prosecutor. The recent ruling means that the case can proceed. Pinochet has appealed the decision to Chile's Supreme Court.



→ On November 29, 2004, the Chilean Government released the **Valech report**, a year-long investigation of human rights crimes committed by the Pinochet regime. The report, requested by **Ricardo Lagos**, Chile's current Socialist President, documented the fact, long-denied by Pinochet and his loyalists, that systematic, widespread torture had indeed been state policy during his reign -- including more than 3400 instances of sexual abuse. Even Pinochet's eldest daughter was [shocked](#) by the report, which was based on nearly 28,000 interviews with victims of the junta's repression – the first opportunity they had ever had to tell their stories. The victims who had managed to survive to tell their stories were offered modest pensions by the Chilean government in compensation.

In anticipation of the report, on November 5, [General Juan Emilio Cheyre](#), the head of the Chilean Army, reversed the Army's previous refusal to accept responsibility for these abuses, [declaring](#):

"The (Chilean) Army has made the difficult but irreversible decision to acknowledge the responsibilities that it has as an institution in all the punishable and morally unacceptable acts of the past... Human rights violations never, and for no one, have an ethical justification."

→ In October 2004, Chile's IRS filed [tax evasion charges](#) against the former dictator and his long-time

financial advisor, Oscar Aitken. For these charges alone, Pinochet may face fines up



to three times any taxes that he evaded, plus a jail term of up to five years. In late November, on the eve of the General's 89<sup>th</sup> birthday, a Chilean judge did manage to [freeze more than \\$4 million](#) of Pinochet's Chilean assets, pending the outcome of investigations for tax fraud and money laundering.

and Chile) with US support and coordination, to disappear political opponents. The decision was [upheld](#) in August. Pinochet has [denied](#) all responsibility for the disappearances.

## THE RIGGS CASE

So far, the main US contribution to these developments took place in July 2004, when the **US Senate's Permanent Subcommittee on Investigations** released a report on General Pinochet's offshore banking -- especially his ownership of up to \$15 millions of "funny money" in more than a dozen Pinochet-owned bank accounts at **Riggs National Bank (DC, Miami, London), Citibank (Miami), and Bank of America.**



The reported, which had been conducted at the behest of **Senator Carl Levin**, the Subcommittee's ranking Democrat, revealed that ten key Pinochet-related accounts were handled by Washington DC's Riggs National Bank. These accounts, plus numerous Riggs-managed offshore trusts and companies, were reportedly established for General Pinochet in the mid-1980s and 1990s with the knowledge and active involvement of Rigg's owner and CEO, **Joseph L. Allbritton (Baylor Law '49).**

Allbritton, a prominent Houston-based banking and media magnate who is now in his seventies, is a close friend of the Bush family, and a trustee of the Lyndon B. Johnson Foundation, the George Bush Presidential Foundation, the Reagan Presidential Foundation, the Kennedy Center, the Houston Symphony, and the

Houston Museum of Fine Arts. **He has also served on the board of the** National Geographic Society and Washington DC's Federal City Council.

A former owner of the now-defunct **Washington Star**, Allbritton started acquiring Riggs in the early 1980s, eventually buying at least 40.1 percent of the \$6.3 billion asset bank. He served as Rigg's Chairman and CEO until 2001, when his only son, **Robert L. Allbritton**, took over.

The Allbrittons also owns several other businesses, including Allbritton Communications Co., which controlled WJLA, **Washington D.C.'s main Disney/ABC affiliate**, plus TV stations in Little Rock, Tulsa, Lynchburg, Charleston, Harrisburg, and Tuscaloosa.

But Riggs National Bank was the crown jewel in the empire. Founded in 1815, it was **Washington D.C.'s oldest and largest bank**, touted as "the most important bank in the most important city in the world," where "at least 21 First Families banked."



It acquired a commanding share of the city's "Embassy banking" business, handling prominent diplomatic customers for key foreign embassies, like Saudi Arabia's Embassy. (The US Senate Committee on Governmental Affairs continues to investigate Rigg's relationships to the Saudis.

These reportedly included more than 150 private accounts, one of which was apparently used, perhaps unintentionally, by **Princess Haifa al-Faisal**, the wife of Prince Bandar, Saudi Arabia's Ambassador to the US, to relay funds to two September 11<sup>th</sup> 2001 hijackers. In September 2004, several families of September 11<sup>th</sup> victims filed a [class action lawsuit against Riggs](#) with respect to this matter.)

Under the Allbrittons, Riggs was not shy about recruiting political allies. Fellow Texan [Jack Valenti](#) (U of Houston, Harvard), the influential motion picture industry representative, is a long-time Riggs board member.



In 1997, Riggs acquired J. Bush & Co., an asset management firm owned by [Jonathan J. Bush](#), George H.W.'s brother, George W.'s uncle and a former Chairman of the New York State Republican Finance Committee. In [May 2000](#), Jonathan Bush briefly became CEO of the Riggs Investment Management Company, but [now he concentrates](#) on

managing the private assets of wealthy clients at J. Bush & Co. In 2003, "JJ's" Yale classmate, [William H. Donaldson](#), was nominated by President Bush to head the SEC.

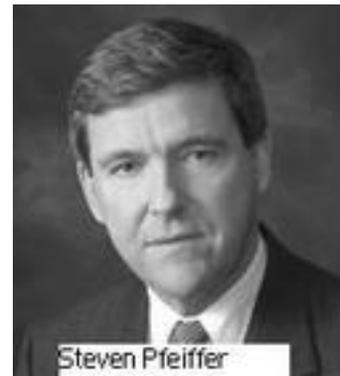
Ironically enough, in 1999, the **US Treasury** had even selected Riggs to redesign and manage its "**CA\$HLINK**" cash management system, [reportedly](#) the world's largest deposit/cash reporting system.

It is not yet clear whether "JJ" was involved in managing any assets for the bank's wealthy private clients like General Pinochet, the Saudi Princess, or [Equatorial Guinea's dictator](#), Teodoro [Obiang Nguema](#), the bank's largest single private banking customer.



But other senior Riggs managers were involved in handling the relationship with General Pinochet, including the bank's [former President](#), [Timothy C. Coughlin](#) (Brown U., NYU MBA, US Marines, Federal City Council), who resigned in May 2004; [Robert C. Roane](#), (UVA, George Washington MBA), the bank's chief operating officer, and the former head of Riggs - London, who resigned on [November 26, 2004](#); [Carol Thompson](#), Riggs' former [SVP for Latin America](#), who also resigned in 2004; and [Raymond M. Lund](#), the former EVP of the International Banking Group, who left the bank in March 2004.

Also implicated in the Pinochet affair was **Steven B. Pfeiffer** (Wesleyan '69 – Chairman Emeritus; Oxford - Rhodes Scholar; Yale Law School, US Naval Commander; Council on Foreign Relations), a Riggs board member since 1989, a former chairman of the bank's International Committee, a former Vice Chairman of Riggs Bank Europe Ltd., and the bank's Chairman in 2001. Pfeiffer remains a senior partner at [Fulbright & Jaworski](#), the leading DC law firm, where he has served as head of the firm's



International Practice, and, from 1998 to 2002, its Partner-in-Charge. According to the Senate report, Pfeiffer and his law firm [provided key legal advice](#) to Riggs with respect to its handling of the Pinochet accounts.

## **BANKING ON THE GENERAL**

Riggs' banking relationship with Pinochet may have dated back to the 1970s, when it was reportedly involved in helping to finance several Chilean arms deals. But it really heated up in the mid-1990s, when Pinochet came under investigation for more than 66 international criminal complaints involving human rights violations, drug trafficking, torture, assassination, illegal arms sales, and corruption, not only by Judge Garzon in Spain, but also by Argentina, Belgium, France, Switzerland, and the UK. The General was trying desperately to conceal his family's assets around the world.

According to the Senate report, Riggs National Bank participated in a long-term conspiracy to launder Pinochet's offshore holdings and conceal their ownership from US federal bank regulators, including the Comptroller of the Currency. Quite coincidentally, the bank also reportedly hired [R. Ashley Lee](#), an OCC bank examiner who happened to be in charge of auditing Riggs from 1998 to 2002.

That helped Riggs conceal the Pinochet matter for a couple years. But in May 2004, Riggs was fined \$25 million in civil penalties for ["willful, systemic" violations of anti-money-laundering laws](#) with respect to its dealings with two other dubious clients, Saudi Arabia and Equatorial Guinea.

In light of all these embarrassments, the Allbrittons decided to sell the bank. In July 2004, it agreed in principle on a \$779 million sale to [PNC Financial Services Group Inc.](#) However, this merger is now reportedly on hold until [at least April](#) 2005, and it may never be consummated, given all the many lawsuits and investigations that have arisen out of Riggs involvement in money laundering.

If permitted, the PNC transaction would effectively **permit the Allbrittons and their close associates to "launder" their profits from more than twenty years of scandalous, morally-unconscionable behavior, undertaken at the behest of some of the world's worst dictatorships.**

Meanwhile, Riggs is fighting a number of other legal actions pertaining to this scandal. In [April 2004](#), three law firms that specialize in shareholder derivative suits teamed up to sue Riggs' directors for "intentionally or recklessly" ignoring the risks of failing to update the bank's money laundering controls and dealing with dubious clients like the Saudis and Pinochet.

In September 2004, several former Riggs senior managers and board members were named in a legal action filed by the courageous Spanish judge, [Balthazar Garzon](#), who has been

investigating human rights violations committed against Spanish citizens by the Pinochet regime. Judge Garzon has asked that [US authorities](#) seize the assets of their personal assets, prosecute them for money laundering, and also freeze more than \$10.3 million in alleged Pinochet assets.

So far, the US Department of Justice has basically ignored Judge Garzon's request.



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December 15, 2004 at 09:05 PM | [Permalink](#)