
What the U.S. Knew About BCCI...

WHAT CRIMES BCCI may have committed, and which of its officials may go to jail, is now a secondary issue. The larger and more troubling questions arise from the peculiarly slow and slack handling of this case by a long list of federal agencies, beginning with the Justice and Treasury departments. Justice Department prosecutors have now obtained indictments of six former officers of BCCI—the Bank of Credit and Commerce International—in a welcome although belated burst of activity. But why so little attention over the previous seven years?

The federal government began to pick up signals of money laundering at BCCI as early as 1984. In that year a former courier for the bank, recently fired, gave the IRS a statement and a handful of BCCI documents. The following year an Iranian drug merchant ushered a colleague—an undercover agent for the U.S. Drug Enforcement Agency—into a BCCI office in Los Angeles, where an officer explained to them the services that the bank could provide to the heroin trade. Also in 1985, similar undercover work brought investigators to a BCCI office in Chicago. Nothing much seems to have come out of these accumulating incidents.

In 1988 a Customs Service investigation in Florida finally led to indictments for laundering here. But again, the Justice Department never

moved beyond that immediate case. Nobody seems to have been at all curious about the character of this bank, how it was run and what else it might have been doing. Nobody even seems to have looked through the files until recently. Rep. Charles E. Schumer (D-N.Y.) has made public a report by the staff of his House Judiciary subcommittee noting that a review of the Drug Enforcement Agency's records has turned up, so far, 125 cases that show some connection to BCCI. Yet the bank was allowed to continue to do business in this country and some 70 others around the world until two months ago.

There are doubtless many conceivable explanations for these remarkably slow responses. Bureaucratic rivalries and jealousies might have accounted for some of them. Inattentive administration may be part of the story, and pure lethargy. But there are also darker possibilities. BCCI showed a talent for subverting the process of justice in other countries, and it may have been working on something similar here. The great and central job for the many investigations now focused on BCCI is to eliminate that possibility by disclosing exactly what happened, and why. Until that is fully accomplished, the BCCI case will be much more than a routine criminal inquiry.