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THE PLAYERS

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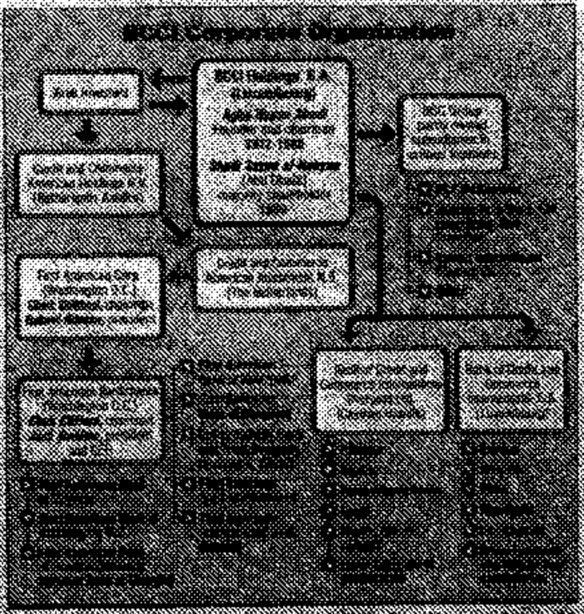
BCCI Scorecard: The Players

By JAMES RING ADAMS

Scandal talk about the Bank of Credit and Commerce International, one of the largest and certainly the strangest privately owned banks in the world. Pakistanis run it, Arab oil sheiks own it, the Duchy of Luxembourg charters it, and until recently it made its home in London. In early 1990 it pleaded guilty to drug money laundering after a long U.S. government sting and a spectacular takedown disguised as a bachelor party for the lead undercover Customs agent. Then it turned out the bank had been cultivating Washington influence for years, with one of the capital's best known insiders on its payroll.

Now it seems that for nearly a decade BCCI may have secretly, and illegally, controlled First American Bankshares, the largest bank holding company headquartered in Washington, D.C. The chain, with formerly separate subsidiaries in the D.C. region, New York, Georgia and Florida, is held by First American Corp., run by Clark Clifford and Robert Altman. Mr. Clifford helped a group of Arab investors acquire the chain in 1982 after a four-year proxy [illegible]. As [illegible] Credit and Commerce American Holdings, N.V., and [illegible] from BCCI and then taken as collateral for the loans [illegible] 1978, that the whole transaction was a front to enable BCCI to subvert a chain of American banks.

Investigations are continuing, but the story may be hard for the newspaper reader to follow. The bank operates in a confusing global structure. Prominent names pop out in profusion, some familiar and many foreign. The following figures have become involved, whether as pawns, dupes or heroes. We offer the list as a guide to the unfolding scandal. As they say, you can't tell the players without a program.



Agha Hasan Abedi

Pakistani banker and visionary. Founded BCCI with Arab backing in 1972, after the Bhutto regime nationalized private banking in Pakistan. An inspiring leader, he attracted a generation of Pakistani bankers disaffected with nationalization. A semi-invalid since a heart transplant in early 1988, he lost control of BCCI in 1990.


Agha Hasan Abedi

Sheikh Zayed al-Nahyan

Illiterate ruler of Abu Dhabi, one of the United Arab Emirates. Very close to Abedi even before the founding of BCCI. Receives up to a billion dollars a month in oil revenues as personal income, most of it handled by BCCI. Recapitalized BCCI in 1990 and now controls an estimated 56% of the stock in BCCI Holdings.


Sheikh Zayed

Clark M. Clifford

Washington lawyer and fixer. Confidant of presidents since 1945. Senior partner of Clifford and Warnke, the ultimate insiders' law firm. Hired in 1978 by Arab investors trying to take over First American Bankshare's previous incarnation, the Financial General Bankshares chain. In 1982, he was asked by Kamal Adham to become chairman of First American Bankshares.

Kamal Adham

Saudi investor in BCCI and First American Bankshares. Half brother of Iffat, favorite wife of the late King Faisal of Saudi Arabia and the most influential woman in the kingdom. As head of Saudi intelligence, he was the late King Faisal's chief foreign policy adviser. In a 1985 report on the Boeing "questionable payments" scandal, The Wall Street Journal said that he was paid "many millions of dollars in commissions" by Boeing to persuade the Egyptian government to buy its planes.

Robert Altman

Law partner and protege of Clark Clifford. Handled legal work for BCCI, including defense of BCCI officers at their 1990 Tampa money laundering trial. Married to Linda Carter of TV's "Wonder Woman" series.

Jimmy Carter

The former president. Friend of Agha Hasan Abedi, who contributed heavily to his favorite service organizations.

T. Bertram Lance

Georgia banker and political adviser to Jimmy Carter. Federal budget director until forced to resign in 1977 amid investigation of his banking practices. In 1978, he was paid by BCCI to guide a group of Arab investors that tried to take over Financial General Bankshares in Washington, D.C. Later sold his National Bank of Georgia in Atlanta to Ghaith Pharaon, at one time a major figure in BCCI.

Ghaith Pharaon

Son of Rashad Pharaon, Syrian-born physician and adviser to Ibn Saud, the king who founded Saudi Arabia. Prominent investor and trader with global interests. Bought National Bank of Georgia from Bert Lance in 1978, and sold it to First American Bankshares in 1987. Also bought Independence Bank in Encino, Calif. Now under investigation as a suspected "front man" for BCCI.


Ghaith Pharaon

John F. Kerry

Junior Democratic senator from Massachusetts. As chairman of the Senate Foreign Relations Subcommittee on Terrorism, Narcotics and International Communications, in 1988 many of the early [illegible] in the Noriega [illegible] and the Contra [illegible] BCCI in 1988. At the same time, Kerry became chairman of the Democratic Senatorial Campaign Committee, [illegible]. The [illegible] Kerry had a day of hearings under the aegis of the Senate Banking Committee.

David Paul

Miami-based chairman of CenTrust Savings and Loan, now possibly the largest S&L failure. BCCI is accused of parking a large block of [illegible] CenTrust [illegible]. Ghaith Pharaon was the largest outside shareholder in CenTrust. Paul helped Sen. Kerry, contributed $50,000 to the DSCC and became its co-chairman while Kerry's subcommittee staff was investigating BCCI.

Jack Blum

Washington lawyer and occasional director of congressional investigations. Hired by Sen. Kerry's Foreign Relations subcommittee to run the contra/foreign money laundering hearings. Prepared for public hearings on BCCI in 1988, but Clark Clifford pulled strings with Senate Foreign Relations chairman Claiborne Pell to stall production of crucial documents past the expiration date of Blum's contract with the subcommittee. The hearings were never held.

Robert M. Morgenthau

Manhattan District Attorney. Son of FDR's secretary of the Treasury. U.S. Attorney for Southern District of New York until 1970. First elected district attorney, a county position, in 1974. Opened his own investigation of BCCI and its New York operations in 1989 after a former Kerry staff member told him the federal government was stymied. At a Senate hearing in May, complained about lack of access to federal informants.

Charles McC. Mathias Jr.

Former Republican senator from Maryland. Washington lawyer and one of two outside directors on the [illegible] board of First American Bankshares. Fills the seat once held by the late Stuart Symington, former Democratic senator from Missouri.

Charles E. [illegible]

Former president and chief executive officer of [illegible], Georgia. The [illegible] director of First American Bankshares.

[illegible]

Pakistani defendant in BCCI money laundering trial in Tampa. [illegible]

Manuel Noriega

Former dictator of Panama, deposed in U.S. invasion in 1989. Awaiting trial in Miami federal court on drug [illegible] charges. [illegible] BCCI for payments to military intelligence. [illegible]

Alan Garcia

Leftist president of Peru, 1985 to 1990. During his term, his central bank deposited hundreds of millions of dollars of Peru's reserves with BCCI in Panama [illegible] members of the Garcia family.

[illegible]

President of Argentina. [illegible]

Shareholders in First American Bankshares

These are some of the figures [illegible] BCCI.

Kamal Adham

See above.

[illegible]

[illegible]

[illegible] bin Mahfouz

Saudi [illegible] Mahfouz, founder of Saudi Arabia's National Commercial Bank, the kingdom's largest private bank [illegible] of BCCI and [illegible] of directors of BCCI (Luxembourg) S.A. In 1990, the family sold its shares to Sheikh Zayed.

Abdullah Darwaish

Until 1990, head of Abu Dhabi's Private Department, which handled Sheik Zayed's personal investments. Fired that year and placed under house arrest after the sheik found $[illegible] million in concealed losses in futures trading. [illegible] First American [illegible]

Miscellaneous

Other foreign investors identified during the [illegible] included [illegible]

Other BCCI Figures

[illegible]

Secretary of Sheik Zayed's Private Department, [illegible] Abu Dhabi Investment Authority, [illegible] BCCI (Luxembourg) S.A.

Zafar Iqbal

Manager of [illegible] BCCI [illegible] in Abu Dhabi. Named [illegible] chief executive officer in 1990 after resignations of Abedi and Swaleh Naqvi, Abedi's second in command. Shortly before Iqbal's appointment, BCCI moved headquarters from London to Abu Dhabi.

Mr. Adams is writing a book about BCCI.

Elderly Are Loath to Sell the Family Homestead

As families grow older, they often find that their wealth consists mainly of their house. Some of the elderly find this a simple problem: They sell the house and move into an apartment or otherwise cut down their investment in housing. They wind up with money that they can invest in the market or simply the cash to enjoy their lives.

But there are problems. Many people have grown accustomed to their houses, their friends, their old neighborhoods. They don't want to move.

circumstances, there would be little change in housing wealth on average," they write.

That conclusion is based on data from the Retirement History Survey, a venture organized by the Social Security Administration and conducted by the Bureau of the Census. The survey covered families headed by people between the ages of 58 and 63 in 1969. The families were interviewed every two years between 1969 and 1979. Then the survey was dropped, apparently partly because of concerns about privacy, concerns that hadn't been so con-

of-house in many areas. And even if the exemption is adequate, the homeowner must remember that this is a one-time offer. If the move turns out to be a mistake, the next time there will be no exemption.

There are other reasons why most elderly homeowners have no interest in withdrawing the equity in their homes, either by getting a reverse mortgage or by selling the house.

The Venti-Wise study notes that most of the elderly simply have no great need for

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By James Ring Adams

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Now it seems that for nearly a decade BCCI may have secretly, and illegally, controlled First American Bankshares, the largest bank holding company headquartered in Washington, D.C. The chain, with similarly named subsidiaries in the D.C. region, New York, Georgia and Florida, is held by First American Corp., run by Clark Clifford and Robert Altman, etc. Clifford helped a group of Arab investors acquire the chain in 1982, after a four-year battle for takeover. As a precaution against the takeover, used such organizations, called Credit and Commerce American Holdings, B.V., and Credit and Commerce American Investments, B.V. Recent revelations that these shares were purchased with funds from BCCI are cited taken as collateral for the loans has led auditors, first hired in 1978, that the whole transaction was a front to enable BCCI to control a chain of American banks.

Investigations are continuing, but the theory may be hard for the newspaper reader to solve. The bank secrecy, in a confusing global structure, combined shares with one in participants, some loans for and many hidings. The following figures have become involved, whether as pawns, dupes or players, the reader can act as a guide to the unfolding scandal, as they say, you can't tell the players without a program.

Aqeel Hussain Abedi

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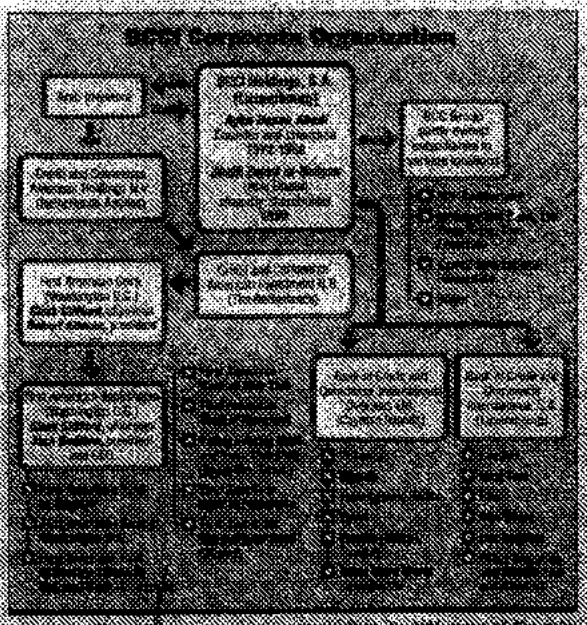
Clark M. Clifford

Washington lawyer and friend. Confidant of presidents since 1946. Senior partner of Clifford and Warnke, the ultimate insiders' law firm. Hired in 1979 by Arab investors trying to take over First American Bankshares's previous incarnation, the Financial General Bankshares chain. In 1986, he was asked by Kamal Adham to become chairman of First American Bankshares.



Kamal Adham

Saudi intelligence chief and First American Bankshares chairman of 1982. A cousin and ally of the late King Faisal of Saudi Arabia and the most influential member of the Bureaucracy. As head of Saudi intelligence, he was the link after Saudi's later foreign policy shifts. In a 1979 report on the Bakker "government overseas" scandal, The Wall Street Journal said that he was said "made millions of dollars in commissions" by failing to participate the Saudi title government to buy weapons.

Robert Altman

Law partner and protege of Clark Clifford. Handled legal work for BCCI. Included his defense of BCCI officers in their 1988 Tampa money laundering trial. Married to Linda Carter of TV's "Wonder Woman" series.

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The former president. Friend of Agha Hasan Abedi, who contributed heavily to his favorite service organizations.

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Ghaith Pharaon

Ghaith Pharaon

Son of Radwan Pharaon, Syrian-born adventurer and former to Dominican, the "[illegible]" who financed Saudi Arabia. Pharaon's investor and broker with global interests, bought National Bank of Georgia from Bert Lance in 1978, and sold it to First American. Pressured out in 1982. Also bought independent Bank in Kuwait. Now under investigation as a suspected "front man" for BCCI.

John F. Kerry

Junior Democratic senator from Massachusetts. As chairman of the Senate Foreign Relations Subcommittee on Terrorism, Narcotics and International Commerce, he held many of the hearings that showed how the Reagan-era Commerce Department helped Iraqi and Iran, which had for years been at war, could which had for years been at war, and arrangements BCCI or CIA, at the same time. Kerry has been contempt to the Treasury, Commerce, Commerce Committee, which regulated arms exportation. Then BCCI secured financial Deal. The BCCI investigation hung over the recent, when Kerry lost a bid for Democratic leader the senate of the senate banking Committee.

David Paul

Alleged owner and chairman of Centrust Savings and Loan, now possibly the largest of the S&L failures. BCCI is accused of participating in fraud loans to keep Centrust afloat. Clearly Pharaon was the largest outside shareholder in Centrust. Paul voted from Sen. Kerry, contributed $10,000 to the DNC, and became his co-discussant while Kerry's subcommittee staff was investigating BCCI.

Jack Blum

Washington lawyer and occasional director of congressional investigations, hired by Sen. Kerry's Foreign Relations subcommittee to run the money laundering hearings. Prepared for public hearings on BCCI in 1988, but Clark Clifford pulled strings with Senate Foreign Relations chairman Claiborne Pell to stall production of crucial documents past the expiration date of Blum's contract with the subcommittee. The hearings were never held.

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Charles McC. Mathias Jr.

Former Republican senator from Maryland. Washington lawyer and one of two outside directors on the six-man board of First American Bankshares. Fills the seat were held by the late Stuart Symington, former Democratic senator from Missouri.

Charles S. Sandfischer

Former president and chief executive officer of First Enterprises, Hatbrot. The other outside director of First American Bankshares.

Aqeel Abedi

Pakistani "Banker" of BCCI among laundering rings in London. Pleaded guilty to BCCI fraud and money laundering. One of Abedi's trusted protegés, he lived in jail for Latin American and Caribbean operations in Miami, including Bambier of Panama, Ed Pesquera, Manuel Noriega, Panama President Alex Garda and others.

Shaukat Abedi

Former president of BCCI's Luxembourg holding company, in Luxembourg, Abedi's brother, Shaukat Abedi, pleaded guilty to fraud charges in the process related to BCCI for government of Luxembourg, Luxembourg, Belgium, Switzerland, Belgium.

Alan Lawrence

Former president of Arab Bank (Abu Dhabi) in New Zealand. In the 1970s, he played a leading role in the Arab Bank's takeover of Financial General Bankshares, the parent company of Bank of Georgia. Lawrence, a consultant to Arab Bank's investment, left the company in 1980 after a dispute with the Abedis.

Carlos Rivera

Former president of Panamanian Bankshares, an outside corporation, Rivera, The United Bank, is now under arrest for alleged participation in BCCI money laundering. Charles Pharaon, has to appear for deposition (Rivera).

Other Players in First American Bankshares

Illustrious Washington lawyers, who appeared in the government investigations, including the Senate, Senator Kerry's Foreign Relations Subcommittee in 1988. The investigations are now under way, but so far it seems as if they were [illegible] and [illegible] BCCI.

Kamal Adham

See above.

Robert Altman

Chairman of Washington, Kamal Adham's lawyer from the late 1970s, Adham's Foreign Commerce Department of late. He is recently of Adham's to Bakker Gospel Network, the [illegible] Kamal Adham's National Bank of Georgia, Chairman of Adham's inter-national Finance Company, a BCCI affiliate, Adham's brother in Jeddah, a Washington lawyer, president, gave BCCI to government loan of $1.5 million to help Fung American stocks.

Khalid Bin Mahfouz

Saudi Arabia's Mahfouz, founder of Saudi Arabia's National Commercial Bank, the biggest, largest private bank and one of the world's top 50. In 1988, Mahfouz family interests owned 20% of BCCI and Saudi Arabia and on the board of directors of BCCI Luxembourg S.A. In 1988, the family sold its shares to Sheikh Zayed.

Abdullah Dabbagh

Until 1981, head of the Sheikh's Private Department, which handled Sheikh Zayed's personal investments. It was that year and placed under house arrest after the sheikh found $50 million in investment losses in the New Zealand, and found in disgrace in 1983. Assistant General Clark Fung, Lance's lawyer, is back in 1983.

Miscellaneous

Other foreign investors identified during the hearings, Saudi of Financial Gulf, Saudi Arabia's minister Mohammed Al Faisal, a Lebanese financier, Abdul Rahman Khalil, a Saudi real estate and electronics minister, Bayan Gobary, a Saudi businessman. Al Mahmoud, Bahrain, an Abu Dhabi banker, Sheik Hamad bin Jassim al Thani, ruler of the sultanate of Qatar, in the United Arab Emirates, and Sheik Hamad bin Abdulla al Sharqi, ruler of Fujairah, in the UAE.

Other BCCI Figures

Ghanim Faris al Mazrui

Successor to Dabbagh as head of Sheik Zayed's Private Department. Also secretary general of the Abu Dhabi Investment Authority, which owned 10% of BCCI Holdings in 1981. Sits on board of directors of BCCI Luxembourg S.A.

Asher Israel

Manager of a BCCI subsidiary in Abu Dhabi. Named acting chief executive officer in 1988 after resignations of Abedi and Swakat Naqvi, Abedi's successor as CEO. Shortly before Israel's appointment, BCCI moved headquarters from London to Abu Dhabi.

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Short Turns

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See

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(10)

DISTRICT ATTORNEY - COUNTY OF NEW YORK

News Release

Contact: Gerald McKelvey

July 1, 1992

(212) 335-9400

Sheik KHALID BIN MAHFOUZ, the chief operating officer of The National Commercial Bank of Saudi Arabia, and an associate, HAROON KAHLON, have been indicted on charges that they schemed to defraud depositors, regulators and auditors of the Bank of Credit and Commerce International (BCCI) from 1985 to 1991, District Attorney Robert M. Morgenthau announced today. As a result of the scheme, more than $300 million was fraudulently obtained from depositors and other customers of BCCI, he said.

The indictment charges that the scheme, in which MAHFOUZ and KAHLON acted with Agha Hasan Abedi and Swaleh Naqvi, the chief executive officers of BCCI, involved more than $1 billion in transactions by MAHFOUZ and the National Commercial Bank (NCB). NCB, principally owned by the Mahfouz family, is the largest commercial bank in Saudi Arabia and operates a branch in New York.

"The significance of this major additional charge in our investigation of BCCI is that BCCI in 1986 needed additional capital to sustain and expand its operations," Mr. Morgenthau said. "MAHFOUZ's name and money gave BCCI that capital. However, as our investigation has disclosed, MAHFOUZ's investment in BCCI later was secretly withdrawn, which resulted in a gross misstatement of the true financial picture of the bank. The

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scheme resulted in larger losses for depositors and others when BCCI's worldwide Ponzi scheme finally collapsed last year."

According to the indictment, MAHFOUZ invested more than $700 million dollars in BCCI in 1986, becoming a principal shareholder and director of BCCI. That same year, MAHFOUZ invested more than $140 million in shares of Credit and Commerce American Holdings (CCAH), the holding company that owned First American Bank, a United States bank with more than 140 branches in New York State, the District of Colombia and elsewhere.

The indictment charges that pursuant to a secret arrangement with Abedi and others, MAHFOUZ sold his BCCI shares in 1988 and his CCAH shares in 1989. However, BCCI's auditors and regulators were led to believe that MAHFOUZ continued to be a major shareholder until at least April of 1990, the indictment says.

At least $300 million of the payments made to MAHFOUZ for his BCCI and CCAH shares came from BCCI's own funds; however, these payments were falsely recorded on the books of BCCI as loans. It is further alleged that these bogus loans were falsely confirmed to BCCI's auditors as genuine assets.

The indictment also charges that during the period of the scheme, certain loans made by BCCI were "parked" with NCB, and BCCI placed more than $200 million in NCB as collateral for the loans. These security arrangements were kept secret however, and NCB confirmed the deposits to BCCI's auditors without revealing they were being held as collateral for loans, resulting in a serious misstatement of BCCI's true financial condition.

According to District Attorney Morgenthau, MAHFOUZ had transferred the final part of his investment in BCCI, $300 million in capital notes, to NCB. NCB was urgently trying to redeem them on July 5, 1991, when the Bank of England, acting with regulators in other nations including the United States, closed down BCCI worldwide.

MAHFOUZ is a resident of Saudi Arabia and KAHLON is a resident of London, England.

"Just a year ago, we indicted five BCCI corporations and Abedi and Naqvi," Mr. Morgenthau said. "As a result of that indictment, four of the corporations pleaded guilty and have disgorged $550 million, which is being made available to depositors here and abroad who were cheated by this rogue bank. First American Bank has been purged of its secret ownership by BCCI and is in the process of being offered for sale to legitimate owners who, hopefully, will put the bank's depositors' interests ahead of their own.

"Today's indictment shows that we are prepared to pursue this investigation wherever it may lead and no participant in the BCCI scheme, here or abroad, however influential, should expect to escape justice," Mr. Morgenthau continued. "The grand jury continues to receive evidence in our investigation of BCCI."

The District Attorney thanked the Board of Governors of the Federal Reserve System, particularly its special counsel, Richard Small, and the Federal Reserve Bank of New York, particularly its counsel Thomas C. Baxter Jr., for their cooperation and

assistance in this aspect of the BCCI investigation. Mr. Morgenthau also thanked the United States Department of Justice, the New York State Department of Banking and the Bank of England for their assistance.

In the District Attorney's Office, the investigation was conducted under the supervision of Chief Investigator Andrew Rosenzweig, Supervising Investigator Mervin Woike and Special Assistant to the District Attorney John Bushnell.

The case was presented to the grand jury by Executive Assistant District Attorney James M. Kindler, Deputy Chief of the Investigation Division John W. Moscow, and Assistant District Attorney Nikki Kowalski, with the assistance of Investigation Division Chief Michael Cherkasky.

#

'I, WILLIAM JEFFERSON CLINTON'

John Taylor and Mr. Peepers Report From the Endless Inaugural

THE BAD-BOY DIRECTOR

Abel Ferrara and His Lurid Bad Lieutenant

$2.95 • FEBRUARY 1, 1993

NEW YORK

The Saudi Invasion Of Amer[illegible] Banks

While the Feds look the other way, Mideast financiers are invading American banking. The attack has been accompanied by everything from back scratching and favoritism in Washington to the involvement of Margaret Thatcher's son. One of the money

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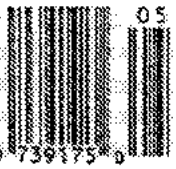
Talal—is now Citicorp's larges
shareholder. What does this in
for an already shaky banking sy

BY CHRISTOPHER B



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Edition: WASHINGTON POST

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Witness: BCCI Founder Told Altman, Clifford of 'Vision'

By Sharon Walsh
Washington Post Staff Writer

NEW YORK, April 27—A key witness in the trial of Robert A. Altman today said that beginning in 1978, the founder of the Bank of Credit and Commerce International told Clark M. Clifford and Altman that his "vision" was for BCCI to own a U.S. bank.

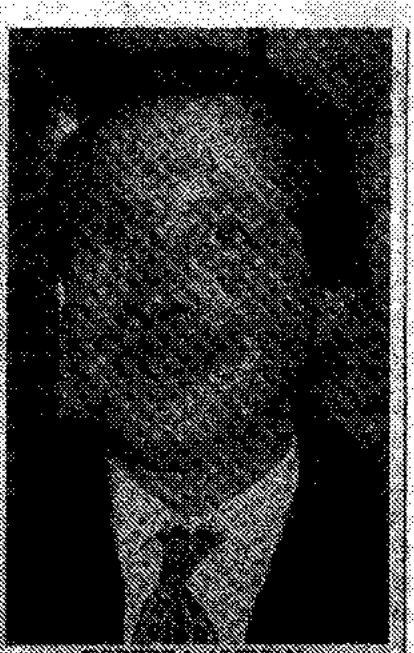
Dildar Rizvi, a former top BCCI official, was the first witness in the four-week-old trial with firsthand knowledge of BCCI's inner workings. He is also the first to testify who was present in meetings in New York, London and Washington when Clifford and Altman, who represented BCCI, met with BCCI officials regarding their desire to acquire a U.S. bank.

Altman and Clifford have been charged with fraud in representing to bank regulators that BCCI would have no ownership or control of First American Bankshares Inc., the bank company Clifford and Altman managed. They have denied the charges and said they were misled by BCCI founder Agha Hasan Abedi and his top lieutenants.

Clifford's trial has been delayed indefinitely because of his ill health.

From 1978 until 1990, when regulators around the world closed BCCI be-

See ALTMAN, D2, Col. 5



ROBERT A. ALTMAN
... said to meet with BCCI founder

[redacted]

FBI/DOJ

Witness Says Clifford, Altman Told of BCCI's U.S. Strategy

ALTMAN, From D1

cause of massive fraud. Clifford and Altman met numerous times with Abedi, who told them he wanted to buy a bank in the United States that would later be combined with BCCI, Ravi said.

Former defense secretary Clifford said in the same meetings, Ravi testified, that he thought Abedi's vision was an excellent one and would be well served if Financial General Bankshares, later renamed First American, were linked with BCCI.

Clifford and Altman represented BCCI when it openly made a bid to buy Financial General Bankshares in 1978. When the Federal Reserve rejected the bid, a second attempt by a new group of investors was approved by regulators in 1981 after Clifford and Altman said BCCI would have nothing to do with the ownership or control of the bank.

Ravi also said that in Clifford's and Altman's presence, Abedi would refer to the investors who purchased what became First American as "friends of BCCI, nominees, BCCI, or shareholders of BCCI," while Clifford referred to them as "investors" or "shareholders."

The much-anticipated testimony of Ravi, 53, had been delayed for several days while Altman's lawyers made many motions to try to limit or exclude the testimony. Ravi, a slight, soft-spoken man who was educated in Pakistan, will continue his testimony about Altman's role on Wednesday.

Ravi, who was charged by federal prosecutors in 1991 with using BCCI to launder money, has made a deal with prosecutors to plead guilty in the case in exchange for a dismissal of the charges against him.

In court here today, Ravi painted a portrait of BCCI as a bank that stole its depositors' money. He recounted how in the summer of 1981 he went with BCCI President Swaleh Naqvi to visit Sheik Kamal Adham, then head of Saudi Arabia's biggest commercial bank and a major BCCI investor. Afterward, Ravi said, Naqvi told him to transfer more than $146 million to a Mahfouz bank account.

The money, which was taken from depositors' accounts, was put on the bank's books as a loan, Ravi testified. Asked if he was aware that he was creating false loan documents to cover those payments, Ravi, after a long pause, replied, "yes."

Mahfouz is the target of a New York state indictment, a civil lawsuit and a Federal Reserve action.

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THE WASHINGTON POST 5/23/95

2 Sheikhs Pay $10 Million to Settle Claims From BCCI's D

Reuter

NEW YORK, May 22—The rulers of two of the seven United Arab Emirates have paid $10 million to settle claims resulting from the collapse of the Bank of Credit and Commerce International (BCCI), officials said today.

Sheikh Humaid bin Rashid al-Nuaimi, emir of Ajman, and Sheikh Hamad bin Mohammed al-Sharqi, emir of Fujairah, were nominee shareholders—they allowed their names to be used as stockholders when they really were not—in a holding company BCCI set up for its illegal ownership of a U.S. bank, according to a statement by Manhattan District Attorney Robert Morgenthau, the Federal Reserve and the Justice Department.

The $10 million payment is part of the terms of two agreements reached by Sheikh al-Nuaimi and Sheikh al-Sharqi, officials said.

Of that sum, $2 million will go toward settlement of claims by creditors and depositors of BCCI, and $1 million will go to the Federal Reserve for processing BCCI records, they said.

The two also paid $7 million to settle a lawsuit in connection with BCCI's ownership of the District-based First American Bank. The two emirs were nominee shareholders in Credit and Commerce American Holdings N.V., which BCCI set up illegally for its ownership of First American.

Luxembourg-registered BCCI was closed down in July 1991 by banking regulators around the world after it was alleged to have perpetrated the largest international bank fraud ever.

The $10 million settles all the claims against the two emirs regarding their roles in the holding company, officials said. Also as part of the agreement, neither sheikh was charged with nor admitted to any criminal acts. Both are cooperating with ongoing investigations and prosecutions, officials said.

Meanwhile, Saudi Sheikh Khalid bin Mahfouz welcomed a Luxembourg court settlement in which he agreed to pay $245 million to the liquidators of BCCI in return for lawsuits being dropped against him.

"This settlement terminates litigation in several countries and involves the withdrawal of all allegations made against me by the liquidators, just as all charges were withdrawn by the U.S. authorities some 18 months ago," Mahfouz said in a statement.

Under last Friday's deal, BCCI's liquidators agreed to drop [illegible] telling $50 billion in [illegible] against the sheikh, his [illegible] stani banker Haroon [illegible] National Commercial [illegible] Arabia. The sheikh, [illegible] NCB withdrew their c[illegible] statement said.

It stressed that the [illegible] 98.8 percent-owned b[illegible] family, had made no fu[illegible] tion to the settlement [illegible] $600 million in deposi[illegible] BCCI. Mahfouz was on [illegible] of its demise.

The main $1.8 bill[illegible] tlement by Abu Dhabi, [illegible] shareholder, to liquid[illegible] stalled since four forme[illegible] BCCI employees filed a [illegible] the deal.

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Under last Friday's deal, BCCI's liquidators agreed to drop all lawsuits totalling $50 billion in five countries against the sheikh, his associate, Pakistani banker Hasoon Kahlon and the National Commercial Bank of Saudi Arabia. The sheikh, Kahlon and the NCB withdrew their counterSuits, the statement said.

It stressed that the NCB, which is 98.8 percent-owned by the Mahfouz family, had made no financial contribution to the settlement, and that with $600 million in deposits and loans to BCCI, Mahfouz was one of the victims of its demise.

The main $1.8 billion payment settlement by Abu Dhabi, the bank's main shareholder, to liquidators, has been stalled since four former London-based BCCI employees filed an appeal against the deal.

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FBI/DOJ