

Tracking “Pug” Winokur, wolf in the Enron fold

By Larry Chin

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February 17, 2002—As headlines bellow outrage over Olympic Games figure skating fixes, no mainstream media ink has been devoted to the Enron fix, which is quickly becoming one of the biggest cover-ups in history. This fix began two weeks ago with the quietly accepted testimony of Enron board member Herbert “Pug” Winokur, an appearance that ensured that the charade would leave criminals protected and free, and plundered monies hidden.

In his report, Winokur, the chairman of Enron’s finance committee (which is responsible for ensuring the financial soundness of the company) blamed the rest of Enron management, and the auditors at Arthur Andersen, for deceiving him. Members of the various investigating committees quickly accepted this implausible deflection and moved on, eager to avoid crossing the notorious Winokur.

Opponents of Winokur have ample reason to be petrified and silent.

Cutout, Fraudster, Keeper of Secrets

Herbert "Pug" Winokur, a longtime member of the Council on Foreign Relations, is a veteran Washington and Wall Street insider, intimately tied to military and intelligence hawks, wealthy elites and the Bush oligarchy. In addition to his key facilitator/enforcer role at Enron, Winokur is the CEO of the private Capricorn Holdings. Capricorn is the lead investor of DynCorp, and Winokur (who was the chairman of DynCorp’s board of directors from 1987 to 1997) remains a DynCorp board member and chair of its compensation committee.

The company is a leading private contractor of the American global police state, a beneficiary of the “war on drugs,” the “war on terrorism” and corporate globalization itself. Like Enron and other multinational corporations, DynCorp enjoys a special relationship with the US government leadership, doing “unsavory” work in hot spots around the world. The US government has “plausible deniability” when things go wrong (for instance, when people get killed). DynCorp gets big government contracts.

Although DynCorp touts itself as an “Internet technologies corporation,” its work is nothing so benign. By contract, DynCorp manages the financial data and other electronic records for more than 30 U.S. government agencies, including the FBI, the State Department, the Department of Justice, the Defense Department, the Drug Enforcement Agency, the Bureau of Prisons, and the Office of National Drug Policy. The company is one of the few with access to PROMIS software, which gives its users access to worldwide banking records.

In addition to its intelligence database, DynCorp is also involved with asset forfeiture for various government agencies, including the Department of Justice.

In short, Winokur, through DynCorp, has the electronic goods on virtually everybody, and the means to shut down any agency, company or individual. Pug, in turn, enjoys J.Edgar Hoover-like powers to intimidate and destroy any political opponent, while looting the system in the process.

And looting is old hat for Pug.

Winokur's Capricorn Holdings was used as an investment vehicle in the National Housing Partnership (NHP), which from 1987 to 1997 was linked to massive HUD housing fraud and money laundering.

Since the late 1990s, Winokur has been on the Board of Directors of the Harvard Endowment Fund. Harvard, the alma mater of George W. Bush, has long been connected to Republicans and the agenda of the Bush family.

Before Enron collapsed, Winokur and Enron bullied Harvard professors into writing studies that promoted the privatization of government agencies and deregulating energy—agendas that obviously benefit Enron and DynCorp. Based on these Harvard “studies,” Enron subsequently won major contracts. (These contracts are still valid today.) Harvard also benefited from the shorting of Enron stock last fall, suggesting that insider trading had occurred. (www.harvardwatch.org.)

In another prime example of modern Enronomics, Winokur is affiliated with National Tank Company, an oil industry supplier. National Tank received \$370,294 in sales from Enron in 2000.

Profiting From Death

In addition to its intelligence “database management,” DynCorp wages war. It is one of many corporate proprietaries or “cut-outs” that run covert and overt American military operations all over the world. From the support and training of the Kosovo Liberation Army (KLA) terrorists, to firefights alongside right-wing narco traffickers in Latin America, DynCorp has been there.

The outsourcing of US government violence is a time-honored trick. Not covered by the military rules, private mercenaries enjoy the freedom to commit a wide range of US-sanctioned mayhem, alongside the CIA and the Pentagon, while being lavishly funded with US taxpayer money.

DynCorp is the leading corporate mercenary behind the Plan Colombia, or “Andean Initiative.” The company has a \$600 million contract with the State Department to carry out “defoliation” in Colombia, Bolivia and Peru.

In Colombia, DynCorp works closely with the US-backed and US-funded narco-trafficking right-wing Colombian military, paramilitary death squads, and the CIA.

According to its State Department contract, DynCorp "participates in eradication missions, training, and drug interdiction, but also participates in air transport, reconnaissance, search and rescue, airborne medical evacuation, ferrying equipment and personnel from one country to another, as well as aircraft maintenance." DynCorp operates State Department aircraft, including jets, helicopters and crop dusters and provides all the personnel required to conduct warfare in Colombia, including administrative personnel.

DynCorp was connected with the shoot-down of a missionary plane in Peru that killed a woman and her seven-month old child. American spotters who fed Peruvian pilots the targets were DynCorp contractors.

Connecting the Dots

Few people in America understand the history and role of Pug Winokur better than Catherine Austin Fitts, former Assistant Secretary of Housing under the first Bush administration and former Republican fundraiser. Fitts butted heads with Winokur and other members of the Bush elite over her attempts to clean up the massive fraud associated with the savings and loan, BCCI, Iran-Contra and HUD pirating.

For her courageous efforts to investigate money laundering, and the link between the drug trade and Wall Street, Fitts has been the target of intimidation, eighteen tax audits, and other forms of harassment since turning on her former Republican allies.

[Note: Fitts' complete dossier on Winokur, his byzantine financial dealings, and his ties to the military and intelligence community, Harvard, the Bush family, and right wing Republicans can be read at <http://www.newsmakingnews.com/catharvardmain.htm>. Fitts' ongoing investigations into Enron, Winokur, money laundering and narco- trafficking are featured at her own web site <www.solari.com>, and at From the Wilderness <www.copvcia.com> and DrugWar.com <www.drugwar.com>.]

In a recent two-part interview for KPFA's "Flashpoints" <www.flashpoints.net>, Fitts offered the following observations about Winokur, the "Tony Soprano" of the Enron affair, and the cover-up no one is talking about.

A few highlights:

1. Arthur Andersen is also DynCorp's auditor.
2. Winokur's report accused Andersen of incompetence and deception. Yet, DynCorp has not fired Andersen.
3. Winokur's testimony came weeks after Enron and Arthur Andersen had ample time to shred documents and move massive amounts of monies.
4. The Department of Justice, through DynCorp and Winokur, has the tools to immediately seize and freeze assets. Ashcroft and the DoJ have made no effort to do so.
5. Enron and Arthur Andersen remain on government payrolls.

6. Nearly every member of Congress involved with investigating Enron has received campaign funding from Enron and Arthur Andersen.
7. Since 1997, various government agencies, including HUD, lost some \$149 billion in funds from computer systems run by DynCorp and Lockheed Martin. Fitts suspects that Enron was a laundromat for these funds, which may have ultimately landed in the more than 700 of Enron's offshore accounts in the Cayman Islands and elsewhere. There has been no attempt by the US government to look into these accounts, despite the fact that Cayman Islands officials have invited inquiries.

Political Crime Redux and the Eternal Business of Corruption

The Enron "investigation" by the Department of Justice, the SEC and Congress is an elaborate charade. In Fitts' words, it is "yah yah" that is leaving gaping back door avenues that allow monies to disappear, and perpetrators to slip through the cracks.

Trilateralist, Rockefeller crony, and Council on Foreign Relations heavyweight Paul Volcker, the former Federal Reserve chairman, (and the man best known for declaring that "the living standard of every American must decline") is heading an "internal reform" of Arthur Andersen. Assisting him will be former US Senator John Danforth, the right wing ideologue who muscled Clarence Thomas onto the Supreme Court.

Given the fact that none of the major Iran-Contra, BCCI, Watergate or S&L masterminds have been appropriately punished, Kenny Boy Lay and the Enron players are surely not preparing for jail time. More likely, they are preparing for comfortable retirements. And in the future, after public attention fades, they will enjoy seats in presidential cabinets, on corporate boards, and on influential policy planning commissions at right wing "think" tanks.

Consider the fact that George W. Bush is the master of the world. His administration consists of the entire Iran-Contra network—Elliott Abrams, Otto Reich, John Negroponte, Colin Powell, Dick Armitage, Asa Hutchinson, and of course, Dick Cheney. Richard Secord is "consulting" in Central Asia. Jeb Bush runs Florida. Narco-trafficker Oliver North is a TV celebrity. General John Singlaub is being paid to make patriotic speeches. Poppy Bush, Frank Carlucci, Jim Baker and the Carlyle Group are raking in millions, and millions more as the American war spreads.

While blustery speeches are made by "angry" members of Congress, the Enron money trail has already grown cold.

People like Herbert "Pug" Winokur will see that it stays that way.

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