

# Federal court says U.S. Haitian policy illegal



**NEW YORK (AP)** — A federal appeals court Wednesday de-

clared illegal the Bush administration's policy of intercepting Haitian refugees at sea and returning them to Haiti without a hearing.

The 2nd U.S. Circuit Court of Appeals barred the Coast Guard from turning back any Haitian refugee "whose life or freedom would be threatened."

A federal judge in Brooklyn upheld the policy in June, saying laws cited by attorneys fighting the Bush policy didn't apply in international waters.

But the appeals court said: "The plain language of the Immigration and Nationality Act clearly states that the United States may not return aliens to

their persecutors, no matter where in the world those actions are taken."

The U.S. Coast Guard has intercepted more than 37,000 Haitian boat people since last September's army ouster of elected President Jean-Bertrand Aristide.

President Bush initially decreed that refugees would be returned to Haiti after they had been taken to the U.S. naval base at Guantanamo Bay, Cuba, and given a hearing on their claims. The U.S. Supreme Court upheld that policy in February.

On May 24, Bush changed the policy, saying Coast Guard cutters would intercept Haitians at sea and immediately return them to their Caribbean nation. Asylum requests were

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— Lucas Guttentag, *ACLU*

to be made only through the American consulate in Port-au-Prince, Haiti's capital.

The boat traffic declined after that Bush policy went into effect.

Lawyers for the Haitians hailed the appeals court ruling rejecting that policy.

"That's the most fundamental principle of international human rights: That a country shall not return a refugee to a place where they will be persecuted," said Lucas Guttentag, director of the Immigrants Rights Project of the American Civil Liberties Union.

"The government can't simply send everybody back," he said. "They have to give protection to people who are refugees."

"We stand on our current policy," a White House official, speaking on condition of anonymity, said Wednesday. "We think it is the most humane and effective way to deal with this situation. The policy has saved lives and it works."

## Israel may help in GE investigation

**WASHINGTON (AP)** — The head of General Electric apologized to Congress on Wednesday for a \$40 million defense-procurement scandal involving Israel.

A general in charge of the U.S. military assistance program that was bilked said there are indications Israel's new government will reverse Israeli refusal to cooperate with a U.S. inquiry.

Some members of Congress have threatened to suspend the \$1.8 billion in annual military assistance to Israel if it doesn't allow U.S. investigators to interview Israelis involved in the scandal, which led to the jailing of Israeli Gen. Rami Dotan, GE's guilty pleas and agreement last week to pay \$69 million in fines, and the firing, forced resignation or demotion of several GE employees.

GE and defense officials testified under oath before an investigative panel of the House Energy and Commerce Committee. The subcommittee chairman, Rep. John Dingell, D-Mich., pledged to change a military assistance system he said "affords enormous opportunity for rascals, both individual and governmental, to rip off American taxpayers."

A lawyer for the Defense Security Assistance Agency, Jerome Silber, told the committee that a half dozen American contractors may be involved in the theft or misapplication of funds intended

for the Israeli military. Silber, in a memo obtained by the committee, had said there was no way to ensure that the fraud was not committed with the approval of Israeli officials.

Lt. Gen. Teddy Allen, director of the assistance agency, said he disagreed with his counsel that the Israeli government could be involved. He said the scandal appeared to be perpetrated "with the collusion of Dotan, people around him, GE and other companies."

Allen said that an Israeli delegation is supposed to discuss U.S. access to Israelis, including Dotan, who has been kept from talking with American investigators for two years.

The general told the committee there have been no audits of U.S. companies' contract sales with Israel, which are then reimbursed by the U.S. government under military-assistance programs. He said officials take Israel's word for what is done with the bulk of the money.

Dotan is serving a 13-year prison term for his role in the scandal.

"GE regrets what happened and accepts the liability," said GE Chairman John F. Welch Jr., whose company agreed federal court in Cincinnati last week to pay \$59.5 million in civil damages and \$9.5 million in criminal penalties for its role in the affair.

## Clifford, partner charged in BCCI fraud

**WASHINGTON (AP)** — Quintessential Washington insider Clark Clifford and his law partner were charged Wednesday with making millions in illegal profits from the BCCI international banking scandal.

The charges in separate federal and New York state indictments against former Defense Secretary Clifford and colleague Robert Altman ranged from criminal conspiracy to accepting bribes. Meanwhile, the Federal Reserve Board said it has begun civil proceedings that could bar them permanently from U.S. banking.

Clifford, 85, and Altman, 45, were accused of participating in a massive criminal conspiracy that officials said was designed to give the corrupt, foreign-owned Bank of Credit and Commerce International secret control of U.S. banks.

"We totally and categorically deny all charges," Clifford and Altman said in a joint statement, accusing overzealous prosecutors and politicians of using them as convenient targets.

The charges are based on "circumstantial evidence ... mean-spirited suspicion and unfounded speculation," they said. "We shall fight to establish our innocence."

They pleaded innocent to the New York State charges Wednesday afternoon before state Supreme Court Justice John A. K. Bradley, who direct-

ed them to return to court next Wednesday to discuss how to proceed with the case.

Bradley, at the request of the New York law enforcement officials, put a freeze on the assets of Clifford and Altman as part of a civil suit the state filed against them. The suit seeks the more than \$40 million the two are accused of obtaining improperly.

Clifford and Altman acted as BCCI's principal lawyers in this country. They also were chairman and president, respectively, of First American Bankshares, Washington's biggest bank-holding company.

The ruling family of the Persian Gulf emirate of Abu Dhabi owned 77 percent of BCCI before it collapsed last year amid allegations of arms smuggling, drug money laundering and financing of terrorists. It operated in 70 countries.

BCCI pleaded guilty in December to federal charges and forfeited \$550 million in assets, the biggest forfeiture in U.S. history. In a plea bargain, BCCI conceded it illegally owned First American and three other U.S. banks.

In a book for the prosecution, two BCCI insiders who pleaded guilty Monday in New York to misdemeanor violations of state banking laws are cooperating with authorities, federal and New York state officials said Wednesday.

They are Sheik Kamal

Adham, a Saudi Arabia businessman, and his accountant, Sayed Jawhary. Adham, a former head of Saudi intelligence, agreed to pay \$105 million in fines but avoided any jail term.

For 45 years, Clifford has been an adviser to presidents, a powerful figure in Democratic politics and a witness to some of the major developments in the latter half of the 20th Century.

He played poker with Winston Churchill; helped Harry Truman win the presidency in 1948; advised President John F. Kennedy after the disastrous Bay of Pigs invasion of Cuba; and urged President Lyndon B. Johnson to get out of Vietnam.

The lesser-known Altman is a figure in Hollywood circles, husband of "Wonder Woman" actress Lynda Carter.

A three-count federal indictment returned in Washington accused Clifford and Altman of enriching themselves through secret "sweetheart" loans and other deals in return for convincing federal regulators that BCCI was not involved in U.S. banking acquisitions.

It charged each with one count of criminal conspiracy and two counts of illegally concealing material facts from federal regulators. Each count carries a maximum prison term of five years and a \$250,000 fine.

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