

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

|                                      |   |                                  |
|--------------------------------------|---|----------------------------------|
| In the Matter of                     | ) | IB Docket No. 02-286             |
|                                      | ) | File Nos. ISP-PDR-20020822-0029; |
| <b>GLOBAL CROSSING, LTD.</b>         | ) | ITC-T/C-20020822-00406           |
| (Debtor-in-Possession),              | ) | ITC-T/C-20020822-00443           |
|                                      | ) | ITC-T/C-20020822-00444           |
| Transferor,                          | ) | ITC-T/C-20020822-00445           |
|                                      | ) | ITC-T/C-20020822-00446           |
| and                                  | ) | ITC-T/C-20020822-00447           |
|                                      | ) | ITC-T/C-20020822-00449           |
|                                      | ) | ITC-T/C-20020822-00448           |
| <b>GC ACQUISITION LIMITED,</b>       | ) | SLC-T/C-20020822-00068           |
|                                      | ) | SLC-T/C-20020822-00070           |
| Transferee                           | ) | SLC-T/C-20020822-00071           |
|                                      | ) | SLC-T/C-20020822-00072           |
| Application for Consent to Transfer  | ) | SLC-T/C-20020822-00077           |
| Control and Petition for Declaratory | ) | SLC-T/C-20020822-00073           |
| Ruling                               | ) | SLC-T/C-20020822-00074           |
|                                      | ) | SLC-T/C-20020822-00075           |
|                                      | ) | 0001001014                       |

**COMMAXXESS' SUPPLEMENTAL RESPONSE IN OPPOSITION  
TO THE APPLICANTS FOURTH AMENDED APPLICATION FOR CONSENT TO  
TRANSFER CONTROL AND PETITION FOR DECLATORY RULING.**

COMMAXXESS provides the following as a supplemental response to the June 30, 2003 filing submitted by the Applicants as the "Fourth Amendment for Consent to Transfer Control and Petition for Declaratory Ruling" to matters filed before this Commission and the Applicants September 18, 2003 filing.

On September 2, this Respondent put this Commission on notice regarding conflicts within CFIUS and parties such as Friedman (Goldman Sachs, CFIUS member), Zoellick (Enron investor<sup>1</sup>, trade representative, CFIUS member), and Snow (ROW deals with Global Crossing and other telecoms, CFIUS Chair), that raise the question of conflicts and filtering of information to the White House for its final decision, one that all now know was "no action to suspend or prohibit" the transaction.

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<sup>1</sup> Appointee: Robert Zoellick Title: US Trade Rep. Department: USTR Relationship: Enron stock \$15,001-\$50,000, Enron advisory fees \$50,000. See also Attachment 1.

The day before CFIUS handed this matter to the President of the United States for his approval or rejection [September 5, 2003] we learned yet again that our big Wall Street firms<sup>2</sup> have the morals of common thieves. The Goldman Sachs involvement in CICC and Asia Netcom may not be as innocent or as clean as some of us have been led to believe.

Since Goldman Sachs is now involved in Asia Netcom (based in the PRC) and also has so ardently supported a reverse roll up of AGC and GX, has this nation subrogated “national security” to an investment bank with questionable morals or their money making objectives in China? Are we American citizens to now look to Goldman Sachs on matters of national security rather than Homeland Security, or the White House, or this Commission? Have we sunk that low that we no longer even know what “national security” means or who is in control of it?

On September 9, the White House aide of Karen Hughes contacted this Respondent regarding Global Crossing and the many shareholders that were contacting the White House in opposition of the GX sale to STT. Those shareholders were from WCOM, WCG and Global Crossing and represent just a very small percentage of a very large and very angry American investing public that had no security in the face of “financial terrorism” right here at home. Worse in the eyes of Americans is that there has been no justice or attempts for restitution from this Administration.

During that conversation, Ms. Hughes’ aide acknowledged that both Global Crossing and Williams Communications Group are under investigation, and furthermore, information provided through appropriate channels regarding International LDDD fraud

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<sup>2</sup> [http://money.excite.com/ht/nw/bus/20030904/hle\\_bus-n04223455.html](http://money.excite.com/ht/nw/bus/20030904/hle_bus-n04223455.html)

### **Ex-Goldman Exec Faces Criminal Charges**

Thursday September 4, 11:34 AM EDT

NEW YORK (Reuters) - Federal prosecutors on Thursday charged a former Goldman Sachs executive with using insider information to help his brokerage illegally profit from trading U.S. Treasury bonds.

The U.S. Attorney for the Southern District of New York, James Comey, was set to announce the seven-count indictment of former Goldman Sachs (GS) senior economist John Youngdahl for insider trading, making false statements, perjury and other charges, his office said.

The U.S. Attorney's office said Peter Davis Jr., a Washington consultant, will plead guilty to charges of insider trading and conspiracy relating to the bond trading case.

At issue in the case is the U.S. Treasury Department's historic announcement on Oct. 31, 2001 that it would no longer issue benchmark 30-year bonds. The news ignited a powerful bond market rally, and prosecutors charge that Davis and Youngdahl conspired to trade on the information before it was made public.

The Securities and Exchange Commission is expected to expected to bring related civil charges later on Thursday.

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was known about at the White House. This aide confessed that, not being an attorney, she did not grasp the significance of a debtor in bankruptcy removing cash from the debtor estate by falsification of offshore payment settlements for bogus International LDDD claims against the debtor.

That would not be a matter to be addressed under Title 11 of the U.S. Code, i.e. The United States Bankruptcy Code. That would be a matter that comes under Title 18 of the Code, the criminal section of the U.S. Code defined as Bankruptcy Crimes, 18 USC §§ 152-157.

That would also be just grounds for the shareholders, the creditors being abused by this “lock up” bankruptcy and even the former employees to file objections to discharge and treatment by this bankruptcy case on the basis of fraud under 11 USC § 523(b)(2). Such motions are being prepared right now, including motions to have an examiner look into what the White House confirmed and if necessary, refer the matter to the U.S. Attorney regarding all present and former Global Crossing management involved for felony bankruptcy crimes if the money trail proves the facts.

This Commission stands poised to approve this charade?

Is anyone at this Commission willing to fall on a sword because the White House will not do its job? Is the message to Congress that “no investigations” are forthcoming or is the matter left up to the courts or this Commission?

It might even be found that Global Crossing is transferring enough cash in this manner that it is either financing its own takeover or is not even bankrupt. Yes, let us all let them tuck it away in far away Mauritius so none of us will ever know what they did to tens of thousands of investors and creditors. Investors who just made it abundantly clear how their votes will be cast come November 2004 since justice and restitution seem to be alien concepts to this administration.

This Commission should now clearly recognize that Blackstone Group is the financial advisor to Global Crossing in the bankruptcy case. There is no known review of the Blackstone controlled PaeTec Communications or Blackstone controlled Centennial Communications contracts with this debtor or if there are too many conflicts to even be serving as financial advisor, but taking all efforts to suppress due diligence and higher offers as financial advisor.

Thanks to a CNBC interview with Blackstone CEO and co-founder Steven Schwarzman on September 15, many learned that our President has a relationship with Mr. Schwarzman all the way back to their heady days at Yale together. Again, conflict upon conflict, but in perfect Clintonesque style, that all depends on what the definition of “is” is with regards to conflicts of interests all over this Global Crossing matter.

On September 13, 2003, this Respondent sent a four-page facsimile to Ms. Hughes regarding a Letter of Credit guarantee for \$513,000,000 and a \$415,000,000 offer for all of Global Crossing assets by COMMAXXESS. STT is not the highest and best

offer and it has never been the highest and best offer on Global Crossing. The creditors are backing STT because they will do this down and dirty deal without due diligence.

The firm making that LOC guarantee is one that this Respondent and our investigators caught in illegal naked shorting activity when they were sneaking around “renting shares” so they and others could pass an SEC compliance examination. This Respondent has already on multiple occasions cited to this Commission that naked shorting is occurring, our own FBI arrested 58 persons in August and September 2002 for that matter alone in *Operation Bermuda Shorts*, and we have now identified a major bank / securities firm that was doing it on Global Crossing. They preferred to make a loan commitment of \$513,000,000 rather than be a RICO defendant in an action that could exceed \$10 billion when damages are trebled.

What we found apparently also involves some of the largest Global Crossing creditors that are in favor of a “no due diligence” approach so they do not get caught and held accountable too. Many of the same creditors that have steadfastly supported the lowest of all offers to evade due diligence, evade being found to be engaged in fraudulent and illegal activity and held accountable were apparently involved in illegal naked shorting. The act of naked shorting is only done to put companies under intentionally. These are the same creditors that want this deal approved and no due diligence performed.

On Thursday, September 18, 2003 counsel for the Applicants notified the Commission that the Mauritius holding company has been identified as being “STT Crossing, Ltd”.

The Bush appointed ambassador to Mauritius is Robert Price<sup>3</sup>, a former Enron investor. We have millions of geographically impaired people in this nation that cannot find the U.S. on a world map, so the exact locale of Mauritius is the location of Diego Garcia, on the East Side of Africa and the site of an Indian Ocean U.S. military base where bombers can reach Iraq, Iran, Afghanistan. See Attachment 2 and Attachment 3 for they are interesting reading. It seems the U.S. took what it wanted, and maybe not in respect of human rights. Rome had that same character flaw too, which in part led to the unabated hatred of that empire.

Are we now to the point that financial plundering of American investors is OK and overlooked for a foreign policy that is beginning to look like an oil deal and needs a military base in Diego Garcia to “defend U.S. oil interests?”

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<sup>3</sup> Appointee: John Prince Title: Ambassador to Mauritius, Comoros, Seychelles Department: State Relationship: Enron stock through four direct/indirect sources: (1) less than \$1,000; (2) \$15,001-\$50,000; (3) \$1,001-\$15,000; (4) \$15,001-\$50,000. See also Attachment 1.

U.S. government officials, sworn to uphold the Constitution and the laws of this land, are also required to provide judicial notice<sup>4</sup> to courts when “adjudicative facts” become known about a party before a U.S. Court, such as Global Crossing and falsification of International LDDD and the cash that would drain from the debtor estate. The same basic principle applies to state level courts as well when graft, corruption or outright felony acts become known to exist and must be reported to any court that any party is currently involved and before which a case is pending. A public official failing to make such notice to a court of law when knowledge of a felony arises is at best engaged in negligence and possibly willful malfeasance.

#### **Rule 201. Judicial Notice of Adjudicative Facts**

- (a) Scope of rule.--This rule governs only judicial notice of adjudicative facts.
- (b) Kinds of facts.--A judicially noticed fact must be one not subject to reasonable dispute in that it is either (1) generally known within the territorial jurisdiction of the trial court or (2) capable of accurate and ready determination by resort to sources whose accuracy cannot reasonably be questioned.
- (c) When discretionary.--A court may take judicial notice, whether requested or not.
- (d) When mandatory.--A court shall take judicial notice if requested by a party and supplied with the necessary information.
- (e) Opportunity to be heard.--A party is entitled upon timely request to an opportunity to be heard as to the propriety of taking judicial notice and the tenor of the matter noticed. In the absence of prior notification, the request may be made after judicial notice has been taken.
- (f) Time of taking notice.--Judicial notice may be taken at any stage of the proceeding.
- (g) Instructing jury.--In a civil action or proceeding, the court shall instruct the jury to accept as conclusive any fact judicially noticed. In a criminal case, the court shall instruct the jury that it may, but is not required to, accept as conclusive any fact judicially noticed.

(Pub. L. 93-595, § 1, Jan. 2, 1975, 88 Stat. 1930.)

#### **NOTES OF ADVISORY COMMITTEE ON PROPOSED RULES**

*Subdivision (a).* This is the only evidence rule on the subject of judicial notice. It deals only with judicial notice of "adjudicative" facts. No rule deals with judicial notice of "legislative" facts. Judicial notice of matters of foreign law is treated in Rule 44.1 of the

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<sup>4</sup> [http://www.access.gpo.gov/uscode/title28a/28a\\_5\\_2\\_.html](http://www.access.gpo.gov/uscode/title28a/28a_5_2_.html)

Federal Rules of Civil Procedure and Rule 26.1 of the Federal Rules of Criminal Procedure.

The omission of any treatment of legislative facts results from fundamental differences between adjudicative facts and legislative facts. Adjudicative facts are simply the facts of the particular case. Legislative facts, on the other hand, are those which have relevance to legal reasoning and the lawmaking process, whether in the formulation of a legal principle or ruling by a judge or court or in the enactment of a legislative body. The terminology was coined by Professor Kenneth Davis in his article *An Approach to Problems of Evidence in the Administrative Process*, 55 Harv.L.Rev. 364, 404-407 (1942). The following discussion draws extensively upon his writings. In addition, see the same author's *Judicial Notice*, 55 Colum.L. Rev. 945 (1955); *Administrative Law Treatise*, ch. 15 (1958); *A System of Judicial Notice Based on Fairness and Convenience*, in *Perspectives of Law* 69 (1964).

The usual method of establishing adjudicative facts is through the introduction of evidence, ordinarily consisting of the testimony of witnesses. If particular facts are outside of reasonable controversy, this process is dispensed with as unnecessary. A high degree of indisputability is the essential prerequisite.

What, then, are "adjudicative" facts? Davis refers to them as those "which relate to the parties," or more fully:

**"When a court or an agency finds facts concerning the immediate parties--who did what, where, when, how, and with what motive or intent--the court or agency is performing an adjudicative function, and the facts are conveniently called adjudicative facts."** \* \* \*

"Stated in other terms, the adjudicative facts are those to which the law is applied in the process of adjudication. They are the facts that normally go to the jury in a jury case. They relate to the parties, their activities, their properties, their businesses." 2 *Administrative Law Treatise* 353.

This rule is consistent with Uniform Rule 9(1) and (2) which limit judicial notice of facts to those "so universally known that they cannot reasonably be the subject of dispute," those "so generally known or of such common notoriety within the territorial jurisdiction of the court that they cannot reasonably be the subject of dispute," and those "capable of immediate and accurate determination by resort to easily accessible sources of indisputable accuracy." The traditional textbook treatment has included these general categories (matters of common knowledge, facts capable of verification), McCormick § 324, 325, and then has passed on into detailed treatment of such specific topics as facts relating to the personnel and records of the court, *Id.* § 327, and other governmental facts,

*Id.* § 328. The California draftsmen, with a background of detailed statutory regulation of judicial notice, followed a somewhat similar pattern. California Evidence Code § 451, 452. The Uniform Rules, however, were drafted on the theory that these particular matters are included within the general categories and need no specific mention. This approach is followed in the present rule.

*Subdivisions (c) and (d).* Under subdivision (c) the judge has a discretionary authority to take judicial notice, regardless of whether he is so requested by a party. The taking of judicial notice is mandatory, under subdivision (d), only when a party requests it and the necessary information is supplied. This scheme is believed to reflect existing practice. It is simple and workable. It avoids troublesome distinctions in the many situations in which the process of taking judicial notice is not recognized as such.

Compare Uniform Rule 9 making judicial notice of facts universally known mandatory without request, and making judicial notice of facts generally known in the jurisdiction or capable of determination by resort to accurate sources discretionary in the absence of request but mandatory if request is made and the information furnished. But see Uniform Rule 10(3), which directs the judge to decline to take judicial notice if available information fails to convince him that the matter falls clearly within Uniform Rule 9 or is insufficient to enable him to notice it judicially. Substantially the same approach is found in California Evidence Code § 451-453 and in New Jersey Evidence Rule 9. In contrast, the present rule treats alike all adjudicative facts which are subject to judicial notice.

In suppressing known evidence that Global Crossing has apparently engaged in falsification of International LDDD billing, which is a deduction item from “Gross Revenues” of this debtor and shifting of those funds from the bankruptcy jurisdiction to parties outside such as offshore subsidiaries, insiders, affiliates, etc. would be a bankruptcy crime under Title 18 of the U.S. Code if that in fact is found to be happening. Either the White House or this Commission [or both] are required to make that fact known to the U.S. Bankruptcy Court sitting on this case immediately.

Did the White House decide to not face that fact and dump this matter back on this Commission? Did the White House refer this matter back to Congress or was that merely a formality or courtesy notice of “investigations are ending”. Instead of possibly being considered to be scofflaw by American voters the White House might have plausible deniability that CFIUS did such a “Slick Willie” job of filtering the facts the President could not have known that there was an oversight. Nevertheless, there has been an oversight on what is required.

Ms. Hughes found out that America is indeed watching and indeed quite fed up with Global Crossing getting by with breaking the laws of this land, even at the highest offices of this land.

Now, America is watching this Commission.

Since due diligence has been suppressed from day one in the Global Crossing bankruptcy it is not an adjudicated fact that Global Crossing is not pulling cash out of the debtor estate by illegal means. The Court has not investigated that matter and a group of creditors have suppressed any due diligence in conjunction with the debtor. It has not remotely been inquired into since the initial allegation and confirmation have just recently occurred, during the pendency of this matter before this Commission and in part while CFIUS was deliberating or filtering information as to how to approach this “trade deal” and cover up what may be the felonious part of it.

The White House, specifically those Bush Administration persons who know that an allegation had been made by COMMAXXESS and former Global Crossing engineers that such conduct was occurring, and the White House admitting on September 9 that such conduct was looked into and found to apparently be occurring, was required by law to provide judicial notice to Judge Gerber of such conduct by Global Crossing and do so immediately.

If CFIUS insiders knew that as well, it only taints this approval process charade even more.

This Administration purports to be about “rule of law” and has now just demonstrated that it may not be about rule of law in failing to abide by the law and make judicial notice of the investigation findings or that the matter is being investigated. The only other possible explanation being that the CFIUS insiders that want this deal completed filtered that information out of the process so the President would not be aware of it. This is an approaching election year of course and some of those CFIUS members do have ties right back to Goldman Sachs, Blackstone, etc.

The White House taking the approach of a “non-approval approval” of the Global Crossing sale to ST Telemedia, by sending the letter to Congress that it was taking a position of “no action to suspend or prohibit” the sale to STT, is grossly overlooking the requirements of the law and what the White House should have done and is required to do if “rule of law” has any meaning there.

It is gross error to send this matter back to FCC for final approval. The White House is required to send judicial notice to the Court that a felony appears to be in progress before that court and send this matter back to the court until further notice. That is how our system is supposed to work in this nation, if it is going to work at all.

Since the White House has not done what is required by law and report this matter to the U.S. Bankruptcy Court in New York for a full investigation, that responsibility has now been dumped back on this Commission to do what is required by law.

On the same date that President Bush issued his “*no action to suspend or prohibit*”, the Parliament of Mauritius<sup>5</sup> took an interesting action recognizing a Chinese entity. We have a military base there and the PRC wants to be there too.

### **Cabinet Decisions taken on 19 September 2003**

10. Cabinet has taken note that the Minister of Health and Quality of Life will make the Medical Council (Medical Institutions) (Amendment No. 2) Regulations to include the following institutions in the list of recognized Medical Institutions

- (a) Peking University Health Science Centre (formerly known as Beijing Medical University);
- (b) St. George’s University School of Medicine; and
- (c) Erasmus University, Rotterdam.

As an American citizen, I have a problem with a foreign policy or a *use of military force* policy that always seems to be intertwined with oil and gas deals. In 1997 the Taliban were in Houston visiting Unocal and Enron<sup>6</sup> regarding a pipeline from the Turkmenistan / Kazakhstan / Uzbekistan region across Afghanistan to Pakistan and from there tying into a pipeline to supply natural gas for the natural gas powered Enron Dabhol<sup>7</sup> Power Plant. The Taliban rejected that deal in 1997 and again in 2001. Bombers from Diego Garcia were directly involved in Afghanistan and Iraq.

Mr. Karzai and Musharraf are now talking about reviving that long since dead pipeline project now that U.S. bombers and troops may have paved the way for that project to be revived. It does not appear to be enough that OPIC<sup>8</sup> and the Export-Import Bank arranged over \$1 billion in loans and guarantees for the Enron Dabhol fiasco and ultimately paid that off at taxpayer expense, but then we find ourselves in Afghanistan in military action due to September 11. This Respondent would not be nearly as suspect

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<sup>5</sup> <http://ncb.intnet.mu/pmo/decision.htm>

<sup>6</sup> **Dabhol - Enron Timeline**, by Ron Callari **December 7, 1997**: Unocal invited a Taliban contingency to visit them in Houston, Texas, housed them in five-star hotels, dined them at the home of Unocal VP and medically treated the former foreign minister, Mullah Mohammed Ghaus before he returned home. **August 2, 2001**: The last meeting between U.S. and Taliban representatives took place five weeks before the attacks on New York and Washington, the analysts maintain. On that occasion, Christina Rocca met the Taliban ambassador to Pakistan in Islamabad. **December 31, 2001**: President Bush appointed a former aide to Unocal, Afghan-born Zalmay Khalilzad, as special envoy to Afghanistan. The nomination was announced nine days after the US-backed interim government of Hamid Karzai took office in Kabul. **February 8, 2002**: Afghanistan's interim leader Hamid Karzai said he and Pakistani President Pervez Musharraf had agreed to revive a plan for a trans-Caspian gas pipeline from Turkmenistan to Pakistan. **February 9, 2002**: Turkmenistan hopes the fragile peace in neighboring Afghanistan will allow work to resume on the natural gas pipeline connecting to Pakistan.

<sup>7</sup> <http://mywebpages.comcast.net/howardluken/Enron%20Afganistan%20Pipeline.htm>

<sup>8</sup> February 20, 2002: OPIC reveals that it gave Enron \$554 million in loans and \$204 million in insurance. Congress also learns that the Export-Import Bank loaned \$675 million to Enron and associated companies.

that our true motives are both terrorism in part and mostly for oil had the last meeting with the Taliban and U.S. officials not occurred in August 2001, shortly before 9-11.

But that was not all that happened on September 19, 2003. The Global Crossing deal receives “*no action to suspend or prohibit*” and news comes out that our State Department deals out stiff sanctions to China for arms proliferation. (Temasek = ST / STT / COSCO investments = shipping arm of the PRC = Li Ka-Shing = PRC = current co-investments into Asia Netcom, formerly Asia Global Crossing). One cannot help but wonder if the “left hand” of the White House ever meets the “right hand” of the White House or ever knows what the other is doing.

U.S. tags China with stiff penalties<sup>9</sup>  
By Bill Gertz  
Published September 19, 2003

The State Department has imposed economic sanctions on China for its sales of missile technology, State Department officials said yesterday.

"These are the strongest sanctions we've ever imposed on China," said one official, speaking on the condition of anonymity.

It is the third time in four months that China was hit with sanctions for violating U.S. laws regarding the spread of weapons of mass destruction and missile-delivery systems for those weapons. Norinco also was sanctioned in May and July.

The additional sanctions are an attempt to target a company that U.S. officials have labeled a "serial proliferator" that China's government refuses to rein in.

Norinco is one of China's largest state-run manufacturers and U.S. officials have estimated that recent sanctions will cause the company up to \$100 million in lost U.S. sales.

The weapons sanctions come amid mounting pressure from the Bush administration on China for trade and financial practices.

A CIA report to Congress released in March stated that, "Chinese entities remain key suppliers of [weapons of mass destruction] and missile-related technologies to countries of concern."

In July, Norinco and five other Chinese companies were hit with U.S. sanctions under the 2000 Iran Nonproliferation Act for selling chemical, biological and nuclear arms and missile materials to Iran.

If Norinco makes a billion a year selling arms and loses \$100 million a year in lost trade with the U.S., so what? Simply increase prohibited arms sales to make up the difference. Chinese missiles are much better and much more accurate now that Clinton allowed the transfer of technology and this Bush Administration stood by as Magnequench “smart bomb” technology is headed to the PRC too, yet another Clinton and CFIUS approved technology transfer. How long it will be before our troops are under direct attack with smart bombs we helped shift to China and China delivers to our enemies?

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<sup>9</sup> [http://dynamic.washtimes.com/print\\_story.cfm?StoryID=20030918-103506-7441r](http://dynamic.washtimes.com/print_story.cfm?StoryID=20030918-103506-7441r)

Does it occur to anyone that \$100 million a year can easily be recouped by causing discreet trading delays and miniscule delays in our “foreign currency exchange” systems? All that is required is to have the Global Crossing network outside of the control of a U.S. company that would give an iota about national security at the “operations level”. The board of directors is not operations level so any assurances from STT in that regards are meaningless.

This Respondent has watched in utter disgust as our SEC has meted out miniscule fines and punishments when many in this nation are hanging on for dear life financially, many having lost their jobs, homes, had to file bankruptcy, marriages, retirement, and financial security due to fraud in the capital markets and corporations, and it appears that the Business of America is making America’s wealthy wealthier. The impunity in which financial terrorists have hammered many Americans into the poor house has not been met with punishment fitting the crimes. We can bomb Iraq and Afghanistan governments out of business, but not enforce the laws in our own land. When such levity of punishment occurs, it is an invitation for a financial terrorist to do it again to unsuspecting investors for the fines proved to be much less than was stolen from Americans.

The absence of a just justice is not justice as much as it is an insult to Americans and an insult to the name of this nation that pretends to be the shining light of “the rule of law”. Karen Hughes got a glimpse of that between September 5 through September 19 and America is indeed angry at the lack of positive action by Washington, DC to address domestic problems and the tremendous suffering that has been heaped out on American families by American financial terrorist.

This Respondent has also watched in disgust as Halliburton, with all of its known ties to Cheney, just keeps getting the lion’s share of new oil business that our military policy is producing. Since the end of Gulf War II, Halliburton has been the lucky recipient of \$1.7 billion <sup>10</sup> in new business awarded mainly through the Corps of Engineers part of the U.S. Army. We should all hear soon if they also get that reviving Turkmenistan to Pakistan oil pipeline project.

When looking deeper into those Enron investors and executives<sup>11</sup> that were appointed by the Bush Administration, one sticks out in particular in having ties to both

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<sup>10</sup> <http://news.corporate.findlaw.com/business/s/20030831/energyhalliburtondc.html>

<sup>11</sup> Appointee: **Thomas E. White Title: Secretary of the Army Department:** Defense Relationship: Former Vice-Chairman of Enron Energy Service; Enron Corp-common stock worth \$25,000,001-50,000,000 that paid over \$5,000,000 in dividends and capital gains; Enron Corp-stock options worth \$25,000,001-50,000,000 that paid \$100,001-1,000,000 in capital gains; Enron Corp Cash Balance Retirement Acct (Enron Stock will rollover into permissible property) worth \$100,001-250,000 that paid less than \$201 in dividends; Enron Corp-**DLJ Private Equity Partners Fund II** that paid \$5,516,131.08 in salary; Enron Employee Stock Ownership Plan, Defined Contribution Plan Managed by Enron worth \$1,000,001-5,000,000 that paid less than \$201 dividends; Enron Phantom Stock Award worth \$5,000,000-25,000,000 that paid less than \$201 dividends; Enron Retirement Account (Enron Stock) worth less than \$1,001 that paid less than \$201 dividends; Agreements: Pursuant to provisions of employment agreement

Bush and to Bill Donaldson, formerly of Donaldson Lufkin Jenrette and sits over that division of the Pentagon that oversees the Corps of Engineers. The Corp of Engineers are making most of those contract awards to Halliburton, and we have more former Enron ties that are in the Pentagon<sup>12</sup> and Energy Department and in trade and domestic policy positions that are immediate subordinates of key CFIUS positions.

Marcus Aurelius: *“Of each and every thing ask but this; in its purest essence, what is it?”*

A federal government that appears to be aiding and abetting corruption in this nation by failing to punish known wrongdoers, aiding the plundering of American citizens and investors, and supporting the disenfranchisement of investors by rubber stamping fraudulent bankruptcy cases without ever thinking twice that a company known to be involved in fraud might still be involved in fraud. That American citizens were hurt by that fraud, not Washington, DC. Or worse, fraud is known to be occurring and just look the other way to facilitate approval of the carefully packaged deal instead of making the required judicial notice to the U.S. Bankruptcy Court.

Do not pretend to speak to Americans about “rule of law” if the highest office of this land is aware of investigations into Global Crossing and WCG and will not make a required judicial notice to the Bankruptcy Court. The White House is now aware that we have a civil RICO case in preparation regarding WCG with 19 predicate acts of RICO fraud and it will name some major Texas names and companies.

Do not pretend to speak to Americans about “national security” when key smart bomb technology such as Magnequench<sup>13</sup>, with the tool and dies to make those smart bombs and cruise missiles, are moved to China under a CFIUS approved Clinton deal and then nothing done by this Administration to stop it during 2003. Part of the battle lines

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and routine practice of Enron Corp, given \$1,000,000 in severance pay; The Phantom Stock Award in Enron (approximately 240,000 shares) were accelerated and paid out when he left Enron

<sup>12</sup> Appointee: Bruce Carnes Title: CFO Department: US Dept of Energy Relationship: Enron Stock \$1,000 - \$15,000; Appointee: Hansford T. Johnson Title: Asst. Sec. Department: Navy Relationship: Enron stock \$1,001-\$15,000; Appointee: Donald H. Rumsfeld Title: Secretary Department: Defense Relationship: Enron stock \$1,001-\$15,000; Appointee: John E. Robson Title: Chairman/President Department: Export Import Bank Relationship: Enron stock \$1,001-\$15,000; Appointee: William Winkenwerder Title: Asst. Sec. Department: Defense Relationship: Enron stock \$1,001-\$15,000; Appointee: Linnet Deily Title: Deputy Department: Office of the Trade Representative [Zoellick’s group] Relationship: Enron Stock \$15,000 - \$50,000

<sup>13</sup> <http://nwitimes.com/articles/2003/07/16/business/business/bcf88c2c676ddef086256d640078612b.txt>, **Magnequench, union reach shutdown agreement; Plant to close by Sept. 30, most workers gone by Aug. 15, BY SUSAN ERLER, Times Business Writer; VALPARAISO --** The dream on Elm Street is about to end for workers at magnet-maker Magnequench Inc. The agreement targets Sept. 30 as closing date for the plant, **a producer of magnets used in U.S. defense system "smart bombs." The operation is being moved to China.** Attempts by Indiana lawmakers Rep. Pete Visclosky and Sen. Evan Bayh to halt the relocation have been unsuccessful. Visclosky said pleas for intervention to President Bush in March and Treasury Secretary John Snow in May and June went unanswered. "I'm outraged" at the president's apparent lack of concern for Magnequench's displaced workers, Visclosky said, adding, "I continue to believe this is an issue of national security."

are within our own nation, not halfway around the world. Requests from Sen. Evan Bayh and Rep Visclosky to President Bush and Treasury Secretary Snow went unanswered. Yes, let us arm China to Super Power status as well as move millions of jobs there. Let us help those that wish to plunder this nation.

Do not pretend to speak to Americans about "fighting terrorism" when we graciously let terrorist into our nation that are on the FBI Terrorist Watch list through either inattention or incompetence. This Respondent personally knows who identified Adnan G. el Shukrijumah<sup>14</sup> to the FBI Hot Line in March 2003 and the FBI apparently did not even follow up for about 45 days. By the time our FBI got around to it, Shukrijumah was no longer in the place in Canada where he was reported to be, attending McMaster University, in the area of nuclear medicine. Just within the last ten (10) days Shukrijumah and another FBI Terror Watch list person Abderraouf Jdey were identified in Maine and New Hampshire driving a vehicle with Massachusetts license plates.

Are we American citizens to sleep tight at night knowing that our Homeland Security border guards are still routinely letting people on known FBI Terror Watch lists into this nation?

Are these examples of lax national security efforts an assurance to American citizens that this current Global Crossing matter and that network's ability to be used as a weapon against this nation has adequately been addressed on national security issues? We issue FBI Watch Lists and our own border crossing guards pay no attention and let a dirty bomb suspect right into this nation. This deal has been kept in "lock up" mode, without due diligence and "national security" dealt with behind the scenes. If overt warnings go unheeded, why should any single American trust that CFIUS really cares about national security or even knows what that means?

We hear about the fact that the government hammered out an acceptable National Security Agreement to protect its interests, but what about the millions of businesses, R&D centers, corporations, technology centers, American homes, private rail companies, power grids<sup>15</sup>, and security systems that can be probed, disrupted and even overridden

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<sup>14</sup> <http://www.fbi.gov/terrorinfo/adnan.htm>

<sup>15</sup> [http://seattlepi.nwsourc.com/business/139222\\_blackouthacker12.html](http://seattlepi.nwsourc.com/business/139222_blackouthacker12.html), Friday, September 12, 2003

**Power grid vulnerable to hackers and viruses, Danger worsens as network is upgraded; By JIM KRANE, THE ASSOCIATED PRESS**

NEW YORK -- Since last month's Northeast blackout, utilities have accelerated plans to automate the electric grid, replacing aging monitoring systems with digital switches and other high-tech gear.

But those very improvements are making the electricity supply vulnerable to a different kind of peril: computer viruses and hackers who could black out substations, cities or entire states.

Researchers working for the U.S., Canadian and British governments have already sniffed out "back doors" in the digital relays and control room technology that increasingly direct electricity flow in North America. With a few focused keystrokes, they say, they could shut the computer gear down -- or change settings in ways that might trigger cascading blackouts.

"I know enough about where the holes are," said Eric Byres, a cybersecurity researcher for critical infrastructure at the British Columbia Institute of Technology in Vancouver. "My team and I could shut down the grid. Not the whole North American grid, but a state, sure."

from afar now that a remerged Asia Global Crossing and Global Crossing would give the PRC that access and ability to achieve that end? What about National Security for those other than the U.S. government? Fine, we sanction China for arms proliferation and gift a seamless fiber optic network that can do tremendous damage to this nation. Can anyone see the fallacy of such a foreign policy that is neither concise nor consistent?

Does anyone at CFIUS or the White House grasp what “seamless fiber optic network” means or can do in the way of a discreet VPN or with technology that cannot be detected or detected easily?

While everyone was absorbed in making sure every “i” was dotted and every “t” was crossed in protecting the interests of the United States government via the “National Security Agreement” while doing nothing to protect other private interests in this nation, did anyone notice the news on September 10 that this is not at time to turn out backs on the Chinese military<sup>16</sup> build up?

Did anyone pay attention that the PRC has assembled teams to **probe networks** and nothing offered in this STT deal protects American citizens or much of this nations infrastructure and businesses from that at all? How many times do we have to get kicked before DC wakes up?

Does anybody recall why Li Ka-shing / Hutchison Whampoa were deemed a security threat to the United States? This Respondent filed a key document on October 21, 2002 that included multiple attachments, two of which directly addressed declassified U.S. intelligence reports and testimony before the U.S. Senate Armed Services Committee<sup>17</sup> and the SIRC (Special Intelligence Review Committee)<sup>18</sup> in Canada.

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<sup>16</sup> <http://www.foxnews.com/story/0,2933,96872,00.html>, **U.S. Must Keep Eye on China Military Build-Up**, Wednesday, September 10, 2003, **By Melana Zyla Vickers, Information warfare: Chinese info warriors stress computer and network warfare** (search) and electronic security systems, among other things. The report says they have an “unusual emphasis on a host of new information warfare forces” instead of the “information superiority” and other approaches used in the U.S. In addition, **information-warfare** (search) reserve units in several Chinese cities are developing “pockets of excellence” that could eventually expand to form a corps of “network warriors” to defend China’s information and telecoms networks while uncovering weaknesses in those of other countries, the report says.

<sup>17</sup><http://www.house.gov/rohrbacher/sentstmny.html>, TESTIMONY OF CONGRESSMAN DANA ROHRBACHER, U.S. SENATE ARMED SERVICES COMMITTEE, OCTOBER 22, 1999; The Chinese People’s Liberation Army does have a defined military strategy for confronting the United States. It’s called “asymmetrical” or unrestricted warfare. An important new book called “Unrestricted War,” published by the People’s Liberation Army in 1999, is widely read and discussed by China’s military elite. **As the Washington Post reported, the authors of “Unrestricted War,” advocate that the tactics for a less developed country to attack and defeat a superpower should include terrorism, drug trafficking, computer hacking and financial warfare.** Among CITIC board members is Wang Jun, the chairman of the Poly Technologies corporation, which was indicted by U.S. Customs for attempting to ship thousands of weapons into California for use by street gangs.

<sup>18</sup> <http://www.sirc-esars.gc.ca/7001.html>, 29May00, **Chinese triads sought foothold in Vancouver port operations**; Fabian Dawson, Staff Reporter The Province: The **Vancouver Port Authority** ignored warnings about the Chinese business interests it was wooing in the 1990s -- allowing a number of questionable business connections to take root in the port, The Province has learned. In the mid-'90s, as

Is anyone on CFIUS or this Commission prepared to personally guarantee the security of this nation and Americans outside the Beltway for any losses monetarily or loss of life, because they have been so diligent in making sure this deal was not a threat to this nation? Or, is it a matter that such damage will not be on your watch?

Just over the past several weeks, admissions from the Administration on key matters about Iraq and the reasons we were told that war was necessary have surfaced. There are no WMD to be found and no definite link between Saddam Hussein and September 11<sup>th</sup> according to recent statements, but those Halliburton oil contracts keep adding up and the 52-week low on that stock was about 12 months ago.

A credibility issue is growing with regards to this administration, and looking the other way on possible felonious conduct within bankruptcy is adding to that credibility gap with a “*no action to suspend or prohibit*”. The harmed parties were the investors and creditors of Global Crossing. If such conduct did in fact occur, looking the other way is not appropriate.

We are absolutely sure that there are many angry American workers and investors watching this charade and ready to vote against this administration if someone does not wake up and put an end to the type of fraud that has put so many Americans into the poor house and out of work while the power brokers and influence peddlers dance on the financial graves of their victims. The removal of jobs from the U.S. to mainland China did not start last month, it started about five years ago and has accelerated as no one has done anything about it.

Of course, Washington, DC is not talking about the security lapse that allowed an FBI terrorist watch list person (two of them, Shukrijumah and Jdey) to cross over from Canada into the United States. Americans deserve security, not an illusion of it and that includes Global Crossing.

The White House found that out between September 5 and September 19 that there is an angry investing public that totally opposes this Global Crossing scam, yet failed to make judicial notice to Judge Gerber of what it knew. Preferring instead to

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courting efforts aimed at Chinese shipping giant Cosco went into overdrive, intelligence officials -- including local ports police -- sounded alarm bells about the conglomerate's questionable connections. The shipping line is intimately linked to the China International Trust and Investment Corp., a key fundraiser for the Chinese government and a technology-acquiring source for China's military. Cosco had chosen the only major port on the West Coast of North America without a dedicated police force. In one case, a man identified as Chan Chung Hiu the applied for a visitor visa at Canadian consulate in Hong Kong to come to Vancouver on Jan. 14, 1992. Chan said he was an advisor to a company that had concluded a deal with the B.C. government to take over operations at one of the docks. Background checks conducted found that Chan was a member of the notorious Sun Yee On triad and had served a four-year jail term for armed robbery in Hong Kong. U.S. Senate investigators and Canadian intelligence officials have described Cosco as the merchant marine of the Chinese military.

dump it back into the laps of this Commission to approve this charade and attempt to bury this matter without a full investigation.

This deal is a transfer of assets needlessly, it is a national security threat issue, and STT as an insider was selected to help keep the fraud from ever coming to justice and those responsible for being held accountable. Note that no U.S. firm has been allowed to conduct due diligence on Global Crossing, for there is fraud there to be found and an extensive effort has been made to cover it up. Based on what it knows, the White House apparently could not run the risk of a resounding “yes”, rather it offered only “*no action to suspend or prohibit*”. Maybe our Congress will finally look into the matter and this time, all of the way into the matter but few Americans will be holding their breath.

In all due respect to this Commission, the only word Global Crossing deserves is “no” and this matter sent back to the court for a full investigation for fraud and possible bankruptcy crimes and a look at higher and better offers. That is all their conduct has earned.

A RICO action is being prepared at this time against GX as well.

This Commission owes it to itself and to the American citizens’ right to security to remand this matter to the SDNY bankruptcy court until such time as the fraud that the White House knows about is fully investigated and these parties are even entitled to be Applicants before this Commission, rather than possibly being defendants in a bankruptcy crimes action in SDNY. At the very least, the Congress that was just notified of what appears to be an ambiguous “yes” should inquire on the matter of falsification of international LDDD, for if one telecom can do it others can too. It is merely a matter of programming technology to do it.

In closing, the White House confirmed that WCG is under investigation. The words were unmistakable as well as the “named targets” of the investigation we confirmed to the White House. On September 20, 2003, direct physical threats were made against key persons and one of the RICO plaintiffs against WCG as the date approaches for filing of that action.

The WCG defendants know who they are, we know who they are, and due to recent White House actions a cover up or ignoring of criminal acts seems to be the order of the day at the White House. It raises questions when some of those RICO defendants are major Texas names and the law might be applied to their friends and “no [known] action” is taken by the White House.

There are three apparent solutions to this charade:

First, send this matter back to the SDNY bankruptcy court for a full and complete investigation, absent interference from Global Crossing, Blackstone and certain creditors and remove management to achieve that objective. Removal of a subservient and “look the other way” board of directors will be a must to clean up Global Crossing. In all

candor, this approval process should be suspended immediately pending the outcome of matters in the SDNY bankruptcy court and the judicial part of this equation addresses the judicial issues at hand.

Second, demonstrate that the rule of law has meaning at this Commission. If SDNY finds what this Respondent and former GX engineers reported, measures should be taken against those that have participated in this charade, cover up and waste of valuable time and dollars in the private sector and in government. Others are and have been willing to pay more for these assets, dig to the bottom and clean up this matter once and for all. That is what many creditors and this debtor fear. The Court should provide the money and manpower necessary from the Debtor estate to resolve this matter right now. If the Court is not willing to do that, our offer of \$415,000,000 has adequate funds to get that done.

Third, there are creditors who deserve subordination or complete disallowance of claim rather than control of this low-ball charade and attempt to never be investigated for fraud. Send a clear message that the past and present fraud in Global Crossing will be addressed, it will be cleaned up and no party will be left unchallenged for their conduct. Putting this company back out into the market as a competitor and it having no moral compass whatsoever, would be akin to an act of malfeasance to other regulated carriers and a disservice to this Nation, consumers, and GX shareholders.

The shareholders do not have a good cause of action under the typical stock fraud type of case. They have a very solid RICO action and the adjudication of that case could well upend Wall Street and have far-reaching implications in DC, New York City and elsewhere.

The secured creditors have had since meetings in July and August to make a decision. They apparently favor the “no due diligence” approach and never being put under examination regarding Global Crossing.

This Commission should not presume for a second that this matter is close to being resolved. There are marked differences in the pleading requirements for stock fraud and civil RICO, the latter being that it has to be plead with specificity to avoid summary judgment prior to reaching the discovery phase. That threshold is much harder to come by and has taken much longer to assemble and secure facts regarding the conduct of certain parties.

Respectfully submitted,

Karl W. B. Schwarz  
Chairman, Chief Executive  
501-663-4959

Dated: September 22, 2003

**CERTIFICATE OF SERVICE**

I, Karl W. B. Schwarz, hereby certify that on this 22nd day of September 2003, I caused a true and correct copy of the foregoing Supplemental Response In Support of National Security Issues to be served on the following parties in the manner indicated:

Qualex International  
By E-mail: [qualexint@aol.com](mailto:qualexint@aol.com)

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## Attachment 1

### List of Senate-Confirmed Bu\$h Appointees Owning Enron Stock

Source: <http://www.j-marshall.com/talk/>

Wondering how many Bush administration (Senate-confirmed) appointees owned stock in Enron? Or how much they owned? Or what business relationships they had with the company? Well, hey, you came to the right place!

Now it's important to keep in mind that most of these folks listed below just owned stock in the company, which probably only means they got suckered and cleaned out by the company brass like a lot of other people.

But then if some of them cashed in their stock a few months ago (which next year's disclosures will tell us) based on inside information ... well, that would be another matter entirely.

Appointee: Kathleen B. Cooper Title: Undersec. for Economic Affairs Department: Commerce Relationship: Enron stock \$1,001-\$15,001

Appointee: Thomas C. Dorr Title: Under Sec. for Rural Development Department: USDA Relationship: (1) Enron stock \$1,001-\$15,001 (MG Dorr IFT), (2) Enron stock \$1,001-\$15,001 (Roth IRA)

Appointee: Emil H. Frankel Title: Asst. Sec. for Transportation Policy Department: Transportation Relationship: Enron stock \$1,001-\$15,000

Appointee: Eugene Hickok Jr. Title: Undersecretary Department: Education Relationship: (1) Spouse Katherine Hickok Rev. Trust: Enron stock \$15,001-\$50,000 value, \$5,001-\$15,000 dividends/capital gains; (2) Son Adam Eugene Hickok Trust: Enron stock \$15,000-\$50,000 value, \$5,001-\$15,000 dividends/capital gains; (3) Daughter Katherine C. Hickok Trust: Enron stock \$15,001-\$50,000 value, \$5,001-\$15,000 dividends/capital gains.

Appointee: Allen F. Johnson Title: Chief Agriculture Negotiator Department: US Trade Rep. Relationship: Enron stock \$1,001-\$15,000

Appointee: John H. Marburger Title: Director Department: Office of Science and Technology Relationship: Enron stock \$1,001-\$15,000 value, \$201-\$1,000 dividends

Appointee: Alice H. Martin Title: US Attorney, Northern District of Alabama Department: Justice Relationship: Enron stock \$1,001-\$15,000

Appointee: Sandra L. Pack Title: Asst. Secretary Department: Army Relationship: Enron stock less than \$1,001 value, \$5,001-\$15,000 capital gains.

Appointee: Robert Zoellick Title: US Trade Rep. Department: USTR Relationship: Enron stock \$15,001-\$50,000, Enron advisory fees \$50,000

Appointee: Hansford T. Johnson Title: Asst. Sec. Department: Navy Relationship: Enron stock \$1,001-\$15,000

Appointee: Donald H. Rumsfeld Title: Secretary Department: Defense Relationship: Enron stock \$1,001-\$15,000

Appointee: John E. Robson Title: Chairman/President Department: Export Import Bank Relationship: Enron stock \$1,001-\$15,000

Appointee: Thomas Scully Title: Administrator Department: HCFA Relationship: Enron stock \$15,001-\$50,000

Appointee: Martin J. Silverstein Title: Ambassador to Uruguay Department: State Relationship: Enron stock \$15,001-\$50,000

Appointee: William Winkenwerder Title: Asst. Sec. Department: Defense Relationship: Enron stock \$1,001-\$15,000

Appointee: Thomas E. White Title: Secretary of the Army Department: Defense Relationship: Former Vice-Chairman of Enron Energy Service; Enron Corp-common stock worth \$25,000,001-50,000,000 that paid over \$5,000,000 in dividends and capital gains; Enron Corp-stock options worth \$25,000,001-50,000,000 that paid \$100,001-1,000,000 in capital gains; Enron Corp Cash Balance Retirement Acct (Enron Stock will rollover into permissible property) worth \$100,001-250,000 that paid less than \$201 in dividends; Enron Corp-DLJ Private Equity Partners Fund II that paid \$5,516,131.08 in salary; Enron Employee Stock Ownership Plan, Defined Contribution Plan Managed by Enron worth \$1,000,001-5,000,000 that paid less than \$201 dividends; Enron Phantom Stock Award worth \$5,000,000-25,000,000 that paid less than \$201 dividends; Enron Retirement Account (Enron Stock) worth less than \$1,001 that paid less than \$201 dividends; Agreements: Pursuant to provisions of employment agreement and routine practice of Enron Corp, given \$1,000,000 in severance pay; The Phantom Stock Award in Enron (approximately 240,000 shares) were accelerated and paid out when he left Enron

Appointee: Mark Weinberger Title: Assistant Secretary (Tax Policy) Department: Treasury Relationship: Enron stock \$1,001-\$15,000 value, \$201-1,000 dividends

Appointee: Vicky A. Bailey Title: Assistant Secretary, International Affairs & Domestic Policy Department: State Relationship: Enron stock \$1,001-\$15,000

Appointee: Alexander Vershbow Title: Ambassador to Russia Department: State Relationship: Enron stock \$50,001-\$100,000 value, \$201-1,000 dividends

Appointee: Marcelle M. Wahba Title: Ambassador to the UAE Department: State Relationship: Enron stock \$1,001-\$15,000

Appointee: Steven M. Colloton Title: US Attorney (S.D. Iowa) Department: Justice Relationship: Enron stock \$1,001-\$15,000

Appointee: Richard J. Egan Title: Ambassador to Ireland Department: State Relationship: Enron Partial Sale Value: \$250,000-500,000 Dividends: \$5,001-15,000 Capital Gains: \$100,001-1,000,000

Enron Corporation (SOLD) Value: Less than \$1,001 Dividends: \$201-1,000

Egan's spouse: The following is owned through his wife's Lawhill Capital fund for the year 2000:

Enron Gas & Oil 15,679 US G/L

Enron Corp. Lost 12,429 US G/L

Appointee: Donald W. Washington Title: US Attorney (W.D. Louisiana) Department: Justice Relationship: Enron stock \$1,001-\$15,000

Appointee: John Prince Title: Ambassador to Mauritius, Comoros, Seychelles Department: State Relationship: Enron stock through four direct/indirect sources: (1) less than \$1,000; (2) \$15,001-\$50,000; (3) \$1,001-\$15,000; (4) \$15,001-\$50,000.

Appointee: William Schubert Title: Administrator, Maritime Administration Department: Transportation Relationship: Project Consulting Services for Enron, paid over \$5,000

Appointee: Bruce Carnes Title: CFO Department: US Dept of Energy Relationship: Enron Stock \$1,000 - \$15,000

Appointee: John S. Wolf Title: Assistant Secretary for Nonproliferation Department: Dept of State Relationship: Enron Stock \$50,000 - \$100,000

Appointee: Linnet Deily Title: Deputy Department: Office of the Trade Representative Relationship: Enron Stock \$15,000 - \$50,000

Appointee: Nils J. Diaz Title: Commissioner Department: US Nuclear Regulatory Commission Relationship: Enron Stock \$1,000 - \$15,000

Appointee: George L. Argyros Title: Ambassador Extraordinary and Plenipotentiary of the United States of America to Spain and Andorra Department: State Relationship: Enron Stock \$100,000 - \$250,000; \$1,000 - \$15,000

Appointee: Charlotte L. Beers (Beadleston - married name) Title: Under Secretary of State for Public Diplomacy Department: State Relationship: Enron Stock \$100,000 - \$250,000

Appointee: Stephen F. Brauer Title: Ambassador Extraordinary and Plenipotentiary of the United States of America to Belgium Department: State Relationship: Enron Common Stock \$50,000 - \$100,000

Maybe reporters covering the relevant departments should ask some questions.

## ATTACHMENT 2

<http://www.hartford-hwp.com/archives/36/045.html>

### **British Colonialism and the US military base in the Indian Ocean From the LALIT Movement of Mauritius, 31 October 1997**

Dear peoples,

Please find enclosed an open letter that the LALIT movement of Mauritius has sent to Tony Blair on a very important issue concerning British Colonialism and the campaign against the US military Base of Diego Garcia in the Indian Ocean.

This letter was written in the context of the retrocession of Hong Kong.

Your support in this campaign will be most welcome.

For any further information, please email us.

Ashok Subron  
for LALIT, Mauritius

LALIT  
153 Main Road, Grand River North West, Port Louis,  
Republic of Mauritius  
Tel/Fax: 230-208-2132  
email: lalmel@bow.intnet.mu

Mr. Tony Blair,  
Prime Minister  
10 Downing Street, London.  
(via British High Commissioner,  
Floreal, Mauritius.)

1st July, 1997.

Dear Sir,

We choose today to address you this open letter demanding the return of Diego Garcia and the whole of the Chagos Archipelago to the Republic of Mauritius because it is the very day of the return of Hong Kong to the Republic of China. It is a day when people are obliged to remember the cruelties of colonization and to think of making repair.

#### **65 Mauritian Islands still colonized**

British colonization still persists, even after the end of colonization in Hong Kong. As you know, Britain still occupies the British Indian Ocean Territories (BIOT). This colony, consisting of 65 islands, was dismembered from Mauritius, as part of an illegal condition for Independence, and the BIOT was set up as a brand new colony as late as 1968. All the islands concerned were cruelly "depopulated" by the British State, an act

described in an editorial in the Washington Post of 11th September, 1975 as "This act of mass kidnapping". Until today, the British Government rents the BIOT to the United States Armed Forces. They, in turn, use Diego Garcia not as a "communications station" as the British government at the time officially pretended they would, but as a huge, full-scale military base, literally bristling with nuclear installations. Thus, the beautiful coral island, described by an Englishman shipwrecked on it in 1786 as "one of the wonderful phenomena of the globe" is now an Anglo-American military enterprise.

### **Britain's admission that Chagos is indeed Mauritian**

The last Conservative Government re-iterated Britain's admission that the colony ought eventually to be returned to Mauritius. We quote from Mr. Howell, former British High Commissioner to Mauritius, who in a letter to the Mauritian former Prime Minister in July 1992, admitted: "The British Government has always acknowledged that Mauritius has a legitimate interest in the future of these islands and recognizes the Government of the Republic of Mauritius as the only State which has a right to assert a claim to sovereignty when the United Kingdom relinquishes its own sovereignty. The British Government has therefore given an undertaking to the Government of the Republic of Mauritius that, when the islands are no longer needed for the defense purposes of the United Kingdom and the United States, they will be ceded to Mauritius." We think it is high time now.

### **Labour responsible**

With the advent of a new Labour Government, under your leadership, we think that it would be in keeping with general anti-colonial sentiments and commitments of the Labour Party that the Labour Party at once begin a process of the return of this territory to Mauritius.

This would be particularly apt, as it was actually under a Labour Government, that of Mr. Harold Wilson, that, in 1965, the Chagos Archipelago was "excised" by an Order in Her Majesty's Council. It was under a Labour Government that the shameful transfer of 3 million pounds was paid for the "resettling" of the people of the excised islands, the Ilois people. It was also under a Labour Government that as from 1970, the Ilois were forcibly removed from their homes. Ilois families by the hundred were tricked, then cajoled, and then removed forcibly from the islands, the last resisters brought over in slave-like conditions onboard the "Nordvaer", imprisoned temporarily in Seychelles, which was also a British Colony, and then, had it not been for a demonstration onboard, they, too, would have been literally "dumped" in the slums of Port Louis to fend for themselves as Ilois preceding them had been. It was under a Labour Government that all this took place. This means that there would be a kind of "poetic justice" in a Labour Government being the government that starts procedures for the just retrocession of the Chagos to Mauritius, for the restoring of sovereignty to Mauritius, thus ending another bit of shameful colonial history.

### **Labour in Mauritius also responsible**

By strange co-incidence, the Labour Party of Mauritius finds itself in power in Mauritius for the first time (outside alliances) since 1982; and it was indeed the Mauritian Labour Party which in 1965 in the pre-Independence "Government" went into the illegal "deal" for the detachment of the 65 islands. This kind of deal is specifically outlawed by

international law, because a colony (or any pre-Independence government) is not a separate entity yet, and is therefore unable to enter into any type of contract or treaty. In fact, what this kind of "deal" amounts to is the British state making a deal with a part of itself, its pre-independence Mauritian Cabinet. The Labour Party of Mauritius knows that the deal was illegal, and knew full well at the time, as well. Those on both sides of the illicit agreement are thus in power at the moment and are thus in a position to make historic amends.

### **Secret Documents published recently**

At the very same time as your new government has been elected, there have been certain key British documents until now classified as "defense secrets" (file number FO 371/184523) which have recently been de-classified and made public in a series of press articles in Week End in Mauritius. These documents reveal the 1964 Anglo-American survey, the United States insistence on getting "the whole Chagos Archipelago", and revealed the "price" in terms not only of the so-called "3 million pounds compensation", but also in terms of a quota of sugar being allowed into the US market!

The then Colonial Secretary, Anthony Greenwood, was quite rightly concerned: "We may have a rough time at the United Nations but we are prepared for that", he wrote. These "new" documents were not available at the time of the Congressional hearing in the USA on the question of Diego Garcia, and their availability means that we can press for the US Congress to take the matter up again.

### **UN, OAU and Non-Aligned support for retrocession**

UN Resolution number 1514 is quite unambiguous in referring to the inalienable right of colonial peoples to Independence. In addition, there have been a number of bold United Nations Resolutions about the illegality of Anglo-American occupation of the Chagos and the necessity for the retrocession of the Archipelago, including Diego Garcia, for example Resolution 2066 (XX) of 1965, which the UK government naturally did not sign, instructing Britain "to take no action which would dismember the Territory of Mauritius and (not) to violate its territorial integrity". The 1971 Indian Ocean Zone of Peace resolution, has also continued to be violated.

Britain also clearly violated Article 9 of the Universal Declaration of Human Rights of 1948 at the time, as : "No-one should be subjected to...exile". At the Organization for African Unity there have also been quite unequivocal resolutions. Until today they stand.

The retrocession of Chagos has also been an on-going demand of the Non-Aligned Movement (1970, 1971, 1972, 1973, 1974, 1977, 1979, 1980 and until today). Battles here in Mauritius for retrocession and demilitarization Over the years in Mauritius there have been ongoing protests, petitions, demonstrations, hunger strikes, processions, and street riots for the who is in prison in London, after having been tried in a BIOT court on Diego Garcia. He was working as a contract worker at the US base, and got into a fight with someone. Instead of being tried in Mauritius, he was tried by BIOT, and sent to prison in London.

## **Conclusion**

We remind you that in keeping with the fact that the "excision" of 1965 was null and void because of being contrary to UN General Assembly resolutions 1514 (XXV) and 2066, the Constitution of Mauritius reads as follows: (Sec. 111): "Mauritius includes - ( a) the islands of Mauritius, Rodrigues, Agalega, Tromelin, Cargados Carajos and the Chagos Archipelago, including Diego Garcia and any other island comprised in the State of Mauritius".

We, in LALIT, intend to help to build up an international movement for the demilitarization of the Chagos Archipelago, and for the end to this last bit of British colonization in the Indian Ocean. We hope that your Labour Party Government will contribute to this ongoing movement for progress, and make a clean break with the politics of previous British regimes.

Yours sincerely,

Alain Ah-Vee  
for LALIT

### ATTACHMENT 3

<http://www.commondreams.org/headlines/110400-01.htm>

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#### **Britain Illegally Expelled Chagos Islanders for U.S. Base, Court Rules by Marjorie Miller**

LONDON - The British government illegally expelled nearly 2,000 inhabitants of the Chagos islands in the Indian Ocean at the height of the Cold War to make way for a strategic U.S. military base on Diego Garcia, the High Court ruled here Friday.

The judges overturned a 1971 immigration order banning the Ilois islanders from their native lands and decided that the exiles--now numbering about 4,500 with descendants, according to their attorneys, and living in Mauritius and the Seychelles--have a right to return to the 65-island archipelago.

"For us, it is a historical day to win this fight. It seems like David and Goliath," said Olivier Bancoult, chairman of the Chagos Refugee Group in Mauritius, who was exiled in 1968 at the age of 4. "We all think about returning, and we want compensation for all we have been suffering."

The British government said it will not appeal the decision and will complete an ongoing feasibility study on resettling the exiles.

The U.S. government is not party to the suit. In Washington, the Pentagon reacted warily to the ruling.

"The United States does have a strategic interest on Diego Garcia," said a Defense Department official who asked not to be named because of the sensitivity of the case. "But this is a matter between the British authorities and the individuals who brought the case. We have no comment on the merits of the case."

The official added, however, that Diego Garcia "has played a primary role in the support of naval and Air Force units operating in the Indian Ocean and the Persian Gulf."

U.S. units responding to Middle East crises have used the base to refuel. The Air Force and Marine Corps store heavy equipment on Diego Garcia for use in the event of a Middle East emergency. U.S. warplanes based on the island flew missions during the 1991 Persian Gulf War.

"It's one of the two or three single most important U.S. military bases in the world," said Michael O'Hanlon, a defense policy expert at the Brookings Institution, a Washington think tank.

Bancoult's attorney, Richard Gifford, said the U.S. government filed a statement during the hearing opposing the islanders' return to the archipelago on the grounds that it would be a "threat to national security," despite a distance of more than 130 miles between the air base and the nearest island.

The case of the exiled islanders is seen by many here as a sad chapter of Britain's colonial past and Cold War history. It has been an embarrassment for British Foreign Secretary Robin Cook, who expressed outrage at the eviction as a young member of Parliament when the story first came to light in 1975--then had to send attorneys to defend the action in the High Court hearing in July.

The Foreign Office said after the decision that "the government has not defended what was done or said 30 years ago" and, as the court recognized, "made no attempt to conceal the gravity of what happened."

The Chagos islands were separated from Mauritius in 1965 and became a new colony called the British Indian Ocean Territory. The deal with then-Labor Prime Minister Harold Wilson led to Mauritius' independence three years later.

About 1,500 miles south of India, in a region of interest to China and the Soviet Union, the territory was leased in 1966 to the United States for use as an air and naval base for 50 years.

The U.S. government reportedly gave Britain a multimillion-dollar discount on its U.S.-made Polaris nuclear weapons system as payment for use of the islands. A memo from Foreign Secretary Michael Stewart to Wilson in 1969 admitted that the U.S. payment for use of the islands was kept secret from Parliament and the U.S. Congress.

But the United States wanted a land without people, and the islands were depopulated by stealth between 1967 and 1973, according to information revealed in a U.S. congressional investigation in 1975 and in Foreign Office documents declassified after 30 years and introduced in the case.

Although some of the islanders--descendants of African and Indian plantation workers--had lived there for generations, Britain asserted that they were temporary migrants and therefore could be removed without concern for their rights.

Paul Gore-Booth, a senior Foreign Office official in 1966, wrote to a diplomat, "We must surely be very tough about this. The object of the exercise is to get some rocks which will remain ours. . . . There will be no indigenous population except sea gulls. . . ."

Residents who left the island for any reason were prevented from returning. The remaining inhabitants eventually were evicted to Mauritius and the Seychelles, where they failed to adjust to city life. Most remained on the fringes of society, poor and uneducated.

Bancoult recounted how his 11-member family went to Mauritius in 1968 so that his ill sister could see a doctor.

After she died, the family tried to return home, "but we were told the land had been given to the Americans for a U.S. military base."

He recalled wanting to take to Mauritius a drum that his grandfather had given him but was told to leave it behind. "We couldn't carry all of our belongings, and we were thinking we would go back," he said.

An electrician with three children of his own now, Bancoult said he hopes he will be allowed to go home "and put flowers on my grandparents' graves."

In the decision, Lord Justice John Laws told the court that banishing the islanders had been an "abject legal failure" by the British government. The court said the government had used excessive zeal in removing the population, even when judged by the standards of the colonial times.

Gifford, Bancoult's attorney, said he was uncertain how the government ultimately would comply with the court ruling, whether the exiles would be allowed to return to their native islands or be relocated on the islands farthest from Diego Garcia, or whether they ultimately would be asked to remain abroad and receive compensation.

"We are ready to negotiate," Gifford said.

O'Hanlon, the U.S. defense expert, said the impact of the decision will depend on whether returning islanders are allowed to live anywhere they wish. He said it appears possible that restrictions could be applied to residents to prevent them from interfering with operations at the military base.

In the absence of such restrictions, O'Hanlon said, the ruling could limit future military operations at Diego Garcia.

"It could be a major hindrance," he said.

*Times staff writer Norman Kempster in Washington contributed to this report.*

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