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Inside Track

Feds Prosecuted U.S. Border Agent for Mexico

The Obama administration improperly prosecuted U.S. Border Patrol agent Jesus Diaz, Jr. at the behest of the Mexican government, according to critics who cite U.S. and Mexican government documents.

Agent Diaz was charged with mistreating a then-16-year-old illegal-immigrant drug smuggler apprehended at the border. In an effort to locate hidden contraband, Diaz allegedly pulled on the suspect's handcuffs, prompting the Mexican consulate to complain that excessive force was used.

Two oversight agencies eventually cleared Diaz of wrongdoing. But the Border Patrol's office of Internal Affairs — about a year after the incident — decided to proceed with the case anyway. It was handed off to U.S. Attorney Johnny Sutton, who was in the spotlight several years ago for pursuing border agents Ignacio Ramos and José Compean in a wildly unpopular prosecution.

Diaz was eventually charged with several other violations — five counts of lying to Internal Affairs investigators. The drug smuggler was given immunity to testify in the case, and it proceeded to trial. After a mistrial, Diaz was tried again. He was finally convicted earlier this year and could face 10 years or more in prison.

Liberty News Network (LNN) national correspondent Andy Ramirez, also the president of the Law Enforcement Officers Advocates Council, conducted an exclusive interview (available online) with the jailed agent's wife, Diana. She was obviously devastated.

"He is an outstanding father" of his six children and "a great husband," Diana, also a Border Patrol agent, told LNN. "Now they won't have a father for ten years … all because their dad did his job." Diaz already missed the birth of his youngest child.

Diana is still hoping the government will let her husband out on bond until sentencing. But she's also worried about his fate in jail, especially since former law-enforcement officers are known to be targeted by other inmates. "I hope somebody out there sees the travesty that happened to my family and they reach out to help us because it's very hard," she told Ramirez, noting that there had not been much interest in the case yet.

But critics of the prosecution, including Ramirez, have drawn a parallel between Diaz' case and the now-infamous "witch-hunt" of agents Ramos and Compean. They were eventually freed by the Bush administration after a massive public outcry.

Ramirez hopes this case can be resolved favorably as well. "What we have here — as my sources have told me — is clearly a case of the Mexican government starting problems" because they don't like the Border Patrol, he said. "This case is a disgrace."

George Soros: U.S. Dollar Is No Longer the Reserve Currency

AP Images

The "Bretton Woods II" conference that was held April 8-11 at the Mount Washington hotel in Bretton Woods, New Hampshire, was long in the making. Back in 2009, conference organizer George Soros opined that "a new Bretton Woods conference, like the one that established the international financial architecture after World War II, is needed to establish new international rules" and to "reform the currency system." "The postwar order, which made the U.S. more equal than others, produced dangerous imbalances," Soros warned. "The dollar no longer enjoys the trust and confidence that it once did."

But unlike the original Bretton Woods conference, Soros envisioned Bretton Woods II as accomplishing more than merely working on "international financial architecture." No, building a new world order requires a broader agenda than that. Said Soros in 2009: "Reorganizing the world order will need to extend beyond the financial system and involve the United Nations, especially Security Council membership. That process needs to be initiated by the U.S., but China and other developing countries ought to participate as equals. They are reluctant members of Bretton Woods institutions, dominated by countries no longer dominant economically. The rising powers must be present at the creation of this new system to ensure that they will be active supporters."

What Soros' "Bretton Woods II" creation actually accomplished for the globalists in their decades-long pursuit of world order is hard to say. The conference was a strictly private affair and most assuredly the publicly available information does not reflect all that was discussed or agreed upon.

In an interview with Bloomberg News during Bretton Woods II, Soros said, "The big question is whether the U.S. dollar should be the reserve currency. It no longer is[;] it shares that role with the euro, other currencies and commodities." Projecting the lines, it is not hard to imagine the powers that be putting more into promoting an international currency to replace the dollar and providing the emerging new world order with the means to create the international currency out of thin air.

Standard & Poor's: Clock Is Ticking on U.S. Debt

The credit-rating agency Standard & Poor's announced on April 18 that "we have revised our outlook on the long-term rating [for U.S. government debt] to negative from stable." The Dow Jones Industrial Average dropped 200 points on the news.

The agency tried to soften the blow by observing in its announcement: "The economy of the U.S. is flexible and highly-diversified, the country's effective monetary policies have supported output growth while containing inflationary pressures, and a consistent global preference for the U.S. dollar over other currencies gives the country unique external liquidity."

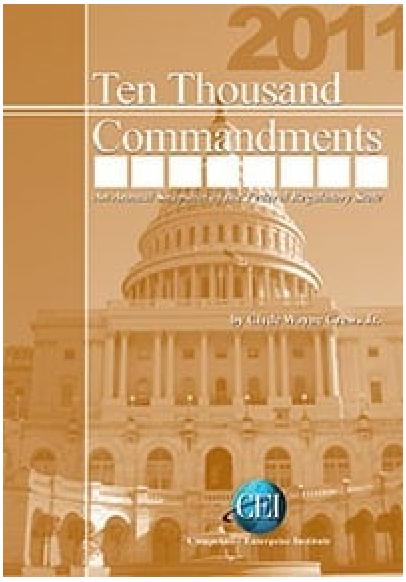
Nevertheless, the fact still remained: "Because the U.S. has … what we consider to be very large budget deficits and rising … indebtedness, and the path to addressing these is not clear to us, we have revised our outlook." Moreover: "We believe there is a material risk that U.S. policymakers might not reach an agreement on how to address medium- and long-term budgetary challenges by 2013; if an agreement is not reached … this would … render the U.S. fiscal profile meaningfully weaker than [its peers]."

In simple terms, the credit agency is giving Washington two years to get its act together or it will lose its cherished AAA rating and its continued ability to borrow at historically low rates. And what that means is that interest on the escalating national debt will bury Washington in an avalanche of debt service costs, causing the entire budget to spiral out of control.

Standard and Poor's has fired a shot across the bow of our ship of state signaling that the debt bomb is ticking. Yet, even the Ryan budget proposal — the House-passed Republican alternative to the Obama budget that would supposedly slash government spending — proposes a $1 trillion deficit in fiscal 2012, as well as annual deficits in the many hundreds of billions of dollars every year through 2021. The plan is only "conservative" compared to the even more profligate Obama budget. (For more information about the GOP alternative, see page 44.)

Obviously, as long as the deficit spending continues, the total national debt will continue to grow. But the cost of servicing that debt could grow even faster than the national debt itself, as bondholders, growing increasingly nervous about the government's deteriorating financial situation, refuse to allow the purchasing power of their holdings to be frittered away through inflation and move aggressively to offset such risks by charging significantly higher risk premiums (interest rates).

CEI Targets Regulations in Annual Report



On April 18, the Competitive Enterprise Institute released a report entitled *Ten Thousand Commandments: An Annual Snapshot of the Federal Regulatory State*. The report, compiled by Wayne Crews, finds that the cost of complying with federal regulations surpasses the amount of the federal budget deficit — despite the fact that U.S. deficit spending has been exploding.

"An evaluation of the U.S. federal regulatory enterprise by economists Nicole V. Crain and W. Mark Crain finds annual regulatory compliance costs hit $1.752 trillion in 2008," the report says. This gargantuan amount was more than double the U.S. government's $459 billion deficit in 2008. "However," the report notes, "the deficit spending surge to more than $1 trillion since 2009 has catapulted the deficit to a level approaching the costs of regulation."

Other findings in the CEI report include:

• "Given 2010's actual government spending or outlays of $3.456 trillion, the regulatory 'hidden tax' stands at an unprecedented 50.7 percent of the level of federal spending itself."

• "Regulatory costs exceed all 2008 corporate pretax profits of $1.463 trillion."

• "Regulatory costs dwarf corporate income taxes of $157 billion."

• "Regulatory costs tower over the estimated 2010 individual income taxes of $936 billion by 87 percent — nearly double the level."

• "Regulatory costs of $1.752 trillion absorb 11.9 percent of the U.S. gross domestic product (GDP), estimated at $14.649 trillion in 2010."

• "Combining regulatory costs with federal FY 2010 outlays of $3.456 trillion reveals a federal government whose share of the entire economy now reaches 35.5 percent."

• "The 2010 *Federal Register* [of federal regulations] stands at an all-time record-high 81,405 pages."

Crews explains of the report, "Trillion-dollar deficits and regulatory costs approaching $2 trillion annually are both unsettling new developments for America. Every year, the federal government blows past previous deficit, debt, and regulatory burdens with no end in sight. No wonder Americans are fed up with Washington."

While the report makes a number of points, including that regulations are guilty of a number of off-budget costs allowing for federal spending deceit, it concludes overall that true regulatory reform mandates more congressional control over regulations: "Whatever improvements in disclosure might be made, congressional — rather than agency — approval of both regulations and regulatory costs should be the goal of regulatory reform. When Congress ensures transparency and disclosure and finally assumes responsibility for the growth of the regulatory state, it will have put in place a system far more accountable to voters."