

Legislator wants regulation of exchange houses

AUSTIN (AP) — A Texas legislator has proposed regulations that would require state licensing for the hundreds of currency exchange houses dotting the Mexican border, where authorities estimate hundreds of thousands of dollars in illegal drug profits are laundered.

The exchange houses, known as casas de cambio, offer many of the same services as banks, but at cheaper rates. Customers use them to trade foreign currency, cash checks and buy money orders.

The exchange houses are unregulated

by state or federal government. And law enforcement officials say that has made them a major channel for moving drug profits in and out of the country.

"We don't think every casa de cambio operator is a crook," Don Morris, a criminal investigator for the Internal Revenue Service in Laredo, told the Austin American-Statesman. "But based on the volume of money that they move, it's easy to assume a portion of that money is drug money."

To help authorities crack down on the

illegal drug trade, state Rep. Henry Cuellar, D-Laredo, has proposed legislation that would regulate the exchange houses.

Under Cuellar's bill, the state comptroller's office would issue licenses annually to the currency exchanges. Money raised through licensing fees would pay for

investigators to monitor the industry. The arrangement would be similar to the Texas Alcoholic Beverage Commission's regulatory role over the liquor industry.

Cuellar's bill also would prohibit felons from obtaining a license.

Morris said he estimates that Texas border exchange houses account for billions of dollars in legitimate and illegal cash transactions a year.

Although the exchanges have existed for decades, drug traffickers began to use them more in the 1980s to conceal illegal

drug profits, Morris said. And increased law enforcement in Florida has forced many drug dealers to shift their operations to the Texas-Mexico border, he said.

"This is all about the war on drugs," Morris said of the proposed legislation.

"There's a saying that if you follow the mules, you'll get the drugs," Morris said, referring to drug couriers. "But if you follow the money, you'll get the bosses. We want the bosses."

Some exchange house operators say they don't oppose regulation.



U.S. Customs office investigates dealers' arms sales with Iraq

DALLAS (AP) — A Chilean arms dealer who authorities claim has close links to Saddam Hussein is the target of a federal investigation that centers on North Texas, officers said.

Carlos Cardoen, who operates one of Chile's largest private weapons manufacturers and furnished Iraq with cluster bombs during its war with Iran, is the focus of a U.S. Customs Service investigation, authorities said Saturday.

Customs officials told The Dallas Morning News they are investigating whether the 49-year-old arms merchant modified a commercial helicopter and brought it to Fort Worth for testing, with plans to sell it to the Iraqi president's regime.

Agents say the helicopter had been reconfigured in Chile so that it could be transformed into a gunship. They said the modification was part of a plan to construct a low-cost alternative to U.S.-built military attack helicopters.

The government said the U.S.

educated Cardoen is also a prime target of a customs service probe in South Florida into possible shipments of munitions, lethal chemicals and military technology to Iraq.

After Iraqi troops invaded Kuwait on Aug. 2, the United Nations imposed an arms embargo against Saddam's war effort.

Through his attorney, Cardoen has denied any impropriety. He has not been charged with any crime.

Authorities said the Texas investigation centers on a modified 206L-III LongRanger commercial helicopter originally built by Fort Worth-based Bell Helicopter Textron Inc.

Bell has no direct involvement in the modification project, officials said.

"That helicopter is of interest to us," said Wayne Frandsen, assistant special agent in charge of the customs service's Dallas office. "We have an ongoing inquiry into it and the individual responsible for bringing it into the country."

May 4 vote disfavored by politicians

City council members, mayor appeal court-ordered election

DALLAS (AP) — Six Dallas City Council members, including the mayor, say they will appeal a court-order demanding the city hold a May 4 election under the so-called "14-1" district voting plan.

Mayor Annette Strauss has been joined by Mayor Pro Tem John Evans, council members Glenn Box, Harriet Miers, Jerry Bartos and Max Wells in the support of an appeal. The Dallas Morning News reported Sunday.

On Friday, U.S. District Judge Jerry Buchmeyer ordered the city to hold a 14-1 election in May to elect a new council.

Under that plan, 14 single-member districts will replace the city's current 8-3 system. Currently, Dallas voters elect eight district representatives and three candidates,

including the mayor, at large.

A closed-door council meeting will be held Monday to discuss the redistricting case with city attorneys.

Buchmeyer's ruling comes nearly a year after he struck down the city's 8-3 system, saying it weakens minority voting power.

The case before Buchmeyer stems from a voting rights lawsuit filed by a Hispanic group and two unsuccessful council candidates, Marvin Crenshaw and Roy Williams, who are black.

Both Crenshaw and Williams say an appeal would be a "racist" and "arrogant" try to prolong the controversy.

"The City Council could have resolved this issue some time ago if

they were as adamant about healing the wounds in this in this city as they are in keeping them open," Crenshaw said.

In 1989, voters approved the 10-4-1 system, where 10 members would be elected from districts, four from quadrants and the mayor chosen at large. However, the U.S. Department of Justice system never approved the system.

Four other council members oppose an appeal. They are Deputy Mayor Pro Tem Diane Ragsdale, Al Lipscomb, Jim Buerger and Lori Palmer.

One council member, John Tandy, has not disclosed his stance on the 14-1 appeal.

72-year-old woman shoots intruder

HOUSTON (AP) — A 72-year-old Sunday school teacher shot and killed a state prison parolee who had broken into her brother's home and was fighting with the ailing elderly man, authorities said.

Inez Harris McGrew emptied her .38-caliber pistol, the first fire-

arm she ever owned, at the intruder as he lunged toward her in the living room of her brother's northeast Houston home, the woman said.

The incident took place about 5:20 a.m. Saturday.

Maurice Howard, 34, paroled in September after serving time for

forgery and drug-related convictions, was pronounced dead at the scene, authorities said.

McGrew was asleep on a sofa in the home of her brother, Charles McGee, 64, when Howard began breaking in, police said.

Voters kick football out of school district plan

BROCK (AP) — Brock voters have rejected football as an after-school activity for their 390-member student body.

About 50 percent of registered voters turned out Saturday to veto the plan 295 to 194.

If the proposal had won, a football program would have begun in junior high next fall, followed by a high school program in 1993 or 1994.

The school board recently turned down plans for football in a 5-2 vote. But board members agreed to allow voters to decide.

Brock's football dilemma has been around ever since the town created an independent school district 20 years ago.

However, basketball is a going concern. Between 25 and 28 students try out for the high school basketball team, which has made the District 21-A playoffs each of the last four years.

Brock is about 65 miles west of Dallas.

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