

Otto Reich's Dirty Laundry

By Alec Dubro, FPIF Media Officer

Certainly the Bush team knew that nominating Otto Juan Reich for assistant secretary of state for hemisphere affairs would be trouble. After all, the aggressively rightwing Cuban American had been a key player in the Iran-contra scandal by heading the notorious Office of Public Diplomacy (OPD) in the State Department. There he manufactured op-eds that were passed off to the U.S. media under the name of Nicaraguan rebel leaders as he berated editors and journalists he deemed too soft on the Sandinistas or too tough on the Reagan administration.

In recent years, Reich has also associated himself with some of America's least favorite industries: liquor, tobacco, and armaments. He's a lobbyist for Bacardi, British American Tobacco, and Lockheed Martin. He's also remained in the propaganda business. From the U.S. Cuba Business Council and other organizational springboards, Reich broadcasts the exile line, denouncing baseball exchanges, and the return of Elian Gonzalez and trade delegations to Havana.

Almost as soon as Reich's name was floated, the reaction set in. Liberal groups with a memory of Iran-contra mobilized to stop the nomination, claiming that Reich had only one current interest in the hemisphere and that is the return to Cuba of capitalism.

But even mainstream newspapers, such as the *San Antonio Express-News* declared their dismay: "Like a disturbing dream from a not-so-distant past, he floats up out of a time when Ollie North was running guns to the Nicaraguan Contras and Robert McFarlane was bearing a key, a cake, and a Bible to stiff-necked Iranian ayatollahs."

A very bad man for the top slot in Latin America policy.

WRAP Star

But a new wrinkle has arisen in Otto Reich's suspect resume. He is the vice-chairman of Worldwide Responsible Apparel Production or WRAP, a clothing industry front founded in June 2000 to undermine the growing anti-sweatshop movement. Reich joined WRAP at its inception, associating himself with an operation that connects some of the unsavory elements of the cold war with a new, PR-driven approach to sustaining non-union sweatshop production.

WRAP purports to be a global network that monitors labor conditions in garment factories around the world. WRAP is the creation of the American Apparel and Footwear Association. According to International Apparel Federation Conference (AAFA) Chairman William Compton, "The best way to achieve this goal [better working conditions in factories] is through our commitment to a comprehensive and independent factory certification program like WRAP."

However, WRAP is widely viewed by anti-sweatshop groups as little more than a distracting public relations effort—neither comprehensive nor independent. According to Terry Collingsworth, attorney with the Washington-based International Labor Rights Fund, a major force behind child labor and sweatshop monitoring, WRAP was "set up as an industry-dominated project to avoid outside, legitimate monitoring. In short, it's a dodge, and is so regarded by everyone except the industry."

According to a garment union official, WRAP does not represent the entire industry; its membership comprises largely low-cost U.S. manufacturers with overseas manufacturing operations—including such industry giants St. Louis-based Kellwood; Sara Lee (the Chicago-

based owner of Hanes, Leggs, and other clothing brands); and VF (formerly Vanity Fair, a North Carolina-headquartered multinational giant).

An April 2000 report by the Canada-based Maquila Solidarity Network notes that the WRAP program has a number of glaring deficiencies:

Its board is dominated by industry representatives.

It has no provision for public disclosure of any problems found in factories, or even where the factories are located.

Its labor code is similar to anti-union right-to-work legislation in some U.S. states.

It only encourages manufacturers to apply self-imposed “environmentally conscious” practices.

In short, says the Network, “If WRAP certification becomes widespread, the possible appearance of [its] sweat-free labels on clothing could undermine any attempts to get other, more stringent standards adopted.”

Cold Warriors

Exactly why Otto Reich is serving as WRAP’s vice-chairman isn’t too clear. He has no background in either the apparel industry or in promoting worker rights. What he does have, however, is a connection to WRAP’s peculiar leadership.

WRAP’s chairman, Joaquin “Jack” Otero, former AFL-CIO Executive Council member, was a leading light in the 1990 Labor Committee for a Free Cuba, which received U.S. gov-

ernment funding through the AFL’s American Institute for Free Labor Development, or AIFLD. This was one of the AFL-CIO’s cold war overseas institutes, set up to fight communism by fighting communist-influenced unions around the world. AIFLD was a U.S.-government funded institute—mostly through USAID—with close connections to the CIA, and during the 1980s and 1990s counted on funds from the National Endowment for Democracy.

AIFLD was headed by William Doherty, Jr.; his son, Lawrence, who also worked for AIFLD, is now the executive director of WRAP. Lawrence describes himself as a former “labor guy” although what labor work he did other than run AIFLD programs in Latin America is unknown.

According to a statement by the International Labor Rights Fund’s Collingsworth:

“[William, Jr.] Doherty oversaw AIFLD’s operations and was best known for finding allies in the countries of the Americas and providing them with funds to create and sustain national trade union organizations aligned with the respective country’s right wing political party. The long lasting effect of Doherty’s reign at AIFLD was to force the labor movement in most countries of the Americas to divide along ideological lines, siding either with the leftist parties or the right wing union created and sustained by AIFLD... To this day, the effects of this divisiveness are still apparent. Another Doherty legacy is that he placed many of his children and in-laws in positions at the

various AFL-CIO institutes, and some of them remain there today.”

AIFLD has been disbanded by current AFL-CIO leadership, largely for its compromised cold war mission. Otero, for instance, was identified by former CIA agent Philip Agee as a former CIA operative. And the Doherty family is also linked to the Agency. William Doherty Sr., grandfather of WRAP director Lawrence, was an early labor leader, associated with the CIA in the late 1940s. And Bill worked together with the CIA in Latin America. As, of course, did Otto Reich in the Office of Public Diplomacy.

But what can a professional anti-communist do these days other than denounce Cuba? Apparently, there’s pro-sweatshop work, where the three adventurers now find themselves. If there’s any more precise explanation for Reich in the rag trade, he’s keeping it to himself. Actually he’s keeping everything to himself these days; he’s not speaking to the press.

Perhaps WRAP is no more than a corporate PR effort, but if that’s so, why is it staffed with cold war relics like Otero, Doherty, and Reich? And, if the former “labor guys” are running WRAP, why do they espouse an essentially union-busting line? There may be as much ideology here as profiteering, but we don’t yet know.

In any case, Otto Reich shows that he is indeed not merely focused on preserving the Cuba boycott. He is willing to link himself with other retrograde causes, including an implicitly anti-labor, anti-environment, pro-sweatshop organization. Just the man we need to run U.S. hemisphere policy.