Homosexual prostitution inquiry ensnares VIPs with Reagan, Bush

‘Call boys’ took midnight tour of White House

By Paul M. Rodriguez and George Archibald

A homosexual prostitution ring is under investigation by federal and District authorities and includes among its clients key officials of the Reagan and Bush administrations, military officers, congressional aides and U.S. and foreign businessmen with close social ties to Washington’s political elite, documents obtained by The Washington Times reveal.

One of the ring’s high-profile clients was so well-connected, in fact, that he could arrange a middle-of-the-night tour of the White House for his friends on Sunday, July 3, of last year. Among the six persons on the extraordinary 1 a.m. tour were two male prostitutes.

Federal authorities, including the Secret Service, are investigating the criminal aspects of the ring and have told male prostitutes and their homosexual clients that a grand jury will deliberate over the evidence throughout the summer, The Times learned.

Reporters for this newspaper examined hundreds of credit-card vouchers, drawn on both corporate and personal cards and made payable to the escort service operated by the homosexual ring. Many of the vouchers were run through a so-called “sub-merchant” account of the Chambers Funeral Home by a son of the owner, without the company’s knowledge.

Among the clients, names contained in the vouchers and identified by prostitutes and escort operators — are government officials, locally based U.S. military officers, businessmen, lawyers, bankers, congressional aides and other professionals.

Editors of The Times said the newspaper would print only the names of those found to be in sensitive government posts or positions of influence. “There is no intention of publishing names or facts about the operation merely for titillation,” said Wesley Pruden, managing editor of The Times.

The office of U.S. Attorney Jay B. Stephens, formerly deputy White House counsel to President Reagan, is coordinating federal aspects of the inquiry but refused to discuss the investigation or grand jury action.

Several former White House colleagues of Mr. Stephens are listed among the clients of the homosexual prostitution ring, according to the credit-card records, and these persons have confirmed that the charges were theirs.

Mr. Stephens’ office, after first saying it would cooperate with The Times’ inquiry, withdrew the offer last week and also declined to say whether Mr. Stephens would recuse himself from the case because of possible conflict of interest.

At least one highly placed Bush administration official and a wealthy businessman who procured homosexual prostitutes from the escort services operated by the ring are cooperating with the investigation, several sources said.

Among clients who charged homosexual prostitutes services on major credit cards over the past 18 months are Charles K. Dutcher, former associate director of presidential personnel in the Reagan administration, and Paul R. Balach, Labor Secretary Elizabeth Dole’s political personnel liaison to the White House.

In the 1970s, Mr. Dutcher was a congressional aide to former Rep. Robin Young, Maryland Republican, who resigned from the House after he admitted having engaged in sexual liaisons with teenage male see PROBE, page A7
The documents show that a number of clients—lawyers, doctors and business executives—used corporate credit cards to procure escort services and that a number of military officers from the United States and allied countries were involved. One former top-level Pentagon officer, who spoke with The Times on condition of anonymity, said that "a nest of homosexuals and other gay individuals" had been operating as part of an escort service since 1974. The escort service was one of several umbrella companies used by operators supplying male prostitutes as escorts, as advertised in The Washington Post and other newspapers.

The service was opened by Mr. J. Spence, a former Washington Post reporter, who was later fired for failing to disclose his relationship with the escort service. Mr. J. Spence was later arrested for operating a racketeering enterprise and was sentenced to 10 years in prison.

In an attempt to hide the nature of credit card charges, some clients used "false names" or "fictitious organizations" to provide a cover for their activities. In one case, a group of investment bankers used a "fictitious" company to pay for escorts and other services, while another group of executives used a "fictitious" foundation to pay for similar expenses.

The escort service was eventually shut down by law enforcement officials, who traced the money trail to a series of international banks and financial institutions. The business was ultimately dismantled, and the owners were charged with fraud and conspiracy.

The story of the escort service, as told by The Times, is an example of how the intelligence and law enforcement community in Washington, D.C., has been shaped by the intersection of politics, sexuality and economics. The story highlights the ways in which power and influence can be used to control and manipulate others, and the ways in which the intelligence community has been complicit in these activities.

The story also raises questions about the role of the intelligence community in shaping our understanding of the world, and about the ways in which the community has been used to further political and economic interests.

The story is a reminder of the importance of transparency and accountability in government and intelligence operations, and of the need for a robust system of checks and balances to prevent the misuse of power and resources. It also highlights the importance of oversight and accountability in the use of financial resources, and the need to ensure that these resources are used in a responsible and ethical manner.

The story of the escort service is a cautionary tale, and a reminder of the need for vigilance and scrutiny in the intelligence and law enforcement communities, and of the importance of protecting the public from the misuse of power and influence.