

# Dubya's scum is rising to the top

by Scott Thompson

Texas Gov. George "Dubya" Bush is proving to be one of the most corrupt politicians that ever came down the pike. In the latest case in point, on March 6, a *New York Times* editorial entitled "Those GOP Attack Ads," called for a Federal Election Commission investigation of \$2.5 million worth of ads taken out by an entity known as "Republicans for Clean Air." The ads, which praised Dubya while attacking the record of Sen. John McCain (R-Ariz.), began to air on the eve of the March 7 SuperTuesday elections in key states. It emerged that they had been paid for by Sam Wyly, a longtime backer of both former President Sir George H.W. Bush and Dubya. The *New York Times* acknowledged that an FEC investigation would be "slow-moving," while Senator McCain's spokesmen charged that the smear campaign may have constituted an "illegal campaign contribution."

Secondly, on March 5, the London *Sunday Times*, in an article by its New York bureau chief Tom Rhodes entitled "Bush's Backers in Fraud Inquiry," pointed out that there is an ongoing investigation by U.S. Attorney for Connecticut Stephen C. Robinson, FBI Special Agent-in-Charge Michael Wolf, and IRS Criminal Investigation Division Chief Gregory Szczeszek, into how \$500 million of Connecticut state pension funds were allegedly laundered through Wayne Berman's Washington, D.C.-based lobbying firm, Park Strategies. Berman is one of Dubya's "Pioneers," who "bundled" \$100,000 or more of \$1,000 contributions to Dubya's bid for the Republican Presidential nomination. Frequently, "bundling" involves passing money under the table to a person, who then ponies up the maximum \$1,000 contribution.

According to four published sources, this investigation may also include one of the cornerstones of the "Bush League," the Carlyle Group, a Washington, D.C.-based merchant bank which not only employed Dubya as a board member on one of its subsidiaries until he was elected Texas Governor in 1994, but currently employs President Bush as one of its "senior advisers." The Carlyle Group also employed "Pioneer" Berman as a consultant, and he reportedly received \$1 million as a "finder's fee" for getting \$60-100 million of the Connecticut state pension funds placed into Carlyle by former Connecticut State Treasurer Paul Silvester. Silvester has subsequently pleaded guilty to multiple charges involving bribery, money-laundering, and running

a Racketeering Influenced and Corrupt Organization (RICO) conspiracy.

Let us now look into these two scandals in more detail.

## Sam Wyly: shutting down America's industry

On March 3, Sam Wyly cleared up the mystery of who was behind the \$2.5 million worth of ads attacking Senator McCain on clean air. In a press release, Wyly announced that *he* had formed Republicans for Clean Air, whose focus is to deregulate the energy industry and remove the "grandfather clause" in the Clean Air Act protecting fossil-fuel-burning power plants that supply most of America's electrical power. He also seeks to outlaw nuclear power plants in favor of such "renewable sources" as solar and wind power. The ads attack McCain for voting against Federal funding for highly inefficient solar and wind power programs, which the Senator considers pork barrel projects.

In announcing the creation of his group, Wyly had said: "I believe that the party that embraces Adam Smith and Thomas Jefferson can also embrace Rachel Carson. Air pollution threatens the health of our children. It causes smog, acid rain, and is clearly linked to global warming. . . . The number-one air polluting industry in the U.S. today is the generation of electricity. Most people don't know that. Much of that pollution comes from these old, coal-burning power plants that have been exempted from clean air standards. When a Republican takes a step toward clamping down on these polluting plants, I recognize them."

It was because of Wyly's lobbying that Dubya signed a bill passed by the Texas Legislature last year that would deregulate the energy industry and require 136 older, coal-fired plants to halve pollution. Said Wyly: "Our goal was to get the monopolies busted and get dirty coal plants to meet some emission standards. We think the Federal government ought to do that. We want to do it pretty quickly after the new Congress comes in next year."

In addition to running the multibillion-dollar hedge fund Maverick Capital, with his brother Charles Wyly, Jr., Sam Wyly is also founder and chairman of GreenMountain.com, which, according to his press release, is "the nation's leading retailer of environmentally cleaner electricity. The Vermont-based company sells cleaner electricity to more than 100,000 residential customers in deregulated markets, including California and Pennsylvania." GreenMountain.com sells electricity generated by solar and wind power.

The legislation signed by Dubya to eliminate energy industry regulation and retire the grandfather clause of fossil-fuel-burning power plants would greatly benefit the Wyly family financially. And if the legislation that the Wyly family lobbied Dubya to pass in Texas became the law nationwide, through yet another Bush Presidency, it would force the shut-down of what little industry remains in the United States, because electricity produced by "renewable" energy sources

would be insufficient to supply industry.

On March 6, the *Wall Street Journal* reported, “The McCain campaign says it strongly suspects that the ads were coordinated with the Bush campaign. Such coordination, if proved, could render the ads an illegal campaign contribution to the Bush campaign.”

What is known, is that Sam and Charles Wyly had been the ninth-largest career patrons of Dubya in his 1994 and 1998 gubernatorial campaigns, to which they gave \$222,773 through political action committees and individual contributions. And, Charles Wyly is also a member of Dubya’s “Pioneers.”

### **A RICO conspiracy in Connecticut**

On Sept. 23, 1999, according to a press release from U.S. Attorney for the District of Connecticut Stephen C. Robinson, former Connecticut Treasurer Paul Silvester, together with his brother Mark Silvester and his brother-in-law Peter D. Hirschel, “waived indictment and pleaded guilty to charges in an ongoing multimillion-dollar corruption probe involving charges of racketeering, bribery, and money-laundering.” According to the Justice Department, Paul Silvester abused his office by laundering some \$500 million out of the \$18-billion Connecticut state pension fund, for equity placement in five other funds, as yet unnamed, in exchange for kickbacks and bribes. A spokesman for U.S. Attorney Robinson said that there is an ongoing investigation involving multiple agencies, although the spokesman refused to confirm or deny whether or not a grand jury has been empaneled in the case.

According to a spokesman for the Connecticut State Treasurer’s office, most of the \$500 million was first placed with Dubya’s “Pioneer” Wayne Berman, director of Park Strategies and a former Assistant Secretary of Commerce in the Bush administration. Berman refused to answer questions about the extent of his involvement in the RICO conspiracy, referring *EIR* investigators to his attorney in the matter, Fred Fielding, of the Washington, D.C.-based firm of Wiley, Rein, and Fielding. Fielding did not return *EIR*’s calls.

According to a Connecticut State Treasury spokesman, after Silvester, who had been the Acting State Treasurer with full fiduciary responsibility over the state pension fund, lost his campaign to be re-elected to the post in November 1998, Berman invited him to join Park Strategies upon leaving office in January 1999. According to published sources, Berman is also a consultant to the above-mentioned Carlyle Group. As reported in “How George W. Bush Got Rich Through Graft, Kickbacks, and Family Connections” (*EIR*, Feb. 25, 2000), the Carlyle Group is today run by a high-powered “troika,” which includes former Bush administration Secretary of State and White House Chief of Staff James A. Baker III, the Carlyle Group’s senior counsel; former Reagan-Bush Secretary of Defense Frank Carlucci, the Carlyle Group’s chairman;

and, former Bush Cabinet officer in charge of the Office of Management and Budget, Richard Darman.

Two published accounts, based on leaks from the Silvester investigation, say that Berman invested a significant portion of the \$500 million of Connecticut state pension fund money with the Carlyle Group. In a February 2000 issue of *Harper’s*, investigative reporter Joe Conason wrote: “Lately, the prestigious political connections used by Carlyle’s management have brought some unwanted attention. The firm is now under pressure from Federal prosecutors who are investigating the alleged abuse of Connecticut’s state pension fund. The FBI is reportedly interested in determining whether millions of dollars were illicitly steered from the Connecticut fund to Carlyle in 1998 through Park Strategies, a Washington lobbying and consulting firm.”

The *Sunday Times* of London reported that Berman had invested \$60 million of the \$500 million in the Carlyle Group. Investigative reporter John Lender of the *Hartford Courant* claims that as much as \$100 million in pension fund money may have been invested through Berman’s intercession with Paul Silvester in the Carlyle Group.

As this author reported in the Feb. 25 issue of *EIR*, Dubya served as a member of the board of a Carlyle Group subsidiary known as Caterair, which serviced major airline companies, from the time of its takeover by the Carlyle Group in 1989 until he was elected Texas Governor. (Dubya failed to report his income from Caterair on his Texas financial disclosure form.)

Moreover, the Carlyle Group has frequently paid large honoraria to President Bush for speaking at its meetings, and, more recently, according to Conason, in 1998, President Bush joined Baker, Carlucci, and Darman as a “senior adviser” to Carlyle’s Asia Partners, which is picking over the businesses of the former “Asian Tigers.” This so-called “emerging market” opportunity arose after Dubya’s former business partner in the oil firm of Harken Energy, George Soros, led a hedge-fund attack on the “Tigers” which destroyed those nations’ currencies and stock market valuations, wiping out 50 years of development overnight.

According to the *Sunday Times*, several members of the Carlyle Group have joined Dubya’s exclusive circle of “Pioneers.” But, the ties between the Carlyle Group and the Bush dynasty do not stop there.

As soon as Dubya became Texas Governor, one of the first major pieces of legislation that he signed—which had been initiated by leveraged-buyout billionaire bandit Tom Hicks—was to “privatize” the \$13-billion University of Texas system’s endowment, forming the University of Texas Investment Management Co. UTIMCO, which was run by Dubya’s pal and campaign contributor Hicks until just last year, invested \$10 million in the Carlyle Group. And, UTIMCO under Hicks invested \$96 million in the Wyly family’s hedge fund, Maverick Capital.