

Ohio Funding Scandal Points to Cheney-Rove

by Richard Freeman

In an escalation of the Ohio state investment fund scandal, linked to potentially illegal financing of the theft of the 2004 Presidential election, the Ohio Bureau of Workers' Compensation (OBWC) announced yet another major loss on July 7: Allegiant Asset Management (until last month, known as National City Investment Management Company), a division of the National City Bank of Columbus, had recorded a loss of \$71 million of the \$250 million of OBWC funds that it had been entrusted with managing in 2001. This brings to more than \$300 million the amount of Bureau funds that have been lost or are "unaccounted for."

These losses are part of the Ohio "pay to play" scandal, under which, starting in 1997, OBWC funds were contracted out to financial management firms. Of the fees they earned for managing, the firms skimmed off a portion into Republican Party slush funds. Under the direction of the George Shultz-Dick Cheney-Karl Rove apparatus, it appears that some of these funds financed the massive illegal voter suppression operation in Ohio during the 2004 election, through which the Bush-Cheney ticket stole the national election. E-mails that were made available the week of July 11 indicate the depth to which Cheney and Rove may be involved in this.

Bureau officials claim that \$60 million of Allegiant Asset Management's \$71 million in losses were due to "management decisions" by Allegiant. That may prove to be true, but Allegiant, which only got its contract in 2001, recorded most of its losses between 2001 and 2003. Bureau officials withdrew \$75 million from the Bureau's investment with Allegiant in April 2004, and another \$50 million in May 2005, when the scandal was heating up. This left only \$53.4 million in the Bureau's account with Allegiant.

After Allegiant demonstrated that it was incompetent in managing Bureau funds, why didn't the Bureau do the prudent thing and cancel its contract with Allegiant? In fact, it appears that the Bureau only cancelled its contract during the first week of July of this year. The answer appears to confirm how the Ohio "pay to play" operation works. Allegiant and its parent company, National City Bank, are major players. Since 1997, they have made \$938,521 in political contributions; it is estimated that more than 80% of this bank's contributions went to the Republican Party. Apparently, the fact of a poor management record was not enough to get Allegiant disqualified as a manager of Bureau funds.

New e-mails released by the Ohio Governor's office bring into stark relief another aspect of this scandal. The e-mails indicate that acting on behalf of the synarchist Shultz-Cheney faction, White House political guru Karl Rove may have begun deploying Ohio rare coin dealer and top Republican fundraiser Tom Noe as early as February 2003. This involves a critical Feb. 24, 2003 "Ohio planning meeting" at the White House to map out how to win the state for the 2004 Bush-Cheney team. Ohio's electoral votes were decisive in making Bush President.

Noe is the subject of multiple Federal and state investigations both for his inability to account for \$12 million of \$50 million of OBWC funds that he was entrusted to manage, *and* for illegally conduiting funds to Republicans so that they could contribute them to the 2004 Bush-Cheney campaign.

The Rove-Noe Apparatus

In response to requests from newspapers and from Ohio Inspector General Tom Charles, on July 6, Ohio Gov. Robert Taft (R) released 5,000 pages of e-mails to and from the office of Taft's former chief of staff, Brian Hicks, and Hicks's assistant Cherie Carroll. The e-mails document activity of Tom Noe, who was wheeling and dealing on a number of fronts. In early 2003, after Noe had learned that President Bush would host a White House photo opportunity on Feb. 24, for the national champion Ohio State University football team, Noe asked, through Governor Taft's chief of staff's office, to be allowed to attend a reception for the event. The White House agreed. At the same time, Carroll requested a tour of the White House for herself, Tom Noe, and a third person.

E-mails document that according to Noe's itinerary, on the same day as the White House football photo opportunity, Noe was scheduled to attend an "Ohio political strategy session" from 3-4:00 p.m. Included at that session were Ken Mehlman, later named the Bush-Cheney campaign manager (and now head of the Republican National Committee), and Collister "Caddy" Johnson, later named the campaign's finance director. Further, according to a Feb. 21 e-mail (from David Rachelson, then the White House's associate political director for Ohio), "likely Karl Rove will be in attendance" at the Ohio strategy session. The *Toledo Blade* and other press are striving to confirm that Rove did attend.

Within months of the Feb. 24 meeting, Noe's profile in the Bush-Cheney 2004 campaign increased. According to reports of an ongoing Federal investigation into Noe's alleged violation of Federal election law, Noe hatched a scheme to illegally conduit as much as several tens of thousands of dollars into the Bush-Cheney campaign through an Oct. 30, 2003 fundraiser in Columbus, which netted Bush \$1.4 million. Did Noe additionally deploy some of his funds in illegal off-the-books voter suppression operations? And did Rove, who was focussing a lot of energy on Ohio, and is a renowned expert in dirty tricks, deploy Noe's activity?