

Dirt on Coelho Hits the Press

by Scott Thompson

Starting with a front-page article in the April 8 *New York Times*, there has been a crescendo of reports in the major media of various criminal investigations and other probes into alleged illegal activities by Al Gore, Jr.'s Presidential campaign chairman, Tony Coelho. All of the investigations have occurred since Coelho fled his position as House Majority Whip in 1989 under other, multiple investigations, which have since been settled. Almost all these latest scandals had been published in *EIR*, in three articles in 1999 and early-2000.

Key Democratic leaders are beginning to question Coelho's competence to run the Gore Campaign 2000, stating in effect that he has failed to define a programmatic reason — as did notably Presidents Franklin Delano Roosevelt and John F. Kennedy — for the Democratic Party's core constituencies to vote for the Vice President. For example, the May 12 *Washington Times*, in an exposé of both Coelho's latest alleged illegalities and of growing discontent at his mismanagement of the Gore 2000 campaign (both inside the campaign and among Democrats in general), quoted Rep. Tim Penny (D-Minn.) saying: "There's a risk if you stay in an attack mode too long, you end up looking like a politician and not a leader. The voters are tired of attack-style politics."

A Potential Rap Sheet

As the May 15 issue of *Time* magazine reported in an article entitled "The Trouble with Tony: Coelho Is Al Gore's Right Hand, But He Has Legal Woes, and His Roughshod Ways May Hurt the Veep," Coelho's list of alleged illegalities in recent years is growing:

1. The State Department Office of Inspector General (OIG) is conducting a criminal investigation of Coelho for his financial abuse of his position as Commissioner General (with the rank of Ambassador), when he was in charge of the U.S. Pavillion at the 1998 World Exposition in Lisbon, Portugal (see "Al's Pal Tony Coelho, and 'Honest Graft,'" *EIR*, April 14, 2000). The May 15 edition of *Time* reports: "A running State Department Inspector General's investigation of Coelho has entered a new and potentially more ominous phase, sources close to the probe tell *Time*. . . . Potential witnesses in the case, legal sources tell *Time*, have been told to expect subpoenas, and the matter may soon be presented to a grand jury."

2. On April 8, the *New York Times* corroborated earlier reports by *EIR*, that Coelho is the subject of two active criminal investigations by the Securities Exchange Commission. Both investigations have to do with Coelho's role as a director in two firms that were associated with legalized gambling. One has to do with how Coelho and a business associate, Nunzio DeSantis, allegedly milked International Thoroughbred Breeders, Inc., which was a horse-racing firm. The other deals with how Coelho and DeSantis drove the New Mexico-based AutoLend Group into bankruptcy before DeSantis turned the company toward production of slot machines.

3. On April 8, syndicated columnist Robert D. Novak, in his "Inside Report" for the *New York Post*, reported that Rep. Dan Miller (R-Fla.), chairman of the House Subcommittee on the Census, had called on the General Accounting Office to see whether Coelho had used his position as co-chairman of the U.S. Census Monitoring Board (a post he held immediately prior to joining the Gore 2000 Campaign) to deploy funds for preparation of a report to cover up his misuse of Expo '98 monies for a private foundation that he had established.

After hearing of the State Department OIG's criminal investigation, Coelho reportedly hired an old friend, Democratic attorney Stanley Brand, to represent him in the matter. Brand, who had once worked for Coelho, was at the time Democratic counsel to the U.S. Census Monitoring Board, a position he had been hired for by Coelho. While at the U.S. Census Monitoring Board, Brand ran an investigation that he claims cleared Coelho of Representative Miller's accusations. But, in a discussion with *EIR*, Brand added that even if Coelho had not paid for the Expo '98 final report out of pocket, it would not matter, because "it was all U.S. government money."

Too Hot To Handle

Coelho's legal woes ought to have been sufficient to warrant his resignation as Gore campaign chairman. The last thing that Gore needs, given his own unsavory track record of colluding with some of Russia's biggest kleptocrats, and getting rich off of the late Armand Hammer's sleaze, is to have his campaign manager hauled into Federal criminal court for corruption.

But, the bigger problem, from Gore's standpoint, is that, under Coelho's guiding hand, the Vice President has managed to alienate almost all of the traditional "must-win" Democratic constituencies. Coelho, in his career in the U.S. Congress, had pioneered the Democratic Party's leap into bed with big corporate and big lobbying interests, abandoning all of the traditional Democratic Party voter groups in pursuit of quick money. The Gore-Coelho team spells death for the Democratic Party, regardless of whether or not Coelho winds up wearing less dressy pinstripes before the November ballots are cast—a prospect which looks more likely by the day.