rant which resulted in Ohio law enforcement officers raiding Noe's Vintage Coin and Collectibles premises near Toledo, and seizing hundreds of boxes of assets, as well as records and computer discs. Afterwards, Prosecutor O'Brien spoke of Noe's "misappropriation of state funds." Because the case is still in the investigative phase, charges have not been brought, but are anticipated.

As the investigations intensified, the question that arose is what has happened to the $10-12 million that Noe's lawyers told state authorities that Noe cannot account for? Was a portion of those monies illegally diverted into the Bush-Cheney campaign, including through giving money to individuals to conduit into the campaign, as the above Federal probe is investigating?

On June 16, Ohio State Sen. Marc Dann (D-Youngstown) told *EIR,* "I think the hypothesis that some of the principal [$50 million] that Noe was given by Ohio, may have been diverted into the Bush-Cheney campaign in 2004, will likely prove to be true." Dann said that the Democrats in the Ohio Senate and House are united in calling for the formation of a bipartisan Senate-House investigative committee, which would have lawyers and the power to subpoena, in order to investigate the case of Noe, and the MDL hedge-fund loss of $215 million of OWCF funds.

One wonders if Tom Noe, Karl Rove's man in Ohio, or others with knowledge about this affair, are asked to testify under oath about the missing $12 million, what they may say about Rove's role.

MDL Capital Hedge Fund's Big Collapse

Another major element of the Ohio scandal is the MDL Capital Management hedge fund, which lost $215 million in 2004. These losses became known to Bureau and Ohio state officials—all Republicans—five weeks before the November 2004 election, but were covered up. This is an example of monumentally dangerous risk-taking.

Rev. Joseph Watkins is one of Karl Rove's coterie of African-American neo-con Republicans, and one-time managing director of the MDL hedge fund.

In 1992, MDL Capital Management was founded in Pittsburgh by Mark Lay (he still runs the company today). By the first decade of the 21st Century, MDL was ranked as one of the ten largest African-American-owned financial investment companies in the nation.

In 1998, MDL Capital Management contracted to manage some of the Bureau's OWCF funds. By the late Summer of 2003, the Bureau had entrusted MDL to manage $355 million of OWCF funds. It invested the monies in a "traditional long-

Privatization: A Model For Corruption

The privatization of the Ohio Workman's Compensation Fund appears to follow a standard modus operandi for the Bush crowd. Exemplary was an operation pulled by George W. Bush when he was Governor of Texas: the privatization of the University of Texas Investment Management Company (UTIMCO).

One of the first bills signed by Governor Bush, following his election in 1994, was the privatization of the endowment, a fund of at least $1.7 billion, for the University of Texas. Bush had already appointed his friend and business partner in the Texas Rangers, Tom Hicks, to the Board of Regents for the university. Hicks now worked with Bush to turn the fund over to the firm UTIMCO, which was not under public scrutiny, and could be used as a piggybank for Hicks's and Bush's family cronies.

For example, in 1995, UTIMCO, under Tom Hicks's guidance, decided to place $10 million with The Carlyle Group merchant bank in Washington, D.C. The Carlyle Group included some of President George H.W. Bush's foremost associates, including James Baker, III, who served as Secretary of State and White House Chief of Staff in the senior Bush Administration, and headed the vote "recount" team which helped get Bush junior into office.

UTIMCO also placed millions with firms such as Kohlberg Kravis Roberts, whose founding partner, Henry Kravis, was a leading Republican donor, and with Bass Brothers Enterprises of Fort Worth, Texas.

Not surprisingly, many of those who had received money "to invest" from UTIMCO, became part of George W. Bush's "Pioneers," those who raised at least $100,000 each for Bush's election campaign war chest. What looks like a kickback often is.