

DeLay's Filthy Congressional Machine Is Under Legal Attack

by EIR Staff

The Justice Department is reportedly investigating three Congressmen, a Senator, and at least 17 current and former Congressional aides in its probe of Jack Abramoff, the currently indicted professional lobbyist who served as the moneybags for the political machine known as DeLay, Inc. Thus reports the Nov. 25 *Wall Street Journal*, citing lawyers as its source. With DeLay's former spokesman, Michael Scanlon, now cooperating, under a plea agreement with Federal prosecutors, Reps. Tom DeLay (R-Tex.), Robert Ney (R-Ohio), and John Doolittle (R-Calif), and Sen. Conrad Burns (R-Mont.), and apparently many other Copngressmen, are now under investigation.

Each of these four named suspects was reportedly forced by the Justice Department to agree to extend the five-year statute of limitations (an infouamous Abramoff-arranged golfing trip to Scotland was in 2000), by signing waivers. The 17 staffers, most of whom went on to be part of the Tom DeLay-Abramoff "K Street" lobbying and organized muscle apparatus, include five of DeLay's former aides. Within the Administration, only David Safavian (former head of procurement at the White House) and former Deputy Secretary of Interior Steven Griles have been named by prosecutors—so far.

There are reportedly 35-40 government lawyers and investigators working on the case.

Scanlon Turns

Thus, although the case against DeLay himself, for illegally laundering campaign funds, continues to be held up, while the former House Majority Leader seeks to have it thrown out of court, the network upon which he and his financial backers have depended, is on its way to being dismantled. Crucial in this shift was the indictment of Abramoff, in a case of loan fraud, and the plea bargain struck by his associate Michael Scanlon.

Scanlon, under investigation for his role as the junior partner in Abramoff's schemes to loot casino-owning Indian tribes of around \$100 million, reached his plea agreement on Nov. 17. Scanlon pled guilty to charges of fraud against Indian tribes and bribing government officials, and made a bargain for lenience in exchange for helping the prosecutors to fry bigger fish.

Failure to give any prosecutors or probers whatever they ask for could mean many years of additional prison time for Scanlon. The DOJ plea document states: "The defendant agrees to fully cooperate in this *and any other case or investigation* with attorneys for the United States of America, and *federal and state law enforcement agencies* by providing truthful and complete information, evidence and testimony, if required, *concerning any matter*" (emphasis added).

The plea agreement describes a general pattern of criminal activity by Abramoff and Scanlon, but focusses in particular on two flagrant cases, the defrauding of the Tigua Indians in Texas, and the bloody takeover of the SunCruz company in Florida.

Using casino money, Abramoff and Scanlon secretly paid Ralph Reed and his "Christian" political networks to campaign successfully to shut the Tigua casino, then the pair got millions from the Tiguas, under various false pretenses, for Scanlon to campaign to open the same casino. Congressman Ney took part in the scheme, and got large donations from conspirators. Abramoff and his partners took over the SunCruz floating casino company, in a scheme for which Abramoff has been indicted, and for which Scanlon arranged Ney's connivance, a scheme in which the whole DeLay machine took part. When the former SunCruz owner was killed gangland-style, Scanlon told newsmen that Abramoff hadn't done it. But a mafia man, paid by the company under Abramoff/Scanlon, has been indicted for the murder.

Although the plea agreement features Congressman Ney

(referred to only as “Representative #1”), the drama comes from the potential for snaring the vast array of corrupt figures intersecting Scanlon and his cronies in what has been known as “DeLay, Inc.”—the political slime machine combining Tom DeLay, lobbyists, the Bush-Cheney Administration, and the worst of Wall Street.

Michael Scanlon went from the official Congressional staff of Tom DeLay to nominally private partnership with Abramoff, a de facto arm of the DeLay apparatus. Similarly, Enron Corp. paid DeLay and his associates to promote Enron’s privatization schemes; and for this purpose Enron funded DeLay’s chief of staff, Ed Buckham, for Buckham to set up a nominally private lobbying company, Alexander Strategy Group, another de facto arm of the DeLay group. DeLay himself, and his Congressional staff members, are implicated in all the scams and money hocus pocus of Abramoff, Scanlon, Buckham, and others, with DeLay’s staffers rotating into being privately employed in partnership with the schemers.

The explosive potential of testimony from Scanlon, or possibly Abramoff, extends beyond the “60 or so Congressmen” now rumored to be in the Scanlon prosecutors’ sights.

Take Enron, for example, with thousands of years of jail time awaiting those who looted California and other victims. The political arrangements for running the Enron scheme were made by a team extending from DeLay to Vice President Dick Cheney, to Bush advisor Karl Rove, to Abramoff/Scanlon’s secret partner Ralph Reed.

Take the Dick Cheney “outing” of Valerie Plame. Susan Ralston, who managed money-laundering for Abramoff/Scanlon, afterwards ran the office of Karl Rove during the scheming to “out” Plame. Ralston coordinated her management of Rove’s communications, by consultation with Abramoff/Scanlon secret partner Grover Norquist, the strategist of Tom DeLay’s relations to the Washington lobbying community.

Ohio Indictment

Hitting DeLay from another angle, was the Oct. 28 indictment of another of his henchmen, Ohio fundraiser and political lobbyist Tom Noe. Noe was charged with three counts of illegally laundering money into the 2004 Bush-Cheney campaign, the which was reportedly used, in concert with DeLay, Inc. religious right operatives, to help run voter suppression and other operations that helped deliver Ohio to Bush in the Presidential election.

The indictment “is just the tip of the iceberg” for rare-coin dealer Noe, said FBI agent Ted Wasky on Oct. 27. Noe, who is under multiple investigations by Federal and state authorities, is charged with what one Justice Department official described as “one of the most blatant and excessive criminal campaign finance schemes we have encountered.” Still pending is the case of the \$13 million missing from two rare-coin funds that Noe managed with the Ohio Bureau of Workers’ Compensation, which invested \$50 million with him in 1998.

Meanwhile, in Texas

As to the case against DeLay himself, that is moving slowly through the courts, with a decision pending on DeLay’s motion to dismiss. DeLay’s attempt to have the judge rule in early December was rebuffed.

Ironically, DeLay has to face the fact that he in effect brought his indictment on himself. In a stunning proof of the “Ibykus Principle” set forth in Friedrich Schiller’s celebrated poem “The Cranes of Ibykus,” Tom DeLay, according to a Nov. 11 article in the *Washington Post*, brought about his own felony indictment, by telling the prosecutor that he knew about, and approved, the 2002 corporate money transfers of his Texas political action committee to the Republican National Committee, and the RNC’s plan to launder and return the corporate money as RNC political “contributions” to seven GOP legislature candidates. Before DeLay’s conversation with Travis County Prosecutor Ronnie Earle, he had been kept distant from the conspiracy charged, as well as the money laundering by everyone indicted, or even interviewed, at DeLay’s Texans for a Republican Majority Political Action Committee (TRMPAC).

The *Washington Post* story was based on four independent sources who were part of plea discussions between Earle and the operatives of TRMPAC.

The criminal issue is: It is illegal under Texas law, for corporations to contribute to state legislature campaigns. TRMPAC raised \$190,000 in corporate money in Texas, and wrote a check in that amount to the Republican National Committee in Washington, D.C., and sent it in September 2002, along with a list of seven GOP legislative candidates. The RNC then put it in a different account, and sent \$190,000 back to those seven candidates.

DeLay met with Prosecutor Earle on Aug. 17, in a preemptive effort to avoid any charges that might force him to resign his House Majority Leader post under new Congressional ethics rules. DeLay, according to the *Washington Post*, was relaxed and garrulous as he told Earle that he was generally aware of a plan to shift the money between Texas and Washington and get the same amount back; that this deal happened; and that he knew beforehand that it was going to happen. Asked how he knew, DeLay said his longtime political aide James W. Ellis told him so, and DeLay told him, “Fine.” DeLay added that he knew it was corporate money, but he thought that was legal. Earle’s meeting with DeLay was transcribed, with DeLay’s consent.

Having nailed down DeLay’s involvement, Earle moved to indict, thus accelerating the process of dismantling the entire DeLay, Inc. dirty money machine, upon which Vice President Cheney, among others, has depended to push through their outrageous foreign and economic policies, and crush all opposition. True to form, Cheney has continued to support DeLay, and is scheduled to appear at a fundraiser for the embattled Congressman on Dec. 5. Support from a loser like Cheney does not make DeLay’s future look any brighter.