

# Money from the mob: a 'godsend' for Hart

by Kathleen Klenetsky

Gary Hart's political ambitions have been generously underwritten by underworld-linked elements. The bulk of Hart's campaign kitty prior to the New Hampshire primary came from the fundraising efforts of **Marvin Davis**, the Colorado-based oil tycoon who purchased Twentieth-Century Fox in 1981. Davis and Hart have enjoyed a mutually beneficial relationship going back years, with Davis making hefty donations to Hart's senatorial bids, and Hart returning the favor by supporting measures beneficial to Davis's independent oil operations—e.g., oil and gas deregulation, synthetic fuels, and a \$10 per barrel tax on imported oil.

But Hart's ties to organized crime do not end there. Sitting on his National Finance Committee is **Mo Austin**, president of Warner Records, a division of the Warner Communications conglomerate whose assorted officers have been indicted and convicted over the past several years and who are reputed to have mob connections.

Another member of the Hart campaign's finance committee is the notorious **Peter Bourne**, the Carter family psychiatrist who had to resign from his job as White House drug adviser during the Carter-Mondale reign after he was discovered dispensing phony prescriptions for Quaaludes to members of the White House staff. Bourne more recently supported the Soviet-Libyan attempt to seize control of Grenada which prompted the U.S. intervention last October. Bourne's father, Geoffrey, headed up St. George's Medical School on Grenada, which has been identified by Caribbean police officials and other sources as a key element in the Caribbean drug trade.

## Marvin Davis, Hollywood, and the mob

Gary Hart's presidential campaign got a major boost in November 1983 when Marvin Davis sponsored a gala fundraiser for the senator at which Hollywood denizens donated approximately \$100,000 to Hart's cash-poor campaign. Mike Medavoy, a pal of Davis's and executive director of Orion Pictures, co-hosted the affair.

The party was the first in a series of moneyraising ventures which Davis and Medavoy organized for Hart. Without their efforts, it is quite likely that the Colorado senator's faltering candidacy would have fallen apart long before the primaries began. According to Medavoy's account, the Hol-

lywood crowd provided upwards of 30% (\$400,000) of Hart's campaign finances in the period prior to his New Hampshire victory. The money which Davis and Medavoy drummed up came as a "godsend," one Hart insider has disclosed.

A good chunk of it came directly from Davis and his immediate circle. Davis, members of his family, and his business associates have contributed over \$10,000 to Hart's campaign. Others who made substantial contributions included executives at Orion, Warner Brothers, and Paramount.

Davis's profile differs little from that of Walter Mondale's sugar daddy, Herb Allen. A major financier for the organized-crime-run Anti-Defamation League (ADL), Davis reputedly maintains close ties to the international underworld. He inherited the networks controlled by the late mob king—and Allen family associate—Meyer Lansky, according to several sources.

Though the bulk of his huge fortune derives from oil and gas holdings, Davis's investments range from real-estate speculation, to banking, to the entertainment industry. He has frequently run afoul of the SEC and other government regulatory authorities, and has recently been implicated in a series of scandals stemming from his oil wildcatting and other business ventures.

The publicity-shy Davis drew public attention last summer when a scandal erupted around his longtime business partner and friend, international commodities wheeler-dealer **Marc Rich**. A Manhattan federal grand jury on Sept. 19, 1983 handed down 51 indictments against Rich personally, his Marc Rich and Company International, and its parent company, Marc Rich and Company A.G., based in Zug, Switzerland, on charges of violating the Racketeer Influenced and Corrupt Organization (RICO) statutes. Rich was also charged with violating the Trade with the Enemy Act for purchasing 6,250,000 barrels of crude and fuel oil from the National Iranian Oil Company. The oil purchases, exceeding \$200 million in value, were all made *after* the U.S. government had declared it illegal for American citizens to trade with Iran.

Rich and Davis, who describe each other as close friends, had teamed up in a number of joint business ventures in the past. In 1981, the two joined forces to acquire Twentieth-Century Fox for \$800 million. No sooner had the ink dried on the contract than Davis and Rich moved to place their mutual buddy, Henry Kissinger, and Kissinger's tag-along, Gerry Ford, onto the studio's board, where they each earn \$50,000 per annum.

Davis's relationship with Continental Illinois bank of Chicago, whose recent financial troubles signaled the onset of a world financial panic, has also come under scrutiny. Davis's energy companies had received a substantial number of loans from Conti, estimated by some sources at \$500 million. The U.S. Attorney's Office in Chicago earlier this year launched an investigation of three former Conti officers who had acquired interests in oil wells controlled by Davis; two of those officers now work for Davis.