

Probe Tightens Noose Around DeLay's Neck

by Michele Steinberg

“The Congressional enforcer for the fascist agenda of the neo-conservatives, whom everyone thought could never be touched, is currently headed toward the ropes. Texas Republican Tom DeLay, the Majority Leader of the House of Representatives, was targeted for his corruption by Lyndon LaRouche’s political campaigns months ago, under the slogan ‘Clean Up Congress without DeLay.’ ”

The paragraph above could have been written on March 17, 2005, when the *Washington Post* headlined an article, “Probe of Abramoff and Nonprofits’ Money Opens,” and named Tom DeLay as a recipient of expensive trips financed by the National Center for Public Policy Review, a tax-exempt organization.

But the lead paragraph was not from last week, but from the Oct. 15, 2004 issue of *EIR*, in an article titled, “New Moves to Clean Up Congress Without DeLay,” by Anton Chaitkin. For the last six months, the major U.S. media have slavishly covered up for DeLay, but now, things are changing: Many in Washington, D.C. are saying that DeLay’s days are numbered, as the various scandals that have swarmed around him like annoying gnats, have become something much larger. A grand jury investigation in Texas is zeroing in on DeLay, and his daughter, Danielle DeLay, has already been subpoenaed in that investigation; and in Washington, *Republicans* are defecting from the Inquisition-style loyalty regime that has been imposed by Dick Cheney, Karl Rove, and DeLay himself, to open up probes of DeLay’s fundraising and lobbying activities.

The reason for this shift, said one well-placed Washington political source, is a changed Democratic Party, which has become much more of a coherent, opposition force than it was in the first George W. Bush Administration. And this concerted effort by Democrats to educate the public as to the “lockout” of the minority party from Congressional affairs, by the partisan dictatorship that is run by the White House to turn Congress into a rubber stamp, has caught on with the American people. This source explained that Republicans are beginning to defect from the forced loyalty in Congress, because sane Republicans would love to have Tom DeLay out of the leadership. They’d like to get him out of their way now, so that the scandals swirling around him, do not negatively impact the Republican Party’s 2006 mid-term elections, when they could lose control of the Congress.

Rips in the ‘Safety Net’

On March 15, DeLay’s “safety net” began to tear apart, when it was reported that Rep. Joel Hefley (R-Colo.), the former chairman of the House Ethics Committee, would co-sponsor a bill to repeal or revise changes which Republican leaders had made in the Ethics Committee procedures, in order to protect the very dirty Republican Congressman from Texas. The bill originated with Rep. Alan Mollohan (D-W.Va.), the ranking Democrat on the Committee.

As presently constituted, under the January 2005 rule changes that DeLay et al. rammed through, the Ethics Committee, which is made up of five Democrats and five Republicans, cannot act, even on flagrant violations such as DeLay’s, as long as the five Republicans oppose it. In co-sponsoring the Mollohan bill, Hefley was joining one other Republican, Christopher Shays of Connecticut.

Hefley was also the only Republican to vote, on March 15, for a resolution offered by House Minority Leader Nancy Pelosi (D-Calif.) calling for the speaker to appoint a bipartisan task force to make recommendations on the House ethics process.

Hefley had been dismissed as committee chairman at the end of the last Congress, in what is widely known as a “purge” of anybody who might be inclined to look objectively at the charges against DeLay, who needed protection from an Ethics probe because of an ongoing grand jury investigation in Texas.

As reported by Harley Schlanger in *EIR* March 18, three of DeLay’s Texas allies have already been indicted for illegal use of political campaign funds that led to Republican control of the state legislature. The vehicle for that operation was a group called Texans for a Republican Majority PAC (TRMPAC). The Texas group was modelled precisely on the notorious ARMPAC, Americans for a Republican Majority PAC, the national money-machine that made DeLay a juggernaut in Congressional races, especially in Texas. As *EIR* reported, new evidence surfaced in a civil suit that was heard in a Texas state court in early March, that showed that DeLay was far more involved in the TRMPAC case than he wants it known. Control of the Ethics Committee in Congress was essential for keeping the lid on the DeLay cases.

As if this weren’t enough, on March 17, following a week of almost daily scandals in the news media, about the shady money flows around long-time DeLay crony, lobbyist and moneyman, Jack Abramoff, the news surfaced in the *Washington Post* that the powerful Senate Finance Committee was investigating the Abramoff-DeLay activities.

So there it is: The Senate Finance Committee, led by Republican Chairman Charles E. Grassley (R-Iowa) and Sen. Max Baucus (D-Mt.), its top Democrat, is investigating the top Republican leader of the U.S. House of Representatives (and, the *real* leader, since House Speaker Dennis Hastert is just a figurehead). The Senate investigation



House Majority Leader Tom DeLay is under increasing attack for his blatant corruption, with a reinvigorated Democratic Party finally taking the gloves off.

concerns “allegations that lobbyist Jack Abramoff used nonprofit organizations to pay for a variety of improper activities, including overseas trips,” for DeLay and another Republican Congressman, Rep. Robert W. Ney (R-Ohio). One trip, a 2002 golf vacation in Scotland, also included Ralph Reed, former head of the conservative Christian Coalition and long-time lobbyist, who now heads the Georgia Republican Party.

Investigations Pile Up

The Congressional events of March 15 and 16, investigating DeLay, Abramoff, and Reed, and the possibility of a full investigation by an Ethics Committee, are just the latest in a series of exposés of DeLay’s conduct that began with a March 6, 2005 segment on “Sixty Minutes,” the award-winning TV show, that included an interview with Austin, Texas District Attorney Ronnie Earle. Earle has already obtained eight indictments against corporations, and against three individuals close to DeLay, in the political action committee TRMPAC, which he chaired. Earle dismissed DeLay’s claim that the indictments were political, and when asked if he is looking into DeLay’s himself, said, “We’re following the truth, and wherever that leads, that’s where we’ll go.” The statements reportedly raised the temperature on concerns among Republicans about DeLay.

But news of an FBI investigation, into the antics of Jack Abramoff in arranging for lavish trips for DeLay, hit Washington like a bombshell. On March 14, *Newsweek* released its March 21 issue, announcing the news of the FBI probe. “The FBI is trying to trace what happened to \$2.5 million in payments” to the National Center for Public Policy Research (NCPPr), which were “routed to accounts controlled by two lobbyists with close ties to House Majority

Leader Tom DeLay,” wrote *Newsweek* reporter Michael Isikoff.

Abramoff and his sidekick and partner, Michael Scanlon, a former top aide to DeLay, are already under investigation by the U.S. Senate Subcommittee on Indian Affairs, and several Federal agencies, for cheating and fraud in the multi-millions of dollars that they took from Native American tribes to set up legalized gambling on reservations.

But the NCPPr appears to be an angle that hits DeLay hard, and could be far more of a danger to his future than the TRMPAC investigation in Texas, Isikoff suggested.

There are two aspects of the NCPPr investigation reported in *Newsweek*: Abramoff maneuvered two of the Indian tribes he was “representing,” to give \$25,000 contributions to NCPPr in 2000, at the very same time that the NCPPr paid \$70,000 for a week-long “golf vacation” in Scotland for DeLay, his wife, and two aides. Abramoff was a member of the Board of Directors of the NCPPr. But investigators have found that the NCPPr paid over \$2.5 million to Abramoff and to a company owned by his sidekick, Scanlon, that was supposed to go for “educational” campaigns to tell the public how beneficial gambling has been for Indian tribes. Abramoff has now resigned from the NCPPr.

Internal e-mails from the group indicate that Abramoff and Scanlon did not produce any work product, or fully account for the \$2.5 million they received, says *Newsweek*, adding that the group, which is a tax-exempt 501(c)3 charitable organization, is cooperating with the FBI in the probe of Abramoff.

Republicans are now ready to talk—at least anonymously—about DeLay, and, behind the scenes, may be preparing a showdown to dump “The Hammer,” as he is known in Congress.

“If death comes by a thousand cuts,” then Tom DeLay is already “into a couple of hundred. It’s getting up there,” one Republican consultant told the *Washington Post* March 14. The Republican wanted to remain anonymous because of his connections to the party.

Among the new scandals about DeLay, is the charge that he accepted trips from the Korea-U.S. Exchange Council, which is a registered foreign agent for South Korea. It is a violation of House rules for a member to accept gifts from a foreign agent. It was also exposed on March 17 that Rep. Lamar Smith (R-Texas), who was made head of the Ethics Committee, served as co-chairman of the Texans for a Republican Majority PAC (TRMPAC) fundraising meeting back in 2002.

Meanwhile, six Republicans contacted by the *Post* said that the “volume” of exposés about DeLay is “alarming,” and they see no indication that the negative stories are abating. This could hurt the interests of the party, they say. Meanwhile, DeLay, House Speaker Hastert, and other die-hards insist that all DeLay’s problems are coming from “partisan Democrats.”

That excuse is no longer working.

\$82 Billion War Supplemental Passed

On March 16, the House passed, by a vote of 388 to 43, a supplemental appropriations bill to cover the costs of the wars in Iraq and Afghanistan through September 2005. While the House Appropriations Committee made some minor changes to the bill, some increases in military accounts, and decreases in international relations provisions, passage of the funding was never an issue. The issue that dominated the debate was the unwillingness of the Bush Administration, and the Defense Department, to submit themselves to oversight. That concern was not limited to Democrats, either.

Rep. Louise Slaughter (N.Y.), the ranking Democrat on the House Rules Committee, decried the Committee's rejection of an amendment by Rep. John Tierney (D-Mass.) that would have established a select committee in the House to investigate fraud and abuse in contracting in Iraq, including an audit report recounting the failure of the Coalition Provisional Authority to properly account for \$9 billion in Iraqi funds that it spent. Slaughter pointed out that the House spends much of its time renaming post offices and honoring foreign dignitaries and athletic successes. "If we have enough time for that," she said "we certainly have enough time to track down \$9 billion that the administration seems to have misplaced." Rep. David Obey (Wisc.), the ranking Democrat on the Appropriations Committee, warned the House that the Democrats would no longer support such supplemental spending bills, "if we do not have adequate oversight and we do not have adequate information on the part of the administration."

Rep. Jim Leach (R-Iowa), who endorsed Tierney's amendment from the floor, and is co-sponsoring a stand-alone bill that does the same thing, told

the House, "I personally believe that the only way you can maintain support for national policy, however, controversial, is to have complete confidence that things are being pursued in the most honest way possible." Tierney's amendment was allowed to the floor, but declared out of order because it constituted legislation on an appropriations bill.

Senate Votes Up Bankruptcy Reform Bill

Credit card issuers and banks won a major victory on March 10 when the Senate voted 74 to 25 to pass a bill that will force more bankruptcy filers to pay some portion of their debt. The bill had long been favored by the banks, which want everyone to believe that anyone who files for bankruptcy is trying to shirk their obligations. They successfully transmitted that attitude to Republican members of the Senate, all 55 of whom voted for the bill. Millions of dollars in campaign contributions apparently greased the skids. More than 60% of \$44 million in contributions made by banks and retailers in 2004 went to Republicans, according to data compiled by the Center for Responsive Politics.

The bill was largely the product of deals negotiated behind closed doors, and the Senate GOP leadership successfully enforced those deals on the Senate floor, by defeating numerous amendments that would have eased the impact on debtors, especially those with large medical-related debts.

Sen. Byron Dorgan (D-N.D.) noted this aspect of the process, just before the final vote on passage. He noted a number of amendments that had been offered by the Democrats that would have eased the rules for military reservists called to active duty, people forced into bankruptcy by medical-related debt, and victims of

identity theft. "We have not heard good arguments for why these amendments should have failed," Dorgan said, except that "they want to avoid displeasing the House of Representatives."

The Republicans also apparently want to avoid offending President Bush, who has promised to sign the bill if it gets to his desk without amendments.

Highway Bill Faces Threat of Veto

On March 10, the House voted 417 to 9 for a \$284 billion, six-year transportation bill which will provide funds for highways and transit programs. According to House Transportation Committee chairman Don Young (R-Ak.), the bill address congestion problems, highway safety, improving the movement of freight, and other related infrastructure. The bill, however, is much smaller than most of its supporters wanted. Last year, the House had passed a bill worth \$375 billion, and the Senate \$318 billion, in the face of White House veto threats against anything larger than \$256 billion. This year, the Bush budget calls for a bill of \$284 billion, which the House squeezed itself into, but the bill includes a provision that allows the Congress to reconsider state funding allocations in 2009, which drew a veto threat from the White House.

Rep. Rob Petri (R-Wisc.), the chairman of the Highways, Transit, and Pipelines Subcommittee, told the House that the failure to meet the transportation needs of the country is "shortsighted," and that Democrats and Republicans alike "can and should support a strong infrastructure program that pays back so much in terms of economic development, international competitiveness, safety, mobility, and improved quality of life."