

The Clock is Ticking for Tom DeLay

By Jack Newfield

Two investigative time bombs with long fuses are ticking under the throne of Tom DeLay, America's Machiavelli of gerrymandering, money laundering, and shakedown fund raising.

They both involve active Grand Juries investigating alleged money laundering and campaign finance abuses. DeLay, the majority leader of the House, is still laughing off these probes in public, but he has hired criminal attorneys and begun a defense fund.

One of these time bombs is tentatively scheduled to get a public airing on September 14, when the senate's Indian Affairs committee, led by John McCain, holds a hearing into the fleecing of Indian tribes by two of DeLay's closest allies, lobbyists Jack Abramoff and Mike Scanlon. They have been paid more than \$45 million by tribes with casinos, over three years. Dissidents in these tribes—who have asked to testify—claim they were duped and most tribal members were kept in the dark about these exorbitant fees. Roy Fletcher, the new spokesman for the 800-member Coushatta tribe, says the tribe did not get what it paid for.

This hearing will only be the tip of an iceberg. The real story is with the FBI and a federal grand jury sitting in Washington that has been meeting for months. Federal prosecutors have assembled a war room full of banking records, billing records, and e-mails from Abramoff and Scanlon. They are focusing on the laundering of money for personal extravagance s and political campaigns.

DeLay has adroitly disavowed his two friends—a sign of how much The Hammer has to hide. Last year, in introducing DeLay, Abramoff declared. “Tom Delay is who all of us want to be when we grow up.”

DeLay's name may not even come up much during the testimony, but in Washington he is widely known as the enabler of these two avatars of avarice. Abramoff, his former law firm, and his Indian clients, have donated more than \$100,000 to DeLay's PACs since 2000. Abramoff, a hardline right winger, was paid \$7 million by the U.S. Protectorate, the Marianna Islands, to keep this garment sweatshop haven exempt from

American minimum wage laws. When the senate repealed this exemption, Delay killed the repeal in the House.

Abramoff also ran an anti-Mandela propaganda group called the International Freedom Foundation during the mid-1980s that was secretly funded by the South African government, according to the Truth Commission.

Scanlon was DeLay's 28-year-old press secretary during the Clinton impeachment rumble, and then became Abramoff's protégé.

Abramoff and Scanlon enriched themselves with tribal funds meant for education, housing and health care, according to the Senate staffers and an audit of the Coushatta tribe of Louisiana. They also directed about \$1.5 million from the 11 tribes they represented into Republican campaigns; Tribes that gave to Democrats in the 1990s started giving to Republicans once they hired Abramoff and Scanlon.

The Agua Caliente tribe of California gave \$100,000 to the GOP National committee right after they hired Abramoff in 2002. The Saginaw Chippewas of Michigan gave \$18,000 to DeLay's PAC. The Tigua tribe of Texas gave \$92,000 to Republican PACs after they hired Abramoff.

Scanlon's consulting company donated \$500,000 to the Republican Governor's Association, funds that originated with the 11 tribes, who constituted 90 per cent of all of Scanlon's business, Abramoff himself donated to 23 Republican campaigns, including six senators, and 12 congressmen, all right wing favorites of DeLay, like Richard Pombo, Johnny Isakson, and Ernest Istook.

Abramoff is on his own going into the hearing—distanced by DeLay, and kicked out of his law firm—Greenberg Traurig—for taking more than \$10 million in payments from Scanlon, and not telling his firm. This is the core of the money-laundering probe.

A big question about the hearing is if the committee will subpoena Ralph Reed, who is now running the Bush ground campaign in five southern states. The anti-gambling Reed has been a stealth partner of Abramoff and Scanlon, getting paid at least \$1.2 million through Scanlon's companies, to block competing casinos from cutting into the profits of the existing Coushatta casino in Louisiana.

I first reported these covert payments in the July 12 issue of the Nation. Reed denied them for two months, finally admitted getting this money to the Washington Post. Reed's

admission came only after the federal grand jury subpoenaed all this financial records involving Abramoff, Scanlon, and Indian gambling.

The second time bomb is ticking in Texas, where Democratic county prosecutor Ronnie Earle has been investigating DeLay's fund-raising chicanery with TRMPAC (Texans for a Republican Majority). The essence of the probe is that TRMPAC used illegal corporate money to elect 14 GOP state legislators in 2002 to gain state legislative control for the first time in 130 years. And then used this majority to crudely gerrymander Texas congressional districts so that four Democrats might lose their seats this November.

Under Texas law, these \$600,000 in corporate donations could only have been used for the PACs administrative costs, like rent. But instead it was used for polling, fund-raising, and phone banks, according to the PAC's own public filings.

TRMPAC also wired the Republican National Committee \$190,000 in corporate "soft money." Two weeks later the RNC mailed legal "hard money" checks to seven state GOP candidates that added up to exactly \$190,000. The RNC called this "a coincidence."

Among the donors to TRMPAC are Abramoff's law firm in 2000 (Preston, Gates & Ellis), and two tribes associated with him, for a total of \$31,000.

The immediate target of the Grand Jury is Jim Colyandro, who was TRMPAC's executive director, DeLay's daughter, Danielle Ferro, who was paid \$27,600 as a consultant by TRMPAC, has been before the Grand Jury twice.

Tom DeLay, driven by an alloy of ideology and money, will likely be the next Speaker of the House—if these time bombs don't blow up in his face first.