

Lightning Rod Blagojevich

Illinois Governor Rod Blagojevich was arrested early in the morning on December 9. Charges against him, filed by federal prosecutor Patrick Fitzgerald (of “well, I have to nail somebody after spending all this money so it may as well be Louis ‘Scooter’ Libby” fame), included scheming to defraud the State of Illinois and the people of the State of Illinois, and receiving campaign contributions in exchange for state positions or contracts. In other words, business as usual in Chicago and Illinois. Trading political favors is certainly not something invented by Blagojevich. In fact, his predecessor is currently in jail for doing just that sort of thing, and two other prior Illinois Governors have also spent time in the slammer. The crap flows downhill in the Land of Lincoln as well, with former Secretary of State Paul Powell leaving behind shoeboxes full of cash when he died in 1970. A \$900,000 comes to mind.

Prosecutor Fitzgerald alleged that Abraham Lincoln was turning in his grave, but even Lincoln did his share of wheeling and dealing while in Illinois politics. That was before wiretaps, of course. Older readers may recall that when John F. Kennedy was elected President in 1960, the Governor of Massachusetts appointed a virtual unknown to Kennedy’s open Senate seat long enough for his brother Teddy to reach age 30 and run for the seat himself. The seat-warming Senator (Benjamin A. Smith II) apparently felt that two years in the meaningless job was enough, so Teddy was allowed to take the reins in 1962 and he hasn’t let go since. (His hands on the reins of power are a bit steadier than his hands on a steering wheel.) Need anyone be prompted to wonder if Joseph P. Kennedy, the multimillionaire daddy of JFK, RFK, and Teddy, offered Mr. Smith a few bucks for promising to quit the Senate gig after two years?

Getting back to present day Illinois (where massive vote fraud in Chicago gave Kennedy the Presidency in 1960), everyone in the state seemed to know that Blagojevich was a wheeler dealer (he allegedly had a brief career as a bookie, paying off the mob in exchange for the freedom to operate on their turf) who spent most of his term and a half in the Governor’s office dispensing favors in exchange for other favors, but somehow Barack Obama seemed unaware of the Governor’s shaky character. Obama does, of course, seem to have a knack for hanging around with society’s less desirables, like Frank Marshall Davis (a communist activist and pornographer who fled from Chicago to Hawaii to escape the FBI), William Ayers and Bernadine Dohrn (former fugitives and terrorist bombers in the Weather Underground), Tony “the fixer” Rezko (Obama’s main “money man” who is now in jail), Reverend Jeremiah (“God Damn America”) Wright, and countless other thugs and influence peddlers, generally known simply as Chicago politicians and their financial associates.

Obama’s buddy Blagojevich seemed to think it was a good idea to try to get the more critical members of the Chicago Tribune’s editorial board fired, in exchange for his trying to swing some state money to the financially strapped newspaper. That was after several years of appointing contributors to state boards in exchange for their campaign contributions. The final straw was trying to get high-paying jobs for himself (and his foul-mouthed wife) in exchange for picking the right person to fill Obama’s vacant

Senate seat. Despite knowing that the government has been investigating him since at least 2003, Blagojevich was unafraid to do his deal-making in conference calls that turned out to have been recorded by the feds. Arrogant he may be but, regrettably for him, stupid often co-exists with that trait.

The triumvirate of deal makers in Illinois - Rezko, Blagojevich, and Obama - already has one member in the hoosegow. Rezko is currently behind bars in Chicago, awaiting sentencing. Sentencing was to have been scheduled for January 9, but the judge has postponed that in order to give Rezko more time to “sing,” possibly in connection with the Blagojevich charges. If Rezko sang a few Obama tunes while dealing for a lighter sentence, no one is telling.

Rezko might have a few tales to tell about what he got in exchange for the campaign cash he raised for Illinois politicians. Rezko raised \$148,300 for former Cook County Board president John Stroger; a Rezko pal got a contract to maintain pay telephones at the Cook County jail. He raised \$117,652 for Blagojevich, who in turn gave jobs and state appointments to Rezko buddies. Rezko raised \$55,950 for Chicago Mayor Richard M. Daley; \$43,000 for Illinois Attorney General Lisa Madigan, (daughter of Illinois House leader Mike Madigan, who received \$35,500); \$32,000 for Lieutenant Governor Pat Quinn (who will become Governor if Blagojevich resigns); and \$27,250 for Congressman Luis Guitierrez (who had chaired the Chicago City Council Housing Authority that gave Rezko property to develop). Obama was Rezko’s main beneficiary, however; he’s been raising money for him since his first political campaign, easily in excess of \$250,000. (To distance himself from Rezko, Obama allegedly returned between \$85,000 and \$250,000 in Rezko-raised funds.) There are few prominent Illinois Democrats who haven’t had Rezko money given to them, and a few Republicans can be found in the group as well.

If Blagojevich gets convicted, he too may feel a bit like singing. Some might consider him as vindictive as he is arrogant, and whittling a few years off a prison sentence has been known to help the memory process of more than a few people pacing back and forth past a stainless steel toilet and sink.

For those who assume Obama is as squeaky clean as portrayed by Chris Matthews, Keith Olbermann, and himself, a brief history lesson may be in order with regard to links between Blagojevich, Tony Rezko, and the President-elect.

In October of 1998, as an Illinois State Senator, Obama wrote a letter supporting state funds for a low-income senior citizen housing plan. The project’s site, an empty lot owned by the city of Chicago, was sold to Obama’s friend and fundraiser Tony Rezko, and Obama’s former law-firm boss, Mr. Allison Davis, for the grand sum of one dollar. The project, “Cottage View Terrace,” eventually consumed \$14.6 million in taxpayer dollars, with a substantial amount going to Rezko and Davis as development fees. Taxpayer funds are later given to Rezko for additional housing projects, despite the fact that some of his prior projects fell into significant disrepair. Throughout his Presidential campaign in 2007 and 2008, Obama said he “never did any favors” for Rezko.

Apparently the Illinois Senate thought enough of Rezko's slum-lord talents to give him bundles of money without any prodding from Obama.

Davis donated more than \$400,000 to dozens of political campaigns, including those of Illinois Governor Rod Blagojevich and Obama. Davis was the co-founder of the law firm Miner, Banhill and Galland, where Obama was employed from 1993 until at least 1996. The law firm's Judson Miner had been a classmate of Bernadine Dohrn (aka Mrs. William Ayers) in the late 1960s, when they were both anti-war activists.

Note that Davis has 51 per cent ownership in several Chicago real estate development businesses; because he is black, his ownership allows him to take advantage of laws favoring "minority ownership;" Davis is, however, a multimillionaire with no need for special minority treatment; he is merely taking unfair advantage of rules meant to help disadvantaged minority members. As a state senator, Obama steers millions in state development money to firms owned by Rezko and Davis. Some of the housing developments built by Davis are managed by a company owned by Davis' son, Cullen Davis. (It's a small world.)

Obama pushes legislation through the Illinois Senate (SB1332) to reduce the number of members on the Health Facilities Planning Board from 15 to 9, and (with the help of Tony Rezko, Stuart Levine, and Governor Rod Blagojevich) gets three of his campaign contributors appointed to the Board. One of the doctors on the Board, Robert Weinstein, is later convicted, along with Stuart Levine, of embezzling millions from charities and a medical school. FBI agents record Rezko bragging to Levine that he influences the Board. Michael Malek, one of the people appointed to the board, donated \$10,000 to Obama on June 3, 2003, and \$25,000 to Governor Rod Blagojevich on July 25, 2003. Appointee Fortune Massuda gave the governor \$25,000, and \$2,000 to Obama. Dr. Imad Almanaseer gave \$3,000 to Obama.

In 2004, Iraqi billionaire Nadhmi Auchi (who now lives in London) flew to Chicago in a private jet and met at the Four Seasons Hotel with Tony Rezko, Illinois Governor Rod Blagojevich, and Obama. At that point, both Blagojevich and Obama were aware that Rezko was already under investigation for illegal activities involving kickbacks for political favors, and Auchi had his own legal and criminal troubles. Blagojevich and Obama met with them anyway. (For the record, Obama was more than eight years old at the time of the meeting.)

During 2004 and 2005, the FBI noted repeated visits by Obama and Illinois Governor Rod Blagojevich at the offices of Rezmar Corporation, a joint business venture of Daniel Mahru and Tony Rezko. (Obama can't seem to keep away from those two guys.)

In June, 2005, Obama purchased his mansion in Chicago's Hyde Park neighborhood, for \$1.65 million (\$300,000 less than the asking price), with the help of Tony Rezko, whose wife Rita (who earned \$37,000 per year) agreed to purchase the empty lot adjacent to the Obama house for the full price of \$625,000, with a down payment of \$125,000. Obama's 5.625 per cent mortgage was for \$1.32 million, through the Northern Trust Bank. At the

time of the purchase, it was already widely known that Rezko was under investigation by federal authorities; Obama dealt with him anyway.

Keep in mind that Obama got his enormous dollar mortgage at the same time he and his wife, Michelle, were allegedly struggling to pay off their school loans. As late as April of 2008, Michelle Obama stated that her husband had *“just paid off his loan debt”* for his Harvard Law School education. That statement is not consistent with a review of Obama’s financial disclosures, which go back to the year 2000 and which did not list any outstanding college loans. As a candidate for the U.S. Senate, Obama was required, in 2004, to file a financial disclosure form detailing his assets, income, consulting contracts, and liabilities. Obama listed zero for liabilities in 2004 and in all subsequent U.S. Senate financial disclosure forms. Obama either lied on those financial statements, or his wife lied on the campaign trail – or both. (Getting votes from the “common man” is easier when they think you’re “struggling to pay off school loans” than when they know you just got a whopping \$1.32 million mortgage at 5.625 per cent.)

Three weeks before Obama purchased the mansion, \$3.5 million was loaned to Rezko by Nadhmi Auchi. Rita Rezko then sold a 10-foot strip of the empty lot to Obama, for \$104,500. (The transaction left Rezko with an unusable empty lot with no street access.) Rezko later asked Obama to help Auchi obtain a visa to travel in the United States in 2005, but the State Department refused - partly because Auchi, a member of Saddam Hussein’s Baath Party and a former high-ranking official in his oil Ministry, had been found guilty of corruption charges in France.

Rita Rezko borrowed money for the empty lot from the Mutual Bank of Harvey, which is run by Rezko pal Amrish Mahajan. Mahajan’s wife, Anita, has been charged with fraudulently receiving millions of Illinois taxpayer dollars for drug tests her company never performed. She is currently awaiting trial. (Her company’s computers suspiciously disappeared, right before investigators arrived to take them away for evidence.) The wife of Illinois Governor Rod Blagojevich, Patti Blagojevich, is a real estate agent whose dealings with both Tony Rezko and the Mutual Bank of Harvey are under scrutiny by federal investigators. (Birds of a feather.)

In April of 2006, a company called Companion Security (run by Rezko and others) dealt with Governor Rod Blagojevich to lease an Illinois military facility for the training of Iraqi security guards. In August of 2006, one of Rezko’s Companion Security partners then worked with Obama’s Senate staff to complete the deal. During the campaign, Obama admitted that his dealing with Rezko on the mansion purchase was a “boneheaded mistake,” but that didn’t prevent him from continuing to deal with Rezko and his Companion Security firm.

In May of 2008, Nevada issued an arrest warrant for Tony Rezko, for having written at least \$450,000 in bad checks to Caesar’s Palace and Bally’s; he also allegedly owed \$331,000 to the Bellagio casino. The checks were from Rezko’s account at Broadway Bank, which is run by the mob-connected Giannoulas family. The checks date back to

2006, when the bank's vice-president, Obama-endorsed Alexi Giannoulias, was running for Illinois State Treasurer.

On June 4 of this year, Rezko was convicted of 16 (of 24) counts of felony charges for influence-peddling, fraud, money laundering, and bribery conspiracy. Obama's response was, *"I'm saddened by today's verdict. This isn't the Tony Rezko I knew, but now he has been convicted by a jury on multiple charges that once again shine a spotlight on the need for reform."* It might seem to some that Rezko was always the same shady character, and Obama knew it all along.

On October 10, stories surfaced that Tony Rezko might be giving up incriminating information about Illinois State Treasurer Alexi Giannoulias, Illinois Governor Rod Blagojevich, and Obama, in order to receive a lighter prison sentence for his felony convictions. Everyone knows Rezko is singing, but only the feds know which songs.

The Blagojevich charges disclose that he wanted big favors from Obama in exchange for naming his advisor, Valerie Jarrett, to his Senate seat. The media is falling all over itself implying that Obama is righteous to the core because he wouldn't go along with the deal - as though reporters didn't know he had made deals with or for Jarrett in the past.

Valerie Jarrett is the daughter-in-law of the late Vernon Jarrett; Vernon Jarrett was a friend of Obama's high school mentor in Hawaii, Frank Marshall Davis, with whom he worked at the Chicago Defender, a leftist newspaper that advocated the radicalism of the Communist Party. Vernon Jarrett later became the Chicago Tribune's first black syndicated columnist, and was a strong supporter of Chicago's black mayor Harold Washington, who had defeated the late Richard J. Daley's "machine candidate" with the help of Chicago's Communist Party and the Democratic Socialists of America.

Valerie Jarrett was CEO of Habitat Co., a company which managed Grove Parc Plaza, a 504-unit housing project in Chicago that fell into disrepair and is famous for its pathetic living conditions (collapsed roofs, un-repaired fire damage, rodents, and backed up sewage). Another even larger of Chicago's subsidized housing complexes managed by Jarrett's company was seized by the federal government in 2006 after widespread problems were identified. That Jarrett was CEO of Habitat at the same time she served as Chicago Mayor Daley's planning commissioner, suggesting significant conflicts of interest. Jarrett hired Obama's wife Michelle for a city job in 1991, at a salary of \$60,000. To give her still another paycheck at taxpayer expense, Chicago Mayor Richard M. Daley appointed Michelle Obama to the Chicago Landmark Commission.

So the Obama-Jarrett connection goes back as far as 1991. As a State Senator, Obama steered development funds to people like Davis and Rezko, and Jarrett's company managed some of the buildings - and managed them quite poorly. Favors were granted, taxpayer money was distributed by the millions, and jobs were passed around like gold stars on first grade school assignments. Tony Rezko, Barack Obama, and Valerie Jarrett were all involved in developing Chicago public housing and then letting it disintegrate to the point that some of the buildings have already been condemned. The unfortunate

people living in that public housing were treated by the threesome with contempt, yet most of them probably voted for Obama anyway.

And Obama has the nerve to call for Blagojevich to resign...

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