

\$ CHAPTER 2 \$

THE BEST DEMOCRACY MONEY CAN BUY:

The Bushes and the Billionaires Who Love Them

Who owns America? How much did it cost? Was the transaction cash, check or credit card? Was it a donation to my son who's running for president? Or a consulting contract to my wife's former law partner to comfort him on his way to the federal penitentiary?

And what do you give a billionaire who has everything? Immunity from prosecution?

Then there's the practical difficulty of gift wrapping the U.S. Congress.

George W. Bush may have lost at the ballot box but he won where it counts, at the piggy bank. The Fortunate Son rode right into the White House on a snorting porker stuffed with nearly half a billion dollars: My calculation of the suffocating plurality of cash from Corporate America ("hard" money, "soft" money, "parallel" spending and other forms of easy squeezy) that smothered Al Gore runs to \$447 million. They called it an election but it looked more like an auction.

What did all this loot buy? In May 2001, I flew to Texas to find out.

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Ya Dance with Them What Brung Ya

Ah, the smell of Houston in the morning.

According to LaNell Anderson, real estate agent, what I'm smelling is a combination of hydrogen sulphide and some other unidentifiable toxic gunk. With the crew from BBC's *Newsnight*, we've pulled up across from a pond on the Houston Ship Channel, home of the biggest refinery and chemical complex in America, owned by ExxonMobil.

The pond is filled with benzene residues, a churning, burbling goop. Though there's a little park nearby, this is not a bucolic swimming hole. Rather, imagine your toilet backed up, loaded and ripe – assuming your toilet is a half mile in circumference.

Once LaNell picked up the scent of airborne poisons, she hopped from her Lexus, pulled out a big white bucket and opened a valve, sucking in a three-minute sample of air. She'll send the bucket off to the U.S. Environmental Protection Agency, in the hopes that they will trace, and then fine, the polluter.

Hunting killer fumes is a heck of a hobby. LaNell began after learning she had a rare immune system disease associated with chemical pollution. Her mom and dad died young of lung disease and cancer. She grew up and lives near the Ship Channel.

I didn't have the heart to tell her that she might as well chuck away her buckets. Quietly tucked into President Bush's first budget was a big fat zero for the key EPA civil enforcement team. This has no connection whatsoever to the petrochemical industry dumping \$48 million into the Republican campaign.

LaNell stopped to chat with some Chicano sub-teens playing soccer with an old bowling ball. They live in what ExxonMobil calls its "vulnerability zone." The refinery released 1.68 million pounds of toxic chemicals into the air and water here in 2000 by accident. According to ExxonMobil records, if the pentane on site vaporized and ignited, it would burn human skin within 1.8 miles: 7,300 people live in that zone.

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Bush is addressing the problem. He's closing down public access to these reports on the killing zones.

The president need not worry. He lives safely within Exxon's invulnerability zone: The Republicans collected \$1.2 million from company personnel during Bush's campaigns, generosity bested in their industry only by Enron.

A giant flare suddenly lit up the other side of the channel – and LaNell sped off to investigate. When she reached the gate of the chemical plant spitting out the flames, she was told the refinery blew a hydrogen line. The operators, rather than store the ruined batch of ethylene, chose to ignite it. The toxic fireball, big as the White House, burned from the stack for several hours, exhaling a black cloud over Houston.

LaNell said this sickening “sky dumping” procedure is okey-dokey with Texas state regulators. As soon as Bush got into the White House, he proposed moving air quality enforcement away from the tougher Feds to these laid-back state agencies. And the Bush energy plan loosens EPA rules on the chemical industry.

That was May 2001, days before President Bush issued his proposals to end the energy crisis in California. The Golden State was suffering rolling blackouts. The state's monthly electricity bill shot up by 1,000 percent. But as soon as I got a whiff of the president's proposals, I knew his plan had nothing to do with helping out the Gore-voting surfers on the Left Coast. Bush's “energy crisis” plan reeks of pure eau de Texas, that sulfurous combination of pollution, payola and political power unique to the Lone Star State.

Bush put Vice President Dick Cheney in charge of the committee to save California consumers. Recommendation number one: Build some nuclear plants. Not much of an offer to earthquake-prone California, but a darn good deal for the biggest builder of nuclear plants based in Texas, the Brown and Root subsidiary of Halliburton Corporation. Recent CEO of Halliburton: Dick the Veep.

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Suggestion number two: Drill for oil in Alaska's Arctic Wildlife Refuge. California does not burn oil in its power plants, but hey, committee member Commerce Secretary Don Evans gave the Arctic escapade a thumbs-up. Evans's most recent employment: CEO of Tom Brown Inc., a billion-dollar oil and gas corporation.

And so on. Former Texas Agriculture Commissioner Jim Hightower told me, "They've eliminated the middleman. The corporations don't have to lobby the government anymore. They are the government." Hightower used to complain about Monsanto's lobbying the secretary of agriculture. Today, Monsanto executive Ann Venamin is the secretary of agriculture.

Bill Clinton, before his final bow, issued an order on December 14, halting uncontrolled speculation in the California electricity market. You could hear the yowls all the way to Texas, where the big winners in the power game – TXU, Reliant, Dynegy, El Paso corporation, and the erstwhile Enron – have their headquarters.

These five energy operators, through their executives and employees, ponied up \$4.1 million for the Republican presidential campaign cycle, according to the Center for Responsive Politics in Washington. They didn't have long to wait before their investment – excuse me, donation – paid off big time. Just three days after his inauguration, Bush swept away Clinton's orders directing controlled power sales to California.

On my way to Dallas, I flew over a vicious scar on the Texas landscape. Alcoa Aluminum's lignite strip mine, a 250-foot hole on the range, feeds their plant at the end of the ditch. Lignite's the filthiest fuel you can burn, if the government will let you. My little plane set down at Wayne Brinkley's ranch. An odd homestead: Everything's covered with this sticky goo – Wayne's pickup, Wayne's trees, and presumably, Wayne's lungs.

In 1997, the heat was on from regulators to force Alcoa to switch to clean natural gas. Exxon was facing compulsory cuts

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of up to 50 percent in its emissions on the Houston Ship Channel. Governor Bush set up a committee with Alcoa, headed by Exxon, which met in secret to push a law to replace hard rules with voluntary standards. Texas state anticorruption law made it illegal to donate money to Bush as governor while such legislation was under consideration, but within a month of Bush's shepherding the bill through the state legislature, he declared his run for the presidency, making the \$150,000 in donations from committee representatives completely legal. Alcoa bragged that it saved \$100 million, and its law firm dropped \$170,000 into the Republican presidential campaign. (Bush clearly admired Alcoa executives' way with numbers. He appointed the aluminum company's chairman, Paul O'Neill, as his secretary of the treasury.)

On to Dallas, where I met with Phyllis Glazer, founder of a group of bereaved mothers in Winona, Texas. They lost their children to rare diseases that they believe are related to a local hazardous waste "injection well," a big underground chemical dump. Phyllis wore one of those fancy Western dance shirts with the metal bangles and cowhide fringe, so I brilliantly asked her if she enjoys Texas two-stepping. "Actually, I don't do a lot of dancing these days. My bones are deteriorating."

Phyllis and the moms took a bus to Washington, DC. But official doors slammed in their faces. "They say someone who's given \$200,000 or a couple million, their call goes straight through."

One Texan who made his way through the doors to power was Ken Lay, former chairman of Enron, the electricity speculating outfit that made out so well in Bush's energy program. Once upon a time Lay was what they call a Pioneer – not the kind that lives in a little house on the prairie, busting the soil, but one of the big buckaroos who each pledged to raise \$100,000 for Mr. Bush's campaign. Four hundred Pioneers – that's \$40 million in booty.

Lay wouldn't talk to me, but his fellow Pioneer, Senator Teel

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Bivins, Texas Panhandle rancher, was right friendly. His office walls in the Capitol in Austin sported a pair of riding chaps, his Pioneer medallion and the head of a deceased longhorn. I was assured the back half of the beast ended up on the senator's barbecue.

Getting the hundred grand for Bush was no problem for this cowboy politician. Easiest money he ever raised ("Eezist monuh ah eva rayzed"). And Bush never forgets his friends. One unheralded milestone of Bush's first one hundred days was his allowing beef packers to zap meat with radiation to kill salmonella, a disinfectant cheaper than nonnuclear methods. (Bush's proposal to permit a bit of salmonella in school lunch meats was withdrawn after the public reacted with loud gagging and retching noises.)

Teel could have added that for a hundred grand, the president will fluff up your pillow. Two years after Clinton was caught running the White House as a Motel 6 for big donors, Bush invited his own Pioneers, including Bivins, to rough it in the Lincoln Bedroom.

I told the senator about Phyllis Glazer, the cancer victim and pollution fighter, and her complaint that Washington access required big-bucks donations.

"Well," said Pioneer Teel, "it's easy for the press to take some victim and make her a poster girl. The reality is individuals in a country with three hundred million people have very little opportunity to speak to the president of the United States." But what about Pioneer Lay of Enron Corp? His company, America's number-one power speculator, was also Dubya's number-one political career donor (\$1.8 million to Republicans during the 2000 presidential campaign). Lay was personal adviser to Bush during the postelection "transition." And his company held secret meetings with the energy plan's drafters. Bush's protecting electricity deregulation meant a big payday for Enron – subsequent bankruptcy notwithstanding – sending profits up \$87 million in the first quarter of Bush's reign, thanks to his reversal of Clinton orders.

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The senator is nothing if not candid. "So you wouldn't have access if you had spent two years of your life working hard to get this guy elected president *raising hundreds of thousands of dollars?*"

In case I didn't understand, he translated it into Texan. "*Ya dance with them what brung ya!*"

I couldn't argue with that. If President Bush chose to two-step with Lay of Enron instead of Phyllis Glazer, well, let's be honest, Phyllis ain't much on the dance floor these days.

Poppy Strikes Gold

George W. could not have amassed this pile if his surname were Jones or Smith. While other candidates begged, pleaded and wheedled for donations, the Bushes added a creative, lucrative new twist to the money chase that contenders couldn't imitate: "Poppy" Bush's post-White House work. It laid the foundation for Dubya's campaign kitty corpulence and, not incidentally, raised the family's net worth by several hundred percent.

In 1998, for example, the former president and famed Desert Stormtrooper-in-Chief wrote to the oil minister of Kuwait on behalf of Chevron Oil Corporation. Bush says, honestly, that he "had no stake in the Chevron operation." True, but following this selfless use of his influence, the oil company put \$657,000 into the Republican Party coffers.

That year Bush père created a storm in Argentina when he lobbied his close political ally, President Carlos Menem, to grant a gambling license to Mirage Casino Corporation. Once again, the senior Bush wrote that he had no personal interest in the deal. However, Bush fils made out quite nicely: After the casino flap, Mirage dropped \$449,000 into the Republican Party war chest.

Much of Bush's loot, reports the Center for Responsive Politics, came in the form of "bundled" and "soft" money. That's the squishy stuff corporations use to ooze around U.S. law,

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which prohibits any direct donations from corporations.

Not all of the elder Bush's work is voluntary. His single talk to the board of Global Crossing, the telecom start-up, earned him stock worth \$13 million when the company went public. Global Crossing's employees also kicked in another million for the younger Bush's run. (We'll meet Global Crossing again in Chapter 3.)

And while the Bush family steadfastly believes that ex-felons should not have the right to vote for president, they have no objection to ex-cons putting presidents on their payroll. In 1996, despite pleas by U.S. church leaders, Poppy Bush gave several speeches (he charges \$100,000 per talk) sponsored by organizations run by Rev. Sun Myung Moon, cult leader, tax cheat – and formerly the guest of the U.S. federal prison system.

Some of the loot for the Republican effort in the 1997–2000 election cycles came from an outfit called . . .

CENSORED*

*This part is all about a gold mining company that Bush Sr worked for after he left the White House. The story's a real page-turner, all about Daddy Bush, the dictator Suharto, gold mines in Tanzania. Well, you won't read about it here. The gold company's layers have demanded a received a promise from the *Guardian* never again to publish this article. For me to do so here would mean taking a risk that corporate censors might attempt to use Britain's berserker libel courts to lock my paper in a financial Tower of London and suck our bank accounts dry. Read Joe Conason's story in *Salon.com*, "Exporting Corporate Control: A gold company with ties to the Bush family tries to muzzle a muckraking journalist" at <http://archive.salon.com/news/col/cona/2001/07/20/gold/index1.html>.

So hand me the scissors; out it goes. No games, no coy rewriting of the material. If Britons want to read a free press, they should go to Moscow or Tanzania or Bolivia where this information has been published uncensored – or, alternatively, trade

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in your Queen for a written constitutional guarantee of free of the press. In fact, you can borrow America's – we aren't using ours.

Did My President Spike the Investigation of bin Laden?

On *Newsnight*, an American journalist confessed that, since the September 11, 2002, attack, U.S. reporters are simply too afraid to ask the uncomfortable questions that could kill careers: "It's an obscene comparison, but there was a time in South Africa when people would put flaming tires around people's necks if they dissented. In some ways, the fear is that you will be neck-laced here, you will have a flaming tire of lack of patriotism put around your neck," Dan Rather said. Without his makeup, Rather looked drawn, old and defeated in confessing that he too had given in. "It's that fear that keeps journalists from asking the toughest of the tough questions and to continue to bore-in on the tough questions so often."

Silence as patriotism? My producers at *Newsnight* and editors at the *Guardian* were not so constrained. So I was assigned to fly home to Ground Zero and ask the necessary question that could not, in the early days after the attack, leave the lips of American reporters: How did it happen that the CIA, FBI, Defense Intelligence Agency and our other extravagantly funded spooks could neither prevent nor learn in advance about the most deadly attack on America since Pearl Harbor? The answer was as unpleasant as the question.

If U.S. intelligence agencies did not see the attack coming it was because they were told not to look. Why? From inside the agencies were obtained statements and documents indicating that the Bush administration blocked key investigations into allegations that top Saudi Arabian royals and some members of the bin Laden family, not just Osama, funded and supported Al-Quaeda and other terrorist organizations.

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The reports I did based on this information won the California State University School of Journalism's Project Censored Award in 2002. It's not the kind of prize you want to win – it's given to crucial stories that were effectively banned from U.S. airwaves and papers.¹

I don't want any misunderstanding here, so I must emphasize what we did not find: we uncovered no information, none whatsoever, that George W. Bush had any advance knowledge of the plan to attack the World Trade Center on September 11, nor, heaven forbid, any involvement in the attack.

FBI Document 199I

What we *did* discover was serious enough. To begin with, from less-than-happy FBI agents we obtained an interesting document, some thirty pages long, marked "SECRET." I've reproduced a couple of pages here (figure 2.1). Note the designation "199I" – that's FBI-speak for "national security matter." According to insiders, FBI agents had wanted to check into two members of the bin Laden family, Abdullah and Omar, but were told to stay away by superiors – until September 13, 2001. By then, Abdullah and Omar were long gone from the USA.

Why no investigation of the brothers bin Laden? The Bush administration's line is the Binladdins (a more common spelling of the Arabic name) are good folk. Osama's the Black Sheep, supposedly cut off from his Saudi kin. But the official line notwithstanding, some FBI agents believed the family had some gray sheep worth questioning – especially these two working with the World Assembly of Muslim Youth (WAMY), which the file labels "a suspected terrorist organization."

Let's be careful here: WAMY may be completely innocent.

¹ Not surprisingly, our story led the news in Europe. Our team was directed by BBC Newsnight producer Meirion Jones. We were joined by *Guardian* investigator David Pallister and editor David Leigh with invaluable assistance provided by the National Security News Service of Washington under the direction of spy-tracker Joe Trento.

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SEPTEMBER 13, 2001/6:00pm-6:00pm SHIFT

SIGNIFICANT ACTIVITY

At approximately 8:00 on 9/12/01, SA Brian McCauley met with a source who had information about an Arab out of the United States who was requested to arrange immediate transportation for an associate contacted the source on September 4, stating that he needed help in sm[redacted] the country on September 11 or 12. The source said no, as that was r[edacted] contacted again on September 5 and September 11 by the associat[redacted]. The source was in contact with Agent McCauley and for the Arab. It was learned that the Arab was in of an altern[redacted] through and was in need would be to return to DC and he to DC, it will

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Case ID : 199I-WF-213589
Responses :
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SECRET

Serial : 39

On 9/11/96 and closed on 09/11/1996 on ABL because of his
pos relationship with the WORLD ASSEMBLY OF MUSLIM YOUTH (WAMY), a
ad suspected terrorist organization. Serial 13589

Document Text
SECRET

(S) Investigation do date has determined the following
information: The captioned subject has lived at 850 North
Randolph Street, #1230, Arlington, Virginia 22203 since
08/29/1997. He has been receiving mail at P.O. Box 8671, Falls
Church, Virginia 22041 since 03/11/1996 and may also receive
mail at 10310 Main Street, Fairfax, Virginia 22030. From June
1994 to August 1997, the captioned subject is believed to have
lived with ABL at 3411 Silver Maple Place, Falls Church, Virginia
22042.

mand
slp F3=Exit F4=Prompt F7=Bkwd F8=Fwd F12=Cancel
revDoc F16=NextDoc F17=PrevWd F18=NextWd

SECRET

~~SECRET~~

Fig. 2.1. FBI documents: "Secret." The designation "199" means "national security matter." This is the first of over thirty pages of documentation obtained by BBC and the National Security News Service (Washington) indicating that the FBI was pulled off the trail of "ABL" (Abdullah bin Laden) - until September 13, 2001. Abdullah is reportedly Osama's cousin, and should not be confused with another Abdullah, Osama's brother, a businessman in Boston.

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The FBI targets lots of innocents, too many in fact, but there were plenty of signs that the WAMY crew deserved the organization's scrutiny. WAMY, funded from Riyadh by royal charities, sponsors soccer teams and educational seminars. But in their Florida summer camp, besides the usual arts and crafts for the kiddies, youngsters received a pep talk on what were presented as the good Islamic practices of hostage-taking and suicide killings. (We at BBC obtained a video tape of one of these rap sessions.) WAMY literature was found in the apartment of one of the 1993 World Trade Center bombers, praising "heroes" who killed unarmed Jews at worship.

No matter how vile WAMY's indoctrination chats, they are none of the FBI's business. Recruitment for terror, however, is. Before September 11, the governments of India and the Philippines tied WAMY to groups staging murderous attacks on civilians. Following our broadcast on BBC, the Dutch secret service stated that WAMY, "support(ed) violent activity." In 2002, the Wall Street Journal's Glenn Simpson made public a report by Bosnia's government that a charity with Abdullah bin Laden on its board had channeled money to Chechen guerrillas. Two of the September 11 hijackers used an address on the same street as WAMY's office in Falls Church, Virginia.

The "Back-Off" Directive and the Islamic Bomb

Despite these tantalizing facts, Abdullah and his operations were A-OK with the FBI chiefs, if not their working agents. Just a dumb SNAFU? Not according to a top-level CIA operative who spoke with us on condition of strictest anonymity. After Bush took office, he said, "there was a major policy shift" at the National Security Agency. Investigators were ordered to "back off" from any inquiries into Saudi Arabian financing of terror networks, especially if they touched on Saudi royals and their retainers. That put the bin Ladens, a

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family worth a reported \$12 billion and a virtual arm of the Saudi royal household, off limits for investigation. Osama was the exception; he remained a wanted man, but agents could not look too closely at how he filled his piggy bank. The key rule of any investigation, “follow the money,” was now violated, and investigations – at least before September 11 – began to die.

And there was a lot to investigate – or in the case of the CIA and FBI under Bush – a lot to ignore. Through well-known international arms dealers (I’m sorry, but in this business, sinners are better sources than saints) our team was tipped off to a meeting of Saudi billionaires at the Hotel Royale Monceau in Paris in May 1996 with the financial representative of Osama bin Laden’s network. The Saudis, including a key Saudi prince joined by Muslim and non-Muslim gun traffickers, met to determine who would pay how much to Osama. This was not so much an act of support but of protection – a pay off to keep the mad bomber away from Saudi Arabia.

The crucial question here is that, if I could learn about this meeting, how did the CIA miss it? In fact, since the first edition of this book, other sources have disclosed that the meeting was monitored by French intelligence. Since U.S. intelligence was thus likely informed, the question becomes why didn’t the government immediately move against the Saudis?

I probed our CIA contact for specifics of investigations that were hampered by orders to back off of the Saudis. He told us that far bigger fish got away than WAMY. The Khan Laboratories investigation had been effectively put on hold.

You may never have heard of Khan Laboratories, but if this planet blows to pieces this year, it will likely be thanks to Kahn Labs’ creating nuclear warheads for Pakistan’s military. Because investigators had been tracking the funding for this so-called “Islamic Bomb” back to Saudi Arabia, under Bush security restrictions, the inquiry was stymied. (The restrictions were

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lifted, the agent told me without a hint of dark humor, on September 11.)²

Clinton Closed an Eye

True-blue Democrats may want to skip the next paragraphs. If President Bush put the kibosh on investigations of Saudi funding of terror and nuclear bomb programs, this was merely taking a policy of Bill Clinton one step further.

Following the 1996 Khobar Towers bombing in Saudi Arabia, Clinton hunted Osama with a passion – but a passion circumscribed by the desire to protect the sheikdom sitting atop our oil lifeline. In 1994, a Saudi diplomat defected to the United States with 14,000 pages of documents from the kingdom's sealed file cabinets. This mother lode of intelligence included evidence of plans for the assassination of Saudi opponents living in the West and, tantalizingly, details of the \$7 billion the Saudis gave to Saddam Hussein for his nuclear program – the first attempt to build an Islamic Bomb. The Saudi government, according to the defector, Mohammed Al Khilewi, slipped

² Dr. A. Q. Kahn is the Dr. Strangelove of Pakistan, the “father” of their bomb and, says a former associate, a crusader for its testing . . . on humans. On April 25, 1998, Kahn met at the Kushab Research Center with General Jehangir Karamat, then army chief of staff, to plan a possible preemptive nuclear strike on New Delhi, India. The Saudis lit a fuse under this demented scheme by telling Pakistan intelligence that Israel had shipped India warplanes in preparation for a conventional attack on Pakistan. We only know these details because a young researcher who claims he was at the meeting wrote a horrified letter threatening to make the plan to bomb India public, a threat which appears to have halted the scheme. After writing down his objections, the whistle-blower, Iftikhar Khan-Chaudhry, ran for his life to London, then the USA, seeking asylum. Khan-Chaudhry, when questioned, seemed to know too little to be the top nuclear physicist he claimed, and far too much about A. Q. Khan's bomb factory to be the tile company accountant Pakistan claims. Pakistan police, failing to arrest him, jailed, beat and raped his wife, suggesting they wanted him to keep secret something more interesting than bookkeeping methods. Whether his story was real or bogus, I can't possibly tell. The point is that intelligence agencies under Clinton, based on many other leads as well, were following up on the Saudi connection until the Bush team interfered.

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Saddam the nuclear loot during the Reagan and Bush Sr. years when our own government still thought Saddam too marvelous for words. The thought was that he would only use the bomb to vaporize Iranians.

Clinton granted the Saudi defector asylum, but barred the FBI from looking at the documents. Al Khilewi's New York lawyer, Michael Wildes, told me he was stunned. Wildes handles some of America's most security-sensitive asylum cases. "We said [to the FBI], 'Here, take the documents! Go get some bad guys with them! We'll even pay for the photocopying!'" But the agents who came to his office had been ordered not to accept evidence of Saudi criminal activity, even on U.S. soil.

In 1997, the Canadians caught and extradited to America one of the Khobar Towers attackers. In 1999, Vernon Jordan's law firm stepped in and – poof! – the killer was shipped back to Saudi Arabia before he could reveal all he knew about Al-Qaeda (valuable) and the Saudis (embarrassing). I reviewed, but was not permitted to take notes on, the alleged terrorist's debriefing by the FBI. To my admittedly inexperienced eyes, there was enough on Al-Qaeda to make him a source on terrorists worth holding on to. Not that he was set free – he's in one of the kingdom's dungeons – but his info is sealed up with him. The terrorist's extradition was "Clinton's." "Clinton's parting kiss to the Saudis," as one insider put it.

This make-a-sheik-happy policy of Clinton's may seem similar to Bush's, but the difference is significant. Where Clinton said, "Go slow," Bush policymakers said, "No go." The difference is between closing one eye and closing them both.

Blow-Back and Bush Sr.

Still, we are left with the question of why both Bush Jr. and Clinton would hold back disclosure of Saudi funding of terror. I got the first glimpse of an answer from Michael Springmann, who headed up the U.S. State Department's visa bureau in

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Jeddah, Saudi Arabia, during the Reagan–Bush Sr. years. “In Saudi Arabia I was repeatedly ordered by high-level State Department officials to issue visas to unqualified applicants. These were, essentially, people who had no ties either to Saudi Arabia or to their own country. I complained bitterly at the time there.” That was Springmann’s mistake. He was one of those conscientious midlevel bureaucrats who did not realize that when he filed reports about rules violations he was jeopardizing the cover for a huge multicontinental intelligence operation aimed at the Soviets. Springmann assumed petty thievery: someone was taking bribes, selling visas; so he couldn’t understand why his complaints about rule-breakers were “met with silence” at the Bureau of Diplomatic Security.

Springmann complained himself right out of a job. Now a lawyer, he has obtained more information on the questionable “engineers” with no engineering knowledge whom he was ordered to permit into the United States. “What I was protesting was, in reality, an effort to bring recruits, rounded up by Osama bin Laden, to the United States for terrorist training by the CIA. They would then be returned to Afghanistan to fight against the then-Soviets.”

But then they turned their talents against the post-Soviet power: us. In the parlance of spook-world, this is called “blow-back.” Bin Laden and his bloody brethren were created in America’s own Frankenstein factory. It would not do for the current president nor agency officials to dig back to find that some of the terrorists we are hunting today were trained and armed by the Reagan–Bush administration. And that’s one of the problems for agents seeking to investigate groups like WAMY, or Abdullah bin Laden. WAMY literature that talks about that “compassionate young man Osama bin Laden,” is likely to have been disseminated, if not written, by our very own government. If Abdullah’s Bosnian-operated “charity” was funding Chechnyan guerrillas, it is only possible because the Clinton CIA gave the wink and nod to WAMY and other groups who were aiding Bosnian guerrillas when they were fighting Serbia,

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a U.S.-approved enemy. "What we're talking about," says national security expert Joe Trento, "is embarrassing, career-destroying blow-back for intelligence officials." And, he could add, for the presidential father.

The Family Business

I still didn't have an answer to all my questions. We knew that Clinton and the Bushes were reluctant to discomfort the Saudis by unearthing their connections to terrorists – but what made this new president take particular care to protect the Saudis, even to the point of stymying his own intelligence agencies?

The answers kept coming back: "Carlyle" and "Arbusto."

While some people have guardian angels, our president seems to have guardian sheiks. George W. was born with a silver oil well in his mouth; yet, despite the age of his family's money, his share was not anywhere near the pile it is now. This is a Texas oilman who seemed to drill nothing but dry holes. Yet he made the big time, not by striking oil, but by locating a gusher in the pockets of investors tied to Arabia who always seemed to appear to catch him as another one of his goofed-up business ventures was about to keel over.

Dubya's Arbusto [Spanish for "shrub"] Oil was funded in 1977 by James R. Bath, among others, whose own money came from representing Sheikhs Salim bin Laden and Khalid bin Mahfouz. When Bush's exploration firm was about to give up the ghost in 1981, he was bought out at a suspiciously high premium by Philip Uzielli, a college roommate of James Baker III, who would become Bush Sr.'s secretary of state, as well as a business associate in a firm called Carlyle. In 1986, the Uzielli operation, Spectrum Oil, with Bush on board, was saved on surprisingly good terms by Harken Oil – which would, within a year, receive a rich cash injection from Saudi Sheik Abdullah Bakhsh. When in 1990 Harken itself started to head south financially, Bahrain's government chose this Texas dry-land driller over Amoco to drill in the Persian Gulf. This surprising coup had nothing to

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do, we are told, with Dubya's daddy being, at the time, the president of the Free World.

Behind Carlyle is a private, invitation-only investment group whose holdings in the war industry make it effectively one of America's biggest defense contractors. For example, Carlyle owned United Technologies, the maker of our fighter jets. Carlyle has the distinction of claiming both of the presidents Bush as paid retainers. Dubya served on the board of Carlyle's Caterair airplane food company until it went bust. The senior Bush traveled to Saudi Arabia for Carlyle in 1999. The bin Ladens were among Carlyle's select backers until just after the September 11 attacks, when the connection became impolitic. The company's chairman is Frank Carlucci, Bush Sr.'s former defense secretary. The average Carlyle partner has gained about \$25 million in equity. Notably, Saudi Prince Al Waleed bin Talal bin Abdul Aziz employed Carlyle as his advisor in buying up 10 percent of Citicorp's preferred stock. The choice of Carlyle for the high-fee work was odd, as the group is not an investment bank. One would almost think the Saudi potentate wanted to enrich Carlyle's members.

Dan Rather, still in his confessional mode, told BBC, "One finds oneself saying, 'I know the right question, but you know what, this is not exactly the right time to ask it.'"

But I'll ask anyway. "Where does the Bush family business end and policy begin?"

In my opinion, much too much has been made of the bin Ladens's Carlyle connection to the Bushes. It would be absurd to say that President Bush spiked the investigation of the bin Laden family and Saudi funding of terrorists in return for packets of cash. The system is not so crude. Gentlemen of the club do not act that way. Rather, what's created is a prejudice, call it a disposition, to conclude that these smiling Gulf billionaires, whose associates made you and your family wealthy, are unlikely to have funded mass murder of Americans, despite the evidence.

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Who Lost the War on Terror?

So who lost the War on Terror? Osama? From his point of view, he's made the celebrity cutthroats' Hall of Fame. Where is he? Don't ask Bush; our leader just changes the subject to Iraq. So we have the 82nd Airborne looking for Osama bin Laden among the camels in Afghanistan when, in all likelihood, the billionaire butcher – now likely beardless – is chillin' by the pool at the Ritz Carlton, knocking back a brewsky and laughing at us while two blonde Barbies massage his feet.

Bush failed to get Osama. But we did successfully eliminate the threat of Congresswoman McKinney – you remember, the one who dared question ChoicePoint, the company that helped Katherine Harris eliminate Black voters.

Following our BBC broadcast and *Guardian* report in November 2001, McKinney cited our stories on the floor of Congress, calling for an investigation of the intelligence failures and policy prejudices you've just read here. She was labeled a traitor, a freak, a conspiracy nut and "a looney" – the latter by her state's Democratic Senator, who led the mob in the political lynching of the uppity Black woman. The New York Times wrote, "She angered some Black voters by suggesting that President Bush might have known in advance about the September 11 attacks but had done nothing so his supporters could make money in war." The fact that she said no such thing doesn't matter; the Times is always more influential than the truth. Dan Rather had warned her, shut up, don't ask questions, and you can avoid the neck-lacing. She didn't and it cost her her seat in Congress.

McKinney's electoral corpse in the road silenced politicians, the media was mum, but some Americans still would not get in line. For them we have new laws to permit investigating citizens without warrants, and the label of terrorist fellow-traveler attached to groups from civil rights organizations to trade treaty protestors. Yet not one FBI or CIA agent told us, "If only we didn't have that pesky Bill of Rights, we would have nailed bin

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Laden.” Not one said, “What we need is a new bureaucracy for Fatherland Security.” Not one said we needed to jail everyone in the Midwest named “Ahmed.” They had a single request: for George W. Bush’s security henchmen to get their boot heels off agents’ necks and remove the shield of immunity from the Saudis.

That leaves one final, impertinent question. Who won? “The war on terror hasn’t been decided yet, but a few winners are emerging,” business magazine *Forbes* says cheerily. “Background checking services . . . are high up on the list of businesses that will benefit from [the] government proposal to beef up security in the world’s largest economy . . . services provided by companies like . . . ChoicePoint Inc., would increase further when the U.S. Immigration and Naturalization Service steps up immigrant tracking.”

On May 30, 2002, Attorney General John Ashcroft released new Guidelines on General Crimes, Racketeering and Terrorism. Ashcroft authorizes the mining of private information from commercial databases on citizens even, says the Electronic Privacy Information Center with alarm, “where there is no suspicion of criminal conduct.” And who is one of the biggest commercial database firms? ChoicePoint. Forget that FBI agents say this is a big waste and a distraction to their work – ChoicePoint, having chosen our president for us, certainly knows what’s best. They also want your blood: The administration is pushing for a national repository of DNA tags for each of us, a job already begun by Bode Technologies, a division of ChoicePoint. And if you have any complaints about this, just remember, they know where you live.

George Wins the Lotteries

The Bush family daisy chain of favors, friendship and finance goes way back to Dubya’s “War Years.” Junior Bush was a fighter pilot during the war in Vietnam; not in the United States Air

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Force, where one could get seriously hurt, mind you, but in the Texas air force, known as the Air Guard. Texas's toy army, an artifact of Civil War days, is a favorite club for warmongers a bit squeamish about actual combat. Membership excused these weekend warriors from the military draft and the real shoot-em-up in 'Nam.

During the war, Senator Prescott Bush and his son, Congressman George Bush Sr., were more than happy to send other men's sons and grandsons to Southeast Asia. However, there were not enough volunteers for this suspect enterprise, so Congress created a kind of death lottery: If your birth date was picked out of a hat, off to the army you went. But the Air Guard flyboys were exempted from this macabre draft lotto.

When tested for the coveted Air Guard get-out, young George W. tested at twenty-five out of one hundred, one point above "too-dumb-to-fly" status, yet leaped ahead of hundreds of applicants to get the Guard slot.

Now, how could that happen? Only recently could I get a glimmer of the truth, a by-product of an *Observer* investigation of a New Jersey company called GTech. This firm holds the contract for a far less deadly and far more lucrative lottery operation than the one for the military draft: the Texas State Lottery.

Follow the money. It's 1997. Top-gun George Jr. is governor and GTech is in deep doo-doo with Texas lottery regulators. Texas is the nation's biggest, most lucrative lottery and GTech was about to lose its contract, worth hundreds of millions of dollars. The state's lottery director was sacked following revelations that GTech had put the director's boyfriend on the company payroll while he was under indictment for bribery. A new clean-hands director, Lawrence Littwin, ordered an audit, terminated GTech's contract and put it out for rebid. Littwin also launched an investigation into GTech's political donations.

Then a funny thing happened. The Texas Lottery Commission fired Littwin.

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Almost immediately thereafter, the Bush-appointed commissioners canceled the bidding for a new operator, though the low bidder had already been announced to replace GTech. The commissioners also halted the financial audit, ended the political payola investigation, and gave the contract back to GTech.

Why did the Texas government work so hard at saving GTech's license? A letter to the U.S. Justice Department – I have obtained a copy – provides some fascinating details. The writer points to one Ben Barnes, a lobbyist to whom GTech paid fees of \$23 million. Way back in 1968, according to the whistleblower, an aide to Barnes – then lieutenant governor of the Lone Star State – quietly suggested to Air Guard chief Brig. Gen. James Rose that he find a safe spot in the Guard for Congressman George Bush's son.

Whether the Bushes used their influence to get young George out of serving in Vietnam was a big issue during George Jr.'s neck-and-neck race for governor against Ann Richards in 1994. Bush's opponents, however, did not know of Barnes's office's contact with General Rose, so the story died.

The letter ties Barnes's knowledge of Governor Bush's draft-dodging to GTech's exclusive deal with the state.

“Governor Bush . . . made a deal with Ben Barnes not to rebid (the GTech lottery contract) because Barnes could confirm that Bush had lied during the '94 campaign. During that campaign, Bush was asked if his father, then a member of Congress, had helped him get in the National Guard. Bush said no . . . George Bush was placed ahead of thousands of young men, some of whom died in Viet Nam. . . . Barnes agreed never to confirm the story and the governor talked to the chair of the lottery two days later and she then agreed to support letting GTech keep the contract without a bid.”

The whistleblower remained anonymous, but offered to come forward later to authorities. Fingering Barnes, a Democrat, as

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the man who put in the fix for the Bushes with the Air Guard seemed wildly implausible. The letter remained sealed and buried. No investigation followed, neither Barnes nor the letter writer were called by the Feds.

But then in 1998, Littwin – the discharged reform lottery director – filed a suit charging that the millions GTech paid for lobbyists bought them contract protection. He subpoenaed Barnes. In 1999, facing a grilling under oath Barnes admitted, in a sworn statement to the court, that it was indeed him who got George W. into the Air Guard.

Amazingly, though, he claimed to have done this nice thing for Young George without any contact, direct or indirect, from the Bushes. How Barnes knew he should make the fix without a request from the powerful Bush family remains a mystery, one of those combinations of telepathy and coincidence common to Texas politics.

Littwin asserted that other witnesses can verify that the cash bought the governor's influence to save GTech's license. GTech responds, irrefutably, that it terminated the contract with Barnes before the 1997 dismissals of the lottery directors – but not before the blackmailing alleged in the anonymous letter. And, although the company denies it maintained the financial connection to Barnes, GTech's chairman, Guy Snowden, was a partner in a big real estate venture with Barnes's wife. (In 1995, Snowden was forced to resign as chairman of GTech when a jury found he tried to bribe British billionaire Richard Branson.)

What did GTech get for their \$23 million to Barnes, the man who saved Dubya from the war? Can't say. In November 1999 GTech paid a reported \$300,000 to Littwin; in return, Littwin agreed to seal forever Barnes's five-hour deposition transcript about the Bush family influence on the lottery and the Air Guard.

I'm not complaining, mind you. After all, the Bush family has given us the best democracy money can buy.

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Republicans and Democrats, Hand in Hand, to Save the Billionaire Boys' Club

A thoughtful reader found my Texas tales about President Bush a wee harsh:

"G'day, asshole! Smelled any good ones lately? That's generally where guys like you have their noses. By the way, it's PRESIDENT Bush to you, numbnuts. Now, have a g'day and may Ireland be free!"

So I resolved to be a bit fairer – and take a look at the strange financial history of the Arkansas Hillary-Billies. I thought it proper to check Special Prosecutor Ken Starr's evidence. He had nothing. Starr, whose mind is as small as it is vicious, spent \$40 million investigating the Clintons and turned up little more than a bucket of dirty "Whitewater," a stained dress and some overwritten soft porn ("So then I pulled down the President's . . ."). How could they find nothing? Part of the problem was that Starr and staff were no Sam Spades, just a bunch of right-wing preppy snots from white-shoe law firms who thought they could replace investigative know-how with unlimited meanness.

But if Starr was lost in a nutty cavort with Clinton's slick willy, the Senate Governmental Affairs Committee was looking into the serious stuff: six-figure payments to Hillary's former law partners by the Riady family of Indonesia and Entergy International of Little Rock, Arkansas, Hillary's former client. (We'll get to those guys in the next chapter.) Then, in 1998, just as the Republicans on the Senate committee were closing in on the evidence that could, if borne out, pull down the Clintons . . . the committee closed its investigation.

Why? The answer is: Triad.

Clinton was saved from the truly threatening inquiry about his Indonesian money, an impeachable offense, by two of America's wealthiest oil and gas barons, Charles and David

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Koch. They had not set out to rescue Clinton. The Koch brothers despise Clinton with a passion.

Koch Industries is the biggest company you've never heard of – and their owners like it that way. Estimates of its annual turnover, at \$35 billion a year, make it bigger than Microsoft or Boeing Aircraft. We can only estimate because Koch (pronounced “coke,” like the cola) is a private corporation, the second largest in the United States. David and Charles Koch, who own nearly all of it, are reported to have a combined net worth of \$4 billion. If you've never heard of the Kochs, the politicians have. Among the Big Oil that funded the Republican party during George W. Bush's run for the White House, Koch Industries pumped in more than any corporation except Enron and ExxonMobil.

The Koch clan's fortune originated in Russia, where daddy Fred Koch built oil refineries for Stalin's regime. In 1946, Koch returned from the Soviet Union to Wichita, Kansas, and founded the ultra-right John Birch Society. David and Charles have rejected their father's politics, preferring to back ultra-ultra right-wing causes. In 1980, as a Libertarian Party candidate, David campaigned against Ronald Reagan.

Secrecy is the Kochs' trademark. From headquarters in Wichita, they operate the nation's only private, secure telephone network outside the CIA to control their core business as America's largest purchaser of oil and gas from small farmers and Indian reservations.

As owners of a private company, the Kochs answer to no one about their expenditures. No little old ladies query them at stockholder meetings. Unconstrained, the Koch brothers can indulge their singular dream. Where other U.S. corporations throw a few million dollars into the political arena in the hopes of obtaining a few special favors, the Kochs have spent close to \$100 million to change the entire tone of political discourse in America.

And they succeeded. With \$21 million spent to establish the Cato Institute in Washington, DC, \$30 million to start the

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Citizens for a Sound Economy and tens of millions more for think tanks, political action committees and the like, they constructed a nonpareil policy apparatus that reinvigorated the antigovernment movement with a new intellectual legitimacy backed by fearsome political clout. From Cato and the Koch machine came Newt Gingrich's "Contract for America" and the funds to put Gingrich in power in the 1994 elections.

Not that the Kochs don't call in special favors. In 1989, the U.S. Senate Special Committee on Investigations concluded that "Koch Oil, a subsidiary of Koch Industries, is the most dramatic example of an oil company stealing by deliberate mismeasurement and fraudulent reporting." FBI agents had watched Koch Industries truckers appearing to take, but not fully paying for, oil from small gathering tanks on Indian reservations. An expert for Indian tribes calculates that \$1.5 billion of Koch Industries' wealth comes from pilfered oil. Koch denies it.

Action against Koch for stealing from the Indians stalled until 1995 when an FBI agent on the Senate investigation, Richard Elroy, charged in a letter to the Justice Department that criminal prosecution had been declined "for political reasons" during the first Bush presidency. So Clinton's Justice Department followed up on the FBI's evidence, concentrating on environmental crimes, and filed civil lawsuits charging Koch Industries with 315 willful acts of pollution. Clinton also impaneled two grand juries to consider criminal indictments.

Newt Gingrich raced to the Kochs' rescue. If one clause of Newt Gingrich's "Contract for America," the Regulatory Reform Act, had become law, the Justice Department case against the Kochs – which sought big money and portended jail time – would have been doomed. Proposed changes in law included eliminating some environmental controls and decriminalizing violations.

Passage of the Koch-saving legislation depended upon the Republicans holding their majority in Congress. In the 1996 election cycle, Republican control was in jeopardy. Crucial to

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their ultimate narrow victory in that campaign was a multi-million-dollar television advertising blitz in key districts paid for by the Coalition for Our Children's Future, a registered charity. The action was extraordinary for a child protection society – as was their choice of candidates to assist. Only weeks before CCF purchased the adverts, every one of the incumbent congressmen they helped, all Republicans, voted to abolish food stamps for children of the poor.

The politicians supported by the “Children’s” fund had something in common besides an antipathy to free meals for youngsters. Their districts contained Koch operations.

It may surprise you to learn that U.S. law prohibits corporate payments in aid of political campaigns. Officially, donations must come through individuals or political action committees.

Investigators with the Senate Governmental Affairs Committee located bank records linking the children’s “charity” and other political front groups to Triad Management, an operation funded by the Kochs. Democratic senators threatened to subpoena Koch Industries’ chiefs to question whether they funded Triad and manipulated its related groups. Democrats could drag the tycoons before the same public tribunal on campaign finances skewering Clinton.

A key Senate insider, who must remain anonymous, says Republicans then offered a straightforward trade: “A truce – you don’t do Triad, we don’t do Clinton.” Other sources inside the committee confirm that the Republicans, under the direction of Senators Trent Lott and Don Nickles, rather than risk exposure of the Kochs’ web of mega-dollar funding operations, agreed to shut down the money probe and let Clinton off the hook.

The true, unreported reason for the collapse of the inquiry most threatening to Clinton – the Indonesia money chain, which could have knocked him out of office – reveals the ultimate measure of Koch influence: that Republicans sacrificed their case against the president to keep their secret benefactors under wraps.

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Both parties were content with their mutual protection agreement. Each party's billionaires were safe. With this sub-rosa deal in place, important fund-raising allegations became off-limits. And that's how we ended up with Republican investigators with nothing left to do – except rummage through Monica Lewinsky's dirty laundry and sniff at the president's zipper.

What Every Billionaire Wants

I discovered the billionaire-donor deal not because I was on some kind of hunt for the goods on Clinton or on Newt Gingrich, but because, in my old day job as an investigator and government adviser, I'd been tracking the Koch brothers, the Riadys and their partner, Entergy International of Little Rock (we'll get to these guys in the next chapter). That Entergy and Koch, both master deal makers, popped up in the middle of a Senate inquiry that suddenly stopped dead gave off the smell of a bit too much bipartisan cooperation.

The Kochs, by the way, are a real piece of work. These are the owners of the company the FBI agent says skimmed oil out of the gathering tanks of poor Indians in Oklahoma. In 1999, Koch Industries paid \$25 million to settle claims after a civil jury found the company liable for underpayments. Maybe the top guys at Koch Industries, the billionaire brothers themselves, didn't know about the skimming game; maybe there was a good explanation. But not according to Roger Williams, former executive in their oil-gathering operation. Williams kept records of the filching – a couple of dollars' worth of oil here, a couple there – hardly the kind of petty cash that billionaires would seem to bother with. But Williams (on tape I've obtained) was asked how Charles Koch reacted to a paper that "showed how much 'overage' they had and how many dollars." Of billionaire Koch and another executive with him at the time, Williams said: "They would just giggle and nudge each other, you know, it's kind of a fun time."

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Williams, who did not know he was being recorded, could have repeated Koch's words wrongly, or heard Koch wrong. But what Williams reportedly heard was a phrase that explains the success of some of America's wealthiest corporate chiefs. Williams was surprised at the billionaire's concern over these small-change scams, but Williams said Charles Koch told him, "*I want my fair share and that's all of it.*"