

WHAT GOT ADDED TO THE RENZI INDICTMENT SINCE OCTOBER 2006?

I noted earlier that there was good reason to believe that the impending Renzi indictment is the most likely explanation for Paul Charlton's firing in December 2006. A number of reports described the investigation stalling just before Charlton was fired. That raises the question of whether the investigation has progressed since the time Charlton was fired—or whether DOJ has simply stalled since then.

The chronology of Charlton's firing and the Renzi investigation

A quick reminder of the chronology:

June 2005: Investigation into Renzi launched

Months before election day, 2006:
Investigators ask for clearance to tap Renzi

September 13, 2006: Charlton's name added to the firing list

Late October, 2006: Wiretap approved and put into place

October 26, 2006: News of the Renzi investigation leaked to the press; this alerts Renzi to wiretaps used in the investigation

Late October 2006: Renzi's Chief of Staff, Brian Murray, calls Charlton's office and asks about "pending indictment;" Charlton alerts DOJ

December 7, 2006: Charlton fired

Early 2007: Key witnesses first subpoenaed

April 19, 2007: Renzi's insurance

company raided

April 21, 2007: John Wilkes WSJ article
lays out most of charges described in
indictment

November 9, 2007: Mukasey assumes AG
position

December 17, 2007: Diane Humetewa
assumes AZ US Attorney position

February 22, 2008: Renzi indicted

In other words, after stalling the approval of wiretaps in 2006, after raiding Renzi's business (technically owned by his wife) in April 2007, it still took until today to bring the indictment.

So was DOJ stalling, or were they conducting an ongoing investigation?

What DOJ knew by April 2007

As I point out, by April 21 of last year, the WSJ's John Wilke was able to describe almost all of the counts laid out in the indictment. He described that investigators had found:

2001 James Sandlin and Renzi become
partners in Fountain Realty and
Development

2002-2003: Sandlin buys Renzi out of the
business

2002: Renzi receives \$369,000 illegally
from Fountain

2003: Sandlin buys the alfalfa field

2004: FEC audit finds the illegal 2002
payment from Fountain

2005: Resolution Trust Co (Company A in
the indictment) seeks Renzi's support of
land swap so they can acquire land near
Superior to start a copper mine

2005: Renzi conditions his support for

the swap on the inclusion of an alfalfa field, owned by Renzi's business partner, James Sandlin, for the price of \$4 million (four times the price Sandlin paid for it); Resolution refuses

2005: Renzi conditions a different land swap with Petrified Forest Group (Investment Group B in the indictment) on purchase of alfalfa field; Petrified Forest purchases the land

May 2005: Petrified Forest makes first payment for alfalfa field; Fountain makes \$200,00 payment to Renzi through vineyard owned by Renzi (though sold to his father just days later)

2005: After Resolution makes charges of preferential treatment, Renzi drops his support for Petrified Forest's swap

These details describe the events behind 27 of the 35 charges included in the indictment. The only details added to the description of the alleged crimes are further details on the loan Renzi made Sandlin so he could buy Fountain (an additional \$800,000 loan on top of the \$200,000 noted in the story), details on the dates and amounts of wire transfers (to demonstrate the money laundering and wire fraud), and the description that Renzi used this money for personal expense and to pay a delinquent tax bill. So with regards to what the government was investigating in October 2006, little if anything was added since April 2007 (though presumably a lot of the details on the money laundering came from bank records that may have been the subpoenas that DOJ stalled in fall 2006).

While I have no way of knowing whether DOJ knew about the remainder of the indictment or not, the following details describing Renzi's alleged insurance fraud did not appear in Wilke's April 2007 article.

2001: Renzi and co-conspirator Andrew Beardall fail to pay \$236,000 in premiums to insurance broker North Island Facilities

2001: Renzi submits fraudulent paperwork to cover up this embezzlement with clients and the FEC

2001-2002: Renzi transfers \$400,000 out of Patriot Insurance into his congressional campaign

2002: False statements by Renzi and Beardall to cover up their fraud

2003: Further false statements to cover up the fraud

In other words—the only substantive thing added to the indictment after April 2007 is details of the early embezzlement from Patriot Insurance into Renzi’s campaign coffers. This information may have come from the raid on the Insurance company in April 2007, just days before Wilke’s article.

But there is nothing about the evidence described in the indictment that would necessarily have been added after April 2007.

The indictment excludes all mention of Fort Huachuca

More interesting than what got added to the indictment since last April is what got left out of the indictment: all mention of Renzi’s and his father’s ties to Fort Huachuca. In April of last year, Wilke explained:

Mr. Renzi told Resolution in 2005 that his support for the land swap would hinge in part on whether it helped fulfill a goal to cut water consumption along the San Pedro River, which slices through the desert far from the mining area, in southern Arizona, participants in the deal say. Fort Huachuca, a big U.S. Army base nearby, was under court

order to cut water consumption, and it had been seeking help to retire farmland near the river. Mr. Renzi has longstanding ties to the base, the economic engine of the area. He grew up near it, and his father, retired U.S. Army Gen. Eugene Renzi, is its former commandant, now employed by one of its largest contractors, ManTech Corp.

[snip]

The FBI is also looking into the congressman's dealings with Fort Huachuca, these people say.

The indictment also neglects to mention that Renzi shifted the vineyard to his father days after it was used as a money laundering vehicle in this scheme.

Now, perhaps the government has spent the last ten months trying—but failing—to pull together indictments pertaining to Huachuca. Perhaps the government hopes, by indicting now, they can get such information from Co-Conspirators Beardall and Sandlin. Who knows.

But for the moment, the indictment does seem to skirt around allegations of improper influence pertaining to Daddy's installation in Fort Huachuca. Which might tell us as much about GOP efforts to squelch this investigation as anything else.