

# JOHN MCCAIN STILL LIVING THE KEATING FIVE LUSH HIGHLIFE

John McCain was never the principled steadfast man his false front public image painted him to be; although it is true that he really has been in a downward spiral of dishonor and deception during this year's campaign. Even many of his staunchest supporters in major media are starting to realize the brutal truth for what it is. Joe Klein, Andrea Mitchell, Chris Matthews, a host of journalists at ABC, Andrew Sullivan ... each day brings a familiar voice admitting that they can no longer harmonize the McCain persona with the truth in front of them. Thank you to each and every one of them, and welcome to my world. As a native Arizonan I have been witnessing what you are now realizing since John McCain plopped his carpet bag down and set up shop here in our state.

John Sidney McCain III would have you believe his Charlie Keating Five Scandal days of corruption and influence peddling are all a thing of his distant past and that he is some sort of legendary reformer now. Nothing could be further from the truth, he is still hard deeply entrenched in the lavish, exotic trappings of swag and influence peddled by the modern day equivalents of Charlie Keating.

In fact, new reporting by Ari Berman and Mark Ames of *The Nation*, in their article *The McCain-Follieri Love Boat*, which just hit the presses at the end of last week details how McCain has spent yet another birthday, his 70th, vacationing with a criminal con artist, Hollywood celebrities and big money lobbyists on a yacht in Montenegro. It shows what Arizonans have known all along: McCain is still the same old glad handing, do anything to serve his own raw ambition, politician who celebrated his birthdays with Charlie Keating and other power brokers at Keating's private Bahamas resort two

decades ago.

Before we delve into the recent foray of John Sidney McCain III into political influence swag land, a refresher on McCain's malfeasance in the Keating Five Savings & Loan Scandal is in order. From a Keating Five Scandal retrospective by The Arizona Republic:

McCain already knew Keating well. His ties to the home builder dated to 1981, when the two men met at a Navy League dinner where McCain spoke.

After the speech, Keating walked up to McCain and told him that he, too, was a Navy flier and that he greatly respected McCain's war record. He met McCain's wife and family. The two men became friends.

Charlie Keating always took care of his friends, especially those in politics. McCain was no exception.

In 1982, during McCain's first run for the House, Keating held a fund-raiser for him, collecting more than \$11,000 from 40 employees of American Continental Corp. McCain would spend more than \$550,000 to win the primary and the general election.

In 1983, as McCain contemplated his House re-election, Keating hosted a \$1,000-a-plate dinner for him, even though McCain had no serious competition. When McCain pushed for the Senate in 1986, Keating was there with more than \$50,000.

By 1987, McCain had received about \$112,000 in political contributions from Keating and his associates.

McCain also had carried a little water for Keating in Washington. While in the House, McCain, along with a majority of representatives, co-sponsored a

resolution to delay new regulations designed to curb risky investments by thrifts such as Lincoln.

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The first meeting, on April 2, 1987, in DeConcini's office, included Ed Gray, chairman of the Federal Home Loan Bank Board, as well as four senators: DeConcini, McCain, Alan Cranston, D-Calif., and John Glenn, D-Ohio.

(Years later, McCain recalled that DeConcini started the meeting with a reference to "our friend at Lincoln." McCain characterized it as "an unfortunate choice of words, which Gray would remember and repeat publicly many times.")

For Keating, the meeting was a bust. Gray told the senators that as head of the loan board, he worried about the big picture. He didn't have any specific information about Lincoln. Bank regulators in San Francisco would be versed in that, not him. Gray offered to set up a meeting between the senators and the San Francisco regulators.

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The second meeting was April 9. The same four senators attended, along with Sen. Don Riegle, D-Mich. Also at the meeting were William Black, then deputy director of the Federal Savings and Loan Insurance Corp., James Cirona, president of the Federal Home Loan Bank of San Francisco, and Michael Patriarca, director of agency functions at the FSLIC.

In an interview with The Republic, Black said the meeting was a show of force by Keating, who wanted the senators to pressure the regulators into dropping their case against Lincoln. The thrift was in trouble for violating "direct investment" rules, which prohibited S&Ls

from taking large ownership positions in various ventures.

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According to nearly verbatim notes taken by Black, McCain started the second meeting with a careful comment.

"One of our jobs as elected officials is to help constituents in a proper fashion," McCain said. "ACC (American Continental Corp.) is a big employer and important to the local economy. I wouldn't want any special favors for them – "I don't want any part of our conversation to be improper."

Black said the comment had the opposite effect for the regulators. It made them nervous about what might really be going on.

"McCain was the weirdest," Black said. "They were all different in their own way. McCain was always Hamlet . . . wringing his hands about what to do."

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Keating's businesses continued to spiral downward, taking the five senators with him. Together, the five had accepted more than \$300,000 in contributions from Keating, and their critics added a new term to the American lexicon: "The Keating Five."

The Keating Five became synonymous for the kind of political influence that money can buy. As the S&L failure deepened, the sheer magnitude of the losses hit the press. Billions of dollars had been squandered. The five senators were linked as the gang who shilled for an S&L bandit.

S&L "trading cards" came out. The Keating Five card showed Charles Keating holding up his hand, with a senator's head adorning each finger. McCain was on Keating's pinkie.

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Keating was no ordinary constituent to McCain.

On Oct. 8, 1989, The Arizona Republic revealed that McCain's wife and her father had invested \$359,100 in a Keating shopping center in April 1986, a year before McCain met with the regulators.

The paper also reported that the McCains, sometimes accompanied by their daughter and baby-sitter, had made at least nine trips at Keating's expense, sometimes aboard the American Continental jet. Three of the trips were made during vacations to Keating's opulent Bahamas retreat at Cat Cay.

McCain also did not pay Keating for some of the trips until years after they were taken, after he learned that Keating was in trouble over Lincoln. Total cost: \$13,433.

When the story broke, McCain did nothing to help himself.

"You're a liar," McCain said when a Republic reporter asked him about the business relationship between his wife and Keating.

"That's the spouse's involvement, you idiot," McCain said later in the same conversation. "You do understand English, don't you?"

He also belittled reporters when they asked about his wife's ties to Keating.

The stench and taint is on not just the Senate, but Congress and the Federal government as a whole. The destruction of so many people, their life savings, and the national treasury for the bailout of the savings and loan industry caused by a powerful group of greedy and opportunistic businessmen and their lobbyists, through their

bought, coddled and co-opted Congressional agents like John Sidney McCain III has faded from the American conscience and memory. It should never be forgotten, because it is a window into the ethos of the once and future John Sidney McCain III.

Yes, that's right; not just the old John Sidney McCain III, but the present and future John Sidney McCain III as well. McCain did one of his patented swivel and pivot jobs and has, since the Keating Five misconduct, painted himself as some type of "reformer" of ethics and campaign finance corruption, nothing has changed about him once the surface is scratched. He is the same old John Sidney McCain III of the Keating Five he has always been.


How do you know he is the same old McCain? Just scratch the surface and take a look instead of relying on the false persona he pitches with the aplomb of an old fashioned snake oil peddler. Let me get the ball rolling for you (although if you turn over any of McCain's rocks, you find the same rot upon close inspection). As promised at the beginning of this article, John Sidney McCain III is right back at conduct that is almost the twenty year separated mirror image of his dining on the teat of Charlie Keating.

The video at the top (h/t hidnusr) tells the story of John Sidney McCain III, con men and lobbyists. The basis is supplied in print by the Berman and Ames article from the Nation cited above, *The McCain-Follieri Love Boat*:

John McCain has been hammering rival Barack Obama for being little more than a vapid "celebrity" and "elitist." But The Nation has obtained a photo revealing just how star-struck a straight-talking maverick can become when offered the chance to celebrate his birthday aboard a yacht filled with celebrities—even if one of those celebrity types turns out to be an A-list con man.

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During McCain's visit in 2006 he celebrated with birthday cocktails and sweets aboard the Celine Ashley yacht. In the photograph, taken in Montenegro at the end of August, McCain is shown boarding the yacht ramp towards the smiling Follieri and Hathaway. Just ahead of McCain and shaking hands with Follieri appears to be Rick Davis—McCain's top aide and now co-manager of his campaign, who accompanied him on the trip and advised the government of Montenegro. A few months after McCain's yacht party, Follieri strengthened his ties to McCain's orbit by retaining Rick Davis's well-connected Washington lobbying firm, Davis Manafort, and offering Davis both an investment deal and help in securing the Catholic vote for McCain's presidential bid.

 Follieri, who posed as Vatican chief financial officer in order to win friends and investments, pleaded guilty Wednesday in a Manhattan district court to conspiracy to commit wire fraud, eight counts of wire fraud and five counts of money laundering. As part of the plea, Follieri admitted to misappropriating at least \$2.4 million of investor money and redirecting it to foreign personal bank accounts that were disguised as business accounts.

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An even bigger mystery is how Follieri's boat came to be docked in Montenegro on McCain's birthday. According to a journalist in Montenegro, the yacht had been anchored there for several days before McCain's arrival, and only sailed away after McCain boarded. According to Vijesti, locals were told that McCain was meeting "friends from Florida" on the yacht.

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According to the Italian newspaper Il Sole 24 Ore, in January 2007 Follieri sent Rick Davis a packet of information on his companies Follieri Capital and Follieri Media, apparently hoping to get financing from Pegasus Capital Advisors, a hedge fund in Connecticut that Davis represented. "Follieri's proposal to Davis had two dimensions to it—first, as an investment opportunity for Davis's fund; but secondly, there was the political dimension, in which Follieri offered to help deliver Catholic votes to McCain," said Claudio Gatti, a reporter for Il Sole 24 Ore, who investigated Follieri for eighteen months.

In February 2007, according to a recent article in the New York Daily News, Follieri retained Davis's lobbying firm, Davis Manafort. According to the paper, "on Feb. 27, 2007, Davis Manafort partner Rick Gates signed a confidentiality agreement drafted by the Follieri Group.

John McCain is still freeloading with bigwigs, lobbyists and criminal influence peddlers in exotic and foreign seaside haunts of the wealthy. Sounds just like the Keating Five Scandal, where someone in McCain's immediate personal orbit, in Keating it was his wife Cindy that got an unbelievable "financial opportunity" from the criminal con man and influence peddler (Keating) and McCain got the promised delivery of political support, huge contributions and vote delivery in the election he was engaged in. In Follieri, it is his best friend Lobbyist/Campaign Manager Rick Davis getting the big "financial opportunity" while McCain reaps the gain in campaign funding and delivery of much needed votes as he runs for the Presidency he craves at any cost.





How similar in appearance are these constants in John McCain's real, ingrained political persona? Take a look at this photo of John Sidney McCain III living large and phat with multiple generations of the Keating clan, lobbyists and power brokers taken during McCain's 51st birthday bash at Charlie Keating's private Bahamas resort. Photo scanned from the September 12, 1993 edition of the Phoenix Gazette (original photo; color by teh wolf). From the same Gazette article, Krista Keating recalls the idyllic days she spent with McCain while he bonded and partied with Charlie Keating, his family, and his rich and powerful friends:

I watch Lifestyles Of The Rich And Famous, and I see all the places we stayed.

She travelled to Paris, Monte Carlo, South Africa. She and C3 [Charles Keating III] lived for six months in Switzerland.

She partied with Michael Milken, Dolly Parton, Cheryl Ladd and lesser-knowns who wanted to be part of the Keating magic. She met the Pope.

There were vacations with John McCain and his wife, Cindy, to the Keating's posh and private Bahamas resort, where she and C3 frolicked in the crystal blue waters with McCain, then a member of the US House of Representatives. They partied to the tunes of a calypso band hired by Keating and celebrated the August birthdays of McCain and C3, which are one day apart.

On the surface, it seemed the greatest freedom you could hope for. But Charles [Charlie] Keating was always there; always watching. (Emphasis added).

And so, here they are, matching bookends, then and now, on the career and ethos of John Sidney McCain III. Then Keating; now Follieri. McCain

isn't different; and he certainly is no "maverick" whatever in the world that amorphous term was supposed to mean in the first place. No, McCain is a standard issue, glad handing, moneyed up, self serving politician hocking his wares to whoever and whatever will benefit John Sidney McCain III the most at the time. Americans, and American media, are beginning to realize that there is nothing honorable nor unique about McCain and his political ethos. The shiny Earl Schieb paint job he has been fooling people with for years is wearing thin, and the real McCain is showing through; it is not an attractive sight, but it is the real John McCain.

The US economy is currently battered and on the precipice of significant meltdown from a housing and financial market scandal that is, although much larger in scope, eerily similar to the Charlie Keating led Savings & Loan crisis of the late 1980s that John McCain played such a significant role in. And once again, John McCain is out partying and pandering with money movers, power brokers and their lobbyists in posh and exotic foreign seaside haunts of the rich and famous.

For too long, McCain has been allowed to skate along in this election without acknowledgment and understanding by the press and the public of his deep involvement in the Keating Five Scandal. As another housing and finance scandal hangs like a guillotine over the necks of Americans, John McCain's intimate ties with the power brokers, money men and lobbyists that create these scandals should be front and center in the discussion. John Sidney McCain III is, as so many are coming to realize, not an honorable politician, the US and world financial markets hang in the balance, and McCain's Keating like tendencies should be known and considered.

My friends, John McCain is not "change you can believe in", just more of the same. More of the Same, and Old, McCain.