

DID JOHN MCCAIN ALMOST BANKRUPT ARIZONA WITH HIS ELECTRIC CARS?

✘ John McCain is up to his neck in the shenanigans behind the Great Financial Crisis of 2008; did you know that he played a role in almost bankrupting Arizona too?

Back in 2000, Arizona came within a whisker of [financial collapse and bankruptcy](#). The cause was a corrupt state Alternative Fuels Program [engineered by](#) McCain's best friend and political protege, Jeff Groscost, then speaker of the Arizona House of Representatives. That program turned

...what was supposed to be a modest \$3 million initiative to encourage the use of alternative-fuel vehicles (AFVs) into a half-billion-dollar boondoggle that nearly bankrupted the state and earned it national belly laughs.

Not only was Groscost manager of McCain's 2000 Arizona Presidential Campaign, the boondoggle legislation was the [fruit of McCain's 2000 Campaign](#):

Groscost, who has been a paid political consultant to presidential candidate Sen. John McCain, said the campaign was frustrated when it could not find an alternative-fuel vehicle.

Yesterday Newsweek reported that, along with his ten other cars, [John McCain owns](#) "three 2000 NEV Gem electric vehicles."

In Arizona, most NEV Gem electric cars are 2000 models sold under the Alternative Fuels program that nearly bankrupted the state. Curiously,

John McCain owns three of them. Did he capitalize on the boondoggle his protege crafted to have the taxpayers of Arizona heavily subsidize three new cars?

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.

...

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.

...

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.

...

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."

...

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.

...

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.

...

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.

...

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.

...

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.

WHAT WOULD SCOTT MCCLELLAN SAY...

About [Murray Waas' latest](#), in which he reports that Karl Rove had several people claim he was not involved in potentially criminal behavior, even though he had been?

While a central focus for investigators apparently has been the role played by aides to Rove in the Griffin matter, some witnesses to the investigation told me that they have been asked specifically about Rove's own personal efforts.

Two former senior Justice Department officials, former Deputy Attorney General Paul McNulty and principal Associate General William Moscella, have separately provided damaging information to the two internal investigative agencies.

Both, according to sources familiar with their still-confidential testimony, said they inadvertently gave misleading testimony to Congress about the firings of the U.S. attorneys because they were misled by Rove himself in addition to other White House figures.

In his March 6, 2007, testimony to Congress, Moscella contended that all but one U.S. attorney was fired because of issues related to their performance.

When specifically asked if Rove played any role in the firings, he testified: "I don't know that he played any role."

But one day before the congressional testimony, on March 5, 2007, McNulty and Moscella attended a strategy session at the White House in which they discussed Moscella's testimony and how he should answer allegations that most of the U.S. attorneys were fired because of politics.

McNulty and Moscella told investigators that among the attendees were Rove and Sampson, then Gonzales' chief of staff. Neither Rove nor Sampson, both men told investigators, told them anything about their own role in the firings even as they encouraged Moscella to say politics had nothing to do with it.

He didn't have anything to do with outing a CIA spy ... He didn't have anything to do with placing his vote caging specialist in a big swing state ... He didn't know Jack Abramoff, either.

I mean, you'd think some enterprising Republican would start a 12-step program, "Republicans Who Have Vouched for Karl Based on His False Representations" Anonymous.

GEORGE WILL SUMS UP MCCAIN'S "UNATTRACTIVE RIGHTEOUSNESS"

George Will, [voicing](#) the position of those (like Mitch McConnell) who don't like getting attacked for doing things their attacker has done,

captures the state of McCain's hypocrisy regarding lobbyists and campaign finance.

First, the Times muddied, with unsubstantiated sexual innuendo about a female lobbyist, a story about McCain's flights on jets owned by corporations with business before the Senate Commerce Committee, and his meeting with a broadcaster (McCain at first denied it happened; the broadcaster insists it did, and McCain now agrees) who sought and received McCain's help in pressuring the [Federal Communications Commission](#). Perhaps McCain did nothing corrupt, but he promiscuously accuses others of corruption, or the "appearance" thereof. And he insists that the appearance of corruption justifies laws criminalizing political behavior – e.g., broadcasting an electioneering communication that "refers to" a federal candidate during the McCain-Feingold blackout period close to an election.

[snip]

Although his campaign is run by lobbyists; and although his dealings with lobbyists have generated what he, when judging the behavior of others, calls corrupt appearances; and although he has profited from his manipulation of the taxpayer-funding system that is celebrated by reformers – still, he probably is innocent of insincerity. Such is his towering moral vanity, he seems sincerely to consider it theoretically impossible for him to commit the offenses of appearances that he incessantly ascribes to others.

Such certitude is, however, not merely an unattractive trait. It is disturbing righteousness in someone grasping for presidential powers.

Will adds a little detail to the dynamics of the Von Spakovsky nomination [I laid out](#) the other day. The guy who originally mobilized opposition to Von Spakovsky, Trevor Potter, is the same guy McCain will rely on to argue that—in spite of receiving benefits from his decision to accept matching funds—McCain should not be held to the requirements imposed by that decision.

Von Spakovsky is as skeptical as [former FEC Chair Bradley] Smith is about the entanglement of politics in regulations for which McCain is primarily responsible. Senate Minority Leader [Mitch McConnell](#), refusing to surrender the settled principle that each party chooses its FEC members, insists that all four be voted on as a package.

McCain, although rarely reticent about matters concerning campaign regulations, has said nothing in defense of von Spakovsky, the campaign against whom has been led by the Campaign Legal Center, whose president is Trevor Potter, general counsel of the McCain campaign.

That is, Potter will argue that McCain should be able to back out of matching funds, if he ever gets the chance to argue it, which currently relies on the resolution of Von Spakovsky's nomination.

I do wonder what motivated Will to write this column right now. Was he nudged by those still angry about McCain's early campaign finance reforms?

THE FIRST STAGE IS

DENIAL

And then they go on to anger, bargaining, depression, and acceptance that John McCain will never be President.

Christy sent along [this article](#) catching McCain's lobbyist friends denying that their lobbying interests have any importance on the campaign.

McCain's campaign manager, Rick Davis, co-founded a lobbying firm though Davis on leave from the firm at the moment. Charlie Black, an unpaid senior adviser to McCain, is chairman of the Washington lobbying firm BKSH & Associates. Both of their firms have represented telecommunications companies whose business falls under the jurisdiction of the Senate Commerce Committee on which McCain is the senior Republican member.

[snip]

A McCain campaign aide who asked not to be identified said Davis has not been a registered lobbyist for two years. The aide said Black "is an unpaid volunteer and does not and will not lobby Senator McCain."

John McCain would have you believe that lobbyists are in the business of donating their time for worthy causes, with no strings attached. And that Black's promise not to lobby "Senator McCain" will extend to complete disinterest in policy issues that affect his clients if McCain were to be President. And that Davis' two-year leave from lobbying with a firm he still has financial ties to somehow frees him of all interest in the success of that lobbying firm—or its clients' interests.

This is why it's so important to point out how false similar claims were when [Bush cronies made them](#). Telecom lobbyist Ed Gillespie came

[in-refusing to recuse himself](#) outright from issues pertaining to Quinn Gillespie's clients. And voila, just weeks later, the Administration was awkwardly and belatedly weighing in against net neutrality. To say nothing of the fact that they're now willing to let entire surveillance programs lapse in an effort to make sure Gillespie's clients get immunity for having illegally wiretapped Americans.

The Bush Administration's lobbyist-in-chief has made sure his clients' interests take precedence over the privacy and free speech of Americans. And there's no reason to think it would work differently with McCain's lobbyists-in-chief.

VICKI ISEMAN'S LOBBYING CAREER

I don't mean to pick on Vicki Iseman. I just got rather fascinated by the career of this woman who—at least in 1999, when John McCain was running for President—openly [boasted](#) of her ties to McCain, the Chair of the Senate Commerce Committee (in fact, this story [started](#) from a "second-hand report from a lobbyist"). Some of her clients [seem to back up](#) that boast. Given the prevalence of media, and more recently, defense/VA contractors, in her portfolio, I imagine such boasts helped her career.

What follows relies primarily on [the data available in the Senate Lobbyist Database](#)—which only goes back to 1999. I can't tell you what happened in the (presumably) 9 years between the time she walked into her boss' office (I'm guessing this is Hector Alcalde) [asking](#) for a chance...

[I] walked into my boss's office [the president of the company] and said, 'You don't really know me, but I answer the

phones. I'm a college graduate and I'd like you to consider me for a secretarial or an administrative position.'" He agreed to try her out for three months. Within a year she became his special assistant.

... And when, in 1999, she was a partner piling up relationships with media companies.

It appears that her big breaks happened in 1998, when clients like Paxson and Sinclair first started working with her. Though it wasn't until later 1999 that she became the lead on the Paxson account (the first lobbying report for Paxson in 1999 still lists Alcalde as the lead).

By 1999, she was the lead on accounts with a number of media companies—[Paxson](#), [Sinclair](#), and [CanWest](#), which I've posted about, as well as AMFM Inc and Capstar (which would [get absorbed into Clear Channel with her help](#)) and Telemundo (which would [get bought by NBC](#) with her help) and Hispanic Broadcasting (which then had ties to Clear Channel, and which would get absorbed into Univision in 2003 with her help). So in 1999, when Vicki Iseman was trading on McCain's name as he ran for President, seven of her eight major clients involved consolidating media conservative media properties.

The exception is Computer Sciences Corp—which I'm going to have to come back to, for a variety of reasons (but if you want to kibitz in the comments, please do).

In the time frame of McCain's first presidential run, she also seemed to help out on her colleagues' accounts—for the most part, they're the kind of earmark accounts that the firm focuses on. So she helped out lobbying for Marin County, Tulare County, Palm Springs. She also lobbied on larger accounts, like [Carnival Cruise Lines](#) and Astra-Zeneca, both of which would have had interests before the Commerce Committee.

Her client base did not significantly expand beyond that, in recent years. The actual fees

paid by the media companies increased as their issues acquired new urgency—as when her lobbying tied into a [McCain attempt](#) to help save Paxson and another Iseman client, Jovan Broadcasting (her only liberal media outlet client), from losing their frequencies.

After a brief period of Democratic dominance, McCain returned to become chairman of the committee in 2003 and 2004. During that period, he took crucial legislative action that saved Paxson Communications from a bill that would have, in the words of CEO Lowell “Bud” Paxson, financially ruined his company.

Even more ironically, McCain took this action for Paxson in spite of his long-standing position that television broadcasters had inappropriately used the transition to digital television (DTV) to benefit themselves financially at the expense of the American public.

Or when Univision successfully acquired Hispanic Broadcasting in 2003 (I have a hunch we’ll hear more about this)—creating overwhelming concentration in the Hispanic broadcast market and, when matched with the NBC acquisition of Telemundo, giving conservative corporations utter domination of Hispanic broadcasting. From a January-February 2004 NACLA report (behind a firewall):

In the fall of 2003, the Federal Communications Commission (FCC), the U.S. government’s media regulation arm, approved Univision’s merger with Hispanic Broadcasting Corp., the nation’s largest owner of Spanish-language radio stations. For the entire summer, the FCC had been at the center of a storm of public criticism over its historic decision in June to loosen U.S. media ownership regulations. The changes, which are still being fought

over in the U.S. Congress and the courts, favor large corporations and the concentration of media ownership through consolidation.

For critics, even some within the FCC, the approval of the Univision merger appeared to be more of the same.

Jonathan S. Adelstein, a Democrat who is on the five-member FCC, said he believes the Univision merger was approved too hurriedly by a commission that seems unconcerned with preserving a variety of viewpoints and information sources in Spanish-language media. "I'm not saying I would have necessarily opposed that [merger], but we should have looked at how to preserve diversity."

What is certain is that the deal catapulted Univision into the category of a bona-fide media giant. The company now owns 62 television stations, which broadcast either Univision or its sibling, the Telefutura network; these channels reach nearly all the Latino households in the country. There's also Galavision, the Spanish-language cable channel, which reaches 5.7 million Latino cable subscribers. With the merger, Univision can also now boast of 65 radio stations that it either owns or programs.

This was a very strategic acquisition because Univision also controls three record labels that it says capture 35% of the U.S. Latino music market. The company can now use its radio stations to promote its stable of music talent. Additionally, Univision owns the top Web site for U.S. Latinos, Univision.com, which gets over 1 billion hits a year. With all these properties in its portfolio, Univision raked in a reported \$100 million in net income during the first nine months of 2003. [paragraph

breaks added for legibility]

Iseman also appears to have supported Total Life Networks' (which has ties to Paxson) [attempts to combat](#) a la carte cable pricing.

While cable television customers may applaud the notion of paying for only those channels they want, religious broadcasters say it will diminish their reach.

Pay-per-channel pricing "would have a devastating effect on the inspirational programming we currently provide" and "decimate both the audience and financial support for religious broadcasting," according to the Faith and Family Broadcasting Coalition.

The group includes Pat Robertson, founder of the Virginia Beach-based Christian Broadcasting Network, and Rev. Jerry Falwell, founder of Liberty University in Lynchburg and the defunct Moral Majority.

Last month, the Federal Communications Commission said customers could save as much as 13 percent on their cable bills with per-channel pricing because they no longer would have to buy packages that may include dozens of channels they do not want.

But many evangelical broadcasters, as well as much of the cable industry, dispute the savings and oppose per-channel pricing, or a la carte cable.

A large segment of religious networks' audience comes from viewers who discover religious programs while flipping through the channel lineup in their cable package, said Jerry Rose, president of the evangelical Total Living Network.

Rose predicted that viewers would buy

only prominent channels, such as CNN or ESPN, and the specialty channels in which they have personal interest. Many viewers, "especially people who'd be considered nonreligious, they're just not going to click off on that Christian channel and pay for it," he said.

I'll be interested to see if McCain helped Iseman out here, since he's a noted supporter of a la carte pricing. Then again, he's a noted opponent of media concentration, too, but that didn't prevent him from [helping Iseman's client, Sinclair](#), from evading laws on media ownership.

Starting in 2006, Iseman started doing more of the kind of work her firm normally did—acquiring earmarks for localities. In her case, she [collected pork](#) for her high school and college, as well as a curious non-profit, Operation Warm.

A few years ago, Mrs. Smith said, Ms. Iseman contacted the district administrators, "saying she would like to help the district and discuss the possibility of helping Homer-Center obtain some of the federal dollars out there."

And she did acquire work with Sage Communications—working, as she is with some of her long-time clients—on issues relating to the move to digital broadcasting.

Which leaves just three more big clients. CSC, like I mentioned, has been a client since at least 1999.

In addition, from 2004 to the present, she lobbied for Bearing Point. formerly KPMG. Bearing Point's profile is closer to CSC's, and recently she's been lobbying on things like spectrum policy. But she seems to have gotten into the work when Bearing Point's VA [financial-logistics contract started to go south](#).

And then there's her latest new client, CACI,

who were some of the interrogators who got in trouble at Abu Ghraib. Iseman's contract post-dates that trouble and purportedly relates to Veterans Affairs. Perhaps this relates to CACI's [efforts to hire disabled veterans for contract positions](#).

What is interesting, though, is with her Bearing Point, CACI, and CSC contracts, Iseman has shifted focus, from an almost exclusive focus on media consolidation, to one more focused on defense and VA contracting. Of course, former Commerce Chair John McCain moved to the Ranking Member on Armed Services Committee in 2006. But it may be that Iseman has developed contacts on Veterans Affairs totally unrelated to McCain. Let's hope it doesn't mean she's chummy with one of the Democrats on VA affairs, Barack Obama. Because she doesn't seem to help a man's presidential bid.

Updated: Fixed some syntax and added context to a la carte cable debate.

MCCAIN'S FAVORS FOR ISEMAN INVOLVED HELPING FAR RIGHT-WING FAMILIES TO SUSTAIN THEIR SHELL COMPANIES

When I [noted that](#) John McCain's lobbyist gal had represented the two networks that would, in 2004, show the anti-Kerry propaganda piece, Stolen Honor, I admitted I didn't know precisely whether or how John McCain had helped the second of these two networks, Sinclair Broadcasting's shell company, Glencairn Broadcasting. Today, the NYT makes it very clear that McCain [used the](#)

[same kind of inappropriate, pushy tactics](#) for Sinclair as he had with Paxson.

In late 1998, Senator John McCain sent an unusually blunt letter to the head of the Federal Communications Commission, warning that he would try to overhaul the agency if it closed a broadcast ownership loophole.

The letter, and two later ones signed by Mr. McCain, then chairman of the Senate Commerce Committee, urged the commission to abandon plans to close a loophole vitally important to Glencairn Ltd., a client of Vicki Iseman, a lobbyist. The provision enabled one of the nation's largest broadcasting companies, Sinclair, to use a marketing agreement with Glencairn, a far smaller broadcaster, to get around a restriction barring single ownership of two television stations in the same city.

I gotta say, "unusually blunt," coming from [Mr. Straight Talk for Lobbyists Express](#) is saying something. The article goes on to note that McCain was partnering with Conrad Burns on this matter—some real gutter diving for a guy who claims to be above corruption.

The NYT article suggests more about the relationship between Iseman and McCain.

For its part, Glencairn appeared to have been getting little support in Congress until it retained Ms. Iseman in 1998.

Edwin Edwards, who was the president of the company at the time, said in a recent interview that after retaining Ms. Iseman, he was able to get heard by Mr. McCain.

"We were pounding the pavement in Washington," Mr. Edwards said. "We recruited help from as many people as we could. We knocked on every door just

trying to get support.”

Labaton suggests—but doesn’t say it—that companies with business interests before McCain could hire Iseman as the best way to get entre to him. Buy Vicki Iseman and you get McCain. No wonder she was bragging about her access to him.

There are two things that Labaton doesn’t say, but that are fairly clear. McCain intervened to [help Sinclair keep its shell company](#). This was no mere marketing agreement to help a struggling broadcaster survive, this was an attempt to get around the law.

Sinclair operates six LMAs through a company called Cunningham Broadcasting, previously known as Glencairn Ltd. Cunningham is controlled by trusts in the name of Carolyn Smith, the mother of Sinclair president and CEO David Smith, as well as two Sinclair vice presidents, Duncan Smith and Frederick Smith, and Robert Smith, a director on Sinclair’s board.

The FCC established LMAs in the early-1990s to assist failing stations or to help start-ups share costs for such expenses as maintenance and advertising with older, established broadcasters.

However, Schwartzman says Sinclair used these business arrangements for the sole intention of eventually acquiring the stations themselves. "Sinclair has operated these LMAs as little more than a fig leaf for all but owning them outright," he said. "They’ve been pressed on this but unfortunately this FCC has let them off the hook."

This is the kind of activity that—if its purpose were to channel money, rather than broadcast signal—would be called money laundering. McCain helped a company evade the clear intent of the

law, and in so doing, really concentrate its reach for such a moment when it might want to use its stations as a propaganda vehicle.

And then there's the sheer hypocrisy of it. Five years later, when Sinclair used its concentration to smear a military hero, McCain [blamed](#) that smear not on the motivations of the family running Sinclair or those bankrolling the propaganda, but on the concentration of Sinclair's company.

"I do have an opinion that this is an issue that results when you have media concentration, which I have been opposed to," he said at a fund-raiser for Sen. Arlen Specter (R., Pa.). "When you have media concentration – this is the largest TV owner with 62 stations – this is something that happens." [my emphasis]

As the NYT shows, Sinclair only achieved that concentration thanks to McCain's inappropriate intervention.

PAXSON REFRESHES MCCAIN'S MEMORY

Rut Roh.

Bud Paxson's [memory](#) seems to corroborate that of McCain's former aides and McCain's signed deposition, both of which suggest that McCain met with Paxson—and Iseman—personally before he sent his letters to the FCC. Or, to put it another way, Paxson says McCain's little promises yesterday were false.

Broadcaster Lowell "Bud" Paxson today contradicted statements from [Sen. John McCain](#)'s presidential campaign that the

senator did not meet with Paxson or his lobbyist before sending two controversial letters to the Federal Communications Commission on Paxson's behalf.

Paxson said he talked with McCain in his Washington office several weeks before the Arizona Republican wrote the letters to the FCC urging a rapid decision on Paxson's quest to acquire a Pittsburgh television station.

Paxson also recalled that his lobbyist, Vicki Iseman, attended the meeting in McCain's office and that Iseman helped arrange the meeting. "Was Vicki there? Probably," Paxson said in an interview with The Washington Post today. "The woman was a professional. She was good. She could get us meetings."

So Paxson effectively deems McCain's performance yesterday a lie. Though I'm not sure how credible we should judge him, since he seems to think we have "thousands" of members of Congress.

Paxson saw no particular significance in the meeting with McCain prior to his penning the FCC letters. "Vicki Iseman, probably between myself and [Paxson Communications President] Dean Goodman at that time, took us in to see a thousand senators and congressmen," Paxson said. "She was our lobbyist. She was there and helped."

Paxson seems quite interested in defending the honor of Iseman. But the most intriguing detail, IMO, stains the honor of all involved.

The second letter came on Dec. 10, a day after the company's jet ferried McCain to a Florida fundraiser aboard a yacht in West Palm Beach. The fundraiser was arranged by Hector Alcalde of Alcalde &

Fay and was hosted by a cruise line that Alcalde had represented, Paxson said. Paxson said he attended the fundraiser.

As I suspected, Paxson flew McCain to a fundraiser in FL, organized by Iseman's boss, and probably hosted at the house of the owner of Carnival Cruise lines. Paxson, Iseman, McCain, Alcalde—they all were there. In other words, this was Alcalde and Fay as a company sponsoring McCain's campaign, not just individual clients of Iseman's who had businesses with McCain.

The stories about John Weaver chasing Iseman away have always suggested, to me, that her closeness (and her bragging about her closeness to McCain) created that perception that McCain was Alcalde and Fay's Senator, not just Iseman's. And the confirmation that this fundraiser was about several of Alcalde and Fay's clients, and not just Paxson, certainly supports that perception.

WHY MCCAIN GOT A CRIMINAL DEFENSE LAWYER TO MANAGE HIS NYT PUSH-BACK

Bmaz sent me [this article](#) the other day, about McCain's ham-handed attempts to pre-empt news about his wife Cindy's struggles with addiction. I sent back this passage,

But both of Cindy McCain's staged, teary drug-addiction confessions have been [vintage](#) John McCain. His MO is this: Get the story out – even if it's a negative story. Get it out first, with the spin you want, with the details you want and without the details you don't want.

McCain did it with the Keating Five, and with the story of the failure of his first marriage (Cindy is his second wife). So what you recall after the humble, honest interview, is not that McCain did favors for savings and loan failure Charlie Keating, or that he cheated on his wife, but instead what an upfront, righteous guy he is.

Candor is the McCain trademark, but what the journalists who slobber over the senator fail to realize is that the candor is premeditated and polished. [my emphasis]

... Noting how differently McCain has dealt with his Iseman problem. McCain didn't get the story out first, not even in the three months since it became clear NYT was chasing the story. As a result, McCain's presser yesterday was an obvious—and ineffective—attempt at cover-up, with none of the candor he affected in his previous attempts to bury his own faults. For some reason, McCain failed to head the Iseman story off when it might do some good.

This Isikoff story [reveals](#) part of the reason why McCain didn't follow his normal MO of heading such scandals off at the pass.

Just hours after the Times's story was posted, the McCain campaign issued a point-by-point response that depicted the letters as routine correspondence handled by his staff—and insisted that McCain had never even spoken with anybody from Paxson or Alcalde & Fay about the matter. "No representative of Paxson or Alcalde & Fay personally asked Senator McCain to send a letter to the FCC," the campaign said in a statement e-mailed to reporters.

But that flat claim seems to be contradicted by an impeccable source: McCain himself. [snip]

[Floyd] Abrams [] asked [McCain during a deposition for a Mitch McConnell lawsuit fighting McCain's campaign finance reform]: "Did you speak to the company's lobbyist about these matters?"

McCain: "I don't recall if it was Mr. Paxson or the company's lobbyist or both."

Abrams: "But you did speak to him?"

McCain: "I'm sure I spoke with him, yes."

Isikoff's article also lays out what has been reported elsewhere—that Iseman gave McCain's staffers a draft letter to the FCC.

Isikoff's revelation sure makes it a lot clearer why McCain retained Bob Bennett to try to convince the NYT not to publish this story. Aside from the [favors the NYT already owes Bennett](#), Bennett knows a thing or two about conflict of interest cases—not least from his investigation of McCain during the Keating scandal.

You see, it's one thing to cry "smear!" and push back against a newspaper that, incidentally, can't seem to figure out what the narrative of this story is. It's yet another to represent a client who has given sworn testimony—as McCain has—that this certainly appears to be corrupt.

At another point Abrams asked McCain if, "looking back on the events with Mr. Paxson, the contributions, the jets, everything you and I have just talked about, do you believe that it would have been justified for a member of the public to say there is at least an appearance of corruption here?"

"Absolutely," McCain replied. "And when I took a thousand dollars or any other hard-money contribution from anybody who does business before the Congress of the United States, then that allegation is

justified as well. Because the taint affects all of us." Elsewhere McCain said about his dealings with Paxson, "As I said before, I believe that there could possibly be an appearance of corruption because this system has tainted all of us."

Oops.

Incidentally, given his history of receiving politically motivated leaks, I wonder if Isikoff has had this deposition transcript from back in the day when Republicans still bitter about McCain's campaign finance work—like Mitch McConnell, who took this lawsuit—were pushing for another candidate to get the Republican nomination. Abrams has been known to leak to journalists as well, though you'd think Bennett would have been able to convince Abrams to keep this under wraps. It sure looks like years of animosity from even more corrupt Republicans is coming back to haunt McCain.

Update: Oh, this will be fun. Copies of McCain's depositions are [here](#) and [here](#).

MCCAIN WOULD BE THE SECOND LOBBYIST PRESIDENT

Christy has been doing great work exposing the lobbyists running the McCain campaign. She showed how common (in both sense of the word) it is for [McCain to get in bed with lobbyists](#). She did a profile of what a nice guy [Rick Davis](#) is. And a post showing that the one thing that will interrupt McCain's campaign schedule (since we know it's not votes in the Senate) is a [schmooze session in Deer Valley](#).

It sure raises the specter of a presidency run by lobbyists, doesn't it?

The thing is, the notion of a presidency run by and for the lobbyists isn't really a new thing. Consider the following highlights from the Bush Administration:

Ed Gillespie

Remember when the Administration was flailing last summer, as more and more dirt piled up on Karl Rove and Alberto Gonzales? The Bush Administration brought in a person to replace both Dan Bartlett and Karl Rove to retool the Administration and try to salvage Bush's legacy. Gillespie brought along the [considerable baggage](#) of his lobbying client list, without taking reasonable precautions to ensure he was working for the American people—and not his former clients.

Ever since Ed Gillespie became [Bush's replacement for Dan Bartlett](#) (and [after that, for Rove](#)), I've been trying to track the clients of Quinn Gillespie—the firm that Gillespie co-founded. After all, Gillespie is a guy who, up until days before he took on one of the most powerful advisory roles at the White House, was a big-time lobbyist, with a [broad clientele](#). And Gillespie has [declined to recuse himself](#) automatically from matters concerning his former clients.

Despite the potential for conflicts of interest, Gillespie won't be forced in his new role to recuse himself from all matters related to the companies he has lobbied for, said Ken Gross, a Washington-based attorney and former associate general counsel with the Federal Election Commission.

Instead, Gillespie will have to decide on a case-by-case basis

if his activities could violate federal ethics standards.

So, when Bush pushes back S-CHIP eligibility to prevent S-CHIP from becoming a cornerstone to a universal, government-provided health care program, I think it relevant to consider that, until recently, Bush's counselor was [representing](#) the interests of the [Coalition to Advance Healthcare Reform](#)—a corporate group pushing privately-funded healthcare. And as Bush prepares to veto a bill reforming the corrupt student loan process, I think it relevant to consider that Gillespie was also, until very recently, [representing](#) Nelnet, one of the student loan companies most deeply mired in the scandal. And as Bush commands Congress to enact a bill giving telecommunications companies immunity for their past illegal actions associated with the warrantless wiretapping program, you might want to remember that until recently, Gillespie was [representing](#) the interests of AT&T, Verizon, and the US Telecom Association.

In fact, as soon as rumors started flying that Gillespie was going to move to the oval office, the US Chamber of Commerce took the opportunity to put some last minute lobbyist cash in his pocket before he made the move.

You see, the rumor that Gillespie would replace Bartlett [was reported](#) at least as early as June 3. Bush [made it official](#) on June 13. And [on June 15](#), Quinn Gillespie started working for a new client. A pretty significant one, as it turns out.

Just in time to work with Gillespie's now incredibly wired former colleagues—but late enough to avoid any requirement that he recuse himself, the

US Chamber of Commerce jumped in bed with Gillespie's close associates. In the first two weeks Gillespie was working at the White House, the US Chamber of Commerce [paid his former colleagues \\$40,000](#) to lobby Congress on banking issues, immigration, trade policy, and energy policy.

Ed Gillespie has not, himself, faced jail time for his conflicts of interest while with the Bush Administration, thus bucking a trend we'll see below. In fact, he was [instrumental in shielding](#) the White House from any repercussions from the New Hampshire phone-jamming scandal. To follow that success, Gillespie [has promised](#) that Bush and the Republicans won't be mired in scandal like they were in 2006—though he has yet to convince Ted Stevens not to run again. His primary strategy seems to be about dodging responsibility for crimes committed, though, and not avoiding crimes altogether. Not long after AT&T's former lobbyist took a central role in the Administration, their primary focus became getting the telecoms out of any legal liability for having illegally wiretapped Americans.

But that wasn't the only favor the newly Gillespie-led Bush Administration did the telecoms—Gillespie's timing almost perfectly coincides with the Administration's [tardy push against Net Neutrality](#).

Jack Abramoff

The Administration saved itself the embarrassment of actually hiring Jack Abramoff—and they're still twisting law and precedent to hide the degree to which Abramoff had ready access to the White House. But it's clear that Abramoff had a key role in the early days of the Administration. While serving on the transition team Abramoff was [able to influence](#) hires—particularly in areas affecting the Department of Interior and Marianas Islands.

At least two people who worked on

Abramoff's team at Preston Gates wound up with Bush administration jobs: Patrick Pizzella, named an assistant secretary of labor by Bush; and David Safavian, chosen by Bush to oversee federal procurement policy in the Office of Management and Budget.

Abramoff's close ties to the Administration and the party have tainted much of what the Administration does—and put Abramoff and several of his cronies in jail.

Stephen Griles

Stephen Griles, a James Watt-era Interior employee turned energy lobbyist before Bush picked him to be Deputy Secretary of the Interior, was precisely the kind of guy Abramoff and Cheney wanted at Interior. In his years at Interior, he contributed to lower standards for clean air and water, opened up new areas for oil and gas drilling, and contributed to an [Enron-style accounting gimmick](#) that allowed his former clients to drill on public lands at cut rates. And in spite of promising to recuse himself from matters affecting his former clients, he [continued to lobby EPA for them](#) while serving as the number two guy in Interior. Later, when Griles was trying to avoid jail time for this attentiveness to lobbyists, he tried to [spin it](#) as a good thing!

Mr. Griles responded to inquiries from citizens, lobbyists, Members of Congress and others was particularly accessible as a public official as demonstrated by his calendar. ... Lobbyist Terry O'Connor [who lobbies for Shell] stated that Mr. Griles was very approachable while at the Department of Interior, and his "constants were always his candor and honesty, coupled [with] his approachability with an *open door policy to meet with and listen to any stakeholder*, irrespective of his or her point of view on the policy subject at

hand. ... In fact, Mr. Griles met with dozens if not hundreds of lobbyists while he was Deputy Secretary, and he had a meeting scheduled with lobbyists on every page of his weekly calendar.

(He also had several of those lobbyists he had been so attentive to write leniency letters in support of sentencing.)

Griles also had a penchant for affairs with ethically-challenged women. As a result of his affair with Italia Federici, Griles [did favors for Jack Abramoff's tribal clients](#). And the Enron-accounting for oil and gas companies was one outcome of an affair with his now wife [Sue Ellen Wooldridge](#).

Griles is doing times for his lies to cover up how he catered to Abramoff's needs. Still pending (AFAIK) is the trial for allowing an oil-industry beneficiary of Griles' Enron-accounting gimmick to [buy a house](#) for he and Wooldridge.

These three are just three of the most obvious. Less well-known are:

- Ann-Marie Lynch, a former PhRMA lobbyist [turned](#) Deputy Assistant Secretary of HHS for policy. In HHS, Lynch fought price caps on drugs and pushed brand-name drugs over generics. She's one of the people we can thank for Medicare Part D's problems.
- Thomas Scully, a former for-profit hospital lobbyist [turned](#) head of Medicare. Scully oversaw a favorable settlement for one of his former clients, HCA, and hid

the costs of the Medicare Part D program from Congress.

- Charles Lambert, a former lobbyist for National Cattlemen's Beef Association turned USDA Deputy Undersecretary. Lambert has claimed Mad Cow disease was a hoax and opposed country-of-origin labeling.
- Phillip Cooney, the former lobbyist for the American Petroleum Institute turned Chief of Staff for the White House Council on Environmental Quality. Cooney repeatedly edited climate change reports to minimize the effects of human activities.

The list goes on and on—former mine executives in charge of mine safety, manufacturers' lobbyist in charge of consumer safety, and so on. And that doesn't include the revolving door working the other way—taking top Bush officials into lobbying positions in the private sector, a practice that has benefited defense, homeland security, and health care corporations mightily. When you give free rein to the lobbyists, it results in the wholesale gutting of the public interest. And not incidentally, it results in poor decisions—as science and open bidding are replaced by cronyism—and a failing economy.

We already know what happens when lobbyists take over the Oval Office. If John McCain is elected, along with his buddies Charlie Black, Rick Davis, and Vicki Iseman, you can expect more of the same.