

# Arrest of Bush official sheds light on corruption and cronyism

**David Walsh****24 September 2005**

The arrest of the chief federal procurement official, David Safavian, threatens to lift the lid slightly on the cesspool of corruption that is the Bush administration and the army of well-heeled lobbyists, corporate executives, right-wing ideologues and Christian fundamentalists that swarm around it.

On September 16, Safavian resigned from his post as administrator of the Office of Federal Procurement Policy (OFPP) at the Office of Management and Budget—where he set purchasing policy for the federal government—and was taken into custody three days later. He is charged with lying to various sets of officials about a golfing trip to Scotland in 2002 organized by prominent Republican lobbyist Jack Abramoff.

Safavian, who served as chief of staff at the General Services Administration (GSA) in 2002, allegedly told government and law enforcement officials at the time of the Scotland visit, made on a chartered jet paid for by Abramoff, and on numerous occasions subsequently, that Abramoff had no business before the GSA. In fact, an FBI affidavit alleges that Abramoff was attempting to acquire two federally managed properties in the Washington, DC, area. According to the FBI, Abramoff had already recruited Safavian to help obtain 40 acres of land managed by the GSA in Silver Spring, Maryland, for a Hebrew school. Safavian is also alleged to have assisted Abramoff in leasing space for some of the latter's clients in an old post office building.

Commentators familiar with the case view the indictment of Safavian as an attempt to wring cooperation from him in an ongoing investigation of Abramoff himself. The latter is under scrutiny for his lucrative lobbying activities for various Indian tribes and his role in paying for overseas trips for House Majority Leader Tom DeLay of Texas. Abramoff was indicted in Miami in August on unrelated charges of wire fraud and conspiracy, connected to his role in the 2000 purchase of a fleet of gambling boats.

Abramoff is a well-connected “player” in Washington circles, whose reach extends into the White House. Timothy Flanigan, the general counsel for conglomerate Tyco

International, two of whose executives were recently sentenced to prison terms, disclosed last week in a statement to the Senate Judiciary Committee that Abramoff bragged two years ago that he was in contact with Bush aide Karl Rove.

According to Flanigan, who is awaiting a Congressional vote on his nomination to be Bush's deputy attorney general, Abramoff claimed that he could help Tyco avoid paying certain taxes and continue receiving federal contracts. The lobbyist allegedly boasted that he “had good relationships with members of Congress,” including DeLay, and that he “had contact with Mr. Karl Rove” about the Tyco matter. (Rove's personal assistant at the time, Susan Ralston, formerly worked for Abramoff as his secretary.) Abramoff's name has come up in connection with DeLay's ethics and corruption difficulties; the Texas Republican participated in at least three overseas trips sponsored by Abramoff.

A piece devoted to Abramoff's career, posted on *Slate* by James Harding, Washington bureau chief of the *Financial Times*, asks rhetorically: “Where to begin examining the extraordinary career of Jack Abramoff? His work trying to secure a visa for the great Zairian kleptocrat Mobutu Sese Seko, perhaps, or the bilking of an estimated \$66 million out of Native American tribes, clients he described as ‘monkeys,’ ‘troglodytes,’ and ‘idiots’? Or his leadership of a 1980s think tank financed, unbeknownst to him apparently, by the intelligence arm of South Africa's apartheid regime?”

One episode provides a useful snapshot of the Abramoff-Safavian-DeLay connection. In the mid-1990s, Safavian and Abramoff both worked at the Washington-based lobbying firm of Preston, Gates & Ellis. The pair were members of a team, reports CNN, “that was lobbying to keep the Northern Mariana Islands [a US territory] free from certain US labor and immigration laws.” DeLay was involved in the operation, opposing legislation in Congress that would have required the Marianas to adhere to US minimum wage laws. He and Abramoff took a trip to the region in 1997. During

their stay, DeLay made a speech before an audience of Abramoff's clients in the islands' garment industry, calling the lobbyist "one of my closest and dearest friends." On his return to Washington, DeLay helped win the industry an extended exemption from federal immigration and labor laws.

This tightly knit world of government officials, lobbyists and business interests is one that rarely has a light shone on it, although everyone in Washington, including members of the media, knows of its existence. The arrest of a Safavian is one of the few occasions in which a hint of the true state of affairs emerges.

The unsavory connections in the case go on and on.

Also enjoying Abramoff's largesse on the Scottish trip, which apparently involved playing golf at the famed Old Course at St. Andrews, were Rep. Robert Ney, Republican of Ohio, former Christian Coalition leader Ralph Reed and right-wing fanatic Grover Norquist, another Bush adviser.

In 2002, Ney, according to *Bloomberg.com*, "agreed to insert language in federal legislation to allow an Abramoff client, the Tigua Indians of El Paso, Texas, to reopen a casino closed by state authorities. The provision didn't make it into the final measure. In 2000, Ney placed two statements in the Congressional Record in support of Abramoff's purchase of SunCruz Casino Ltd., a casino ship company."

Reed and other fundamentalist right-wingers, like Rep. Chris Cannon (Republican of Utah), a Mormon, for whom Abramoff worked as chief of staff, inveigh against gambling and other 'vices' if it serves their political purposes. Nothing prevents them from rubbing shoulders, and more, with Abramoff when other occasions require it.

Norquist, head of the Americans for Tax Reform—among whose corporate backers in 1999 the tobacco, gambling and alcohol industries figured most prominently—is notorious for his comment that he wanted to shrink government "down to the size where you could drown it in a bathtub."

On one occasion Abramoff joined forces with Reed and Norquist, to help block an effort to bring legalized gambling to Alabama. *Bloomberg* notes, "At Abramoff's behest, one of his tribal clients, whose casino could have been hurt by the competition, sent money to Norquist's anti-tax group, Americans for Tax Reform, which in turn wrote a check to help Reed's effort." A highly moral and lucrative campaign!

Jennifer Safavian, David Safavian's wife, is the chief investigative lawyer on the House Government Reform Committee, the committee responsible for probing the Bush administration's response to Hurricane Katrina. Until his arrest Monday, David Safavian, according to *The Hill*, "apparently made procurement decisions on the federal response to Katrina."

Indeed among Safavian's final acts as administrator of the

OFPP was to defend the federal government's loosening of regulations in response to the hurricane disaster. The \$51.8 billion relief bill signed by Bush on September 8 allows purchases up to \$250,000 to be made without bidding or competition, a measure that invites graft and corruption. The same bill suspended the Davis-Bacon Act requirement that contractors pay prevailing wages in the region.

The Project on Government Oversight protested the new \$250,000 threshold, pointing out that existing rules already gave agencies the necessary flexibility.

In a grossly hypocritical statement, considering the indifference with which the Bush administration responded to the suffering of New Orleans's population, Safavian claimed, "By cutting the red tape [a right-wing code phrase for any regulation of business practices] on contracts less than \$250,000, we can help get food, water and housing to victims as soon as possible."

Since his appointment to the post of chief federal procurement official in November 2004, Safavian has been in the vanguard of efforts to turn over federal employees' work to outside contractors. He pushed federal agencies to privatize government jobs and pressed legislators to drop anti-outsourcing provisions in spending bills pending before Congress.

The *Federal Times* notes, "He closely monitored agencies' progress in carrying out job competitions and even got involved in some cases. For example, he stepped in to order the Defense Logistics Agency earlier this year to bar federal employees from competing for depot work being put out for contractor competition at the Defense Distribution Depot Cherry Point, N.C., because, he said, an earlier competition had already shown the work could be done more cheaply by the private sector. The federal employees were hired to do the work on a temporary basis after DLA decided not to extend a three-year contract with Labat-Anderson, Inc., following a series of disagreements."

John Threlkeld, of the American Federation of Government Employees, commented, "During his brief but controversial tenure as administrator of the Office of Federal Procurement Policy, Mr. Safavian spoke openly about reopening loopholes that would allow contractors to take work performed by federal employees without requiring any proof that such wholesale transfers to the private sector would generate savings for taxpayers."

Safavian will appear in federal court October 7.



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