

Republican Congressman pleads guilty in bribe scheme

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1 December 2005

At a federal court hearing in San Diego, California on Monday, Republican Congressman Randy “Duke” Cunningham pled guilty to receiving over \$2.4 million in bribes, including a Rolls-Royce and the use of a yacht. Those paying the bribes were not named in the plea agreement signed by Cunningham, but press accounts identified them as Mitchell J. Wade, founder of MZM, a defense contractor; Brent Wilkes, owner of another defense contractor, ADCS Inc., and Long Island businessman Thomas T. Kontogiannis.

Prosecutors said the eight-term member of the House of Representatives “demanded, sought and received” illegal payments, including cash, payments on his home, cars, vacations, furniture, even a graduation party for his daughter. Cunningham was so ravenous for cash that when he used the sale of his home to mask a bribe—the defense contractor paid him at least \$700,000 more than the market value of the house—the congressman insisted that the contractor pay the capital gains tax he owed on the profit and even reimburse him for the cost of moving into a new \$2.55 million home in Rio Santa Fe, California.

Under terms of the plea agreement, the Republican congressman will forfeit the new home he purchased with the proceeds of the inflated sale of his previous residence, \$1.85 million in cash, as well as much of the goods he received in return for helping steer Pentagon contracts to the two companies. Cunningham must testify against those who bribed him, and will return to court February 27 for sentencing. He could receive sentences of five years apiece on charges of conspiracy and tax evasion.

Cunningham resigned from Congress immediately upon his guilty plea. California Governor Arnold Schwarzenegger has 14 days to set the date for a special election, which must take place within 120 days. Loss of the seat would be a huge political blow to the Republican Party, which enjoys a comfortable 45-30 percent edge

among registered voters in the 50th Congressional District.

The congressman’s 15-year career began to fall apart in early summer when the *San Diego Tribune* reported that Mitchell Wade had bought Cunningham’s home in Del Mar for \$1,675,000 in 2003 and sold it nine months later for \$975,000, without ever moving in. Cunningham initially denied that the sale was a bribe, but announced he would not seek reelection to Congress in 2006. Wade was forced to leave his position at MZM, and the defense contractor was eventually sold to a New York investment company.

The crudity of the bribery is what brought Cunningham down (in addition to the house deal and cash payments of as much as \$1 million, the congressman had the rent-free use of a yacht, moored in Washington DC, which was named the “Duke-stir,” after his nickname. Many congressmen are on the take from corporate interests, but they are careful to disguise the flow of funds as “campaign contributions,” lucrative jobs for wives and relatives, or donations to political action committees—private slush funds which can be used by the congressman to aid political cronies and feather his own nest.

MZM is an example of the criminal fortunes made from the Bush administration’s “war on terror.” Founded by Wade in 1993, the company made little headway until 2002, when it received big contracts from the Pentagon for the computer analysis of intelligence data in the wake of the 9/11 attacks. By this year it had more than \$200 million in military contracts, but after the Cunningham affair became known, the Pentagon cancelled MZM’s largest single deal, worth \$160 million.

MZM became one of the 100 largest defense contractors thanks to its backing by two Republican members of the House Appropriations subcommittee for military expenditures—Cunningham and Republican Virgil Goode

of Virginia. It repaid the favor through campaign donations to both politicians, outright bribing of Cunningham, and by locating its first major operations facility at Martinsville, Virginia, in Goode's district.

Goode could well be the next Republican congressman to face a corruption probe. Earlier this month *USA Today* published an extensive look at his relations with MZM, which became Goode's largest campaign donor, timing its donations to follow key contract decisions at the Pentagon or critical votes on the appropriations subcommittee. This relationship was aided by the secrecy of the classified portion of the Pentagon budget, from which MZM was paid: classified Pentagon spending has soared 48 percent to nearly \$27 billion annually since 2001. Goode went so far as to add a classified provision to a defense spending bill to create the Foreign Supplier Assessment Center, run by MZM and located in his district, even though the Pentagon had not requested it.

As for Cunningham, he is the personification of a definite social type—the gung-ho military man turned political bully. Cunningham and a co-pilot shot down five MiG jets over North Vietnam in 1972, becoming the only Air Force pilots in the Vietnam War to win “ace” status. Cunningham later taught at the Air Force's school for combat pilots, glorified in the film *Top Gun*, then parlayed his war record into a successful political career, challenging and defeating an incumbent Democratic congressman in the San Diego suburbs in 1990. (In the 1990 Republican primary, Cunningham baited his principal opponent, who was of Arab-American descent, with campaign commercials linking him to Libyan President Muammar Gaddafi.)

Once in the House, Cunningham developed the reputation as one of the most volatile and backward congressional representatives, attested to by a series of outbursts and attacks, both verbal and physical. A summary published by the *San Diego Tribune* gives a glimpse of the character of this foot soldier of the “Republican revolution” in Washington:

Oct 6, 1992: Cunningham makes the *Washington Post's* “Reliable Source” column by suggesting the liberal leadership of the House should be “lined up and shot.”

Oct. 9, 1992: The *Los Angeles Times* quotes Cunningham as urging President Bush to attack Bill Clinton's patriotism, telling him: “This is an issue that will kill Clinton when people realize what a traitor he is to this country. In some countries, if something like this came out, he would be tried as a traitor. Tokyo Rose had nothing over Clinton.”

May 11, 1995: A House debate over water pollution erupts in furor when Cunningham declares that lawmakers backing an amendment he opposed were the same people who support “homos in the military.” Later, he calls Rep. Pat Schroeder, Democrat of Colorado, a “socialist.”

Nov. 17, 1995: Colleagues and Capitol police break up a scuffle that starts after Cunningham, a former Navy fighter pilot, tangles with Rep. James Moran, Democrat of Virginia, who used to be an amateur boxer, during the debate on a Republican-sponsored resolution that would bar President Clinton from sending American troops to Bosnia without prior congressional approval.

Feb. 26, 1998: When acting Army Secretary Robert Walker tells a House subcommittee about efforts to combat sexual harassment and discrimination in the military, Cunningham calls the efforts “B.S.” and asserts that “our kids don't like. . . political correctness.” He also insists that some members of Congress openly promote communism and that France has a Communist government.

Sept. 5, 1998: At a forum for prostate cancer sufferers, Cunningham makes a crude reference to a fellow congressman who is gay and, in a fit of temper, directs an obscene gesture toward an audience member telling him, “(expletive) you.”

Naturally, with this record, Cunningham was selected by the House Republican leadership to serve on the Intelligence oversight committee in 2001, in addition to his post on the military appropriations subcommittee. In both arenas he was a fervent supporter of the Bush administration's wars. The former fighter ace cried on the House floor in October 2002 as he appealed for the House to give President Bush the authority to use military force against Iraq.



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