

US: Chief Democrat on ethics panel hit by corruption charges

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The Democratic co-chairman of the House Ethics Committee stepped down from his position April 22 after two weeks of attacks by the press and congressional Republicans over the apparent link between appropriations which he steered to five non-profit groups in his congressional district and the sudden growth of his personal real estate fortune.

Congressman Alan B. Mollohan saw his household assets, largely based on real estate holdings in Washington DC and the Carolina shore, rocket from \$565,000 in 2000 to as much as \$25 million today. The exact figure isn't known, because congressional disclosure forms list only a range, in this case \$6.3 million to \$24.9 million. The increase in net worth is even more striking: from \$110,000 in 2000 to a range of \$2.6 million to \$11.4 million—a rise of from 25 to 100 times in only four years.

Mollohan represents the First District of West Virginia, which includes most of the northern part of the state, dominated by declining coal and steel industries. There is a stark contrast between Mollohan's transformation into a multimillionaire over the last five years and the conditions facing steelworkers in Wheeling and coal miners in the Monongahela Valley. Just outside Mollohan's district to the south is Upshur County, scene of the Sago mine disaster in January in which 12 miners lost their lives.

Over the past decade, Mollohan, a member of the powerful Appropriations Committee, secured more than \$250 million in earmarked appropriations for five non-profit groups that he helped to set up in his district, largely to promote high-tech economic development. The executives of these groups raked in six-figure salaries, despite the general poverty of the area in which they worked. They were duly grateful to Mollohan, giving him substantial campaign

contributions although he has not faced a serious challenge in this heavily Democratic district, where he succeeded his father as holder of the congressional seat.

Among the sums documented are \$103 million for the Institute for Scientific Research, which paid its top three executives \$777,000 in 2004, all of that funded by the US government. Other amounts included \$31 million for the West Virginia High Technology Consortium Foundation, \$28 million for the Vandalia Heritage Foundation, and \$6 million for the MountainMade Foundation, which promotes production by local artists and craftsmen.

The case against Mollohan began in February when a right-wing legal think tank filed a 500-page document with the US Department of Justice seeking an investigation into its charges that Mollohan had filed hundreds of false disclosure forms during his years in Congress, concealing or undervaluing his assets. On April 7 the *Wall Street Journal* reported that the Justice Department had begun an investigation, and the newspaper published many of the details of Mollohan's finances, including his admission that he failed to pay some 2004 taxes initially on income from his rental properties. A similar article appeared in the *New York Times* the following day.

While there is no question that the investigation of Mollohan is politically motivated, it is equally indubitable that there is something to investigate. A liberal watchdog group, the Citizens for Ethics and Responsibility in Washington, also called for him to leave the ethics panel. The West Virginia congressman initially resisted calls to step down as the senior Democrat on the ethics committee, but finally bowed out after newspaper editorials in the state began to condemn him.

The West Virginia congressman is a casualty, at least

in part, of the congressional Democrats' decision to focus their 2006 election campaign on allegations of a "culture of corruption" among Republicans on Capitol Hill. Both parties are irredeemably corrupt, but with official Washington completely controlled by the Republicans, a much larger share of corporate cash has flowed into Republican coffers, lending plausibility to the Democratic charge. With this as their chosen election theme, however, the Democrats could little afford to have a prominent member, let alone their leader on the Ethics Committee, under an ethical cloud. So Mollohan had to go.

Mollohan sent a letter to House Minority Leader Nancy Pelosi declaring, "I do not want these baseless allegations to divert attention from the important work that the House ethics committee must undertake in the remainder of this Congress, or to serve as an excuse for committee inaction."

Pelosi appointed a former member of the ethics committee, Howard Berman of California, to take Mollohan's place, rather than promoting the committee member who was next in line, Stephanie Tubbs-Jones of Ohio, who has been questioned about trips with lobbyists to Puerto Rico. At the same, Pelosi issued a statement denouncing the charges against Mollohan as "an attempt to deflect attention from the long list of Republican criminal investigations, indictments, plea agreements and resignations that have resulted from the reported long-term and extensive criminal enterprise run out of House Republican leadership offices."

In denying any ethical impropriety, Mollohan has explained the astonishing increase in his personal wealth as the result of successful real estate investments, some of them managed by Mollohan's wife Barbara. What is remarkable is how a multimillion-dollar fortune was to be made from rather modest holdings: a 52-unit condo project in Washington called The Remington, and five properties at Bald Head Island, two of them for the personal use of Mollohan and Kuhn, the other three rentals.

None of the reports on Mollohan's activities suggest that he could be indicted or that he has actually broken the law or even violated permissive congressional ethics rules. Mollohan is thus far more representative of the type of corruption that takes place in Washington than the crude money-guzzling of a Randy Cunningham, who took direct bribes from favored

companies. As in many Washington scandals, it's what's legal that is truly criminal.



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