

Financial backer of Washington, DC mayor pleads guilty to illegal contributions

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Last week, Jeffrey E. Thompson, a regional powerbroker and government contractor in Washington, DC, pleaded guilty to two felony charges in the US District Court of the District of Columbia of conspiracy to subvert local and federal electoral financing laws.

In admitting to his role in a series of undisclosed funding operations for candidates in local, regional and national elections, Thompson has revealed the degree to which big business works to subvert basic democratic processes in the District and beyond.

Thompson was indicted by federal prosecutors for his role in funding the electoral run of Democrat Vincent C. Gray in Washington's 2010 mayoral election. Thompson channeled more than \$660,000 to the latter's "shadow campaign" to pay for get-out-the-vote drives and other efforts during the election period. Court documents state that aside from Gray's 2010 campaign, Thompson spent more than \$3.3 million to provide illegal cash for candidates in local, regional and national elections in the period from 2006 to 2012.

Aside from Thompson, seven other business associates and campaign aides connected with the shadow campaign have been jailed.

According to court testimony, Gray, having sought Thompson's funds through associates, personally presented Thompson with a one-page statement of his campaign's budget, requesting that the latter contribute \$425,000 to the effort to unseat the District's then-mayor, Adrian Fenty. Thompson, who at the time was being sued by the Fenty administration for overcharging fees pertaining to his contracting firm, DC Chartered Health Plan, agreed, hoping that a different administration would be more sympathetic to his firm's interests.

Upon Gray's election, the city would settle with

Chartered Health, awarding an additional \$7.2 million in funds to Thompson as well as giving the company a \$350 million contract, the largest in the city at the time, for the year 2011.

In addition to the 2010 shadow campaign, Thompson admitted funneling nearly \$3 million to various local, regional and national candidates. Thompson also ran a number of illegal "straw donor" campaigns out of the office of his law firm, Thompson, Cob, Bazilio and Associates, in which employees gave money to the candidates and then were reimbursed by Thompson.

In connection to this, the *Washington Post* reported that Minyon Moore, an aide to the Hillary Clinton presidential campaign that year, had accepted more than \$600,000 in undisclosed funds from Thompson. Prosecutors have not announced any intention to bring charges against Moore, a longtime Democratic Party operative.

Some commentators have noted that the timing of the guilty plea was linked to the District's mayoral election. The claims that Vincent Gray was aware of Thompson's illegal fundraising could undermine his chances of renomination in the Democratic primary, which is tantamount to election in the heavily Democratic city. Supporters of the mayor have pointed to the relatively favorable plea bargain Thompson received, with no more than six months in prison in return for the admission of guilt.

Gray, who is currently leading in the polls, has responded to the claims with a flurry of public denials, denouncing as "lies" any assertion that he was a knowing partner in the shadow campaign. "So I ask you, who do you believe? A greedy man attempting to save himself, or me, a public servant, who has dedicated my entire career and my entire life to giving back to our communities in the District of Columbia?"

he said sanctimoniously, as Thompson's plea made headlines.

There has been an attempt to paint Thompson as a rogue operator, intent on subverting the democratic processes of an otherwise healthy political system. US Attorney Ronald C Machen declared in a statement at the conclusion of Thompson's trial that "[in] election after election, Jeff Thompson huddled behind closed doors with corrupt candidates, political operatives, and businessmen, devising schemes to funnel millions of dollars of corporate money into local and federal elections.... With Mr. Thompson's cooperation, we have the opportunity to hold many wrongdoers accountable and to usher in a new era of honesty, integrity, and transparency in D.C. politics."

On the contrary, the dominance of big business in the US political system reaches far beyond the District of Columbia. In 2010, the US Supreme Court ruled in favor of unlimited private spending in the electoral process in *Citizens United v . Federal Election Commission*. In justifying its decision, Justice Anthony Kennedy wrote for the majority that "[t]he fact that speakers [i.e., donors] may have influence over or access to elected officials does not mean that these officials are corrupt."



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