



The Perennial Virus of Political Corruption

In late March the U.S. Senate passed the largest stimulus legislation in the nation's history, which was quickly signed into law by President Donald Trump. The stimulus package, called the Coronavirus Aid, Relief and Economic Security (CARES) Act, provided \$2 trillion to speed recovery in the face of business shutdowns ordered by state governors across the country due to the Covid-19 pandemic. The national shutdown caused devastating business losses and skyrocketing unemployment claims, with some projections of unemployment rivaling the Great Depression of the 1930s. The Federal Reserve took rapid action to inject money into the economy.

Amid the efforts to flatten the rate of Covid-19 infections, debate erupted over whether governors and mayors had overreacted in ordering a near-nationwide shutdown of most businesses, nonprofits, offices, schools, social gatherings and other activities based on models that projected high rates of infection and fatality. The CARES Act came in for criticism as well for pork loaded on by Democrats.

It is worth reviewing where the \$2 trillion are being spent, but a more important point needs to be made in light of the massive government spending program, because it will not be the last stimulus spending measure Americans will see in the coming months: Big government brings corruption. As debates rage about public health policy, China's complicity in the Wuhan pandemic, and measures to address economic recovery, Americans need a reminder that corruption was already a virus in the body politic, and that Covid-19 provides an opportunity for the corruption infection to spread.

The problem of political corruption before the pandemic became front-page news during the 2016 campaign with revelations about the pay-to-play fundraising of the Clinton Foundation. Investigative journalist Peter Schweizer reported on the corruption of the Clinton Foundation and subsequently among those seeking the Democratic Party presidential nomination in 2020. But the Democrats are not alone in making big government work for them. Republicans are also complicit in taking undue advantage of spending programs. Corruption, as our Founding Fathers warned, is an infection that can kill democracy.

Senate Majority Leader Mitch McConnell (R-KY) declared with the passage of the CARES Act that "No economic policy can fully end the hardship so long as public health requires we put so much of our commerce on ice." He described the CARES Act as not "even a stimulus package. It is emergency relief."¹ The act represented Congress's third spending response to the pandemic. As of this writing the legislators were completing a fourth bill to spend another \$484 billion and starting work on a fifth spending bill. All of this spending requires money the federal government doesn't have, so it is being piled onto the national debt.

Follow the Money

The CARES Act aimed to help seven major groups: individuals, small businesses, big corporations, hospitals and public health, the federal safety net, state and local governments, and education.² However necessary this legislation, lobbyists were there to extract whatever they could for their clients. Senator Patrick Leahy (D-CT) pushed through a minimum assistance for every state, no matter its size or need, of \$1.5 billion. There was a provision to approve "innovative" sunscreens, which would benefit L'Oréal, with operations in Kentucky, Mitch McConnell's home state.

Under the CARES Act a company may pay up to \$5,250 of an employee's student loan payments each year on a tax-free basis. This provides new tax benefits to borrowers who may be financially secure. Casinos got a piece of the pie by being able to apply for portions of the \$350 billion in Small Business Administration loans, while larger casinos can apply for \$450 billion in loans backed by the Treasury. MGM Resorts International, Wynn Resorts and Las Vegas Sands pushed for this legislation.

Higher education lobbyists earned their fees: colleges made out like bandits. An Education Stabilization Fund totaling \$30.75 billion was established to aid K-12 and higher education. Ten percent of these funds will be distributed by state governors to agencies and institutions that have been "significantly impacted" by the coronavirus.³ The act provides emergency financial aid grants to students and suspends

involuntary collections of defaulted student loans. This windfall reduces the incentive for universities to make needed reforms and cut their bloated administrative staffs.

In a particularly grating example of how the CARES Act benefits entities that don't need the money, richly endowed Ivy League universities each were allocated millions of dollars. After President Trump noticed and objected to \$8.6 million going to Harvard (with its \$41 billion endowment), Harvard was shamed into declining the funds. Other wealthy universities including Stanford, Princeton and Yale also declined the funds.

The plethora of pork in the CARES Act does not prove corruption, but it illustrates that crisis creates opportunities for special-interest lobbyists to curry favor. Ultimately it is up to voters to prevent the waste of government funds—and enrichment of corrupt enablers of wasteful spending—in spending bills.

Getting Rich as a Public Servant

Elected officials have a way of getting very rich as public servants. Speaker of the House of Representatives Nancy Pelosi (D-CA) and her husband, Paul, who owns financial consulting and real estate firms, have made a fortune. Many of her husband's consulting fees have come from overseeing federal contracts. Nancy and her husband's combined net worth, close to \$140 million, has come mostly through her political connections.⁴ In early April *Barron's* reported that when the stock market began showing the first signs of slipping in February, Pelosi's husband began purchasing huge quantities of stock options on tech stocks, including Amazon, Microsoft and Slack Technologies. These purchases of tech stocks were new to their portfolio and were in the millions of dollars.⁵

Senators Richard Barr (R-NC) and Kelly Loeffler (R-GA) showed another way of making money while in high office. After attending a private briefing to U.S. senators about the threat of the novel coronavirus by health officials in the Trump administration, Barr unloaded \$630,000 to \$1.7 million worth of stock—a week before the stock market began its precipitous fall because of fears of Covid-19's economic consequences. Loeffler sold between \$1.25 million and \$3.1 million in stock in late February. Both asserted that their trades were proper. Barr issued a public statement that his stock moves were based “solely on public news reports.” His attorney told NBC News, “The law is clear that any American—including a senator—may participate in the stock market based on public information, as Senator Barr did.”⁶

Loeffler's spokesperson declared that Loeffler had “acted in accordance with the letter and spirit of the law.”⁷ Loeffler stated that the decision to sell stock was made by a third party without her knowledge or that of her husband, Jeffrey

Sprecher, who happens to be the chairman of the New York Stock Exchange and CEO of a holding company, Intercontinental Exchange, that handles accounts held by Loeffler and Sprecher.

When these stock trades became public knowledge, it came out that Senators Dianne Feinstein (D-CA) and James Inhofe (R-OK) also made stock trades following the briefing. Both Inhofe and Feinstein said they were not at the private briefing and there was no relationship between the impending health crisis and their stock trades.

Stock trading by a member of Congress is not illegal. The Stock Act enacted in 2012 bars members of Congress from using inside information acquired from their official positions for private gain. As a consequence, both Barr and Loeffler emphasized that their trades were based on public knowledge. Nonetheless, the public was outraged by these trades, especially when vast sums had been lost in 401(k) and pension funds and private savings.

Under public pressure, Senate Minority Leader Chuck Schumer (D-NY) called for an ethics probe into the Barr, Feinstein, Inhofe and Loeffler trades. Schumer made it a point to tell the press that he does not own stock. “I think it's a bad idea for senators to own stocks,” he said.⁸ Shortly after Schumer's announcement, and facing a tough primary, Loeffler announced that she and her husband planned to liquidate all of their individual stock positions and related options.⁹

Unlike Loeffler, Barr sold a significant share of his portfolio.¹⁰ Barr has pledged not to seek reelection when his seat comes up in 2022.

Looking at Real Corruption

Whatever the legality of the senators' stock trades, members of Congress can easily use inside information to benefit their friends, relatives and themselves by knowing where a road is going to be built, helping to secure a federal contract for their benefit, inserting a piece of wording in legislation to benefit a large donor or a large corporation in their district, or protecting a powerful union that is important for their election.

The line between legal corruption and moral corruption can often be blurry. In two books, *Clinton Cash* (2015) and *Profiles in Corruption* (2020), investigative journalist Peter Schweizer has done more than anyone to reveal the extent of corruption of public officials today. Schweizer writes about Democrats, although corruption is not limited to one party.

In *Clinton Cash*, Schweizer uses public information and Freedom of Information Act documents to provide a disturbing indictment of Bill and Hillary Clinton's abuse of power. Many of their actions, as detailed in Schweizer's eye-opening account, are not illegal, but surely smell of corruption. Deal

after deal made by the Clintons involved accepting money from foreign governments and unsavory individuals either as donations to the Clinton Foundation or as direct cash payments. These deals led the Clintons to work with dictators such as Kazakhstan's corrupt leader Nursultan Nazabayev.

Bill Clinton traveled with Canadian businessman Frank Giustra in 2005 ostensibly to help HIV/AIDS patients in impoverished Kazakhstan. In the process, Giustra received a huge uranium mining contract in Kazakhstan for his company UrAsia energy. Soon afterwards, Giustra made a \$31.3 million donation to the Clinton Foundation, followed by a pledge of at least another \$100 million.

In 2007, Uranium One, a South African-Canadian company based in Toronto, acquired Giustra's UrAsia Energy company. Uranium One had interests in Wyoming's Powder River basin. Three years later Uranium One was purchased by Rosatom, a Russian state-owned company. Around this time, the family foundation of Uranium One's chairman Ian Telfer made \$2.35 million in donations to the Clinton Foundation.

These donations were not made public by the Clinton Foundation, even though Hillary Clinton before becoming Secretary of State in the Obama Administration had agreed to make all donations to the Clinton Foundation public. In a clever legal jujitsu move, the Clinton Foundation pointed out that the donations had gone through the Clinton Giustra Enterprise Partnership in Canada, and under Canadian law contributors' names could not be revealed.

Nice Work If You Can Get It

The Senate Foreign Relations Committee and nine Cabinet departments and other agencies reviewed the purchase of Uranium One by Rosatom, which needed U.S. approval. Hillary Clinton said that as Secretary of State she kept out of the complicated government review process, which in the end approved the deal. In 2010, Renaissance Capital, an investor in Uranium One stock with close ties to the Kremlin, paid Bill Clinton a jaw-dropping \$500,000 for a speech in Moscow. This came right after Rosatom's purchase of Uranium One.

Later government investigations by the Justice Department and congressional committees did not find anything illegal in these deals, but they reeked to high heaven. A quid pro quo could not be proven.

Corrupt if not illegal influence-peddling abounds in Schweitzer's *Profiles in Corruption*. In a detailed examination of leading 2020 Democratic presidential candidates, before Joe Biden remained the only contender, Schweitzer shows how progressive Democrats have entered into sweetheart deals to benefit friends, family and themselves. His book is full of dark tales. When she was San Francisco district attorney and then California attorney general, Senator Kamala Harris (D-CA)

failed to prosecute cases against friends and clients of her political ally (and erstwhile lover) Willy Brown and clients of her husband. Senator Cory Booker (D-NJ) when he was mayor of Newark granted contracts, often with no public bidding, for construction and school projects to friends and donors.

Senator Elizabeth Warren (D-MA), who railed against corporate interests in her failed presidential campaign, made certain that her daughter's consulting company enjoyed big corporate contracts. A similar pattern of family and donor benefits appears in Bernie Sanders's political career from his time as mayor of Burlington, VT to his perch in the U.S. Senate.

Senator Amy Klobuchar (D-MN), when serving as Hennepin County prosecutor, refused to charge a major donor in a Ponzi scheme. As a senator, she has used the threat of regulation legislation to receive large corporate donations from medical, music and financial interests.

Schweitzer's revelations on Joe Biden and his family business deals are numerous and shocking. Biden's family—his two brothers James and Frank, his sister Valerie, son Hunter and daughter Ashley have all hugely benefited from Biden's power as a senator and vice president. Their deals include contracts and federal grants for charter schools in Florida, construction contracts in Iraq, accommodations to health care providers, and extremely lucrative arrangements in China and Ukraine for his ill-qualified son Hunter.

In March, after the publication of *Profiles in Corruption*, it emerged that James Biden had profited from his political connections after promising to attempt to secure financing for Americore Health from Middle Eastern backers. The financing never came through even though James Biden was reportedly paid \$650,000, purportedly for a personal loan which he has not repaid. The company is now in bankruptcy and under federal investigation.¹¹

The Founders Warned of Corruption

The American Founding Fathers worried about the corrupting influence of pride and selfishness and the importance of a sense of virtue in the people and their leaders. Benjamin Franklin prophesied at the end of the Philadelphia Constitutional Convention in 1787, "I agree to this Constitution...and I believe further, that this is likely to be well administered for a course of years, and can only end in despotism, as other forms have done before it, when the people shall become so corrupted as to need despotic government, being incapable of any other."¹²

This is why the Founders created a constitutional republic with clear separation of powers and checks and balances. They understood, however, that institutional arrangements in themselves were not enough. Essential to an enduring republic was a virtuous citizenry and political leaders. Instilling virtue in the people came through civic education at home and

the classroom, and the practice of religion. As John Adams succinctly observed, “We have no government armed with power capable of contending with human passions unbridled by morality and religion.... Our Constitution was made only for a moral and religious people. It is wholly inadequate to the government of any other.”¹³

Today, Americans are faced with an educational system that not only fails to teach first principles of a constitutional republic, but largely dismisses religion as superstition and oppression. In the public square, Christianity and traditional values based on religious faith are under attack. Outside home and church, there is little support in the culture for the inculcation of virtue. In this environment, it is little wonder that so many of our elected representatives are driven by self-interest and narrow party gain. As we enter the post-Covid-19 world, we need to be even more resistant to corruption in our political system. Political corruption is a virus whose only treatment is a vigilant and liberty-loving citizenry.

1 <https://www.npr.org/2020/03/26/821457551/whats-inside-the-senate-s-2-trillion-coronavirus-aid-package>. For Fed action, see <https://www.washingtonpost.com/business/2020/03/15/federal-reserve-slashes-interest-rates-zero-part-wide-ranging-emergency-intervention>.

2 Caitlin Emma, Jennifer Scholtes and Theodore Meyer, “Who Got Special Deals in the Stimulus and Why They Got Them,” *Politico*, March 27, 2020; and <https://townhall.com/columnists/loydpettegrew/2020/03/28/dems-cant-get-enough-from-the-pork-barrel-n2565879?amp=true>.

3 <https://ticas.org/affordability-2/whats-in-the-cares-act-higher-education-student-debt/>.

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6 Kevin Stankiewicz and Dan Mangan, “DOJ Investigating at Least One Lawmaker’s Stock Trades Ahead of Coronavirus-driven Declines, Report Says,” *CNBC*, March 30, 2020.

7 Ibid. Also see Jeremy Herb, “Senator’s Stock Sales Under Fire After Coronavirus Tanked Markets,” *CNN*, March 20, 2020.

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9 Dan Mangan and Thomas Franck, “Sen. Kelly Loeffler and Her CEO Husband Will Sell All Individual Stock Shares After Coronavirus Trade Furor,” *CNBC*, April 8, 2020.

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12 <https://nccs.net/blogs/articles/strong-warnings-from-the-founders>. Also, <https://ammo.com/articles/founding-fathers-quotes>.

13 Quotation cited in <https://www.catholiceducation.org/en/culture/history/misquoting-our-founding-fathers.html>.

The Most Important Person on Earth is a Mother



The Most Important Person on earth is a mother. She cannot claim the honor of having built Notre Dame Cathedral. She need not. She has built something more magnificent than any cathedral—a dwelling for an immortal soul, the tiny perfection of her baby’s body ... The angels have not been blessed with such a grace. They cannot share in God’s creative miracle to bring new saints to Heaven. Only a human mother can. Mothers are closer to God the Creator than any other creature; God joins forces with mothers in performing this act of creation ... What on God’s good earth is more glorious than this: to be a mother?

— *Venerable Joseph Cardinal Mindszenty*

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