

BUSH OFFICIALS COMPROMISED RENZI INVESTIGATION FOR POLITICAL GAIN

✘ In an important new article from Murray Waas, writing at The Hill, we have at long last fresh news on the Rick Renzi corruption case in Arizona, and it turns out that officials in the Bush Administration improperly leaked out information compromising the investigation of Renzi, and did so for sheer political gain immediately prior to the 2006 elections.

In the fall of 2006, one day after the Justice Department granted permission to a U.S. attorney to place a wiretap on a Republican congressman suspected of corruption, existence of the investigation was leaked to the press – not only compromising the sensitive criminal probe but tipping the lawmaker off to the wiretap.

Career federal law enforcement officials who worked directly on a probe of former Rep. Rick Renzi (R-Ariz.) said they believe that word of the investigation was leaked by senior Bush administration political appointees in the Justice Department in an improper and perhaps illegal effort to affect the outcome of an election.

At the time of the leak, Renzi was locked in a razor-thin bid for reelection and unconfirmed reports of a criminal probe could have become politically damaging. The leaked stories – appearing 10 days before the election – falsely suggested that the investigation of Renzi was in its initial stages and unlikely to lead to criminal charges.

As you will recall, Renzi's indictment (or lack thereof at the time) was a critical prong in the greater US Attorney firing scandal, specifically as to Arizona US Attorney Paul Charlton.

Murray is right, the import of this is not merely the implications on Arizona and the loss of a really good US Attorney (and as a practitioner in Arizona I can tell you that Paul Charlton had universal respect from both sides of the political aisle, prosecutors, the defense bar and the judiciary). The really notable point here is that it permitted Renzi to circle his wagons, and falsely inferred right before the 2006 election that Renzi was clean enough to be reelected.

Despite the fervent claims of the Bush crowd to the contrary, this was gross politicization of the Justice process, and it worked.

This previously unreported episode, however, directly contradicts that claim and constitutes the first evidence that a political-corruption investigation was stymied for political reasons during the Bush administration.

As part of an apparent damage-control effort to assist Renzi's reelection bid, information was leaked on the same day to three major news organizations: The New York Times, The Washington Post and The Associated Press. The articles reported that although there was an ongoing probe of Renzi, it was only in an early stage, no evidence of serious wrongdoing had been uncovered, and it might end up being much ado about nothing.

Yet Gonzales had already approved a request by the then-U.S. attorney leading the investigation, Paul Charlton, to seek an application from a federal judge to wiretap Renzi's telephone.

Now the question is whether or not Eric Holder and the not quite revamped Department of Justice will investigate this obstruction of justice for the crime that it appears to be. As Paul Charlton, who undoubtedly lost his job in large part because he was going after Renzi, said "Any career federal law enforcement person knows that if you leak the existence of an investigation right as you have a wiretap go up, you are going to do great harm to what you are doing."

That is obstruction of justice, pure and clear.

But who will watch the watchers? As you may have seen, the section of the DOJ responsible for investigating and prosecuting public official and election crimes, the Public Integrity Section (PIN), is in complete disarray, is being investigated by one Federal Court for malfeasance, and is being lambasted by several other courts. PIN would also, of course, have been central to the Renzi investigation. So who is going to investigate whom here without a special prosecutor? Waas describes the the OPR and DOJ-IG being involved:

Sources close to the investigation say that investigators working for the inspector general and OPR – mirroring the beliefs of prosecutors and FBI agents who worked the case – concluded that it was most likely that political appointees leaked the existence of the Renzi probe and had a political motivation in doing so. A spokesman for Justice's inspector general declined to comment, and OPR similarly did not respond to inquiries for this article.

No mention of PIN there. One would think that they should either be involved in the investigation or be a subject of the investigation. But no mention. Former DOJ spokesman Brian Roehrkasse and former Criminal Division chief Alice Fisher are also central to the fact set. That is a lot of DOJ leadership; even though some of it is "former" you wonder

how the DOJ will effectively investigate itself.

The other subject *still* not featured is the matter of the "Ft. Huachuca" story in regard to Renzi. As Marcy put it almost a year and a half ago:

More interesting than what got added to the indictment since last April is what got left out of the indictment: all mention of Renzi's and his father's ties to Fort Huachuca. In April of last year, Wilke explained:

Mr. Renzi told Resolution in 2005 that his support for the land swap would hinge in part on whether it helped fulfill a goal to cut water consumption along the San Pedro River, which slices through the desert far from the mining area, in southern Arizona, participants in the deal say. Fort Huachuca, a big U.S. Army base nearby, was under court order to cut water consumption, and it had been seeking help to retire farmland near the river. Mr. Renzi has longstanding ties to the base, the economic engine of the area. He grew up near it, and his father, retired U.S. Army Gen. Eugene Renzi, is its former commandant, now employed by one of its largest contractors, ManTech Corp.

[snip]

The FBI is also looking into the congressman's dealings with Fort Huachuca, these people say.

The same question still holds now, as it did then. In fact, it is even more strident, because prior to the last election, and with a

Republican led DOJ, it was easy to figure that nothing that could taint John McCain would be pursued. As John Dougherty reported last year:

If prosecutors had focused on Renzi's submission of what might be false congressional financial disclosure statements, then McCain might have been drawn deeper into the Renzi case. The FBI has already interviewed at least one member of McCain's Senate staff and requested that his Senate office turn over documents possibly related to the case.

Public records show that Renzi might have filed false congressional financial disclosure statements from 2001 through 2003, because he did not disclose his 50-percent ownership in Fountain Realty & Development, Inc. While submitting false congressional financial disclosure statements in this time period is not one of the counts against Renzi, the indictment states that Fountain Realty had more than \$1 million in transactions with Renzi's former business partner, and co-defendant, James W. Sandlin.

In contrast, the Justice Dept.'s seven-count felony indictment against Sen. Ted Stevens accuses the Alaska Republican senator of submitting false financial disclosure statements to Congress by concealing \$250,000 in gifts from an oil industry supply company.

Did prosecutors avoid filing similar charges against Renzi to shield McCain from questions about his ties to the congressman? Or did they decide to focus on the more serious charges of wire and insurance fraud, money laundering, conspiracy and extortion?

Is the DOJ still giving McCain a wide berth? Are they staying away from this part of the story

because of the key place in the domestic surveillance program of ManTech, Inc. the database and datamining goliath run by Renzi's late father, General Eugene Renzi and that Rick Renzi was engaged in land fraud to benefit? We do not know; the better question is whether anybody at DOJ is trying to find out.

Stay tuned.