How George W. Bush got rich through graft, kickbacks, and family connections

by Scott Thompson

Like his father, President George H.W. Bush, Texas Gov. George W. Bush has proved on the campaign trail that he was born with a "silver foot in his mouth." As a candidate for the Republican Presidential nomination in 2000, he has amassed a campaign war chest of as much as $100 million, which has permitted him to forgo taking Federal campaign matching funds, and therefore, to bypass Federal Election Commission guidelines on campaign spending. "Dubya" (Texas pronunciation of his middle initial) likes to claim that this huge war chest is the result of a grassroots groundswell for his "compassionate conservatism."

In fact, Dubya has traded on his family dynasty name, while engaging in bribery, graft, and kickbacks, in collusion with a tight circle of "Bush Leaguers," to amass this fortune. Looking at Dubya's *curriculum vitae,* and how he personally became a multimillionaire, there is not a single business deal that President Bush's son has been involved in that did not involve some form of "insider trading" on the family name—or worse.

A careful investigation of how G.W. made his fortune would likely lead to racketeering prosecutions, and a swarm of actions by the Securities and Exchange Commission, according to several professional investigators who have peered into Bush, Inc.

Below, you will discover how:

1. Dubya ran a string of "wildcat" (independent) oil firms, ranging from Arbusto (Spanish for "bush"), to Bush Exploration, to Spectrum 7. These relied largely on tax shelter handouts from cronies of his relatives, while returning to investors only 20¢ on the dollar. One crony of the Bush family, Philip Uzielli, invested $1 million from offshore sources into Arbusto in return for a mere 10% of Arbusto's stock, even though Arbusto's total value at the time was only $440,000.

2. Dubya was saved from bankruptcy in the oil business by the intervention of British "golem" George Soros, whose hedge funds have destroyed whole nations' currencies and stock market valuations, wiping out 50 years of development efforts overnight. Through his partnership with Soros, Dubya, as a board member of Harken Energy, won offshore drilling rights in Bahrain.

3. Throughout his career in the oil business (including especially with Harken Energy), Dubya was partnered with the corrupt Bank of Credit and Commerce International (BCCI), which, though nominally an Arab bank, had been managed by a City of London-centered Rothschild family retainer, and was built as part of the global Iran-Contra gun- and drug-running network run by Dubya's father, when he was Vice President. BCCI had emerged out of the Anglo-American oligarchy's need for a vehicle for money-laundering on behalf of the gun- and drug-running "Afghansi" mujahideen, who were then fighting the Soviets in Afghanistan, and today constitute the world's top international terrorists and traffickers in the "Golden Crescent" heroin trade. BCCI was known to the CIA in the 1980s and 1990s as the "Bank of Crooks and Criminals International."

4. Had Dubya's last name been "Smith," he would probably be in jail or have paid a huge fine for "insider trading," after he sold off his Harken Energy stock at a huge profit just weeks before Iraq's invasion of Kuwait in 1990—the move that his daddy lured Iraq into making, in order to precipitate the Gulf War. As soon as the shooting started, Harken's stock values collapsed, because of that and major losses from its failure to make a major find in offshore drilling in Bahrain.

5. Through a partnership with Texas financier Richard Rainwater, who had been a party to the insider-trader scams that landed Drexel Burnham Lambert's Michael Milken in jail, Dubya skimmed at least $75 million from Texas taxpayers, who paid most of the costs for a new stadium for the Texas Rangers, the baseball team which Dubya had acquired with Rainwater and others. Bush later sold out his Texas Rangers stock at 18 times what he paid. Leveraged buyout bandit Tom Hicks bought it, for the second-highest amount ever paid in baseball history.

6. With Hicks, Dubya was involved in the biggest heist in Texas history, by signing legislation to privatize the $13 billion endowment of the University of Texas system. The University of Texas Investment Management Co. was turned into a piggybank for Hick's and Dubya's family cronies. Dubya's buddies often paid him back by joining his group of "Pioneers"—those who each raised at least $100,000 or more for his run for the GOP Presidential nomination.

Unravelling Dubya's succession of business fronts, silent partners, and inside deals is a very complicated matter. But the reader who pays close attention will find his way through the maze, and will conclude that a fine line separates garden variety "Texas sleaze" from outright criminality. How far Dubya steps over that line, is a matter for the courts to decide.

Getting rich quick

On April 15, 1998, Governor Bush made public his 1998 tax returns. The figures contained in the returns were, to anyone unfamiliar with Bush's recent business affairs, simply astonishing. The Governor, who had reported income of $271,920 in 1997, estimated that he made $18.4 million in 1998. His tax bill alone was $3.7 million. "I never dreamt I'd write a check that big," Bush happily told reporters in Austin. "Of course, I never dreamt I'd make that much money, either."

Dubya's income in 1998 came from two main sources. The great majority—some $14.9 million—came from his stake in the sale of the Texas Rangers team. An additional $3 million or so came from a blind trust that manages his investments. (The same trust had reported an income of merely $200,000 the previous year.) The smallest component of Bush's 1998 income was his salary as Governor, $99,121.

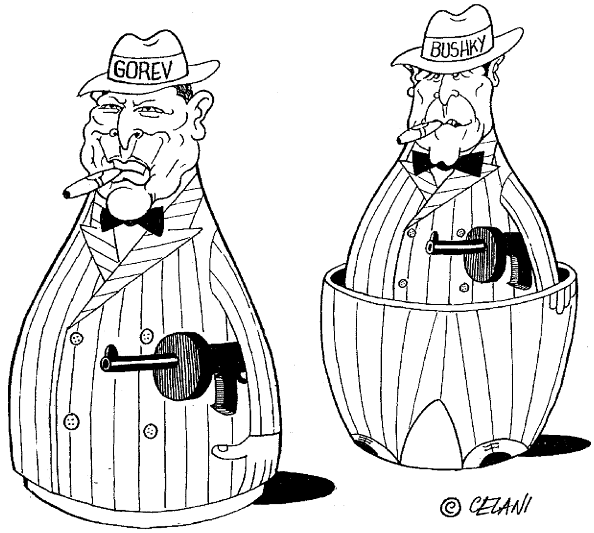
If Dubya's campaign opponents, such as Sen. John McCain (R-Ariz.), who has tried to make campaign reform an issue, were more on the ball today, they would grill him on where this multimillion-dollar personal income came from.

Arbusto and the oil patch

Following in his father's footsteps, Dubya went into the wildcat oil business, and relied upon family cronies to bail him out every time he got into trouble. Dubya started his firm, Arbusto, three years after he had graduated with an M.B.A. from Harvard Business School in 1976, setting up shop in Midland, Texas, where his father had been the uncrowned king of a group of monied, Ivy League Easterners, who had moved to the oil patch looking for big money from the post-World War II period to the 1960s.

For seed money, Dubya used a $20,000 trust fund from his own Ivy League education (Andover, Yale, and Harvard), but that just covered the rent on an office and furniture. With assistance from his uncle Johnathan Bush, a Wall Street financier, Dubya called in favors from family members and cronies of the Bush dynasty. Altogether, from 1979 to 1984, when Arbusto and its brief successor, Bush Exploration, went bust, some 50 Bush family members and friends put $4.7 million into these two companies. (See box on the Ohrstrom family.)

Basically, these two firms, which only returned 20¢ on the dollar, doubled as tax shelters. By April 1984, Dubya had drilled 95 holes, with 47 yielding a small amount of oil, 3 yielding natural gas, and 45 that were dry. With the assistance of geologist Paul Rea, Dubya, who had taken a course at the local Permian Basin Graduate Center before embarking as a



"Russian" Mafia

"wildcatter," had played it safe by drilling on leases near where small gushers had already been found.

When Arbusto ran into trouble in 1983-84, Dubya tried to capitalize on his father's name (the senior Bush was then Vice President), by renaming the company Bush Exploration. But throughout 1983, with depressed oil prices that had slid from $30 to $13 a barrel, Bush Exploration did not even try another limited partnership, because even the son of the Vice President could not raise the money.

Salvation arrived, however, in the form of a friendly takeover.

Geologist Rea, who realized that Dubya was facing disaster, reached out to one of his close business contacts in Ohio, William De Witt, Jr., according to the *American Spectator* of June 1999. De Witt's family, which is best known for having once owned the Cincinnati Reds baseball team, owned another small wildcat firm known as Spectrum 7, which De Witt, Jr. was unable to manage on top of his other investments. After a luncheon between De Witt and Dubya, a merger was hatched. In February 1984, Spectrum 7 bought out the nearly worthless Bush Exploration, ostensibly to take advantage of Dubya's "management expertise." The Vice President's son became chairman and CEO of Spectrum 7, with Rea as president.

However, by 1985, trouble arose again, as oil prices dropped. People stopped investing, despite the possibility of a tax write-off. So, Bush and Rea were out looking for another "white knight" to save Spectrum 7.

Harken Energy and George Soros to the rescue

In stepped Harken Energy, a Dallas-based company that was then aggressively taking over troubled oil firms. Former Harken director Stuart Watson told the *Dallas Morning News* in 1994: "George was very useful to Harken. He could have been more so if he had funds, but as far as contacts were concerned, he was terrific. . . . It seemed like George, he knew everybody in the U.S. who was worth knowing." And, as Harken founder Phil Kendrick put it, "His name was George Bush. That was worth the money they paid him."

Harken bought the failing Spectrum 7 to get the Bush name. It did not give Dubya a managerial post, but placed him on its board, gave him a $120,000 a year consultancy, and stock which was worth $500,000 in September 1986, when Harken completed the merger with Spectrum 7.

At the time, according to a July 1999 seven-part series in the *Washington Post,* among other sources, the biggest investor in Harken Energy was George Soros, a Hungarian-born, British-trained and -owned billionaire. Soros's multi-billion-dollar investment fund, Quantum Fund S.A., based in the Netherlands Antilles, had on its board representatives from two branches of the London-centered Rothschild family, and one of Quantum's biggest investors is Her Majesty Queen Elizabeth II. This combination had taken over Harken Energy in 1983, and it was seeking to build an oil and gas conglomerate, under the direction of Soros's hand-picked director, Alan Quasha.

No sooner had Dubya joined the board of Harken Energy, than another major investor came in, Harvard Management Corp., which manages that school's multibillion-dollar endowment. Harvard Management agreed to invest an initial $20 million in Harken, which gave Harvard some 10 million shares of Harken stock, or 24.5%. Eventually, Harvard Management would invest $200 million in wildcat oil ventures, ostensibly at the instigation of Robert Stone, Jr., one of its directors. According to *The Buying of the President 2000: The Authoritative Guide to the Big-Money Interests Behind This Year's Candidates,* by Charles Lewis and the Center for Public Integrity (New York: Avon Books, 2000), Stone had invested in the senior George Bush's drilling ventures with Zapata oil in the late 1940s. In 1980 and 1988, Stone contributed to Bush's Presidential campaigns.

Harken, Bahrain, and BCCI

On Jan. 30, 1990, Harken Energy startled the oil world by announcing that it had beat out Amoco, one of the Seven Sisters, for the contract to do the offshore drilling for the emirate of Bahrain. According to Jonathan Beaty et al. in *The Outlaw Bank: A Wild Ride into the Secret Heart of BCCI* (New York: Random House, 1993), the *Wall Street Journal,* and other sources, this deal would never have gone through except for the intervention of BCCI, which was glad to help the son of a President—especially as BCCI was on the verge of being shut down, when it was discovered that this drug- and gun-money-laundering firm of British and U.S. intelligence, had managed to siphon off all but $1.5 billion of its $23 billion assets. (See box.)

(Bahrain's emir is especially close with Queen Elizabeth II, and he uses her Privy Council as his country's highest court. The country is located on the Persian Gulf coast, neighboring Saudi Arabia, which has one of the largest oil and gas fields on the planet.)

When Harken Energy admitted that it could not continue drilling without a partner, both the *Wall Street Journal* and *The Buying of the President 2000* report that Harken was permitted by Bahrain to find one. Harken chose Bass Enterprises Production Co. of Fort Worth, Texas, a company controlled by the billionaire Bass family, which had contributed more than $200,000 to the GOP in recent years. Two members of the Bass family had become members of President George Bush's "Team 100." Since those days, the Bass family has also been generous with Dubya, ranking number

Skullduggery and the Ohrstrom family

As the accompanying article reports, members of the Connecticut- and Virginia-based Ohrstrom family were among the investors in George W. Bush's Arbusto company. This family is at the heart of an oligarchical network of intelligence operatives and dirty-tricksters who, among their other projects, railroaded Lyndon H. LaRouche, Jr. to prison, on trumped-up charges, from 1989 to 1994.

First, the case of Arbusto: George L. Ohrstrom, Jr. and his wife put $100,000 of their own money into Dubya's company, as well as lining up another shady investor with "deep pockets," Philip Uzielli, who was working through the offshore company Executive Resources. This firm had first been incorporated as a mailbox in the Netherlands Antilles, before shifting to the deregulated country of Panama. At first, Uzielli only invested $50,000 in Arbusto. However, when the company was failing in January 1982, Uzielli bought 10% of Arbusto's stock for $1 million, when the entire firm had an assessed value of $440,000.

Looking back up the family tree, George Ohrstrom, Jr.'s father, George L. Ohrstrom, Sr., had been a Wall Street swindler who lost his securities license and was barred from selling for several years. He was rescued by Dubya's granddaddy Sen. Prescott Bush, then with W.A. Harriman and Co., who helped set up the George L. Ohrstrom Investment Company, and placed Ohrstrom (his Greenwich, Connecticut neighbor) on several corporate boards. It was Prescott Bush, together with such figures as Bank of England Governor Montagu Norman, who helped to finance Adolf Hitler's rise to power, as Webster Tarpley five among his career patrons, with contributions of more than $273,000 to him from political action committees and individual contributions, according to the Center for Public Integrity.

Insider trading?

On June 22, 1990, Dubya suddenly unloaded 212,140 shares, or about two-thirds of his holdings in Harken Energy, for a total of $848,560. Author Joe Conason writing in the February 2000 issue of *Harper's Magazine,* among other responsible investigative reporters, raises the question whether Dubya had been tipped off by his papa that a war was about to break out that would affect Gulf oil stock prices. As *EIR* has previously reported, it was President Bush who lured Iraq into invading Kuwait, by having the U.S. Ambassador to Baghdad, April Glaspie, tell Saddam Hussein that the United States would not become involved in any military resolution of the two nations' border dispute. Only a few weeks after Dubya dumped the majority of his stocks, Iraq invaded Kuwait.

However, when Dubya's dumping was first reported by the *Houston Post* in October 1990, there were already accusations of insider trading: accusations that incumbent Gov. Anne Richards (D) repeated against him during his 1994 successful bid to become Texas Governor. In April 1991, the *Wall Street Journal* revealed that the Securities and Exchange Commission (SEC) had not been notified of this timely trade until eight months after the legal deadline. Now, it seems likely that Dubya may not only have been tipped off to the impending war, but that he had been on Harken's

and Anton Chaitkin documented in *George Bush: The Unauthorized Biography* (Washington, D.C.: Executive Intelligence Review, 1992).

Ohrstrom, Sr.'s three children operate from the Hunt Country in Middleburg, Virginia. One of them is Magalen Ohrstrom Bryant, whose stepson, "Generalissimo" J.C. Herbert Bryant, Jr., the founder of a paramilitary organization called Armored Response Group, U.S. (ARGUS), was convicted in 1994 for impersonating a Federal officer.

On Oct. 6, 1986, ARGUS provided an armored personnel carrier for the 400 Federal, state, and local officials who carried out a raid on offices in Leesburg, Virginia associated with Lyndon H. LaRouche, Jr., as well as on the Virginia farmhouse where LaRouche was staying. The purpose of the aborted raid was to assassinate LaRouche; failing that, the "Get LaRouche" task force proceeded to have LaRouche and many associates indicted on fraudulent charges, jailing LaRouche and others soon after George Bush became President of the United States.

The major business of the Ohrstrom/Bryant family, the Carlisle Companies, makes and sells specialty parts for oil-drilling rigs and pumps.

Members of the extended Ohrstrom/Bryant family helped to fund the Iran-Contra network of gun and drug running, which Vice President George Bush oversaw. They also helped fund Bush's aide, Lt. Col. Oliver North (ret.), after the Congressional Iran-Contra hearings at which North testified. Tom Harvey, who helped create ARGUS, had been working for the senior George Bush personally in covering up the drug-running side of Iran-Contra and in running operations against the anti-drug activities of Bo Gritz. The Ohrstrom/Bryants then used Harvey to create their Global Environmental Technology Foundation, which was inserted into former East bloc countries as an intelligence-gathering operation, after the fall of the Soviet Union in 1991.

An armored personnel carrier belonging to the paramilitary group ARGUS, used in the 1986 raid against LaRouche and associates.

The Ohrstrom/Bryants have often funded such radical environmentalist projects as Prince Philip's World Wildlife Fund, and they control the anti-development Piedmont Environmental Council in Loudoun County, Virginia.

The Ohrstrom/Bryants also funded the Afghan Relief Committee, which was run by investment consultant and anti-LaRouche operative John Train. Before LaRouche's indictment, Train held a series of "salons" with representatives of the media, the Anti-Defamation League of B'nai B'rith (ADL), the U.S. Department of Justice's "permanent bureaucracy," and rogue members of the U.S. intelligence community. Under Train's instruction, they mounted a campaign of lies and slander against LaRouche, to create a lynch mob climate so that he could later be jailed.—*Scott Thompson* audit committee, which knew that vast sums of money had been spent digging dry holes off the coast of Bahrain. Within two months of his stock sale, Harken Energy would report a $20 million loss for its second quarter. Harken stock dropped like a stone.

However, Dubya was not found guilty of insider trading. Perhaps this was due to the fact that the SEC chairman at the time, Richard Breeden, was an especially ardent loyalist of President Bush. And, the SEC's general counsel, James Doty, had not only come from the Baker and Botts law firm of Bush's Secretary of State, James A. Baker III, but in 1989 he had assisted Dubya in the legal aspects of arranging a franchise takeover of the Texas Rangers baseball team. The report clearing Dubya of insider trading charges was released in 1993, just as he was entering the Texas gubernatorial race.

Although Dubya sold out most of his oil stock interests, there exists an ongoing tie between the Bush family and an energy conglomerate known as the Enron Corp., which is based in Houston. In a list of the top ten corporate and individual contributors to Dubya's subsequent political career, Enron ranks as number one, having given a total of $550,025, through political action committees and individual corporate member contributions, according to the Center for Public Integrity. Enron owes the Bush family big time, since President Bush led a team of Enron officials to Kuwait to

Bush's buddies at BCCI

Throughout his career as an oilman, both in Texas and Bahrain, one of George W. Bush's silent partners was the Bank of Credit and Commerce International (BCCI), known to the CIA as the "Bank of Crooks and Criminals International." *EIR* documented its corrupt history in 1991-92, while BCCI was being shut down and when Manhattan District Attorney Robert Morgenthau threatened it with Racketeering Influenced and Corrupt Organization (RICO) charges, among other felony counts. These developments led President George Bush to attempt to cover up his family's and associates' ties with the BCCI, starting with pressure on BCCI's nominal executive leadership to accept plea-bargains, so that the case would never go to a trial that might get out of control.

BCCI was nominally an "Arab bank," tied to Abu Dhabi, Saudi Arabia, and other oil-rich Persian Gulf states—e.g., BCCI official Kamal Adham had once been the chief of Saudi intelligence, working opposite then-Director of Central Intelligence George Bush. But BCCI had in reality been created by the Anglo-American oligarchy, to give logistical support for the "Afghansi mujahideen," in the war against the Soviet Union. This irregular warfare, and BCCI's coffers, were financed largely with proceeds from heroin trafficking from the "Golden Crescent."

The Tampa, Florida-based branch of BCCI, as early as October 1988 (shortly before the partnership with Dubya Bush), had been indicted by a Florida grand jury on charges of laundering $32 million in Medellín Cartel cocaine profits. Some 41 other U.S.-based banks were subpoenaed to turn over records detailing their involvement in the same cash laundering. However, before U.S. Customs Commissioner William Von Raab could crack down on this vast laundromat of banks, BCCI was let off with a plea-bargain and a fine of $11 million.

BCCI Holding (Luxembourg) SA, the flagship of the BCCI cartel, was directed until July 1991 by Arthur Hartmann, the board member in charge of auditing of all BCCI facilities worldwide. Hartmann must know more than anyone else about how all but $1.5 billion of BCCI's $23 billion in assets disappeared overnight, after the "Afghansis" kicked the Soviet Union out of Afghanistan. Hartmann was one of the most senior officials of the British Rothschild financial empire and the former general manager of the Union Bank of Switzerland (UBS). Despite the BCCI scandal, Hartmann remained the managing director of Rothschild Continuation, based in Zug, Switzerland, the holding company for the City of London-headquartered N.M. Rothschild & Sons, Ltd. Hartmann also remained the vice president of Rothschild Bank of Zurich.

BCCI was mentioned repeatedly in Lt. Col. Oliver North's Iran-Contra notebooks, as a conduit for illicit funds, when he worked under Vice President George Bush. BCCI had extensive ties not just with rogue elements of British and U.S. intelligence, but also with such lackeys of the Anglo-American oligarchy as former Secretary of State Sir Henry Kissinger, through his Kissinger Associates, Inc.; Clark Clifford; and, Robert Keith Gray, the GOP insider who, as chairman of the Hill and Knowlton consulting firm, shielded his client, BCCI, from Federal investigators. Robert Gray was an intimate of President Bush and White House General Counsel C. Boyden Gray.

One of the early investors in Dubya's first oil firm, Arbusto, according to Jonathan Beaty et al., *The Outlaw Bank: A Wild Ride into the Secret Heart of BCCI,* was James Bath, who had been in the Texas Air National Guard talk business deals as part of the "spoils of war" following the Persian Gulf War. (See box.)

'Play ball'—or else

Toward the end of the 1988 Presidential election campaign, in which Dubya worked for 18 months as his father's paid campaign adviser and "loyalty enforcer," Dubya heard from his former Spectrum 7 partner Bill De Witt, that the Texas Rangers were on the market. This fit perfectly with the Bush dynasty's plans for Dubya, who had considered running in 1988 for Governor of Texas. President Bush's campaign manager Lee Atwater, First Lady Barbara Bush, and others told Dubya that he would be seen as a "carpetbagger" and lose the race, unless he first established creditials as a Texas "good ole boy." Being the public manager of the Texas Rangers seemed to them to be the perfect, high-profile way of showing that Dubya was "just folks."

De Witt knew that he would need Texas backers, and the son of the incoming President was perfectly situated to find them. Dubya also had a powerful advantage in dealing with the Texas Rangers' owner, a Midland oil millionaire, Eddie Chiles, who had been a Bush family friend since the 1950s.

Baseball commissioner Peter Ueberroth was eager to help the son of the new President, but he became less so when Dubya told him that the biggest investors in the proposed Rangers deal were the Cincinnati-based De Witt family, and

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along with Dubya. In 1976, Director of Central Intelligence George Bush recruited Bath to the CIA. As a frontman for the BCCI "sheikhdown" artists, Bath, according to a former partner, invested $50,000 for a 5% share of Arbusto. He also fronted for BCCI in airplane leasing—e.g., a multimillion-dollar Boeing plane for the Abu Dhabi oil company that became one of the largest such firms in the United States.

Bath, Sheikh Khalid bin-Mahfouz, and BCCI officer Ghaith Pharoan had been business partners with former U.S. Treasury Secretary and Texas Gov. John Connally, as the principal investors in the purchase of the tiny Main Bank in 1976. Main Bank made the news when a bank examiner discovered that it was purchasing $100 million in hundred-dollar bills each month from the Federal Reserve, which dwarfed its minuscule capital base. As a result, Bath was investigated by the Drug Enforcement Administration, which suspected that he was using his planes to fly currency to the Cayman Islands, although the Drug Enforcement Administration could never prove that drug money-laundering had been involved.

The *Wall Street Journal* of Dec. 6, 1991 reported on the role of BCCI in arranging for the oil firm of Harken Energy, controlled by George Soros, to win the contract for offshore drilling in Bahrain (by Thomas Petzinger, Jr., Peter Truell, and Jill Abramson, "Family Ties: How Oil Firm Linked to a Son of Bush Won Bahrain Drilling Pact").

Apparently, after Dubya came on board Harken Energy, when his daddy had just been elected President, BCCI moved in. It is notable that Sheikh Khalifah bin-Salman al-Khalifah, the Prime Minister of Bahrain and brother of the country's ruling Emir, is identified on an October 1990 shareholder list as one of the 45 investors who own BCCI Holdings SA.

Harken's adviser on the Bahrain deal was the former Saudi chief of intelligence, Kamal Adham.

According to several sources, part of the money for Harken Energy's exploration of Bahrain offshore fields was provided by Jackson Stephens, who had supported the senior George Bush in his failed 1980 campaign for the GOP Presidential nomination. During Bush's 1988 campaign, Stephens was a member of Bush's "Team 100," those who had raised $100,000 or more for his election.

Stephens's Little Rock, Arkansas investment bank was one of the largest in the United States, outside Wall Street. It was Stephens, according to the *Wall Street Journal,* who put together a rescue plan for Harken Energy (after it had drilled two or three wells off Bahrain and came up with nothing), through Arthur Hartmann's UBS, to loan Harken $25 million. Apart from the prescience of Hartmann, who survived the collapse of BCCI with barely a scratch, it is notable that UBS then had a joint venture investment with BCCI in another Geneva-based bank. However, the UBS financing hit a last minute snag, because of U.S. banking laws. UBS sold its Harken shares to the BCCI-affiliated Abdullah Bakhsh, who thus came to own 17.5% of Harken Energy. Bakhsh put his man, Talat Othman, on Harken's board. And, suddenly, Othman became one of 15 Arabs who held regular meetings with President Bush during the build-up for the 1990-91 Gulf War.

The *Wall Street Journal* also reported in 1992, that both Dubya and his brother Jeb (now the Governor of Florida) were considered to be material witnesses in a class action suit to recover funds from the BCCI. Notes the *Journal:* "Including the President's sons in the court record doesn't guarantee they will become witnesses, but it could perpetuate the BCCI-related headaches suffered by the Bush administration. A former White House aide [Bill Rogers] took a job as a lawyer for a principal figure in the BCCI scandal [Kamal Adham], only to withdraw when a furor arose."—*Scott Thompson*

Al Gore (left), George W. Bush (right), and a rally of supporters of Lyndon LaRouche in Philadelphia. Said one politician: "One of my friends has described George W. Bush as 'Texas's Chainsaw Governor.' And that's not an unfair characterization. . . . Gore's the same thing. Gore has a different flavor to him; he's got sawdust rather than bad meat as a flavor. But Gore will do exactly the same thing, with a different flavor than George Bush."

also his old Yale fraternity brother Roland Betts and Tom Bernstein, who were partners in a New York-based film investment company.

Ueberroth helped Dubya line up Texas investors. One of the key sources of this indispensable Texas money was Richard Rainwater, who had formerly been the chief financial adviser to the Bass brothers of Fort Worth, who themselves had put nearly $25 million into Harken Energy's Bahrain deal. The Bass brothers had inherited $50 million in oil money from their father, and under Rainwater's stewardship, their fortune grew to $4 billion, before he struck out on his own in 1986 with $20 million seed money.

Rainwater had learned how to "grow money" from the likes of Michael Milken, the convicted insider trader and the inventor of "junk bonds." In 1984, for example, Rainwater went to Beverly Hills to visit Milken, to propose that they run a fund together. Milken signed on, and Rainwater set up the Bass Investment Limited Partnership. The general partners were himself and Dort Cameron III, a former Drexel Burnham Lambert junk bond trader. Milken, Frederick Joseph, and other Drexel employees anted up $30 million. The Basses, Rainwater, and other Bass employees contributed another $30 million. And, Equitable Life—for which a large investment at the time was in the range of $25-50 million—shelled out $540 million. After leveraging up with an equal amount of debt, the fund had a total capital of $1.2 billion. Rainwater et al. were soon participating in many of Milken's deals.

The fund's first investment was in the restructuring of the Mittel corporation. Hundreds of deals followed, including MCI Telecommunications Corp., McCaw Cellura Communications, Metromedia Co., and Intermedics. As of now, after Milken's conviction, jailing, and parole, the fund is in the process of liquidating. The venture demonstrates that Dubya did not particularly care about the company he kept, if there was money in it for him.

Dubya's stake in the Rangers was just under 2% initially. He purchased his shares with a $500,000 loan from a Midland bank of which he had been the director, using his Harken stock as collateral. And, he eventually scraped together $106,000 to buy out two other limited partners. With a total price tag from Chiles in the neighborhood of $46 million, Rainwater and associates put up $14.2 million, while Betts and Bernstein put up about $6 million. The balance came from smaller investors, loans, and the equity on minority partners in the old Chiles partnership.

While Dubya paid off his bank loans with the money he earned from the sale of two-thirds of his Harken Energy stock, his partners in the Rangers increased his stake from 1.8%

to 11.8% for services rendered in orchestrating the deal and giving it the special "Bush" name cachet.

The payback

As soon as Dubya became Texas Governor in 1995, he began to use his office to "pay back" the leveraged buyout bandit Richard Rainwater for services rendered.

One of Rainwater's ventures, upon leaving Bass Enterprises, according to *The Buying of the President 2000,* was the creation of Columbia/HCA, Inc., which is now the nation's largest for-profit hospital chain. In 1997, Federal agents raided Columbia/HCA facilities in Florida, Texas, and other states, as part of an investigation into whether the company had defrauded the Federal government of millions of dollars in Medicare reimbursements. The FBI, the Internal Revenue Service, and the Department of Health and Human Services are still carrying out the probe.

Despite this, Governor Bush vetoed a Patient Protection Act that, among other things, spelled out obligations hospitals and health-care providers have to those who need medical care. Dubya claimed that the bill would "unfairly impact some health care providers while exempting others." When Dubya later asked his insurance commissioner to implement some of the bill's provisions, he made sure that there was nothing that would adversely affect Columbia/HCA.

In 1997, Dubya proposed in his biannual budget that the state look into privatizing Texas's mental hospitals, just as Rainwater was in the midst of building a mental-health-care chain. In 1997, Rainwater's Crescent Real Estate purchased 95 mental hospitals from Magellan Health Care Services of Atlanta, and also became a 50-50 partner in Magellan's Charter Behavioral Health Systems. It quickly became the nation's largest provider of mental-health-care services.

Also, while Dubya has been Governor, the Texas Teachers Retirement System, which manages the pension fund for the state's 800,000 public school teachers, sold two office buildings and a mortgage on a third to Crescent Real Estate in 1996 and 1997 at a $70.4 million loss. Not only was Dubya still Rainwater's partner in the Texas Rangers at the time, but it is reported that the Governor owned $100,000 worth of Crescent stock.

The stadium boondoggle

Soon after buying the Texas Rangers, Dubya and the new owners realized that, in order to make a real killing, they needed to build a new stadium, with luxury "skyboxes," to replace the minor league stadium that the team currently played in, in Arlington, located between Dallas and Fort Worth. However, they were not about to undertake this with their *own* money: instead, they made John Q. Public pay for it, and the taxpayers handed Dubya and his fellow franchise owners at least $75 million toward the total price of the new, pink granite, mausoleum-style monstrosity.

In October 1990, Arlington Mayor Greene signed a contract that guaranteed $135 million toward the stadium's estimated cost of $190 million. Under the terms of the deal, the Rangers' owners put up no money of their own, but financed their $55 million share through a ticket surcharge. From the team's operating revenues, the city would earn a maximum of $5 million rent a year, and, after $60 million in rent had been paid over 12 years, the stadium would revert to the franchise owners, leaving a $75 million tip from the taxpayers. Apparently, at the urging of Dubya and other franchise owners, Mayor Greene mounted a referendum with high-ticket advertising to pay for Arlington's share of the stadium through a 0.5% increase in the sales tax, which passed overwhelmingly in January 1991.

However, the Rangers' franchise owners were still not satisfied. Through the efforts of then-Gov. Anne Richards, according to Conason, the Texas legislature passed, and Richards signed, legislation that created Arlington Sports Facilities Development Authority, which wielded the right of eminent domain to buy up or condemn some 200 million acres of land surrounding the sports facility. As Conason and other sources report, never before in Texas history had *private citizens* been given the right of eminent domain for any reason.

Altogether, court proceedings granted some $11 million to aggrieved property owners, who had rejected offers from the franchise owners at half their lands' assessed value, only to have it condemned when they refused to sell. Dubya and the other franchise owners even tried to make the Arlington taxpayers cough up again for this.

In any event, the stadium built by Arlington taxpayers was completed just before Dubya challenged Richards in the 1994 gubernatorial race.

In 1998, Gov. George Bush and his franchise partners sold out the works for $250 million, including the $190 million stadium, to leveraged buyout (LBO) bandit Thomas Hicks of the Texas-based firm of Hicks, Muse, Tate and Furst (HMT&F). This was the second-largest amount ever paid for a baseball franchise, with the largest being the $311 million that Rupert Murdoch paid for the Los Angeles Dodgers. Hicks, who looms large on Dubya's road to riches, stated that he planned to build hotels and restaurants on his option for the 200 acres surrounding the ballpark, while merging the entire affair into an entertainment conglomerate, together with his hockey team, the Dallas Stars. Hicks was no stranger to Dubya at the time, since they had earlier heisted the $13 billion endowment of the University of Texas system, turning it into their piggybank.

The cost of a 'privatized' education

Given the size of his other business interests, what did Tom Hicks get for his $250 million for the Texas Rangers? The story starts on Dec. 6, 1994, one month after Dubya defeated Anne Richards, when he received a large, albeit belated, campaign contribution from a mere acquaintance, Tom Hicks. Although Hicks had rejected Dubya's earlier appeals for campaign help, and had backed Governor Richards, in hopes of winning a seat on the Texas University Board of Regents, after Bush won the election, Hicks was ready to play ball. Hicks offered Bush a check for $25,000, and Bush, knowing that HMT&F made billion-dollar deals, accepted the check. Looking toward the future, Dubya placed Hicks's name in nomination to the Board of Regents, which was approved when the Texas legislature convened in January 1995. This proved to be a cagey decision for several reasons, because, apart from the $14.9 million share that Dubya got from the 1998 sale of the Texas Rangers, giving him a personal fortune, HMT&F subsequently became the fourth political career patron of Dubya, handing him $290,400 from political action committees and individual contributions, according to the Center for Public Integrity. And, there were other deals between Dubya and Hicks that may merit Justice Department investigation.

For Hicks, being a Regent provided something far more valuable than status. Hicks had conceived an ambitious plan for the state university system's financial assets—more than $13 billion—that matched his LBO bandit mode of operation. Hicks introduced the buzzword of "privatization," and Dubya, the new governor, bought into the scheme, signing legislation that created the University of Texas Investment Management Company (UTIMCO) in 1996, whereby all the $13 billion endowment for the University of Texas system was placed under Hicks's management for financial wheeling and dealing, and would now be closed to the public.

A little background on Tom Hicks, who proved to be Dubya's biggest "Daddy Warbucks," is in order. HMT&F had supplanted Kohlberg Kravis Roberts (KKR) as the top LBO financier in 1997, according to *U.S. News & World Report,* and it has bought more than 180 firms since 1989. It is the largest U.S. radio station owner, controlling 414 stations with $1.389 billion in revenue. It also owns movie theaters, TV stations, and sells consumer products. The total value of the 180 firms that HMT&F has acquired internationally over the past nine years tops $25 billion.

Perhaps most singular, are Tom Hicks's dealings with Ibero-America, including his close ties and friendship with Gustavo Cisneros, the man who had banned *EIR*'s *Narcotráfico S.A.* (*Dope, Inc.*) in Venezuela. Writing in the July 1998 edition of *América Econômia* magazine, reporter Pablo Bachelet said that Hicks thinks that Cisneros is the most "enterprising" of his friends, and for that reason he has undertaken a number of projects with him in Venezuela.

According to *Forbes* magazine of March 24, 1997, Hicks, who had formerly gotten the cold shoulder from Ibero-America, moved in on Mexico to gobble up the pieces with shark-like precision after the Mexican peso collapsed. In 1997, HMT&F committed $400 million in private equity capital to Ibero-America from its U.S. investment portfolios. As of that date, HMT&F was considering raising $500 million more in a separate Ibero-American fund.

Now, back to Texas: After UTIMCO officially took over from the Regents committees in early 1996, with Hicks as its first chairman, all of its business was done behind closed doors. The directors often gathered for board meetings in the plush offices of HMT&F in downtown Dallas, rather than at UTIMCO's more modest quarters in Austin.

Writes Joe Conason in *Harper's Magazine* of February 2000: "Friends and longtime associates of Thomas Hicks, and his firm's past and future business partners—as well as major Republican contributors and political supporters of the Bush family—received hundreds of millions of dollars from the University of Texas investment funds."

In short, Hicks and Dubya began to feed in the UTIMCO trough that they had set up. Some examples:

• On March 1, 1995, the Texas Regents decided to place $10 million with the Carlyle Group, a Washington-based merchant bank that had been founded by a Democrat in 1987, taken over by "Bush Leaguers" in 1993, and tended to concentrate on defense contract-related businesses. According to its website, the Carlyle Group has invested $3.3 billion of equity in 126 corporate and real estate transactions with an aggregate acquisition value of $11.5 billion. The firm currently has $5 billion under management. Among the people who run the Group today are some of President Bush's closest associates: The senior counselor of the Carlyle Group is James A. Baker III, who served during 1985-88 as Secretary of the Treasury in the Reagan-Bush administration, and then as Secretary of State in the Bush administration from January 1989 through August 1992, when he became Bush's White House Chief of Staff; the chairman of the Carlyle Group is Frank C. Carlucci, who had been Secretary of Defense from November 1987 through January 1989 in the Reagan-Bush administration, after serving as National Security Adviser under President Reagan; and, the senior adviser and managing director of the Carlyle Group is Richard G. Darman, who served during 1989-93 as director of the U.S. Office of Management and Budget and a member of President Bush's Cabinet.

Dubya had had his own relationship with the Carlyle Group, when he served on the board of its Caterair, one of the nation's largest airline catering services. And, since leaving the White House, President Bush has been paid by Carlyle for frequent speeches at events hosted by the merchant bank. In early 1988, President Bush became even closer to Carlyle, when he accepted the position of "senior adviser" to Carlyle Asia Partners, a fund set up to buy up businesses in the Far East, after Soros and the hedge funds had destroyed the value of their nations' currencies and stock markets.

• One of UTIMCO's first investments had been to place $50 million with KKR, which had earlier been a rival of HMT&F. KKR's founding partner is Henry Kravis, who has been one of the largest Republican contributors in the country over the past decade. Kravis was also a financial co-chairman of Bush-Quayle 1992, and he was a friend and confidant of President Bush.

• In April 1998, UTIMCO placed $20 million in a deal involving Bass Brothers Enterprises, which had been a partner with Dubya in the Bahrain oil-drilling business. According to the Center for Public Integrity, the Bass family and their business interests are Dubya's fifth-largest political career contributors, with some $273,927 through political action committees and individual donations.

• Later in 1998, UTIMCO placed $96 million with Maverick Capital, a relatively new partnership in Dallas. Among Maverick's main investors and general partners are the Wyly family, longtime friends of the Bush family. According to the Center for Public Integrity, Sam and Charles Wyly were the ninth-largest contributors to Dubya's campaigns, with a career total of $222,773.

• UTIMCO placed $8.9 million into Crescent Real Estate, a firm run by Richard Rainwater; Dubya had held $100,000 of its stock.

'The Pioneers'

Finally, when Dubya's war chest for this year's Presidential campaign hit $58 million reported cash on hand, campaign finance chairman Tom Evans made known that there were already 115 members of a group known as "The Pioneers," who had each raised at least $100,000, consisting of contributions of $1,000 from 100 people. This is a process known as "bundling," which is perfectly legal. However, it often masks the fact that cash is passed under the table to match the $1,000 contribution.

Conason points out that many of his "Pioneers" came from families that had profited through his creation of UTIMCO or other business dealings, including: R. Steven Hicks, the brother of Tom Hicks; three partners from the law firm of Vinson and Elkins, which serves as counsel to UTIMCO; former Texas Rangers partners Mercer Reynolds, William De Witt, and Roland Betts; Charles Wyly of Maverick Capital; Lee Bass of Bass Brothers Enterprises; and Wayne Berman, the lobbyist and consultant who represents the Carlyle Group.

Clearly, Dubya, who has claimed that he is the "education governor," has, by "privatizing" the endowment to fund higher education, found a new way to finance campaign contributions.

Even the Republican conservative magazine the *American Spectator,* which played such a major role in the British-backed impeachment drive against President Clinton, writes in its June 1999 issue, "George's Road to Riches," that this corrupt paper trail should be followed as closely as was done with the Clinton administration (perhaps because the *Spectator* is backing another Republican hopeful). There is no reason why the current host of Presidential contenders, as well as the media cartels, should not start asking Dubya where he gets his money now.

Dubya, Enron Corp., and the spoils of war

Enron Corporation, headquartered in Houston, Texas, has been the number-one career patron of George W. Bush. It has given $550,025 to his political campaigns through political action committee and individual contributions, according to the Center for Public Integrity. Enron, which was formed in 1985 through the merger of two small energy firms, Houston Natural Gas and the Nebraska-based Inter-North, has become a diversified utilities corporation, dealing in oil and gas, electricity, and, most recently, water futures. President George Bush is an old friend of Kenneth L. Lay, the chairman and chief executive officer of Enron. Lay was a member of "Team 100," whose members each raised $100,000 or more for Bush's 1992 campaign, and headed the Host Committee for the 1992 Republican Convention in Houston.

However, the giving has not been all one-way. On April 14, 1993, when President Bush travelled to Kuwait and was showered with adulation and gifts, he brought with him two former staff members who were consultants to Enron. These former Bush administration officials were seeking to secure up to $4 billion worth of contracts rebuilding Kuwait's shattered electrical power plant capacity. Bush also brought along two of his four sons, Neil and Marvin, who were also seeking "spoils of war."

The two Enron consultants who had served President Bush during the Persian Gulf War were James A. Baker III, former Bush Secretary of State, White House Chief of Staff, and family intimate; and, Gen. Thomas Kelly, who had been the Pentagon's daily briefing officer during the war. General Kelly served briefly on Enron's board, after retiring from the military in 1991. When he left the board, while remaining an Enron consultant, he became a partner of Wing-Merril Group, a large energy company that had formed a consortium with Enron to bid on a Kuwaiti power-plant deal.

Clearly, the ability to line up $1-4 billion in deals for an aggressive corporation like Enron makes the political campaign contributions to Dubya seem like chicken feed. Enron has become Houston's fifth-largest corporation, with annual revenues of $8 billion. Enron deals heavily not just in the production of oil, natural gas, electricity, water, but in highly speculative futures derivatives in these areas.—*Scott Thompson*