

Corruption in Government

... For several years, there have been reports of stock trades by members of Congress, most notably, Nancy Pelosi. Then, the news of Hunter Biden's international activities came upon the scene causing the corruption issue to be a kitchen table issue with Americans across the country. The news media did everything that they could to protect the Biden family from scrutiny and to detach Pres. Biden from being connected to the activities of his son. As time has progressed, what we have all known from the very beginning, is that the president has been involved at all levels of his sons business relationship with Ukraine, China and others.

Now, not to be outdone by the president, Nancy Pelosi has visited numerous countries in the Asia-Pacific region with her son as her escort. In reality, this trip which was described as being for the benefit of the United States foreign policy, was actually a business trip for the Pelosi family.

Over a period of several decades, it has recently become apparent that medical scientists who work for the NIH and CDC have had the opportunity to collect royalty payments from the end-users that benefit from the development of pharmaceuticals created by these same scientists. It was reported several months ago that 1800 NIH and CDC scientists divided royalty payments totaling an estimated \$3.5 million. If this is not a blatant example of conflict of interest, I do not know what is.

An example of congressional insider-trading was a member of the House of Representatives who sat on a committee where a funding bill was under consideration that would provide money to municipalities, including the one in which this representative resided. This money was to be used to perform various local projects. This House member urged the rest of the members of the committee vote for an increase in the money being appropriated so that local officials could hire contractors and pay them more money. After the vote, it was discovered that two general contractors in his district were paid from this fund and they in turn rewarded him with a campaign contribution at the maximum limit allowed by law.

In another example, a member of Congress owned a home and rental property in an oceanfront community. A hurricane damaged his property which resulted in funding to repair the storm damage. This congressman utilized his position to make certain that properties in his area received greater funding than similar properties elsewhere. The net result was that he inevitably sold the rental property for approximately four times the original purchase price while he also obtained campaign contributions from neighboring property owners who also benefitted. This certainly appears to be a case of conflict of interest. Further, the Ethics Regulations of the House state clearly that members should refrain from business activities such as real estate, insurance and other professions that can create the appearance of a conflict of interest. In this case this representative is a licensed real estate agent in his state.

Congress is replete with examples such as those cited above where members have knowledge of federal funding and then use that insider

knowledge to engage in all kinds of financial business activities that take advantage of their superior knowledge.

Yesterday, Pres. Biden announced that he was going to pay \$10,000 per person to reduce student loan debt. Would you be surprised to learn that some members of congress support this program because they have unpaid student loans? Further, Colleges are not refunding the Federal loans to students.

Also, when Joe Biden was a US Senator, he introduced the 2005 Bankruptcy Law that prevented money owed to Credit Card companies to be discharged by a borrower who went bankrupt. So, if someone went bankrupt, they could discharge all their debts except their credit card debt. And where are most credit card companies located? Delaware of course! In exchange for his help, MBNA purchased Bidens home for approximately 4 times market value then gave Hunter a \$100,000 per year job as a consultant from 2001-2005.

Universities have these large endowments, in part, because they are treated as Charities for tax purposes, therefore, they pay no tax on their income. It should be no surprise that College Administrators are the largest Biden donors.

With regard to the National Medical Community, there are foundations that have huge sums of money that are used for all sorts of purposes. This money sloshes around like water in a bathtub. Many people in government leave their jobs through the revolving door and

into one of the foundations while foundation members enter government jobs. Surprisingly, when this issue of the royalty payments arose, Dr. Fauci defended these payments and stated that everything in this regard was perfectly legal and that there was no requirement for anyone to disclose the amounts paid or the identity of the source of these payments.

And, just in case you might mistakenly think that Congress is the sole source for these types of problems, think again. In state government legislators receive campaign contributions from various special interests who are not shy about letting their legislator friend know when his help is needed to vote in favor of a certain bill in which the donor has an interest.

Everyone has heard the phrase that "money is the mother's milk of politics". Yet money is the bane of everybody's existence when it comes to decisions about legislation and what each legislator will need to get elected or reelected. Further, some legislators seem to be willing to renege on their commitments to their constituents. How many times have any of you complained that your state legislator told you of his or her opposition to a particular bill only to change their stance when the issue with questions comes up for a vote? How many times have you felt that your legislator cared more about his campaign contributors than about the voters who elected him?

In order to put the campaign contribution issue into some perspective, we checked the FEC website to determine how much special-interest money has been spent. We looked at the

contributions of Blackstone Group which is an asset management firm based in New York. One of their executives, Steven Schwarzman was the person who was responsible for the contributions that were paid to politicians. What we determined was that this one entity paid the sum total of \$88,178,583.00 (That is \$88 million) between 1982 and the present day. In 2022, from January through June, BlackRock paid \$21,776,600.00 (\$21 million). This is a staggering sum of money. Some of the payments were for sums to individuals in amounts of \$2900 one time and \$5800 another time. In addition, there were checks for large sums paid to congressional committees in the amount of \$10,000,000 (\$10 million) who would parcel out the money to other legislators by some methodology. That is how one member of congress paid a huge sum of money for his reelection campaign. Then shortly thereafter, that money was back in the congressman's bank account courtesy of Kevin McCarthy.

Does the prospect of these huge payments cause you to have a sick stomach? If it does, you are not alone.

When John McCain was alive, he talked about the need for campaign-finance reform practically all the time. I did not agree with Sen. McCain on most issues, but now that I know the degree to which our elected representatives, on both sides of the political aisle, are selling their positions and influence.

So, what do we do about this abuse of power and influence peddling? It is obvious that our government is bloated beyond imagination. Donald Trump has stated his intent to fire 50,000 federal employees

and according to Russ Vought has sent me an email, that he is vetting 10,000 replacements who will perform these jobs while they stand up a new government, built from the ground up.

Lastly, you should know that BlackRock is the largest managers of financial assets in the world. Their business interests reach numerous governments around the world and it is our intent to write an article that addresses how their influence is being utilized for good and for evil. This article will be forthcoming in the next few days.

John Woodard