

Written by Charles Jay
Monday, 29 December 2003 18:00

The 99th Round

Earlier this month, in response to what he, and others, considered an excessive amount of "pork" in the latest energy bill, John McCain told his Senate colleagues, "The outbreak of Washington trichinosis will be so severe, we will be forced to have a field office for the Centers for Disease Control right next to the Capitol."

In a recent Associated Press wire story, McCain was described as "an avid critic of spending for lawmakers' pet projects."

One of the great curiosities of McCain's campaign to slip through Congress his own pet project, the expensive (\$36 million over five years), ineffectual, and perhaps unconstitutional Professional Boxing Amendments Act (to federalize control of boxing) has been his outright refusal to include television entities - by far the most powerful and influential forces in the sport - among those which would fall under regulatory jurisdiction.

Critics have cried foul - and they've had a point. If networks are going to control the balance of power, define the major 'players', put fighters under contract, and in some cases actually assume the 'de facto' role of a promoter, they are receiving unequal and unfair protection vis-a-vis the promoters in boxing who are actually required to be licensed and regulated.

However, McCain has been resolute about maintaining this protection, avoiding all opportunities to adjust or amend the bill to accommodate the reality of the industry, not to mention Senator Harry Reid of Nevada, who had previously introduced legislation that would provide some oversight of networks when they play a promotional role. McCain has been nothing short of combative on occasion, "calling out" Reid in press conferences, and in correspondence he has leaked to the public.

Why is McCain so stubborn? Part of the reason lies in a mode of political operation that has become imbedded in the man itself, despite countless "spins" to the contrary.

What is common knowledge inside the Beltway, but not necessarily among average boxing fans, is that while McCain has carefully crafted an image as a reformer railing against special interests, he has developed a talent that is much more acute, as one of the very best in the business at feeding from the corporate trough.

He has been slick enough to parlay his coziness with corporate interests into political capital, resulting in lots of money coming his way for campaigns. And his public relations apparatus, which has included many highly-cooperative writers, both in and out of sports, has enabled him to avoid having to discuss the considerable influence special interest groups have had on the drafting and development of McCain's boxing bill - the same types of groups he would purport to be thwarting in the Bipartisan Campaign Finance Reform Act (otherwise known as

Written by Charles Jay
Monday, 29 December 2003 18:00

McCain-Feingold), which, at the end of the day, amounts to little more than a rather brazen attempt to protect his own incumbency and that of other elected officials.

Campaign finance records available through the website OpenSecrets.org indicate that, for example, during 1999, the third-highest contributor to what, at the time, was McCain's insurgent run at the Republican presidential nomination was Viacom (\$47,750), which controls a number of TV outlets, including Showtime, which has a major investment in boxing.

The top eight corporate contributors to McCain's "Straight Talk America" political action committee from 1997-2002 included three companies that would be affected, one way or another, by the way McCain's bill was shaped - Viacom, AT&T (which controlled cable outlets and sold pay-per-view boxing events), and AOL Time Warner (which owns HBO, boxing's most powerful single entity).

And as for McCain's last U.S. Senate campaign, waged in 1998, the list of his top fifty corporate donors is replete with entities who have a substantial stake in boxing, and which have a "special interest" in avoiding the regulatory blanket - Viacom (3rd - \$55,250), AT&T (4th - \$51,563), NBC/General Electric (20th - \$19,500), Fox/News Corp. (22nd - \$19,050), Time Warner (T43rd - \$12,000), and Univision (T43rd - \$12,000), not to mention Anheuser-Busch (5th - \$51,563), a company in which McCain has considerable financial interests, both individually (he has reported at least a half-million dollars in debentures) and through his family (which controls the largest distributorship in Arizona), and which over the past two decades has been boxing most prominent sponsor, with nearly all of that advertising delivered through television.

The Senate Committee on Commerce, Science and Transportation, which McCain chairs and under whose domain the boxing bill falls, is heavily courted by companies with interests in the sport. For the six-year cycle between 1995-2000, the top committee-related contributors to committee members include: AT&T (\$369,960), Time-Warner (\$249,585), Viacom (\$167,654), the Walt Disney Company, which owns ESPN (\$147,758), and the National Cable Television Association (\$129,101).

Noted boxing promoters like Don King, Bob Arum, Cedric Kushner, Main Events, Duva Boxing, Gary Shaw or DiBella Entertainment do not appear on that list; apparently there was not enough in the way of donations to rise in McCain's pecking order.

Despite his well-cultivated "reformer" image, McCain has time and again demonstrated that he is a creature of corporate America and a bedfellow of corporate lobbyists. His leveraging efforts have been particularly remarkable, and he's utilized his position on the Commerce, Science and Transportation Committee - first as the ranking Republican and now as chair - to extract hundreds of thousands of dollars from corporations he has regulatory power over.

McCain, who through his campaign finance measure is regarded by many First Amendment advocates as no friend of free speech, is notorious for freezing out consumer groups who would like to present their cases to his committee but who have not lavished him with campaign donations. According to a February 2000 story in the New York Press, representatives of

Written by Charles Jay
Monday, 29 December 2003 18:00

corporations - the lion's share of which are directly tied to McCain's campaign war chests - out-number such consumer-interest groups by a 10-to-1 margin when it comes to appearances at committee hearings.

The causative links between campaign donations and special favors have become a McCain trademark. In 1999, after McCain-authored legislation to allow satellite TV companies to carry local programming in each market, which had previously been prohibited, was approved by his committee, one of the players who stood to experience a resulting windfall - EchoStar Communications - held a huge fund-raiser for McCain's presidential campaign.

During the 2000 primary season, as word came down that McCain was pressuring the Federal Communications Commission to act on a license transfer in favor of Paxson Communications, a company that had, to that date, "coordinated" \$20,000 in contributions for his run at the nomination and treated him to many free flights on its corporate jet, his then-opponent, George W. Bush, was moved to remark, "I think somebody who makes campaign financing an issue has got to be consistent and walk the walk."

Of course, one understands McCain's pattern of behavior more vividly upon an examination into his central role in the infamous "Keating Five" scandal, one of history's most naked examples of politicians exerting special levels of influence for the sake of large campaign contributors.

Charles Keating Jr., who owned the Lincoln Savings & Loan Association and was a major presence in Arizona, was under investigation by authorities - specifically the Federal Home Loan Bank Board - for making investments of such a speculative nature that they put at risk the government-insured money of depositors. Keating took issue with the premise of the investigation, and wanted the regulators off his back. He had, between 1982 and 1987, stuffed the campaign coffers of five United States Senators - John Glenn of Ohio, Dennis DeConcini of Arizona, Alan Cranston of California, Don Riegle of Michigan, and McCain - to the tune of \$1.4 million.

At the same time, McCain family members, including his wife and father-in-law, were the chief investors in the Fountain Square Shopping Center, controlled and managed by Keating, with a stake estimated at \$359,000. McCain and his family were also frequent vacation guests of Keating - traveling at Keating's expense on Keating's private jet to the resort Keating owned at Cat Cay in the Bahamas - at least nine times in all. Surely there were interests to protect on more than one front.

Although he later claimed to be very reluctant in doing so, McCain nonetheless couldn't resist in joining with his four Senate colleagues in April of 1987 to pressure regulators to end their investigation of Keating, which had been ongoing for two years. The regulators later testified that they felt intimidated by McCain's group, which was tagged the "Keating Five".

To illustrate the justification of the investigation, the S&L controlled by McCain's friend Keating busted out, ruining thousands of investors and costing taxpayers \$3.4 billion in bailouts, the worst hit in the entire saving and loan scandal.

Written by Charles Jay
Monday, 29 December 2003 18:00

There was also more than one call within his home state of Arizona for McCain to resign.

During this particular period in his career, McCain was hardly interested in raising the issue of campaign finance reform. In fact, quite the contrary - he resisted it at every turn and resisted others who made an effort in that direction. According to a December 8, 1987 story in the Phoenix Gazette

, "So why has Sen. McCain, R-Ariz., gone to unprecedented lengths to block reform of the Senate campaign finance system? Why does he oppose letting this important matter even come to a vote? Perhaps it's because he is a prime beneficiary of the special interest funding of congressional elections. McCain raised over \$2.5 million for his 1986 election . . . more than \$760,000 of his campaign funds came from political action committee (PACs) . . . especially disturbing are the contributions to McCain's campaign coffers from PACs outside of Arizona."

And McCain simply embarrassed himself when his family's investment deals with Keating were uncovered. In September of 1989, as he was questioned about them by the Arizona Republic, he called the reporter "a liar" and denounced his efforts as "irresponsible journalism". When pressed later, he told the same reporter, "That's the spouse's involvement, you idiot."

In ultimately protecting one of their own, the Senate Select Committee on Ethics asserted McCain broke no laws, but did say this about the man who is now the self-professed "champion of campaign finance reform":

"Mr. Keating, his associates, and his friends contributed \$56,000 for Senator McCain's two House races in 1982 and 1984, and \$54,000 for his 1986 Senate race. Mr. Keating also provided his corporate plane and/or arranged for payment for the use of commercial or private aircraft on several occasions for travel by Senator McCain and his family, for which Senator McCain ultimately provided reimbursement when called upon to do so. Mr. Keating also allowed Senator McCain and his family to vacation with Mr. Keating and his family, at a home provided by Mr. Keating in the Bahamas, in each of the calendar years 1983 through 1986....."

According to a Time magazine story in December of 1999, " He (McCain) denounces big-spending special interests and yet accepts flights on corporate jets; he puts the speaker of the Arizona house of representatives on his campaign payroll despite a flurry of ethics charges around him; he neglects to recuse himself from debates about measures that would affect his family beer business."

Yet the writers, Nancy Gibbs and John F. Dickerson, insist, "But a funny thing happened on the way to his deathbed conversion (to campaign reformer): he really reformed."

McCain's posture toward television interests in the process of crafting the boxing bill would strongly suggest otherwise.

On a personal note, as I reviewed some of the material for this story, my mind regressed to a couple of years ago, as I was compiling the investigative report "A Commission Run Amok", which dealt with the Florida State Athletic Commission.

Written by Charles Jay
Monday, 29 December 2003 18:00

At the time, Mike Scionti, the commission's former executive director, was awaiting a hearing on ethics charges. He had been embroiled in a firestorm of controversy that eventually led to his firing by Governor Jeb Bush, over what was considered to be highly improper conduct while in office. A non-profit organization - a charity for youth - that the commission had established and Scionti had spearheaded, accepted a large donation from promoter Don King, after which Scionti had sought to change a commission regulation about promotional contracts that would have benefited King.

There was no evidence that any money went into Scionti's pocket directly, or that it went to furthering any personal agenda of Scionti's - public relations-related or otherwise. Meanwhile, McCain had gone to bat, more aggressively and, by all accounts, with a much heavier hand, on behalf of entities that plowed money into his election campaigns and to political action committees that were designed to promote McCain's political objectives - in many respects creating a higher public profile for the senator, which has in turn spawned media coverage, book sales, and even more political donations.

And I'm saying to myself, isn't what McCain has done more devoid of an ethical foundation than what Scionti did? And are there not 500 others engaged in the same ballgame as McCain - albeit not as skillfully - on Capitol Hill?

The stories you hear about boxing people pale by comparison. If state boxing regulators conducted business in the same manner as McCain has conducted his business in Congress, would I not have been able to write about twenty "Operation Cleanup" books by now?

And given those parameters, at what price would we be placing the sport into the hands of politicians like him?

As one writer put it, "The John McCain of old should be thankful that his political fate wasn't determined by John McCain the reformer."

I would suggest McCain's nothing more than an old dog who could care less about learning new tricks.

fightpage@totalaction.com

Copyright 2003 Total Action Inc.