



NEW MEXICO REPUBLICANS

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GOP Questions Concerning Decision to Halt Possible Indictments

ALBUQUERQUE—In response to news reports that high-level Washington DC officials in the U.S. Department of Justice have decided not to allow indictments related to pay-to-play allegations involving Governor Bill Richardson and members of his administration, Chairman Harvey Yates Jr. released the following statement:

“In light of the serious and endemic public corruption plague in this state, New Mexicans deserve straight answers from the Obama Administration.

“Specifically, who is responsible for the decision not to proceed with these indictments? Was this decision made contrary to the advice of experienced, non-political, career prosecutors and the FBI? If so, what was the justification for ignoring the advice of experienced, non-political prosecutors and FBI investigators? Did Obama’s political appointees dispute the results of the FBI investigation? Lastly, what is the basis for overturning these decisions in a case of public corruption involving high-level Democrat politicians?”

During his Senate confirmation hearing, Eric Holder, Obama’s pick for the attorney general post, testified that “The attempt to politicize the department will not be tolerated should I become attorney general of the United States.” Continued Holder, “... I will work to restore the credibility of a department badly shaken by allegations of improper political interference”

“In light of his former statements and on behalf of New Mexicans statewide, we ask that Attorney General Holder provide transparent and honest answers concerning this matter,” concluded Yates.

Today’s Associated Press coverage of the story quotes an individual familiar with the case saying that the probe “was killed in Washington.”

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Background press quotes concerning the CDR-Richardson probe:

“On Dec. 15, Bloomberg News reported that the grand jury in Albuquerque was meeting to review how the company, Beverly Hills, California-based CDR Financial Products Inc., received almost \$1.5 million in fees from the New Mexico Finance Authority. CDR contributed \$100,000 to Richardson-affiliated groups.” (Martin Bran and William Selway, “Richardson Adviser Helped JPMorgan Win Bond Deals,” *Bloomberg*, 1/6/09)

“Richardson appoints five directors to the New Mexico Finance Authority’s 12-member board, including the chairman. Five other directors are members of his cabinet.” (Martin Bruan and William Selway, “Grand Jury Probes Richardson Donor’s New Mexico Financing Fee,” *Bloomberg*, 12/15/08)

“At the same time his company was seeking work from the New Mexico Finance Authority, CDR owner Rubin was making political contributions to Richardson political committees. The timing of a \$75,000 contribution from Rubin to Si Se Puede is of particular interest to investigators. Si Se Puede was the political committee formed to pay the expenses of Richardson and his staff at the 2004 Democratic National Convention in Boston.” (Mike Gallagher, “Pay To Play Inquiry Derails Cabinet Post,” *The Albuquerque Journal*, 1/5/09)

“The New Mexico probe comes two years after the FBI searched CDR’s offices as part of a nationwide investigation into whether banks and advisers conspired to overcharge local governments on financing deals.” (Martin Bruan and William Selway, “Grand Jury Probes Richardson Donor’s New Mexico Financing Fee,” *Bloomberg*, 12/15/08)

“Earlier this year, local governments in California, the city of Chicago and others filed antitrust lawsuits naming 37 banks and financial companies, including CDR, over allegations of bid rigging and fee fixing in local government bonds. CDR also was sanctioned in 2007 by the Securities and Exchange Commission for work on government bonds in Florida in 1999 and 2000.” (Mike Gallagher and Colleen Heild, “GRIP Contract Probed,” *The Albuquerque Journal*, 8/29/08)