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President's fund gives value of tainted Stanford campaign donation to charity

Obama donates Stanford contribution in attempt to distance himself from the Texas businessman, scandal

By Tom Hamburger and Peter Wallsten

Washington Bureau

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WASHINGTON-- President [Barack Obama](#)'s campaign fund moved Wednesday to distance him from the burgeoning scandal involving Texas businessman R. Allen Stanford, donating the value of Stanford's \$4,600 campaign contribution to a Chicago charity.

Obama was one of a long list of Washington politicians and political committees that took money from Stanford, whose massive investment business was ordered seized this week as he was investigated for what the Securities and Exchange Commission called a "massive, ongoing fraud."

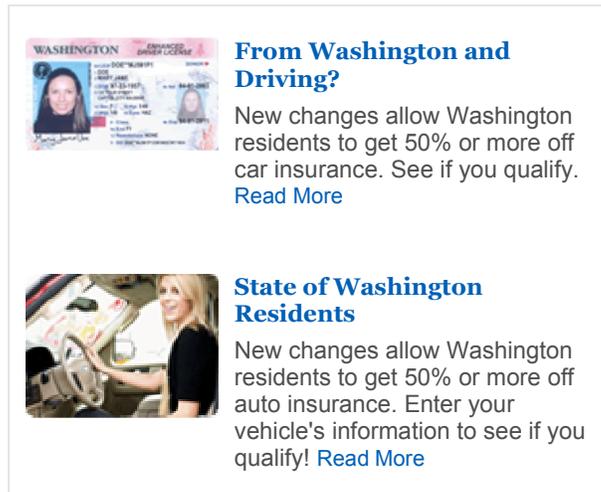
Other recipients, including Sen. John McCain (R-Ariz.), also promised Wednesday to return the funds or donate them to charity.

Stanford had not been found by late Wednesday, but until now he was a fixture in the Washington political establishment — and a generous contributor to Democrats and to key Republicans as well.

Before his business turned sour, the Stanford Financial Group used the high-priced strategy of covering all bets in Washington, giving generously to politicians and their favorite causes and the lobbyists who could influence them.

For example, the firm spent \$4.8 million on lobbying since 2000. And employees of the firm donated \$2.4 million to federal candidates and parties during that period, with 65 percent of that total going to Democrats.

The campaign and lobbying data, compiled by the Center for Responsive Politics, a nonpartisan research group, shows that the firm's staff gave not only to Obama but to his opponent in the 2008 presidential race, McCain.



The advertisement is contained within a white-bordered box. At the top left, there is a small graphic with the text 'WASHINGTON' and 'DRIVING' above two images of Washington state driver's licenses. To the right of this graphic is the headline 'From Washington and Driving?' in blue. Below the headline is a paragraph of text: 'New changes allow Washington residents to get 50% or more off car insurance. See if you qualify.' followed by a blue link 'Read More'. Below this text is another small graphic showing a woman sitting in a car, with the headline 'State of Washington Residents' in blue. To the right of this graphic is another paragraph of text: 'New changes allow Washington residents to get 50% or more off auto insurance. Enter your vehicle's information to see if you qualify!' followed by a blue link 'Read More'.

The \$28,150 that McCain collected since 2000 placed him third among recipients of donation from Stanford and his firm, according to the center.

The other top recipients of donations include Florida Democratic Sen. Bill Nelson (\$45,900) and Republican Rep. Pete Sessions of Texas (\$41,375). Nelson, too, promised Wednesday to donate his donations to charity.

In addition to giving to individual politicians, the center's records show that the Stanford firm gave \$800,000 to the Democratic Senatorial Campaign Committee during the year that Nelson was vice chairman of the organization. The donation was made in 2002, the same year Congress considered anti-fraud legislation that the firm lobbied against.

Like any wise investor, Stanford spread his money around, not only between the political parties, but among nonprofit organizations favored by politicians. For example, the firm's web site touts its sponsorship of the Freedom Awards given annually by a civil rights museum. Among the recent award winners: former President Bill Clinton.

ABC News reported Wednesday night that Stanford was publicly thanked by Clinton during an event held during the Democratic National Convention in Denver last year. The event, an annual "leadership forum," sponsored by the National Democratic Institute, honors former party leaders and up and coming leaders from around the globe.

The SEC charged Stanford and two other principals of his investment and banking empire in a complaint alleging massive fraud on Tuesday. Bloomberg reported that FBI agents are investigating the allegations.

The firm's lobbying and campaign contributions began at the start of the Clinton administration as federal efforts to combat money laundering were stepped up. The firm lobbied against one of the proposed laws to tighten fraud in 2002 and also began hiring a fleet of well-connected lobbyists.

During that time the company also gave to political committees helping Democrat and former Senate Majority Leader Tom Daschle. A smaller amount went to Republican Senate Leader Trent Lott.

An Obama aide said Wednesday that "in light of events" the campaign fund, called Obama for America, had donated \$4,600 to the Chicago Coalition for the Homeless.

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