

Mollohan Helped Steer U.S. Contracts to Family-Charity Donors

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June 22 (Bloomberg) -- Representative Alan Mollohan helped funnel at least \$179 million in U.S. government contracts over the last six years to companies that gave to the West Virginia Democrat's family-run charity, tax records and other documents show.

The money went to 21 companies and nonprofit groups that contributed \$225,427 to the Robert H. Mollohan Family Charitable Foundation in 2004 -- almost half of the charity's revenue, according to the documents. The congressman, an Appropriations Committee member whose finances are under federal investigation, is the secretary of the foundation, which is named for his father.

The charity, which distributes scholarships to West Virginia students, raises most of its money from corporate sponsors of an annual golf tournament attended by Mollohan, 63. The event gives company executives an opportunity to meet with him in a casual setting without having to report the donations as lobbying expenses.

"They are buying time, they are buying access, they are buying goodwill for their particular corporate needs," said Rick Cohen, executive director of the National Committee for Responsive Philanthropy, a Washington-based group that advocates strict ethical standards for charities.

Ron Hudok, a spokesman for Mollohan, didn't respond to an e-mail or phone calls seeking comment on the congressman's ties to the foundation.

Fading Into the Distance

“Most people who give are repeat donors,” said Teah Bayless, the program manager for the foundation. “They don't just come up and say ‘I have an agenda, I want this passed.’ They don't come to the Mollohan family charitable foundation to score points, and, if they do, they quickly fade off into the distance.”

The charity's annual golf outing is held at the Pete Dye Golf Club in Bridgeport, West Virginia, ranked the best course in the state by Golf Digest magazine. A \$10,000 contribution this year buys official sponsorship of one of the holes and pays for a round by a foursome.

The charity's biggest donors in 2004 were companies that benefited from so-called federal earmarks, specific projects inserted by lawmakers into broad congressional spending measures.

The \$179 million figure in earmarked funds includes projects touted in press releases by Mollohan's office, and by the companies and nonprofit groups that received the money. It also includes information compiled by the National Legal and Policy Center, a Falls Church, Virginia, nonprofit group that has looked into Mollohan's finances. The organization turned over 500 documents to federal investigators, its director said last month.

IRS Disclosure

While nonprofit groups are required to disclose their donors to the Internal Revenue Service, they don't have to make the list public. The Mollohan Foundation's list was made public by the office of West Virginia's secretary of state.

One of the beneficiaries is D.N. American Inc., an information technology company with headquarters in the Alan B. Mollohan Innovation Center, a federally funded office building in Mollohan's home town of Fairmont. Mollohan announced in a press release in January 2004 that the company would get part of \$3 million set aside for an electronics recycling project. D.N. American gave \$20,000 to the Mollohan Foundation in 2004, the charity's tax records show.

Chirag Patel, president of IMTS Services LLC, which bought D.N. American in 2005, didn't return two phone calls seeking comment.

NOAA's Computers

TMC Technologies Inc., also based in Fairmont, won a \$5 million federal contract in May 2004 to overhaul the U.S. National Oceanic and Atmospheric Administration's computer storage system, according to a press release by one of the company's subcontractors.

That year TMC gave \$5,000 to the foundation. The company supports the charity because of its success in keeping West Virginia students from leaving the state to pursue their careers, said TMC President Wade Linger. TMC was bought by Greenbelt, Maryland-based Global Science and Technology Inc. in 2005.

``Generally these kind of contributions are made by successful businesspeople," Linger said. ``An awful lot of successful businesspeople in this state know Congressman Mollohan."

Since 2001, Linger and his wife gave at least \$54,450 to Mollohan's political committees and his company and employees gave another \$20,950, according to Federal Election Commission records.

In all, the donor list includes 43 companies that gave to the Mollohan Foundation. They include nine of the top 10 contributors to Mollohan's reelection campaign in 2004, according to the Center for Responsive Politics, a Washington- based group that tracks political fund-raising.

Biggest Donors

Among the biggest donors to the charitable foundation were three nonprofit groups set up under

Mollohan's leadership that gave \$48,427 in 2004, the records show.

One of them, the Institute for Scientific Research Inc., gave \$30,000. It received at least \$100 million in Mollohan- sponsored projects, the lawmaker told the New York Times in April.

“I have been very pleased to support the Mollohan Foundation and intend to continue to support it in the future,” said Jim Estep, who heads the institute and the West Virginia High Technology Consortium Foundation, a nonprofit organization created by Mollohan that has donated to the foundation.

Other donors include the National Housing Development Corp., a Rancho Cucamonga, California-based nonprofit company that is working with a Mollohan-backed organization, the Vandalia Heritage Foundation, to refurbish houses in Wheeling, West Virginia. The housing corporation donated \$20,000 to the Mollohan Foundation and Vandalia gave \$10,000.

Rebecca Clark, president of the housing company, declined to comment on why her group gave money to Mollohan's charity.

Reinvesting Funds

Laura Kurtz Kuhns, president and chief executive officer of Vandalia, said in an e-mailed statement that the foundation “continues to strongly support” the Mollohan charity's programs. “We reinvest our earned income funds into worthy activities that are supportive of and consistent with our mission,” the statement said.

MTR Gaming Group Inc., which offers thoroughbred racing and over 3,200 slot machines at its Chester, West Virginia resort, gave \$25,000. “The Mollohan Foundation has always been one to provide scholarships and that sort of thing,” said MTR spokeswoman Tamara Cronin.

The Vandalia foundation said in April that it was contacted by the Federal Bureau of

Investigation and was told it should expect a request for information. Bayless said she could ``neither confirm nor deny" that the FBI has contacted the Mollohan Foundation.

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