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Lobbyist Charged With Hiding Political Donations

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WASHINGTON — In one of the biggest “pay to play” investigations in recent years, a protégé of the late Representative [John P. Murtha](#) was indicted Thursday on charges that as a lobbyist he made hundreds of thousands of dollars in laundered campaign contributions to lawmakers, using straw donors and other illicit means to disguise the source of the money.

The charges against the lobbyist, [Paul Magliocchetti](#), are the biggest development to date in a federal investigation into whether a network of lobbyists, military contractors and lawmakers effectively traded campaign contributions to politicians in exchange for lucrative government “earmarks” to contractors.

Mr. Magliocchetti, the founder of a now-defunct lobbying shop called the PMA Group in Arlington, Va., once known for throwing lavish Washington parties, has been at the center of the investigation. His home and office were raided last year by agents with search warrants, and many of his former employees and associates have been under scrutiny.

Legal analysts said the indictment could bring pressure on Mr. Magliocchetti to cooperate in building a case against members of Congress and their aides in the hopes of getting leniency if he is convicted. Federal prosecutors followed that same course in securing the cooperation of [Jack Abramoff](#), the disgraced Washington lobbyist freed from prison this year.

Another person whose cooperation prosecutors may be seeking is Magliocchetti’s son, Mark Magliocchetti. As the indictment against his father was announced in Alexandria, Va., Mark Magliocchetti, who was a lobbyist at his father’s firm, pleaded guilty in the same courthouse on Thursday to a single misdemeanor count charging that he and his wife, who was not prosecuted, had made between \$120,000 and \$200,000 in illegally laundered political contributions since 2002.

A lawyer for Mark Magliocchetti declined to comment on the plea or on the possibility of him cooperating. He faces up to a year in jail at sentencing.

The Justice Department charged that the contributions laundered through the younger

Magliocchetti were part of a much larger pattern at his father's company, where lobbyists, employees, associates, friends and family members became prolific donors to many lawmakers who were involved in giving out federal earmarks.

Prosecutors charged that, Paul Magliocchetti arranged "scores" of illegally laundered contributions from 2003 to 2008 in order to evade campaign finance limits and increase the "influence, power and prestige" of his firm as it sought earmarks from Congress.

The 11-count indictment charges that Mr. Magliocchetti used both his personal funds and the company's money to reimburse employees and associates for political contributions that were made in their name. Sometimes, prosecutors said, the reimbursements were laundered through salary and bonus payments. They said Mr. Magliocchetti had also used "straw men" who lived near his Florida vacation home, paying them as company board members even though they did no work for him, to cover the political contributions they were told to make.

Mr. Magliocchetti's assistant at the company even kept spreadsheets to track and update the contributions made by straw donors, the prosecutors charged. He also "pressured PMA employees" to make political contributions and led them to believe that their careers at the company would be hurt if they did not, the indictment said.

Mr. Magliocchetti's lawyer did not return a phone call and e-mail seeking comment.

The indictment stops short of alleging that the earmarks the company got for its many military contracting clients were illegally obtained from lawmakers. The Justice Department said that the campaigns receiving money were "unaware" that Mr. Magliocchetti was secretly paying for the contributions, but it leaves unanswered the bigger question of whether the awarding of earmarks to his firm's clients was linked to the donations that PMA and its associates gave them.

One lawmaker who has come under particular scrutiny from the [F.B.I.](#) is Representative [Peter J. Visclosky](#), Democrat of Indiana, who received contributions from Mr. Magliocchetti and his associates and helped the firm's clients get millions in earmarks. Mr. Visclosky did not return a call for comment on Thursday.

In a scathing report in March that focused partly on Mr. Magliocchetti, the [Office of Congressional Ethics](#) found that Mr. Visclosky and a second lawmaker, Representative Todd Tiahrt, a Kansas Republican who also had ties to the PMA Group, may have tacitly tied their requests for campaign contributions to the earmarks they helped facilitate. The ethics office recommended further investigation to determine if either lawmaker had violated House rules.

But the House ethics committee, which oversees the ethics office, rejected the recommendations and cleared Mr. Visclosky and Mr. Tiahrt, along with five other lawmakers who served with them on the powerful House defense appropriations subcommittee. The other five cleared by the ethics

committee were Representatives Bill C. W. Young, Republican of Florida; [Norm Dicks](#), Democrat of Washington; [Marcy Kaptur](#), Democrat of Ohio; and James P. Moran, Democrat of Virginia. Mr. Murtha, a Pennsylvania Democrat, died in February.

Mr. Murtha was an earmarking giant who steered many millions in government set-asides to defense contractors in his home district. He was also a mentor to Mr. Magliocchetti, a fellow Pennsylvanian and a Congressional aide who worked with Mr. Murtha on defense spending issues during the military budget boom of the Reagan administration.

When Mr. Magliocchetti left the staff in 1989 to start his own lobbying shop, Mr. Murtha helped him attract military contractors to a new annual trade fair in his district in Johnstown, Pa., an area that would become a magnet for earmarks.

In all, employees at the PMA Group made more than \$40 million in political contributions from 1998 until the firm's closing last year, and the company helped generate hundreds of millions of dollars in earmarks for its military contracting clients.

Mr. Magliocchetti was "Exhibit A of the pay-to-play atmosphere that surrounds the earmarks system," said Steve Ellis, vice president of [Taxpayers for Common Sense](#), a private advocacy group that has campaigned for changes in earmarking.

"The question now is whether this is the end, or does the Justice Department have more cards to play?" Mr. Ellis said of Mr. Magliocchetti's indictment. "That's the question that is going to make lawmakers nervous."