

*Everybody Knows:
Corruption in America*

Sarah Chayes

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In 2015 Sarah Chayes published an account of her time in Afghanistan where, among other things, she had worked for the occupying International Security and Assistance Force (ISAF). Her book, *Thieves of State*, was a devastating insider's indictment of the American occupation. British and American troops were not in Afghanistan installing democracy, securing women's rights or protecting their homelands against terrorism. They were there keeping in power one of the most corrupt governments in the world; a government that she described as a 'criminal organization'. Every government job from top to bottom – from senior ministers to ordinary policemen – was for sale, with the purchaser recouping the cost through bribery, intimidation and corruption. At a local level, this saw the police routinely robbing the population. Higher up the ladder, huge fortunes were to be made. The most expensive jobs were in the Ministry of Counter-Narcotics, where a senior post could cost as much as \$200,000 a year. The reason was, of course, that the pay-offs from the drug traffickers were by far the most lucrative. The Karzai government was a fully-fledged 'kleptocracy', with the depredations of the regime positively fuelling the resistance. And the occupying powers did nothing about it.¹

This experience gave Chayes a deep interest in corruption as an international phenomenon, focussing initially on the developing world but then looking closer to home. One result of this is her new book *Everybody Knows*, an exploration of corruption in the United States and the global connections. Her focus is very much on networks as the key to understanding the extent of corruption and how it operates. Much of what she has to say about the US has very close parallels in Britain, where the corruption and cronyism of the Johnson government is quite open and unashamed. There is an urgent need for a book like hers to lay bare the full extent of the New Corruption.

Although corruption has always been a feature of politics and government, with the rich and powerful buying favours, it does not generally define the

¹ On which see my review of *Thieves of State* in *Lobster* 70 at <https://www.lobster-magazine.co.uk/free/lobster70/lob70-thieves-of-state.pdf>.

whole system of government. The occasions when it does are labelled as exceptional by historians – whether it is the ‘Old Corruption’ in eighteenth century Britain, or the ‘Gilded Age’ in the late nineteenth century USA. As far as she is concerned, we are now living through a new era of corruption, and this has become absolutely central to the working of the system. The conditions for this were created during the Reagan years when the unions were defeated, union power was rolled back, and there was the beginning of a massive shift in the balance of wealth and power towards the rich and super rich. As she points out, from the end of the Second World War to the end of the 1970s, the average income of the bottom 50% of earners in the US more than doubled while the earnings of the top 1% rose by only 58%. This ratio changed dramatically from the start of the 1980s. Over the next 35 years, the earnings of the bottom 50% increased by only 21%, while those of the top 1% increased by 194%. The pay of company executives rocketed while that of their workers stagnated so much that by 2018 ‘bosses were taking home 287 times as much as those workers’. This massive shift in the distribution of wealth, she argues, has culminated in the Presidency of Donald Trump who has ‘put into practice – in barefaced ways unseen in the United States for a century – exactly the type of systemic corruption Americans decry’. (p. 248) Systemic corruption can usefully be regarded as a disease, what she calls ‘the Midas Disease’, and it affects both the Democrats and the Republicans.

Chayes provides far too many case studies to consider for us to consider them comprehensively in this relatively short review. Let us start, however, with Madeleine Albright, who was Secretary of State under Bill Clinton and a staunch opponent of Donald Trump. She ‘presides’ over a consultancy, the Albright Stonebridge Group, that specialises in using Albright’s international contacts to win favours from foreign governments ‘for large US corporations’. One such corporation was an investment fund, Elliott Management. This predator was ‘known for buying up the debt of corrupt third-world countries at a discount, then filing lawsuits to get payment in full – out of strapped budgets that are supposed to provide clean drinking water, schools and health care to impoverished populations’. Much to Chayes’ surprise, she found that Albright’s network overlapped with that of Koch Industries, a bastion of the US hard right. There is also a hedge fund, Albright Capital Management. In 2011, this outfit bought APR Energy which ‘specialises in pop-up electricity plants’ and ‘promotes itself to the mining industry in Africa, where resource extraction enriches a handful of kleptocratic elites and leaves local people mired in pollution and conflict’. Many of APR’s contracts are with the US Agency for International Development, ‘which reports to the State Department, where Albright was Secretary’. When you map out the Albright network what is revealed are ‘branching lines’ that connect up with ‘the US government and

people who control a hefty budget line, kleptocratic networks from some of the most notorious countries in Africa and Latin America, the conservative Koch network and its allies in the U.S. Chamber of Commerce and the top reaches of Democratic Party leadership'. (pp. 100-101)

Money clearly beats politics in this world.

Chayes looks at Trump's Treasury Secretary, Steven Mnuchin, who had worked at Goldman Sachs for seventeen years. That firm – 'for all intents and purposes a criminal entity' – has provided Treasury Secretaries for both Clinton and George W Bush as well as Trump. Its people also 'stud Treasury's lower ranks, but also regulatory agencies and other parts of the government, weaving a seamless fabric'. (p. 102) When he left Goldman Sachs in 2002, one of the financiers Mnuchin worked for was George Soros, one of the most hated and vilified targets of the Alt Right. One aspect of Mnuchin's career that Chayes does not explore is his remarkable political promiscuity, giving substantial donations to both Republican and Democratic politicians. He has donated to the campaigns of Al Gore, Hilary Clinton, and Barack Obama and even in 2016 to Kamala Harris for her Senate campaign. As Trump's Treasury Secretary, he presided over a massive tax cut for the rich and super rich.

Our own Chancellor of the Exchequer, Rishi Sunak, used to work as an analyst for Goldman Sachs, as did the new Chairman of the BBC, Richard Sharp – for 23 years no less – where he was Sunak's boss. Sharp was also an adviser to Boris Johnson when he was Mayor of London and, before his new post, was an adviser to Chancellor Sunak. He is also a big donor to the Conservative Party, giving it more than £400,000. Once again Britain seems very much in step with the USA.

Chayes has many interesting points to make about the networks of influence and interest that control US economic and political life. She looks at Jeffrey Epstein and his friendship with Donald Trump, a friendship that lasted over a decade. Both men 'had a hand in fashion industry offshoots that offer contact with exceptionally beautiful, often young and disadvantaged, women'. In Trump's case, she records how suspicious she was when he took his Miss Universe pageant to Moscow with the help of Emin Agalarov, the son-in-law of Azerbaijan president Ilham Aliyev. Agalarov, she writes, 'is deeply entwined in that potentate's kleptocratic network. Former Soviet republics have been sex-trafficking source countries since the empire imploded, and fashion shows have served as a cover'.² Another good friend of Epstein's was Bill Clinton; their

² Agalarov also organised 'the infamous June 2016 meeting between top Trump campaign officials and likely proxies for the Russian government [. . .] Aglarov is actually a member of Azerbaijan's kleptocratic network, one of the most consolidated and tight-knit I have ever researched. But he's also part of Putin's. And Trump's.' (p. 272)

connection goes as far back as 1993. He had a 'well-known pattern of predatory sexual behavior and, more recently, a fixation on money', characteristics he 'shares' with both Epstein and Trump. Whereas Clinton's people have admitted to four visits courtesy of Epstein's private jet, Chayes has identified seven. And Epstein was welcomed into the higher echelons of the academic world where his 'ego stroking and cash' worked just as well 'on Harvard professors as on teenage girls'. She goes on: 'academics in Epstein's stable include Lawrence Summers, former Harvard president . . . also Treasury secretary under President Clinton and chairman of President Obama's Council of Economic Advisors'. But the academic who 'looms largest in this circle' is Alan Dershowitz, the former Harvard law professor, who has defended both Epstein and Trump – and Harvey Weinstein. (pp. 108-110) He is a life-long Democrat, a self-proclaimed supporter of Barack Obama, Hillary Clinton and Joe Biden, who has nevertheless argued that torturing terrorist suspects should be legal, but only with a warrant!³

One key figure about whom Chayes has much of interest to say is the multi-billionaire Charles Koch. One of the most powerful men on the US right, he is arguably the country's biggest polluter and someone few had even heard of before 2010. He is at the centre of a network that sponsors rightwing non-profits, subsidises whole university departments and 'has seated thousands of public officials, from state legislators and members of Congress to judges to the bureaucrats who do most of the work in federal, state, and local agencies'. The objective is to ensure that the United States is run for the benefit of the rich and super rich without the tiresome distraction of democracy getting in the way. The big success of the Koch networks was the 2010 Supreme Court

³ Dershowitz's involvement with Epstein is explored at greater length in Sarah Kendzior's tremendous *Hiding in Plain Sight: The Invention of Donald Trump and the Erosion of America* (Flatiron Books: New York, 2020). Here she writes about celebrities flew on Epstein's jet to his Caribbean island 'where many of the assaults allegedly took place'. Dershowitz was one of the guests and 'was accused in 2015 of raping a teenage girl procured by Epstein in the 1990s . . . Dershowitz has denied all allegations [. . .] insisting that he kept his underwear on during massages at Epstein's mansion'. In 2008, Epstein got an eighteen month sentence 'for soliciting, molesting, and raping underage girls [. . .] the result of a strange and disturbing plea deal'. It is worth remembering that the FBI had testimony from 36 victims. The US Attorney for South Florida at that time, Alexander Acosta, later claimed that he had been told that 'Epstein "belonged to intelligence" and to leave it alone'. The incredible deal that Epstein's legal team, including Dershowitz, negotiated involved him being on work release for twelve hours a day. As we now know, that allowed Epstein to continue his assaults on young girls. Acosta went on to be Trump's Secretary of Labour. Kendzior is incredulous that the allegation that Trump raped a thirteen year old girl who had been 'forced to work' for Epstein in 1994 was pretty much ignored by the US media, despite his 'long-documented history of misogyny, sexual assault, and threats'. (pp. 84, 86-87, 91)

decision, *Citizens United vs Federal Election Commission*,⁴ which explicitly validated 'the principle that in American democracy, those with more money get more influence over politics'. (pp. 98-99, 19-180) It is worth noting here that the Koch network reaches into Britain with the online magazine *Spiked* – the monstrous offspring of *Living Marxism* – taking some \$300,000 from the Koch Foundation through its US subsidiary. They have a shared interest in trashing environmentalism.

Of particular interest, though, is Chayes' account of Mitch McConnell, the Republican leader in the Senate. She looks at his holding-up of efforts 'to shore up miners' health-care or pension funds', something that affected many of his 'retired mineworker constituents, many disabled or wheezing with black lung disease'. In May 2019, the Senate confirmed the appointment of a new head of the Pension Benefit Guaranty Corporation, the body charged with handling the transfusion of funds into underfunded workers' pension schemes. The man was McConnell's brother-in-law. At the same time that he was holding-up help for his poverty-stricken constituents, McConnell was clearing the way for a \$200 million Russian investment in an aluminium plant in Kentucky. That process saw him secure the lifting of sanctions on Rusal, the Russian conglomerate involved. McConnell also made sure that some \$4 million, that had ostensibly been earmarked for pollution clean-up, was actually invested in building an industrial site that was ready for the Russians to use immediately they arrived. This saved Rusal a significant amount of time and money. Among those who invested in Rusal was Leonid Blavatnik, a multi-billionaire with close ties to Putin. Since 2015, Blavatnik has donated \$7 million to 'campaign funds controlled by Mitch McConnell'.

(pp. 152-155). Blavatnik, one of the richest men in the world, has both US and British citizenship and in 2017 was knighted by the Tories for services to philanthropy. He gave £75 million to Oxford University, to set up the Blavatnik School of Government and Tate Modern has a Blavatnik wing. His political donations in the US include both Democrats and Republicans, indeed both pro- and anti-Trump Republicans. He was one of the largest donors to the Republican Party, and in 2015-2016, gave over \$7 million to six Congressional candidates, including John McCain, Marco Rubio and Lindsay Graham; and he donated \$1 million to Trump's inauguration committee in 2016. He has even donated to Kamala Harris! Blavatnik's firm, Access Industries, has given the Tories £94,000.

Chayes also looks at McConnell's wife, Elaine Chao, who was Transportation Secretary in Donald Trump's cabinet. Through her sister, Chao

⁴ See, for example, <<https://www.brennancenter.org/our-work/research-reports/citizens-united-explained>>.

has multiple business and financial connections with the regime in China. According to Chayes, Chao has tried 'to use her position to promote her family's Beijing-linked shipping business'. She goes on to sum up McConnell, who to this day is one of the most powerful men in US politics:

'So, to recap. While single-handedly denying aged former coal miners their meagre pensions for years, McConnell steered the money that could have gone for that purpose to a prospective factory whose product – rolled aluminium – is vital to the construction of U.S. military seagoing vessels and aircraft. That plant would be largely owned by a Russian conglomerate tied in several ways to Vladimir Putin and – like McConnell's in-laws – to the Chinese politico-military hierarchy.' (p. 155)

Any security concerns regarding Russian involvement in a strategic industry are, of course, completely overridden by the cash nexus. Money once again trumps politics, indeed trumps national security. And this was at the same time as McConnell 'vaunted his party's tough line on Russia'. Chayes can barely conceal her incredulity. Modern corruption is, as she puts it, very much a 'transnational' phenomenon. '[T]he world today seems to be back on the course first charted in the Gilded Age'. (pp. 154-157)

And there is much more, so much more. For example there are the networks with which Erik Prince, the Christian rightist founder of the defunct Blackwater mercenary outfit, reincarnated as the Frontier Services Group, was involved. For example, the Frontier Services Group, we learn, '[v]ia interlocking boards . . . is stapled to the parent company of Cambridge Analytica and its burner-entity offshoots, which provide private intelligence services and political dirty tricks'. (p. 281) Prince was one of Trump's unofficial advisers throughout his term in office, despite his business connections with China, and his sister, Betsy DeVos was Trump's Secretary of Education.

Which brings us to the Trump Presidency itself. No family 'has mixed business interests with public office like the Trumps'. They are 'a first in American history'. Having been elected promising to 'drain the swamp', Trump and his family have submerged themselves in the swamp like no other President before them. Jared Kushner, for example, has both 'personal and financial entanglements' across the Middle East. According to one Pentagon aide, every policy in the region was 'examined for what it can do for him'. And as for Trump himself, he is 'at once a symptom . . . of America's increasingly corrupt system, and an exaggeration of it'. Trump has brought the open corruption Chayes had previously only seen in developing countries to the US. He has 'taken mafia government to heights unrivaled in this country's history'. His 'swiftness to trade U.S. policy concessions for personal advancement', she sees as Trump's 'most shameful legacy'. There is much more still to come out

about this aspect of his administration, particularly regarding 'his consistent policy tilt in favor of Moscow'. (pp. 16, 281-283) One thing we can be absolutely confident about is that, while the Biden administration is going to have a very different style from its predecessor, corruption will remain at the centre of the US political system. Chayes insists that, even while Trump was in the White House, there were still plenty of Democrats in Congress working the system. She singles out Joe Manchin, a Democratic Senator, whose daughter was 'CEO of the Mylan pharmaceutical company, which tripled the price of the emergency anti-allergy injection device EpiPen', while 'his wife lobbied to get the device required in schools'. (p. 283) Only recently, Manchin effectively blocked an increase of the minimum wage to \$15 an hour in the US.

What is to be done? A good indication of the impact Chayes' encounter with transnational corruption has had on her is the prescription she puts forward: class struggle. She devotes a section of the book to looking at how the corruption of the 'Gilded Age' was brought to an end. Working class men and women waged a heroic struggle against over-mighty bosses, fighting the 'Hydra'. Among those she singles out is Lucy Parsons, who, with her husband Albert, helped organise 'an unparalleled wave of strikes for the eight-hour day' in Chicago in 1886. Albert Parsons was to be one of the Haymarket martyrs, judicially lynched by the state the following year. (pp. 207-208) Lucy went on to be one of the founders of the Industrial Workers of the World in 1905 and continued the fight into her nineties, speaking at meetings and supporting strikes. She died in 1942. Chayes celebrates struggle through to the great class battles of the 1930s. She clearly recognises that the kleptocracy that is swallowing the world will only be beaten back if there is a shift in the balance of class forces; and will require, needs to be based on, struggle in the workplace. What is needed, therefore, is the revival of a militant labour movement. And this is absolutely urgent because 'the Midas disease' threatens environmental catastrophe on an unprecedented scale. (pp. 283-284) She has come a long way since Afghanistan.

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