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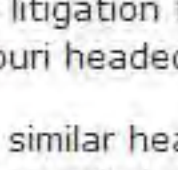
TUE APR 17, 2007 AT 03:11 PM PDT

US Attorney Todd Graves in Missouri: The ninth victim of Gonzagate

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The Bush Crime Family consider themselves magicians. While we look in one place, the trick is played in the other. They claim that this or that US Attorney did not go after voter-fraud, or immigration, or terrorism with sufficient fervor; yet, upon further investigation, the truth is found not in what they are saying, but, in what they are doing behind the curtain.

Once again, I understand this diary is lengthy. But, this scandal spreads from Texas, to Missouri, to Arkansas, and to Washington, D.C.; it spans several years, there are several fired, resigned, and dead attorneys, along with violations of the Patriot Act, the Anti-Trust laws, and probably a RICO criminal syndicate underlies the entire matter. The tags indicate just how deep this particular scandal in Missouri goes into the depths of the Bush Crime Family.



Introduction

There are several parts below. The first sections of the diary have to do with litigation against Novation LLC for its antitrust violations in the market for medical supplies. Novation's parent is Tenet Healthcare Corp of Texas. During the time of the litigation, three assistant US Attorneys left the Dallas office en masse; two other lawyers mysteriously died within two months of each other in Texas with direct connections to litigation there. And, over the same period, three US Attorneys in the Western District of Missouri headed that office.

Coincidentally, Carol Lam was investigating similar health care fraud in San Diego at the time of her dismissal against a Tenet Health Care Hospital. There is also a connection to Bud Collins in Arkansas who at the time of his replacement by Karl Rove's friend, was investigating Governor Matt Blunt for campaign violations--one element of Collins' case was that Graves is alleged to have received a kickback from Blunt.

PART ONE: Novation LLC

I. Novation LLC

Allow me to start with a letter written to Senator Clair McCaskill by the President and CEO of the company, Medical Supply Chain, Samuel Lipari:

The U.S. Justice department has been reported by the New York Times and the London Times to be investigating Novation LLC for its anticompetitive practices in the market for hospital supplies. The Assistant U.S. Attorney in Ft. Worth Texas who signed the subpoenas against Novation LLC passed away as did the Ft. Worth office's Assistant Attorney in charge of Medicare Fraud two months earlier. The U.S. Attorney General Alberto R. Gonzales immediately fired three more Assistant U.S. Attorneys with extensive experience in prosecuting white collar crime that worked in the Ft. Worth, Texas U.S. Attorney Office which started the investigation of Novation, LLC. The US Attorney General Alberto R. Gonzales while in private practice was a partner with the law firm of Vinson & Elkins L.L.P. that represents Novation, LLC in my complaint and other hospital supply antitrust litigation.

Novation is owned by Tenet Healthcare Corp where Jeb Bush is on the Board of Directors, and where Jerry Barbakow, the CEO, resigned in 2003; he was not missed: Barbakow's departure was welcomed by investors, who saw Tenet's stock plunge in October after several investigations into the company were launched. Barbakow is an active member of the Bush Crime Family as a Bush Pioneer, for the 2004 campaign. Here is a brief summary:

Tenet Healthcare's board ended Jeffrey Barbakow's 10-year reign as CEO in May 2003 with the company where it was at the start of his 10-year reign--under a massive scandal cloud. Federal investigators raided Tenet facilities in 2002, probing federal charges that Tenet hospitals, officials and doctors: Over-billed Medicare; Paid doctors illegal referral kickbacks; and Performed unnecessary heart surgeries. A 2003 shareholder committee reported that Tenet could face legal liabilities of up to \$6 billion for its Medicare billing practices alone. Tenet agreed to pay a record \$54 million in 2003 to settle federal charges that doctors at one of its California hospitals billed Uncle Sam for unnecessary surgeries.

From the New York Times:

The central issue, according to current and former industry executives, is whether the industry's use of rebates, discounts, barter arrangements and refunds to hospitals and other medical centers means that Medicare and Medicaid are being charged higher prices for products than the hospitals are actually spending.

The investigation appears to be centered on the medical-supply industry's dealings with Novation, a company in Irving, Tex., that is an industry leader in negotiating the contracts that thousands of hospitals, clinics, nursing homes and other facilities use to buy drugs and other supplies.

About \$20 billion a year in medical products and services are sold under contracts arranged by Novation, which is owned by about 2,200 of the hospitals and care centers that use its services. They include well-known medical centers like New York-Presbyterian Hospital, Yale-New Haven Health Services and Baylor Health Care System in Dallas.

Because Novation is the link between thousands of health facilities on one side, and hundreds of medical goods and services companies on the other, the scope of the federal investigation appears to be broad.

II. The dead and the missing in action

Thelma Quince-Colbert

Ms Colbert is alleged to be the attorney who filed the complaint against Novation while an assistant attorney in the Dallas office. Remarkably, there are no news stories, no obituaries, no press releases from the Justice Department or the Dallas office. In fact, after several hours of searching Lexis and the usual databases, I could only find one confirmation of her death from her former law-school:

Alumni Call For Scholarship As Tribute to the Late Thelma Quince-Colbert

She was a 2004 inductee into the Law Center's Alumni Hall of Fame and presented the 1998 Distinguished Alumnus Award. Thelma Quince-Colbert, '75, was the first editor-in-chief of the Southern University Law Review, a summa cum laude law graduate, and first in her class. As a member of the National Bar Association, Quince-Colbert was a hard worker whose presence at the yearly Southern University Law Center Alumni Breakfast was guaranteed.

As head of the Affirmative Civil Enforcement Unit, a section in the Fort Worth, Texas, office of the United States Attorney, where she worked from 1990 until her death, Quince-Colbert's job was to pursue persons who had defrauded the government. Her passion for her work, never overcame her compassion for people. Upon learning of her untimely death on July 20, 2004, fellow alumni came to the agreement that a life of such compassion must be remembered.

Shannon Ross

Ms Ross' name in connection with the litigation was noted in the New York Times piece quoted above. In fact, here investigation prompted the author to write the piece:

Based on the federal records cited in a copy of one of the subpoenas, investigators are seeking evidence of health care fraud, conspiracy to defraud the United States, theft or bribery involving programs receiving federal funds, obstruction of investigations and other possible violations. The subpoena was signed by Shannon Ross, criminal chief of the United States attorney's office in Dallas.

The article I cite in the next section, tells us of her 'untimely death' less than one month after the appearance of the New York Times piece:

All three men will be missed in a district already reeling from the unexpected deaths of criminal chief Shannon Ross and civil litigator Thelma Louise Quince Colbert, Mr. Roper said. Ms. Ross, who had been feeling ill, was found dead last month in her home. Ms. Colbert accidentally drowned in July. Mr. Roper, who presided both women's service, said the recent retirements are part of working in your government agency. "Hopefully, we'll have some young prosecutors who will step up," he said.

Michael Uhl, Michael Snipes, and Leonard Senerote

Within two months of the mysterious deaths of Colber and Ross, these three gentlemen resigned their positions from the same office:

Three of the region's most experienced and skilled federal prosecutors recently left government service, creating a void at the U.S. attorney's office in Dallas, officials said. Two veteran prosecutors -- Michael Uhl and Michael Snipes -- are switching to potentially more lucrative jobs as white-collar defense attorneys. The third, Leonard Senerote, is retiring. The three, who have decades of combined experience on complex cases, are the last winners of the Greater Dallas Crime Commission's award for federal prosecutor of the year.

"It's a great loss for the office, no question about it," said U.S. Attorney Richard Roper, who supervises prosecutions of federal crimes such as bank robbery, immigrant smuggling and fraud from Dallas to the Panhandle. All three of these lawyers were go-to guys." Mr. Snipes and Mr. Uhl, who are used to prosecuting accused criminals, now make the transition to the other side -- as defense attorneys.

three assistant US Attorneys left the Dallas office

III. The Carol Lam connection to Tenet

The first prosecutor identified as being fired by the Office of the Attorney General was Carol Lam, a U.S. Attorney in San Diego, California. Carol Lam was personally prosecuting Medicare fraud at the Tenet Healthcare Alvarado hospital when political pressure was brought on the Justice Department to remove her from office. Carol Lam's prosecution caused the U.S. Department of Health and Human Services threatened to cut Medicare and Medicaid funds to Alvarado Hospital Case # 03CR15870 US Dist. Court Southern California.

source

And, this from NPR:

February 17, 2005: Mistrial declared in first Medicare fraud trial against San Diego's Alvarado Hospital, after jury fails to reach a verdict. U.S. Attorney Carol Lam suggests a retrial is likely.

March 2, 2005: Attorney General Alberto Gonzales' Chief of Staff Kyle Sampson emails White House Counsel Harriet Miers, recommending removal of Carol Lam and several others as "weak U.S. Attorneys who have been ineffectual managers and prosecutors, chafed against Administration initiatives, etc."

II. Recent events

IV. Medical Supply and Novation: A case the Bush Crime Family wants to bury

The company claiming that Novation LLC is liable for antitrust violation is Medical Supply. Its CEO, Samuel Lipari has been concerned with the happenings surrounding this investigation, inter alia, the mysterious un-investigated deaths of two attorneys in Texas; his personal safety and that of his family; his allegations of being a target of an FBI probe; and the revolving door in the Western District of Missouri.

This past week, knowing now of the treachery of Gonzales and the Bush Crime Family, Lipari has released certain items of discovery that he finds relevant to his case in particular and to the over-arching scandal, in general:

Disappointed with the continuing US Department of Justice cover up, on April 9, 2007 Samuel Lipari publicly disclosed Medical Supply discovery revealing the US Attorneys targeted by Karl Rove and Attorney General Alberto Gonzales that resulted in Todd Graves being replaced by Bradley J. Schlozman a year earlier. John Wood was finally sworn in as the US Attorney for the Western District of Missouri on April 11, 2007.

His claims regarding the misuse of the Patriot Act to harm his business, as a punitive action by the government for his bringing this case against the corrupt Texas parent, Tenet, and Novation:

Novation LLC a hospital supplier in Irving, Texas admitted in a Tenth Circuit Court of Appeals filing dated April 9th, 2007 that it was identified as a co-conspirator in a 2002 scheme to use US Bancorp's trust division to prevent Medical Supply Chain from entering the market for hospital supplies by withholding escrow accounts and misusing the USA PATRIOT act as a pretext.

On July 30, 2006 the British newspaper the Daily Mail reported that Novation was under a bribes probe by the US Department of Justice stating Novation: "...is being investigated by American prosecutors following accusations that it has accepted huge 'bribes' from medical manufacturers."

On July 31, 2006 the London Times reported the existence of the US Department of Justice investigation of Novation's conduct as a hospital group purchasing organization or "GPO" and quoted Professor Prakash Sethi, president of the International Center for Corporate Accountability at Baruch College in New York who stated "My most conservative estimates suggest that GPOs extract extra profits of \$5 billion (£2.6 billion) to \$6 billion which legitimately belong to their principal clients, the hospitals."

After Alberto Gonzales became Attorney General on February 3, 2005, the investigation of Novation was suppressed even though insider Novation executives came forward to the US Department of Justice with evidence of laundering hospital funds through the publicly traded electronic hospital supply marketplace Neoforma, Inc. that was then controlled by Novation, Volunteer Hospital Association (VHA), and University Health System Consortium (UHC) and is now owned by the electronic hospital supply marketplace GHX, LLC.

Appendix: The US Attorney biographies from their web-site

John Wood 4.11.07 to present:

Mr. Wood joined the Bush Administration in 2001 and held several prominent positions prior to becoming U.S. Attorney. He has previously served at the Department of Justice as a Deputy Associate Attorney General and as a Counselor to Attorney General John D. Ashcroft. He has also worked at the White House as Deputy General Counsel for the Office of Management and Budget. His last job prior to being nominated by the President to serve as U.S. Attorney was as Chief of Staff for the U.S. Department of Homeland Security, which is the third largest department of the federal government with approximately 180,000 employees and an annual budget of over \$40 billion.

Mr. Wood's wife, Julie, is Assistant Secretary of Homeland Security for Immigration and Customs Enforcement.

Bradley J. Schlozman 3.23.06 to :

Bradley J. Schlozman was appointed to serve as the United States Attorney for the Western District of Missouri under an Attorney General Appointment on March 23, 2006. Prior to assuming his current post, Mr. Schlozman served as the Principal Deputy Assistant Attorney General for the Civil Rights Division at the United States Department of Justice. In this capacity, Mr. Schlozman supervised all activities of the Civil Rights Division, which is comprised of over 700 employees, including 356 attorneys. The Civil Rights Division is responsible for enforcing federal civil rights statutes, including those statutes that prohibit discrimination on the basis of race, sex, disability, religion, and national origin in education, employment, credit, housing, public accommodations and facilities, voting, and certain federally funded and conducted programs.

Mr. Schlozman served for five months as the Acting Assistant Attorney General of the Civil Rights Division. Before that, he had served as Deputy Assistant Attorney General since May 2003, directly supervising the Criminal, Voting, Employment, and Special Litigation Sections of the Civil Rights Division. Mr. Schlozman began his service in the Bush Administration as Counsel to then-Deputy Attorney General Larry Thompson.

Todd Graves 9.17.01 to 3.10.06:

Todd P. Graves, United States Attorney for the Western District of Missouri, announced today that he is resigning from the presidentially-appointed position effective March 24, 2006.

Graves, 40, was nominated by President George W. Bush to be the top federal law enforcement official for western Missouri on July 30, 2001. Graves took his oath of office on an interim appointment as U.S. Attorney by the U.S. District Court on September 17, 2001, and his presidential appointment was formally confirmed by the United States Senate on October 11, 2001.

Graves came to the U.S. Attorney's Office from his position as Platte County Prosecuting Attorney, an office to which he was elected in 1994 and 1998. At the time of his election to that post in 1994, he was the youngest full-time prosecuting attorney in Missouri.

PART TWO: Governor Matt Blunt, Graves, and Bud Collins

Here is a quick summary:

Graves announced his resignation on March 10, 2006. This is smack in the middle of the period during which U.S. Attorney for Arkansas's Eastern District Bud Collins was investigating Governor Matt Blunt's award of fee offices to political supporters. Press accounts have indicated that Cummins' investigation of Missouri's license offices began in January of 2006, but there was no public recognition of the existence of such an investigation until April 2006.

In other words, Graves left the U.S. Attorney's office while the only people who knew anything of the fee office investigation were the United States Department of Justice its representatives, and those being contacted as part of the investigation. And, of course, the critical piece of the puzzle is Graves' role as a recipient of one of the patronage fee offices the award of which was the very thing being investigated by the Justice Department.

Simple logic would dictate to even the amateur sleuth that the intersection of Graves' departure with the fee office investigation is worthy of a much closer look. And the amateur would naturally have a number of very pertinent questions immediately spring to mind...

Just what did Bud Cummins find out about Todd Graves during the first two months of his investigation? Whatever it was, did he share his findings with his superiors at Main Justice in Washington DC --superiors who were already in the midst of figuring out how to get rid of and replace federal prosecutors?

Was whatever it was that Cummins unearthed regarding Graves' connection to ethically problematic aspects of the Blunt fee office scheme enough to cause the folks at Justice in Washington to 'encourage' Graves to vacate his office before things became difficult?

source

Here is a petition by a group of citizens in Missouri regarding this part of the scandal:

Gov. Matt Blunt and U.S. Attorney Todd Graves have created a critical conflict of interest, that leaves Missourians with no choice but to question the integrity of the Governor's office and the protection they will receive from the U.S. Attorney's office. With Graves' wife and brother-in-law accepting \$3.6 million in no-bid contracts to run two of the state's most lucrative fee offices,

Because Graves' office oversees investigations into wrongdoing or corruption in the state capitol, this situation amounts to \$3.6 million in corruption insurance for Blunt. The arrangement seemingly will ensure that the Blunt administration will never be investigated for corruption or wrongdoing as long as Graves and his family continue to get rich off of the Blunt administration.

Tell Matt Blunt and Todd Graves to clean up this mess and fix this conflict of interest immediately. Either Graves' should resign as U.S. Attorney or Blunt must rescind the no-bid handouts he gave to Graves' wife and brother-in-law.

Part III. Conclusion

With each of my forays into the US Attorney Scandal to date, this particular one is startling. With any luck, someone more able to write investigative pieces will see this diary and will hone it into something more comprehensible, and will tell the story better than what I have attempted.

This particular scandal overlaps Lam, Collins, the US Patriot Act, Health care issues, banking, fraud, antitrust violations, violations of Medicare, mysterious deaths, and throughout the entire filthy mess runs the web of the Bush Crime Family and its greed, its lust for power, and its complete and utter disregard for the law, the Constitution, and the American people.

Tags: : Bradley J. Schlozman, Alberto Gonzales, George W. Bush, Carol Lam, Matt Blunt, Bud Collins, Claire McCaskill, Tenet Healthcare, Jeb Bush, Jerry Barbakow, Novation, GPOs, Todd Graves, US Bancorp, General Electric, Karl Rove, John Wood, Organized Crime, Tyco International

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TAGS

Alberto Gonzales Bradley Schlozman Bud Collins Carol Lam Claire McCaskill General Electric George W Bush GPOs Jeb Bush Jerry Barbakow Novation GPOs Todd Graves Karl Rove Matt Blunt Novation Organized crime Tenet Healthcare John Wood Tyco International U.S. Attorneys US Bancorp

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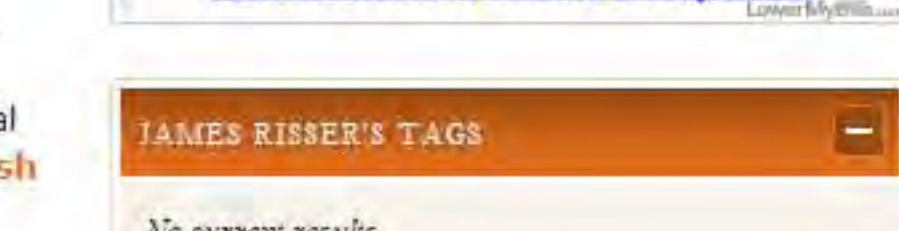
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Mark Penn, you had me at double cheeseburger.

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