

PROFILES IN CORRUPTION



Abuse
of Power
by America's
Progressive
Elite

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Joe Biden

Gritty Joe Biden from Scranton, Pennsylvania, has been part of America's political life since 1972, when at just age twenty-nine he was elected to the U.S. Senate. America watched Joe Biden bury his first wife and daughter following a tragic automobile accident right after his election and shortly before Christmas.¹ America's heart went out to him again as Vice President Biden buried another child, son Beau Biden, when he died from brain cancer in 2015.²

Joe Biden has been on the stage—sometimes in a lead role—in every major national political drama since Watergate. As he recounts in his memoir: “As a United States senator I’ve watched (and played some small part in) history: the Vietnam War, Watergate, the Iran hostage crisis, the Bork nomination, the fall of the Berlin Wall, the reunification of Germany, the disintegration of the Soviet Union, 9/11, two wars in Iraq, a presidential impeachment, a presidential resignation, and a presidential election decided by the Supreme Court.”³ Although not as ideological as some, he has largely remained “a progressive Democrat to his core.”⁴

To any American paying attention to politics, Biden was a familiar figure even before becoming Barack Obama's choice for vice president in 2008. In part this was because he had served as the longtime chairman of two powerful Senate committees—Foreign Relations and Judiciary—so as Salena Zito notes, “We really have seen Biden's career unfold on television.”⁵

At least we have seen the television-friendly portions of Joe Biden's political career unfold. Other aspects involving his family's complex and obscured international deals, leveraged on Joe's political status and power, have rarely been explored. The Biden family partners are often foreign governments, where the deals occur in the dark corners of international finance like Kazakhstan, China, Costa Rica, Jamaica, Ukraine, and Russia. Some deals have even involved U.S. taxpayer money. The cast of characters

includes sketchy companies, violent convicted felons, foreign oligarchs, and other people who typically expect favors in return. Joe's public power positions Biden family members for highly lucrative deals they likely would not otherwise get. These deals also often occur with the appearance that Joe Biden has done favors for the partners who welcome such family members. These are not a few disparate enterprises, but rather moneymaking ventures that appear to be part of a well-organized family business.

Joe Biden has insisted in absolute terms that he never discusses family members' business activities.

The Biden family's apparent self-enrichment depends on Joe Biden's political influence and involves no less than five family members: Joe's son Hunter, daughter Ashley, brothers James and Frank, and sister Valerie.

When this subject came up in 2019 he declared, "I never talked with my son or my brother or anyone else—even distant family—about their business interests. Period."⁶ As we will see, this is an impossibility.

Biden's political identity rests on his hardscrabble and humble roots, which create the impression that both he and his family are not interested in money. As one admiring newspaperman puts it: "Biden sweats humanity."⁷ Still, he does not necessarily like pedestrian labels. "I am always labeled as the 'middle class Joe,' " he grouched in 2014. "In this town, that is not a compliment. It means you are not sophisticated."⁸

The Bidens started out in blue-collar Scranton, Pennsylvania, but in the face of financial hardship, moved to Delaware when he was still young. After first attending the University of Delaware and then law school at Syracuse University, he jumped almost immediately into politics. By the age of twenty-seven, Joe was running for New Castle County Council in Delaware.⁹ From that beginning, Joe's political career was a family affair. His younger brothers James and Frank "organized a volunteer army of young people who worked the strong Democratic precincts."¹⁰ When he ran for the U.S. Senate just two years later, James, then just twenty-two years old, was his finance chairman.¹¹ His sister Valerie was his campaign manager. She would go on to lead every one of his political campaigns over the next three decades until his vice presidential run with Barack Obama.¹²

From his earliest foray into politics to the present day, Biden's political life has been fused with his family. From the beginning, the Biden family, as one admiring biographer puts it, "formed the nucleus for [Joe Biden's] political operations."¹³

The notion of family was deeply embedded in the Biden psyche at an early age. “The single best thing [I learned from my father] is,” Joe’s son Hunter once said, “family comes first. Over everything.”¹⁴ This otherwise admirable character quality crosses the line into corruption when political position and vested power become the locomotive of the family money train. Love of family is not a legitimate excuse for the abuse of power.

The 1972 run for the U.S. Senate was pivotal. Young and little known, Joe was elected to the New Castle County Council just two years earlier. That made him an unusual commodity. In a 1974 interview he described his situation in terms that he now probably regrets. “I’m like the token black or the token woman,” he explained on the PBS program *The Advocates*. “I was the token young person. I’m a 29-year-old oddball. The only reason I was able to raise the money is that I was able to have a national constituency to run for office, because I was 29.”¹⁵

Biden was remarkably candid in that interview about raising money and his willingness to “prostitute” himself to do it. “You run the risk of deciding whether or not you’re going to prostitute yourself to give the answer you know they want to hear in order to get funded to run for that office,” he explained. “I went to the big guys for the money. I was ready to prostitute myself in the manner in which I talk about it, but what happened was they said, ‘Come back when you’re 40, son.’”¹⁶

Despite those early struggles, Biden was able to raise \$276,000 for the Senate campaign, a significant sum in 1972 for an election in a small state like Delaware.¹⁷ Much of the coordination work was done by his brother James, who as finance chairman worked to enlist “the support of national unions, political leaders, and financiers around the country.”¹⁸

Joe’s opponent was Congressman J. Caleb Boggs, a two-term Republican incumbent for the state of Delaware. He was a World War II veteran who had earned endorsements from labor. In 1972, Joe beat him, winning a close election by 3,000 votes out of 230,000 cast statewide.¹⁹

Thus began his thirty-six years as a U.S. senator until he became vice president.

Weeks after his 1972 electoral victory and entrance onto the stage of national politics, tragedy struck when, as mentioned earlier, his wife and daughter were killed in a car crash; his two sons were injured. His sister Valerie moved in to help with his boys, Hunter and Beau. Joe would commute home to Delaware from Washington almost every day on Amtrak to be home with them.²⁰ Riding the rails would become a powerful symbol

of “Six-Pack Joe.” According to Biden, he has made more than eight thousand trips on Amtrak—although not always in the commuter car. “I can say this now, since they can’t do anything about it, I used to ride in the cab a lot with the engineers.”²¹ If he was running late, Biden pulled rank. “On many days” he would call the train conductor and the train would be held “until Joe came aboard.” Other rail commuters would just have to wait.²²

The clouds parted in Joe’s personal life a few years later when his younger brother Frank gave him a phone number and suggested he call a girl named Jill. The two had met at school. “You’ll like her, Joe,” Frank said. “She doesn’t like politics.”²³

Joe and Jill quickly became serious, and it was clear that this was going somewhere. The family noticed and brothers James and Frank took her to dinner for some straight talk. “They told me,” Jill later recalled, “it was a dream of this family that Joe would be president, and did I have any problem with that?”²⁴ The dinner was a testament to how the family viewed its fortunes as being tied to Joe’s political rise. Clearly, Biden’s political career was very much a family operation.

In 1988, when Joe was running for president, he looked to be a favorite. But his campaign was derailed by allegations that he had plagiarized a speech from British politician Neil Kinnock. With the campaign in crisis, his wife Jill, brothers Frank and James, sister Valerie, his parents, and his children all gathered around Joe. The choice to withdraw from the race was a family decision.²⁵

A Catholic priest married Joe and Jill in 1977 in a ceremony held at the United Nations chapel in New York City.²⁶ They had a daughter, Ashley, in 1981. As the kids grew, they moved into a mansion once owned by the DuPont Company in Greenville, Delaware.²⁷

* * *

For the next three decades, Senator Joe Biden became a Washington fixture, accumulating a progressive voting record on a wide variety of issues.²⁸ Other aspects of his voting record suggest the pull of his family’s commercial interests. Senator Biden pushed for the passage of a new bankruptcy law that put him out of step with most of his Democratic Party colleagues.²⁹ He voted against a bill that would require credit card companies to provide better warnings about the perils of making only

minimum monthly payments. He was only one of five Democrats to do so.³⁰ During the same period (between 2001 and 2005), son Hunter was receiving consulting fees from the MBNA Corporation, a major Delaware bank and credit card company.³¹ While sitting on the Senate Judiciary Committee, Senator Biden also worked hard on legislation to deal with asbestos-damage lawsuits.³² It just so happened that son Beau was working for a Wilmington, Delaware, law firm that was handling asbestos litigation cases.³³

In 2001, son Hunter jumped in with both feet when he became a lobbyist with the firm Oldaker, Biden & Belair LLP, with offices on Connecticut Avenue just blocks from the White House.³⁴ Their founder, William Oldaker, also served as a legal advisor to Joe Biden. The boutique firm specialized in “appropriations” lobbying, which meant shaking money loose from the federal government for their clients. They represented lawyers, American Indians, as well as the health care industry. It was located in the same office was the National Group lobbying firm, also run by Oldaker, whose clients included the University of Delaware. Part of their job was submitting “targeted spending items called ‘earmarks’ to Biden’s office.” The arrangement seemed to work quite well until 2006, when the Senate passed an ethics bill requiring senators to verify in writing that they or their families would not benefit from spending items or earmarks that they were pushing. Hunter had to shift gears and leave the appropriations lobbying game.³⁵

However, Hunter was not done with other types of lobbying.

An online gambling company run out of Gibraltar named PartyGaming was under federal scrutiny. The Department of Justice had issued subpoenas to more than a dozen banks working with the company. The company needed help in Washington and hired Hunter Biden to lobby on their behalf. It probably did not hurt that his father was the chairman of the Senate Foreign Relations Committee and a senior member of the Senate Judiciary Committee, with oversight of the Department of Justice. In 2008, Hunter eventually dropped his lobbying clients when his dad was announced as Obama’s running mate. Months later, a cofounder of PartyGaming pleaded guilty to violating the Wire Act and agreed to pay a \$300 million fine to the U.S. government.³⁶

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During his years in the Senate, Biden's family benefited financially in other ways as he leveraged political power. Joe's sister Valerie ran all of his senate campaigns, as well as his presidential runs in 1988 and 2008. But she was also a senior partner in a political messaging firm named Joe Slade White & Company; the only two executives listed at the firm were Joe Slade White and Valerie.³⁷ The firm received large fees from the Biden campaigns that Valerie was running. Two and a half million dollars in consulting fees flowed to her firm from Citizens for Biden and Biden For President Inc. during the 2008 presidential bid alone.³⁸ Keep in mind that Joe Slade White & Company worked for Biden campaigns over eighteen years.³⁹

When Barack Obama selected Joe Biden as his running mate in 2008, it boosted the Biden family fortunes to another level. Now suddenly there were opportunities on a global scale. The executive branch offered an abundance of power to leverage, and the value of the Biden family's commercial deals, especially those of Hunter, James, and Frank, would skyrocket.

* * *

With the election of his father as vice president, Hunter Biden launched businesses fused to his father's power that led him to lucrative deals with a rogue's gallery of governments and oligarchs around the world. Sometimes he would hitch a prominent ride with his father aboard Air Force Two to visit a country where he was courting business. Other times, the deals would be done more discreetly. Always they involved foreign entities that appeared to be seeking something from his father. Often, the countries in question, including Ukraine, Russia, and Kazakhstan, had highly corrupt political cultures. In short, Hunter Biden was not cutting business deals in Japan or Great Britain, where disclosure rules and corporate governance might require greater scrutiny.⁴⁰ These were deals in the truly dark corners of the world.

In 2009, Hunter established a series of small investment vehicles with his friend and business partner Devon Archer. Biden and Archer had been at Yale University together. They launched Rosemont Seneca Partners in partnership with Rosemont Capital, an investment vehicle backed by the Heinz family. Chris Heinz, stepson of then-senator John Kerry, had been

roommates with Archer at Yale.⁴¹ Clearly, this would be an extremely well-connected firm in Washington, D.C.

As I recounted in my previous book, *Secret Empires*, on December 4, 2013, Hunter was riding on Air Force Two with his father to Beijing, China. For Vice President Joe Biden, effective diplomacy was about forming personal relationships with foreign leaders. “It all gets down to the conduct of foreign policy being personal.”⁴² The vice president had a series of important and tense meetings with Chinese officials on a variety of critical matters in the bilateral relationship. The trip coincided with an enormous financial deal that Hunter Biden’s firm, Rosemont Seneca, was arranging with the state-owned Bank of China. What Hunter did during the official visit to Beijing we cannot know for sure. Other than a few photo ops with his father, he was nowhere to be seen.⁴³ After the publication of *Secret Empires*, Hunter Biden, through an attorney, claimed to ABC News that he did no business during his visit to Beijing aboard Air Force Two.⁴⁴ However, a Beijing-based company representative later claimed that Hunter had introduced his Chinese business partner, Jonathan Li, to his father during the visit.⁴⁵

Approximately ten days after the Beijing trip, Hunter Biden’s Rosemont Seneca Partners finalized a deal with the Chinese government worth a whopping \$1 billion. The deal was later expanded to \$1.5 billion.⁴⁶ As of this writing, the fund’s website says its investments amount to more than \$2 billion.⁴⁷

It is important to note that this deal was with the Chinese government—not with a Chinese company, which means that the Chinese government and the son of the vice president were now business partners.

What they created was a joint venture called Bohai Harvest RST (BHR). The name reflected who was involved: the “RS” was a reference to Rosemont Seneca; the “T” was the Thornton Group, a small U.S. investment firm that did business in China. It was a very unusual arrangement: the most powerful financial institution in China, the Bank of China, was setting up a joint venture with Rosemont Seneca Partners. BHR touted its “unique Sino-U.S. shareholding structure” as well as the fact that it was backed by the Chinese government.⁴⁸

Hunter Biden actively cultivated these deals. He had visited China twice before, in 2010 and 2011, to meet with senior Chinese government officials in finance.⁴⁹ But he had no background in China, and other than a very brief and unsuccessful attempt to run a hedge fund with his uncle, no background in private equity.⁵⁰

When the Chinese government's BHR was established, Hunter Biden was given a slot on the board of directors—supposedly unpaid while his father was vice president.⁵¹ His actual compensation cannot be known; it is confidential.

Since *Secret Empires* was released in 2018, Hunter has claimed that he only received compensation from the Chinese after his father left the vice presidency in January 2017. He further claimed it came in the form of a 10 percent equity stake in the Bohai Harvest Financial Management Company.⁵² Whether his claim is accurate or not is impossible to know—it cannot be independently verified. Furthermore, he has misled reporters about the Chinese deal in the past. Even if his account is accurate—that his compensation was deferred—it does not really make a difference. Deferred compensation from a Chinese government entity is still direct compensation from a Chinese government entity. He has never explained why he got this great opportunity from them in the first place.

BHR, with Hunter Biden on the board of directors and Devon Archer as the vice chairman and Investment Committee member, engaged in a series of financial deals that served the strategic interests of Beijing. In one of their first deals, the firm took an ownership stake in China General Nuclear Power Corporation (CGN), a nuclear energy company. The company was charged in 2016 with espionage against the United States. Also charged was an engineer who stole nuclear secrets from the United States. BHR also helped buy out the American precision machining company Henniges. They bought the company in a joint deal with Aviation Industry Corporation of China (AVIC), a military contractor owned by the Chinese government. Because Henniges's technology has military application, and therefore national security implications, the deal had to be approved by an interagency committee made up of Obama-Biden administration officials.⁵³ BHR also invested in military-related technology companies closer to home: they bought a stake in Face++, a major developer of facial recognition software commonly used in a phone application made by the Chinese government for surveillance of its own population.⁵⁴

BHR was the first of a series of business relationships that Hunter Biden established with the Chinese government or Chinese government-connected entities. Another Hunter Biden-linked firm called Rosemont Realty struck a deal with a Chinese government-connected company in 2014. Hunter was an advisor and the “cofounder” of the company, which owned commercial real estate properties around the United States.⁵⁵

Just as he had little or no background in private equity, Hunter also had no background in real estate.⁵⁶ Rosemont Realty openly touted its ties to Vice President Joe Biden. In a Rosemont Realty company prospectus for investors watermarked “CONFIDENTIAL,” there was the “key consideration” that “Hunter Biden (son of Vice President Biden) is on the advisory board.”⁵⁷

Better yet, Rosemont Realty had other political connections beyond Hunter Biden.

Rosemont Realty was headed by Daniel Burrell, a Yale grad who had worked on the John Kerry 2004 presidential campaign. A major investor in Rosemont Realty was an entity called Rosemont Real Estate GP, LLC.⁵⁸ Who exactly owns Rosemont Real Estate GP is unclear; however, in Securities and Exchange Commission (SEC) filings, the firm lists its address as that of the Heinz family office in Pittsburgh and shares a phone number with Rosemont Capital in New York City.⁵⁹ At the time of Rosemont Realty’s arrangement with the Chinese firm, John Kerry, married to Heinz heir Teresa Heinz Kerry, was the U.S. secretary of state.

Just about a year after the massive deal with the Chinese government’s Bohai Harvest, another Hunter Biden firm struck a pact with another Chinese government-linked firm called Gemini Investments. This deal involved a multibillion-dollar investment with Rosemont Realty.⁶⁰

Who exactly is Gemini Investments? While Gemini is a publicly traded stock in Hong Kong, it is ultimately an “indirect subsidiary” under the control of a Chinese conglomerate called Sino-Ocean Group (formerly Sino-Ocean Land). Gemini Investments’ director and honorary chairman is Li Ming. His corporate and political ties in Beijing go to the highest levels of the Communist Party. Indeed, he served several terms running as a member of the Chinese Communist Party’s elite People’s Political Consultative Conference. Before the name change, Sino-Ocean Land was “one of the largest real estate companies in Beijing,” and it is directly connected to a company called China Ocean Shipping Company (COSCO). Formed in 1961, COSCO is a state-owned company with strong organizational links to the Chinese navy.⁶¹

By December 2014, Gemini Investments inked the new partnership with Rosemont Realty, under which they would acquire an interest in the company and its underlying properties.⁶² Eight months later, the newly christened Gemini-Rosemont announced its plans for \$3 billion worth of new acquisitions.⁶³

In short, Hunter Biden was involved in two billion-dollar deals with Chinese government-connected firms in a twenty-month period while his dad was vice president of the United States. Hunter was apparently eager to strike other deals with the Chinese—business implicitly leveraged on who his father was.

Consider the case of Patrick Ho, who was arrested in late 2017 by federal agents in New York for money laundering and violating the Foreign Corrupt Practices Act. Ho was an assistant to Chinese oil tycoon Ye Jianming, who ran the energy company CEFC. The company has strong ties to the Chinese military.⁶⁴ Hunter Biden would later admit Ye sent him a “large diamond” after one of their meetings. Biden says that he did not keep it.⁶⁵ Ho was also the secretary-general of the nonprofit China Energy Fund Committee, which many observers view as a government-directed entity.⁶⁶ In March 2019, Ho was jailed in the U.S. on bribery charges stemming from oil deals in Africa.⁶⁷ According to the *New York Times*, it appears that Ho’s first phone call while in the custody of U.S. officials was an attempt to reach Hunter Biden.⁶⁸

CEFC officials had met multiple times with Hunter Biden beginning back in 2015. In May 2017, Hunter met with Ho in Miami, where they reportedly discussed joint energy and infrastructure deals in the United States. The night of his arrest, Ho called James Biden, Joe’s brother. Why Ho had James Biden’s number is not clear. According to James Biden, the call was a surprise; he believed Ho was trying to contact Hunter so he gave him his nephew’s number.⁶⁹

During Ho’s trial, prosecutors presented evidence that he was an arms dealer on the side, running guns to conflict zones around the world.⁷⁰ He was sentenced to three years in jail. If in fact Ho did intend for his first call while in custody to reach the son of the former vice president, it speaks volumes about how juiced in Hunter Biden was with some Chinese officials.

With Hunter’s deals in China, Joe Biden’s attitude toward China seemed to soften. In 2011, the Obama administration announced a strategic shift called the Asia Pivot.⁷¹ Based on the idea that the main military and strategic challenges facing the United States are emanating from China, the Obama administration shifted military resources toward Asia.⁷² Yet Biden continued to strike a relatively soft posture toward Beijing, much to the chagrin of U.S. allies in the region.⁷³ He continued to minimize the challenges posed by China in the spring of 2019 while on the campaign

trail. “Come on, man,” Biden said. “They’re not bad folks, folks, but guess what. They’re not competition for us.”⁷⁴

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Hunter Biden’s foreign deals were not limited to China, as strategically generous as that country was to the vice president’s son. Ukraine, Kazakhstan, and even Russia offered him other wealth opportunities.

Ukraine boasts an abundance of energy resources, especially oil and natural gas. Burisma, a top Ukrainian natural gas producer, has deep political ties in the country. It was created in 2006 by Mykola Zlochevsky and has a Cypriot registration. He became the ecology and natural resources minister under the pro-Russian government of Viktor Yanukovich. As natural resources minister, Zlochevsky conveniently gave himself licenses to develop abundant natural gas fields. His oversight allowed Burisma to become the second-largest private natural gas company in the country. They currently rank first.⁷⁵

As previously noted in *Secret Empires*, on April 16, 2014, Devon Archer made a private visit to the White House for a meeting with Joe Biden. The day prior, Burisma had deposited more than \$112,000 into a Rosemont bank account marked “C/O Devon Archer.” Six days later, on April 22, it was announced that Archer was joining the board of directors of Burisma. In short succession, on May 13, it was announced that Hunter Biden would join the Burisma board, too. Neither one had any background or experience in the energy sector, or in Ukraine for that matter.⁷⁶

We now know based on financial records that each man appears to have been paid \$83,333.33 *per month* by Burisma, or a total of \$1 million a year.⁷⁷

The timing of their appointment to the Burisma board and the payments is more than interesting. The day before Archer’s official appointment, on April 21, Vice President Biden landed in Kyiv for meetings with Ukrainian officials, bringing with him terms for a United States Agency for International Development (USAID) program to assist the Ukrainian natural gas industry.⁷⁸

Even in a country abounding with corruption, Burisma stands out. Burisma founder Zlochevsky was in legal crosshairs when Biden and Archer joined the company board. By February 2016, Ukrainian author-

ities seized Zlochevsky's property on suspicion that he was engaged in "illicit enrichment."⁷⁹ Zlochevsky found himself on Ukraine's wanted list and fled the country.⁸⁰ The Ukrainian prosecutor general's office seized Burisma's gas wells. Tax authorities began investigating him for suspicion of tax evasion.⁸¹

Hunter Biden used his contacts in Washington to help Zlochevsky in his corruption case. Burisma hired a former Obama Department of Justice lawyer named John Buretta and Blue Star Strategies, a consulting firm run by former Clinton administration officials, to help.⁸²

Buretta would later recount how he interacted directly with Ukrainian prosecutors with the expressed purpose of getting the charges dropped. According to Buretta, the charges were dismissed in September 2016.⁸³

Under pressure from Joe Biden, Ukrainian officials fired the Ukrainian prosecutor who was investigating Burisma. Joe Biden later bragged that he had the prosecutor fired by threatening to withhold one billion dollars in U.S. aid assistance to Ukraine.⁸⁴

On January 16, 2017, Air Force Two descended toward Boryspil International Airport, just southeast of Kyiv. It was Joe Biden's last foreign trip as vice president. Under Biden's direction, the Obama administration had poured some \$3 billion into the country.⁸⁵ Four days before Biden arrived, Burisma announced that the Ukrainian government prosecutors had ended the criminal investigations into the company and its founder Zlochevsky.⁸⁶

There is no complete public record of Hunter Biden's foreign financial deals while his father was vice president, because neither he nor any other members of the Biden family, beyond Joe and Jill, had any federal disclosure requirements of their finances. However, court documents, including financial records from a trial involving Hunter's business partner Devon Archer, offer some tantalizing clues involving other deals Hunter Biden made around the world during the time his father was vice president.

A Morgan Stanley investment account from which Hunter regularly received funds shows money arriving from mysterious sources around the world. There is a \$142,300 deposit in April 2014 from Kazakh oligarch-controlled Novatus Holdings. Kenges Rakishev, whose father-in-law is the former vice prime minister of Kazakhstan and a close ally of Kazakh dictator Nursultan Nazarbayev, runs the offshore firm.⁸⁷ In August 2014, \$1.2 million arrived into the account from an anonymous LLC via a small Swiss bank called BSI S.A. In 2016, BSI was one of several companies that

were part of an embezzlement and money-laundering investigation spanning ten countries and at least \$4.2 billion in irregular transactions.⁸⁸

The financial documents also demonstrate that someone in the Biden family has other LLCs set up to receive payments. In August 2015, for example, \$150,000 was transferred into an account controlled by something called MFTCG Holdings LLC Biden. It is unclear what that account is or who controls it.⁸⁹

In another corporate record released as part of the court trial, Devon Archer describes a financial relationship with Russian oligarch Yelena Baturina. A billionaire with extensive political connections in Moscow and notorious links to Russian organized crime, Archer said Baturina invested \$200 million into “various investment funds” with which he was involved.⁹⁰

* * *

Not all of Hunter Biden’s wealth accumulation during his father’s vice presidency was international. Some deals occurred within the United States and benefited from taxpayer dollars steered by his father’s closest aides.

Consider the case of something called mbloom, a joint venture that Hunter Biden and Devon Archer set up in Hawaii. Mbloom was a “public-private partnership” in which Hunter’s firm invested \$5 million and the other half came from the Hawaii Strategic Development Corporation (HSDC).⁹¹ But where did HSDC get its money for mbloom? It came from a program back in Washington, D.C., called the Treasury Department State Small Business Credit Initiative. Three million dollars of the HSDC money came from the program, which was run by a longtime Biden aide named Don Graves.⁹²

It is hard to find someone tighter in the Biden orbit than Graves. Over the course of his career, he has served as counselor to Vice President Biden, his domestic and economic policy director, and as his traveling chief of staff. After Joe Biden left the White House, he appointed Graves to the policy advisory board of the Biden Institute.⁹³

The bottom line is that Hunter Biden’s joint venture with mbloom was partly funded by taxpayer dollars through a program run by his father’s longtime aide.

Things ultimately did not go well for mbloom. Almost immediately, the company became embroiled in an ethics scandal when it was revealed that the two men running the fund were steering dollars to their own companies.⁹⁴

* * *

Beyond his numerous Rosemont-branded entities and ventures like mbloom, Hunter was also deeply involved with a troubling entity called Burnham Financial Group, where his business partner Devon Archer also sat on the board of directors.⁹⁵

As they had with Rosemont, Hunter Biden and Devon Archer used Burnham to make foreign deals with governments and oligarchs, including Nurlan Abduov, an associate of Kazakh oligarch Kenges Rakishev.⁹⁶ As mentioned, Rakishev is the son-in-law of the former vice prime minister of Kazakhstan. His father-in-law, Imangali Tasmagambetov, was also formerly the defense minister of the country and is now the Kazakh ambassador to Russia.⁹⁷ Kazakhstan is an important country not only for its vast energy resources but also because of its geostrategic position.

The financial ties between this foreign government and Biden appear to go deeper than just the investment in Burnham. As one business associate put it in an email released at the court trial, “Rosemont is deeply involved in Kazakhstan. The SWF [Sovereign Wealth Fund] of Kazakhstan is involved with Rosemont Seneca Technology Partners, Rosemont’s technology investment vehicle.”⁹⁸

Between the Rosemont entities and Burnham, Biden and Archer’s business dealings in Kazakhstan were extensive, although specific financial data remains undisclosed. What can be discerned from emails obtained through the Freedom of Information Act (FOIA) is that there was back-channel communication between Kazakh officials and then–secretary of state John Kerry via Devon Archer. Recall that Kerry’s stepson Chris Heinz was a business partner with Biden and Archer in some of their ventures. In an email from July 11, 2013, Kerry chief of staff David Wade writes to Devon Archer, “Devon: understand you spoke to the Secretary re having him call [Kazakh] Foreign Minister Idrisov today, can you let me know topics Idrisov wants to talk about/any requests he’ll have of the boss, so we can get paper prepared for a call. Hopefully, the situation on the home

front will leave him time to do it.”⁹⁹ This email alone makes clear that Archer had direct access to the secretary of state, without the knowledge of his chief of staff, and that Archer acted as a liaison for the Kazakh foreign minister with the secretary of state, all the while receiving funds for his and Hunter’s private deals.

In addition, two Chinese companies also became involved with Burnham. Kirin Global Enterprise Limited, a mysterious investment vehicle run by Xiangyao (or Yaojun) “Larry” Liu and Guo Jianfeng, was one that invested in Biden’s company. Very little is known about Kirin or its two principals, other than the fact that they invest heavily in mainland Chinese real estate.¹⁰⁰ Another firm, Harvest Global Investors, a Chinese investment firm linked to the government in Beijing, also worked with Burnham, although it is unclear whether they invested money.¹⁰¹

Kazakhstan and China aside, Burnham Asset Management became the center of a federal investigation involving a \$60 million fraud scheme against one of the poorest Indian tribes in America, the Oglala Sioux. Devon Archer was arrested in New York in May 2016 and charged with “orchestrating a scheme to defraud investors and a Native American tribal entity of tens of millions of dollars.” Other victims of the fraud included several public and union pension plans.¹⁰² Although Hunter Biden was not charged in the case, his fingerprints were all over Burnham. The “legitimacy” that his name and political status as the vice president’s son lent to the plan was brought up repeatedly in the trial.¹⁰³

The scheme was explicitly designed to target pension funds that had “socially responsible investing” clauses, including pension funds of labor union organizations that had publicly supported Joe Biden’s political campaigns in the past. Indeed, eight of the eleven pension funds that lost their money were either government employee or labor union pension funds.¹⁰⁴ Joe Biden has “a long-standing alliance with labor.” He closely identifies with organized labor. “I make no apologies,” he has said. “I am a union man, period.”¹⁰⁵ And many public unions have endorsed him over the years.

The defrauded pension funds included:

- Birmingham (Alabama) Water Works Pension Plan
- Chicago Transit Authority
- Management International Longshoreman’s Association
- Milk Drivers Local 246 (an affiliate of the Teamsters)
- Omaha, Nebraska, School Employees’ Retirement Fund

- Philadelphia Housing Authority
- City of Richmond (Virginia) Retirement System
- Washington Suburban Sanitary Commission¹⁰⁶

Transcripts from Devon Archer's trial offer a clearer picture of Hunter Biden's role at Burnham Asset Management, in particular the fact that he used his father's name and political status as a means of both recruiting pension money into the scheme and alleviating investors' concerns.¹⁰⁷

Hunter Biden had an office at Burnham's New York City offices on Fifty-Seventh Street.¹⁰⁸ During the trial, numerous witnesses came forward describing Hunter's involvement with the firm. Tim Anderson, a lawyer who did legal work on the issuance of the tribal bonds, recounts seeing Hunter while visiting the Burnham office in New York City to meet with Bevan Cooney, who was later convicted in the case.¹⁰⁹

The political ties that Biden and Archer had were considered key to the Burnham brand. As stated in an August 2014 email, Jason Galanis, who was convicted in the bond scheme, agreed with an unidentified associate who also thought the company had "value beyond capital" because of their political connections.¹¹⁰

In the closing arguments at the trial, one of Devon Archer's defense attorneys, Matthew Schwartz, explained to the jury that it was impossible to talk about the bond scheme without mentioning Hunter Biden's name. "Mr. Archer responded to further questions. They wanted to know about this too, and one of the reasons—by the way, it was perfectly sensible—was because Hunter Biden was part of the Burnham team. You remember that. You saw on that Teneo slide deck he was going to be the vice chairman. You heard testimony that he was in the office. Mary Moynihan from the BIT board told you they had questions about his commissions and how much he was going to bring in in terms of clients. He was part of this deal. It was sensible to talk about him." Beyond son Hunter, other family members saw their commercial fortunes rise as they leveraged Joe Biden's position for their personal benefit.¹¹¹

* * *

It would be a dream for any new company to announce their launch in the Oval Office at 1600 Pennsylvania Avenue.

StartUp Health is an investment consultancy based out of New York City, and in June 2011 the company barely had a website. The firm was the brainchild of three siblings from Philadelphia. Steven Krein is CEO and co-founder, while his brother, Dr. Howard Krein, serves as chief medical officer. Sister Bari serves as the firm's chief strategy officer. A friend named Unity Stoakes is a co-founder and serves as president.¹¹²

StartUp Health was barely up and running when, in June 2011, two of the company's executives were ushered into the Oval Office of the White House. They met with President Barack Obama and Vice President Joe Biden.¹¹³

It was an "amazing moment," recalled Unity Stoakes. "We were pinching ourselves." The following day the new company would be featured at a large health care tech conference being run by the U.S. Department of Health and Human Services (HHS). The meetings at the White House were crucial. Afterward, according to Stoakes, they felt "the wind to our backs."¹¹⁴

StartUp Health would continue to enjoy access to the highest levels of the White House as they worked to build up the business. Indeed, StartUp Health executives became regular visitors to the White House. According to 2011 White House visitors' logs, Howard Krein attended the China State Dinner, a White House Staff barbecue, and President Obama's Motown event. His brother, Steven, had half a dozen other meetings with White House officials.¹¹⁵ Executives were back in June 2014 for a meeting with sixty "health transformers."¹¹⁶ Howard even had another visit with President Obama on September 25, 2015.¹¹⁷

That first White House meeting in the Oval Office would remain an important touchstone for the company and was a key component in the way they presented themselves to potential investors and partners. In 2019, they were still touting it publicly as part of the company's mythology.¹¹⁸

How did StartUp Health gain access to the highest levels of power in Washington? Their status as a health care incubator was hardly unique. In fact, there were thirty-one similar companies operating in the state of California alone, and another eleven in the state of New York.¹¹⁹

So how did the hookup actually happen? At this point, it is important to point out that the chief medical officer of StartUp Health, Howard Krein, is married to Joe Biden's youngest daughter, Ashley.

"I happened to be talking to my father-in-law that day and I mentioned Steve and Unity were down there [in Washington, D.C.]," recalled Howard Krein. "He knew about StartUp Health and was a big fan of it. He asked for

Steve's number and said, 'I have to get them up here to talk with Barack.' The Secret Service came and got Steve and Unity and brought them to the Oval Office."¹²⁰

Advancing the commercial interests of StartUp Health using the Oval Office and Air Force Two would continue over the next half-decade while Biden was in office. Dr. Krein, who started dating Ashley in 2010 and married her in 2012, joined the Biden inner circle, even serving as a pallbearer at Beau Biden's funeral in 2015.¹²¹

StartUp Health describes itself as an investor in health care companies and an incubator. This is no charity. The firm offers to provide new companies technical and relationship advice in exchange for a stake in the business. Newly launched health-technology companies that want help from StartUp Health are expected to offer the firm 2 to 10 percent equity in their company.¹²² Demonstrating and highlighting the fact that you can score a meeting with the president of the United States certainly helps prove a strategic company asset: high-level contacts.

Vice President Joe Biden continued to help Krein promote his company through his last months in the White House. In 2016, the vice president took his son-in-law to the Vatican for a conference on regenerative medicine attended by Pope Francis. Hunter Biden was also on the trip. After arriving on Air Force Two, Vice President Biden gave a keynote speech. Pope Francis also offered his thoughts on the challenges of health care and decried profit-driven research. Conference attendees included a who's who of scientific researchers in medicine from around the world.¹²³

The vice president was still not finished helping to boost his son-in-law's business.

The following month, Krein was given the honor of introducing Vice President Biden at a major data conference first organized by the Obama administration in 2016 called Health Datapalooza.¹²⁴ Then, in October 2016, Biden made a joint appearance with StartUp Health's Steve Krein at the Cleveland Clinic's Medical Innovation Summit.¹²⁵ In January 2017, in his final days in the Obama administration, Biden made a surprise appearance at the StartUp Health Festival in San Francisco. The corporate event, which is open only to StartUp Health members, included the vice president chatting in a closed session with the 250 people in attendance.¹²⁶

Once Biden left the vice presidency, he continued to speak for his son-in-law's company. In January 2018, the now-former vice president delivered the keynote at the StartUp Health Festival. The following year it was Jill Biden's turn to deliver a speech there.¹²⁷

* * *

Joe Biden's younger brother, James, has been an integral part of the family political machine from the earliest days when he served as finance chair of his 1972 Senate campaign. Joe and James have remained close. After Joe joined the U.S. Senate, he would bring his brother James along on congressional delegation trips to places like Ireland, Rome, and Africa.¹²⁸

James Biden's beach house on Keewaydin Island, Florida, was a Biden gathering place during the vice presidential years. An exclusive island off the coast of Naples, Florida, the five-acre property became known locally as the Biden Bungalow. During the Christmas 2013 holiday, for example, the vice president and the Biden family gathered there.¹²⁹ As might generally be expected, James was welcome as well to the White House, including attending the visit of Pope Francis in September 2015. How many times James Biden visited the White House is not clear even by examining the White House visitors' logs. In 2011, for example, he was photographed attending a state dinner at the White House, but his name did not appear in visitors' logs for the event.¹³⁰

Where James Biden's visits to the White House become pertinent to this analysis is where Joe secured James's inclusion at important White House functions that dovetailed with James's overseas business dealings. As we will see, James Biden's commercial opportunities flourished when his brother became vice president, continuing to show a pattern of Joe's public power being leveraged for his family's material gain. As with Hunter and Ashley, James profited handsomely during Joe's tenure as vice president.

Consider the case of HillStone International, a construction firm created in 2010 as a subsidiary of Hill International. Hill International began losing money in 2011. It had been launched back in 1976, and founder Irv Richter quickly became a major campaign contributor to the New Jersey Democratic Party. He was not shy about the fact that political connections had built his construction business. As he once told the *Philadelphia Inquirer*: "If your competition has access because they've been political contributors, and you don't, you're going to be at a serious disadvantage."¹³¹

The president of HillStone International was Kevin Justice, who grew up in Delaware and was a longtime Biden family friend. He was friends with lots of Bidens, especially Joe's sons Hunter and Beau. On November

4, 2010, according to White House visitors' logs, Justice visited the White House and met with Michele Smith in the Office of the Vice President. Smith was an advisor to the vice president.¹³² Less than three weeks later, HillStone announced that the vice president's brother James would be joining the firm as an executive vice president. James appeared to have little or no background in housing construction, but that did not seem to matter to HillStone. His bio on the company's website noted his "40 years of experience dealing with principals in business, political, legal and financial circles across the nation and internationally" that "enable him to understand the needs and perspectives of government, financial and development leaders to effectively negotiate and implement low-cost housing objectives both domestically and abroad." His company bio added that at "the age of 22, [James] Biden was the finance chairman of his then 29-year-old brother's bid for a U.S. Senate seat in Delaware and successfully enlisted the support of national unions, political leaders and financiers across the country."¹³³

James Biden was joining HillStone just as the firm was starting negotiations to win a massive contract in war-torn Iraq. Six months later, they announced a contract to build 100,000 homes. It was part of a \$35 billion, 500,000-unit project deal won by TRAC Development, a South Korean company. HillStone also received a \$22 million U.S. federal government contract to manage a construction project for the State Department.¹³⁴

David Richter, founder Irv's son, was not shy in explaining HillStone's success in securing government contracts. It really helps, he told investors at a private meeting, to have "the brother of the vice president as a partner," according to someone who was there.¹³⁵

David Richter talked about having James Biden on the payroll and what it meant. "He knows how to deal with government officials; that's his skill," he said. "He makes people from foreign countries comfortable we're not going to steal their money. After all, he's also been with his brother a long time."¹³⁶

The Iraq project was massive, perhaps the single most lucrative project for the firm ever. In 2012, Charlie Gasparino of Fox Business reported that HillStone officials said that the Iraq project was expected to "generate \$1.5 billion in revenues over the next three years." That amounted to more than three times the revenue the company produced in 2011.¹³⁷

A group of minority partners, including James Biden, would split about \$735 million. "There's plenty of money for everyone if this project goes through," said Irv Richter.¹³⁸

A South Korean construction company won the contract on which Hill and HillStone would work. Only months after the deal's announcement, James Biden and his wife, Sara, showed up at the White House as guests for an official state dinner. It just happened to be a state dinner honoring the then-president of South Korea, Lee Myung-bak.¹³⁹

The deal was all set, but HillStone made a crucial error. In 2013, the firm was forced to back out of the contract because of a series of problems, including a lack of experience by Hill and TRAC Development, according to Irv Richter. But it continued doing significant contract work in the embattled country, including a six-year contract with the U.S. Army Corps of Engineers.¹⁴⁰

James Biden remained with Hill International, which accumulated contracts from the federal government for dozens of projects, including projects in the United States, Puerto Rico, Mozambique, and elsewhere.¹⁴¹

The Bidens leverage political power not only for generating deals, but also for the opportunities to quietly develop the financial resources of wealthy friends for the benefit of the family. Friends that help the Bidens can count on Joe to grant them governmental favors. Consider the case of a businessman named John Hynansky.

A car dealer from Delaware, Hynansky and his family have officially poured tens of thousands of dollars into Joe Biden's campaign coffers over the years. More than just a donor, he is a Biden friend and has helped the Biden family out financially as well.

On July 22, 2009, Vice President Biden was in Kyiv, Ukraine, as part of his first visit to the country during the Obama administration. A large crowd of citizens and businessmen gathered on a beautiful warm summer morning to hear him speak. During his speech, Biden singled out John Hynansky as "my very good friend," describing him before the large crowd as "a very prominent businessman from Delaware . . . I had breakfast with him the other day."¹⁴²

Hynansky is well known in Ukraine. Shortly after the fall of communism, he moved into the country as an automobile importer and car dealer.¹⁴³

Hynansky had ambitions to expand his business in Ukraine and the Obama-Biden administration was willing to help. Three years after that speech, in July 2012, the federal government's Overseas Private Investment Corporation (OPIC) announced that it was providing Hynansky's company with a \$20 million loan so that he could grow his import dealership in Ukraine. According to OPIC, the loan was to "expand Winner Im-

port Ukraine's automobile business, [and] construct and operate 'Winner Autocity,' which will have two new, state-of-the-art dealership facilities for Porsche and Land Rover/Jaguar Automobiles." What is unusual, and as OPIC made clear, is that the loan would not actually create any American jobs; the cars to be sold in Ukraine were European luxury vehicles built in other countries. The best it could claim was that the taxpayer-backed loan would not cost any American jobs.¹⁴⁴

The Biden family friend benefited from taxpayer-backed loans provided by the Obama-Biden administration. Why Hynansky needed the loans is unclear, given his vast business empire. Indeed, in 2015, Hynansky told reporters, "I have a ton of companies in the Ukraine."¹⁴⁵ Why OPIC granted a taxpayer-backed loan for a business that would not create jobs in the United States and would simply sell expensive European-made vehicles to the Ukrainian elite is also unclear.

What is clear is that Joe Biden helped a friend who would later help another Biden.

In June 2015, James Biden had a federal tax lien placed on the Biden Bungalow on Keewaydin Island, Florida, by the Internal Revenue Service (IRS). According to tax filings, he owed nearly \$590,000 to the federal government in back taxes. In late 2014, there was also a \$74,700 lien placed on the home by a contractor called Gator Pressure Cleaning & Custom Painting.¹⁴⁶ In mid-2015, help arrived when James received two mortgages totaling \$900,000. The mortgages came from an obscure Delaware entity called 1018 PL LLC. According to corporate records, John Hynansky controls that company.¹⁴⁷

The mortgages Hynansky provided seemed to do the trick. The amount James owed to the IRS dropped to just \$30,000 by the end of 2015.¹⁴⁸ Six days after he received the mortgages from Hynansky, Gator was paid, too.¹⁴⁹

Even after Joe left office, James Biden continued to tout his ties to his brother. At a meeting in 2018, James told a group of potential business partners that the Biden Cancer Initiative, a nonprofit launched in 2017 by Joe and Jill Biden, would help promote their new business.¹⁵⁰

* * *

In July 1999, Joe's other younger brother, Frank Biden, was living in San Diego and driving—with a suspended Florida license—a rented Jaguar XK8 sedan. On August 14, 1999, Frank drove the Jag to a friend's house and later, around 11:15 p.m., they decided to go to a concert at the Belly Up Tavern in Cardiff, California. According to court documents, he gave the keys to his young friend Jason Turton; three others piled into the backseat. Frank rode shotgun, handled the stick shift, and provided instructions as they cruised down the highway. At one point, Frank shifted into high gear and told Turton “punch the car and leave it in third gear” until told otherwise. Frank then gave the command for fourth gear and the Jaguar picked up speed. Soon they were humming along between 70 and 80 mph in a 35-mph zone. Michael Albano, a thirty-seven-year-old single father, was crossing the street, having just left a beachside bar, when the Jaguar slammed into him. Albano was first struck by the right headlamp, which sent him crashing into the windshield, over the top of the car, into a backseat passenger's face, and then onto the Jaguar's trunk before landing on the asphalt. In depositions two of the witnesses sitting in the backseat recall Frank Biden telling Turton to “keep driving” after Albano hit the ground.¹⁵¹

Albano died at the scene. He left behind two young daughters, who would later describe him as a “perfect” father.¹⁵²

Turton pleaded guilty to felony hit and run.¹⁵³ The guardians for Albano's daughters sued Frank Biden in court in a “wrongful death” civil lawsuit on August 14, 2000, but Frank never showed up at the courthouse. Nor did he reply to any legal correspondence from the court, including a court final judgment in September 2002 that Frank owed each of the girls \$275,000 for his role in the tragedy.¹⁵⁴

In October 1999, the guardians for the two Albano girls had hired a private investigator to find Frank. They spoke to his ex-wife, the broader Biden family, and eventually the Biden family attorney, who refused to provide any information about Frank's whereabouts or to accept service of documents. Investigators also noted that they had “received information indicating that the Subject appears to stay with his brother, Joseph, occasionally,” and that people nearby claimed to have seen him at Joe's house in Delaware.¹⁵⁵

The quest for paying the judgments began. Investigators could not find any bank accounts connected to Frank “because of his apparent evasive actions”; they suspected that perhaps he had accounts “in another name or DBA.”¹⁵⁶

Eight years after the court's ruling, in September 2008, an attorney for the girls reached out to Senator Joe Biden in Washington, asking for assistance in locating his brother and getting him to pay the debt. Joe Biden, of course, had lost his own wife and daughter in an automobile accident so perhaps there was the hope that he would be sympathetic. Joe Biden did not respond. Instead, his chief of staff at the time wrote back in what can only be described as a businesslike—even cold—letter, revealed publicly here for the first time. “Senator Biden has received your letter of September 16 regarding a judgment by your clients against his brother Frank,” he wrote on Biden’s official Senate stationery. “The Senator wishes to express his deep sympathy with the Albano daughters over their loss. While it is correct, as you state, that Senator Biden was not involved in the accident and bears no legal liability for the judgment, the Senator would certainly encourage his brother to pay the judgment if his personal financial circumstances made that at all possible. As you are aware, however, Frank has no assets with which to satisfy the judgment. The Senator regrets that this is where matters stand and that he cannot be more helpful.”¹⁵⁷

But Frank Biden was earning money. Indeed, seven days before Joe Biden’s office sent that letter, his brother was slapped with a tax lien from the IRS for \$23,638.59 in unpaid taxes. In total he owed more than \$32,000 at the time, a clear indication that Frank had income. In 2013, he paid off the tax lien in full.¹⁵⁸

As of the time of this writing, in September 2019, the Albano daughters have still not collected their money from Frank Biden. With interest, that judgment debt is now more than \$900,000.¹⁵⁹

As we have already observed, loyalty to family is a virtue until it becomes an excuse for unethical use of public power. Here, we also note the irony that loyalty to his family would become an excuse to disregard someone else’s family—despite having the power to take compassionate action for a just cause.

Although Joe appears unwilling to help the Albano sisters collect a legitimate debt from Frank, as we will see, he has been busy helping Frank accumulate wealth through far-flung business deals.

In late March 2009, Vice President Joe Biden was headed to Costa Rica aboard Air Force Two. He went for a series of meetings with officials as a preamble to the Fifth Summit of the Americas Conference. Biden went to the Costa Rican presidential palace for a one-on-one with President Oscar Arias. Daniel Ortega, the strongman leader of neighboring Nicaragua, criticized Biden for being “too chummy” with Arias. The Biden visit had

symbolic significance. The last time a high-ranking American official had visited the country was back in 1997, when Bill Clinton had come.¹⁶⁰

Biden and Arias met with a number of associates present. Biden invited “Arias to work with him personally to develop” education policy for Central America, but also underscored that “foreign direct investment would help Costa Rica’s economy more in the short term.” During the meeting, Arias gave Biden a letter to pass on to President Obama requesting additional U.S. aid dollars to assist with Costa Rica’s education system.¹⁶¹ Later, the Arias administration declared that it was “a clear recognition of the trajectory of Costa Rica as the United States’ strategic partner in the region.”¹⁶²

Joe Biden’s trip to Costa Rica came at a fortuitous time for his brother Frank, who was busy working deals in the country. Conveniently, any assets Frank might hold in Costa Rica would be out of reach of U.S. courts and the Albano family. Frank, who had studied law and practiced real estate in Florida, had ambitions in Costa Rica. In the months that followed, the opportunities for Frank Biden arose courtesy of the Costa Rican government. Just months after Vice President Biden’s visit, in August, *Costa Rica News* announced a new multilateral partnership “to reform Real Estate in Latin America” between Frank Biden, a developer named Craig Williamson, and the Guanacaste Country Club, a newly planned resort. The partnership, which appears to be ongoing, was wrapped in a beautiful package as a “call on resources available to the companies and individuals to reform the social, economic and environmental practices of real estate developers across the world by example.” Frank Biden declared, “Prioritizing the health and wellbeing of employees, members of the local community and protecting the breathtaking beauty that is Costa Rica is a money maker.”¹⁶³

In real terms, Frank’s dream was to build in the jungles of Costa Rica thousands of homes, a world-class golf course, casinos, and an antiaging center. The Costa Rican government was eager to cooperate with the vice president’s brother.¹⁶⁴

As Joe Biden would later recount in his book *Promise Me, Dad*, he was a central player in Obama administration policy toward Latin America and the Caribbean. “The President asked me to take over the job of repairing our wobbly relations across the entirety of the Americas—the Northern Triangle, Brazil, the Caribbean, everything.” He was the go-to guy in the White House for Latin America policy.¹⁶⁵

The Costa Rican National Power and Light Company (CNFL) unveiled the conceptual design for what would later become the Guanacaste Solar Park. The new facility would provide energy for Frank's plans for a massive resort being built just north of the town of Liberia. CNFL picked Frank's company, Sun Fund Americas, as their partner for the solar park. Frank did not have any background in solar energy, but it was quite clear who he was when he pitched the project to investors. His brother Joe's name figured prominently in his biography.¹⁶⁶

Frank's partner in the deal, as in the Guanacaste Country Club, was a real estate investor in Costa Rica named Craig S. Williamson, an American army veteran who now lived in the country.¹⁶⁷ Williamson was arrested in 2014 for failing to appear in court related to a fraud charge.¹⁶⁸ Long active in selling real estate to Americans in Central America, Williamson describes himself as a "Central American Real Estate Investment Advisor for many North American based Institutional Real Estate Investors as well as hundreds of Private Investors, including the family of US Vice President Joseph Biden."¹⁶⁹

Frank's vision for a country club in Costa Rica received support from the highest levels of the Costa Rican government—despite his lack of experience in building such developments. He met with the Costa Rican ministers of education and energy and environment, as well as the president of the country. Costa Rican president Luis Guillermo Solis Rivera even penned a letter to Frank Biden praising the project. The letter found its way onto the internet seeking presales for the project to investors back in the United States.¹⁷⁰

On October 4, 2016, the Costa Rican Ministry of Public Education signed a letter of intent with Frank's company, Sun Fund Americas. The project involved allowing a company called GoSolar to operate solar power facilities in Costa Rica. The previous year, the Obama-Biden administration's OPIC had authorized a \$6.5 million taxpayer-backed loan for the project.¹⁷¹

Despite Frank's MIA status concerning the Albano debt, Joe and Frank Biden have remained close over the years. As Frank explains in his bio, "Throughout his career Mr. Biden worked as an unpaid senior advisor on all of his brother Joe Biden's senatorial campaigns, culminating in the Presidential election of 2012. He is currently senior advisor to the former VP's 2020 political action committee."¹⁷² During Joe's tenure as vice president, Frank frequently visited the White House. On May 1, 2014, Frank sat

in on a small meeting with Barack Obama in the Oval Office.¹⁷³ In 2016, Frank was a guest at the Singapore State Dinner in the White House.¹⁷⁴

Frank's company, Sun Fund Americas, had ambitions beyond Costa Rica. The company states that it "teams with governments and local partners and provides debt and equity financing, as well as world-class brands, operators and equipment suppliers" for projects.¹⁷⁵ Here, too, Joe could help.

In June 2014, Vice President Joe Biden announced the launch of the Caribbean Energy Security Initiative (CESI). The program called for increasing access to financing for Caribbean energy projects that he strongly supported. American taxpayer dollars were dedicated to facilitating deals that matched U.S. government financing with local energy projects in Caribbean countries, including Jamaica.¹⁷⁶ In January 2015, Biden hosted CESI in Washington, D.C., bringing together leaders from across the region to discuss energy issues and in particular, renewable energy.¹⁷⁷ One primary focus of the conference was local and international dealmakers needing help to bring renewable energy projects to the Caribbean region. USAID announced that it would be spending \$10 million to boost renewable energy projects in Jamaica over the next five years.¹⁷⁸

After Joe Biden brought together leaders for CESI, brother Frank's firm Sun Fund Americas announced that it was "engaged in projects and is in negotiations with governments of other countries in the [Caribbean] region for both its Solar and Waste to Energy development services."¹⁷⁹ As if to push the idea along, the Obama administration's OPIC provided a \$47.5 million loan to support the construction of a 20-megawatt solar facility in Clarendon, Jamaica. When the deal was announced, U.S. ambassador to Jamaica Luis G. Moreno noted that the project "wouldn't be possible without OPIC financing."¹⁸⁰

Frank Biden's Sun Fund Americas later announced that it had signed a power purchase agreement (PPA) to build a 20-megawatt solar facility in Jamaica.¹⁸¹

* * *

Many of Frank's commercial ventures sidecar with government initiatives driven by his famous brother, and so far, those described have been international.

Closer to home, one of Frank's largest business ventures involves education. Just as the lack of a background in large-scale real estate developments did not deter him in Costa Rica, and lack of a background in renewable energy did not deter him in Jamaica, lack of a professional background in education was no roadblock in Florida. In 2008, with his brother on the verge of becoming vice president, Frank became involved in the lucrative commercial real estate side of the charter school movement.

His older brother had a history of supporting charter schools in the U.S. Senate. Back in 2001, for example, he cosponsored the "Charters and Choice" bill, one of only eight Democrats to do so.¹⁸² In the 2008 campaign, the Obama-Biden ticket had vowed to double funding for charter schools.¹⁸³ Charter schools are public schools established with taxpayer funding but, unlike traditional public schools, have greater flexibility in experimenting with different teaching models. Charter school methods have shown significant success in turning around some troubled public schools.¹⁸⁴

Beginning in 2009, there was a lot of taxpayer money available for starting charter schools. As part of the federal stimulus, the Obama-Biden administration made \$5 billion available for "education innovations," which opened the door to more charter schools.¹⁸⁵

Frank's interest was in the business side of the schools, in particular, the underlying real estate associated with them. He discovered early on that charter schools pay rent using taxpayer dollars. Managed correctly and with the right connections, this created profitable opportunities.

In Joe Biden's first year as vice president, Frank became involved with a for-profit management company for charter schools called Mavericks in Education Florida LLC. Frank says that his involvement grew out of a chance encounter in a coffee shop when he bumped into a South Florida businessman named Mark Rodberg. Mavericks built schools for at-risk students who had trouble in class. The schools themselves would be nonprofits, but Mavericks in Education Florida LLC would be a for-profit company that charged the schools management fees, while the related School Property Development LLC owned and charged high rents for their buildings. The funds would come from taxpayer money and federal grants. Whether the school failed or succeeded, the for-profit company owned the real estate assets.¹⁸⁶

It was not long before Frank was flying around Florida in a private jet, lobbying local politicians and school officials to allow Mavericks to man-

age charter schools in their communities. Eventually, he became president and director of development for the company. Whenever the company shared his biography for a business proposal, the fact that he was the brother of the vice president of the United States was in the first or second sentence.¹⁸⁷

“I’m a salesman,” Frank said. “I’m nothing but a P. T. Barnum for these kids.”¹⁸⁸

From 2009 to 2011, Mavericks opened eight schools in Florida.¹⁸⁹ When Mavericks set up a school in Fort Lauderdale, they acquired the building from a controversial Broward County power broker named Jesse P. Gaddis.

Known as “Fort Lauderdale’s Taxi King,” Gaddis “had ties to mobsters and major drug smugglers.” As a young man, Gaddis was charged and convicted of armed robbery, and went to jail. In a later case, he was charged with kidnapping and robbery, although the charges were eventually dropped. Authorities also investigated Gaddis in connection with a drug-smuggling operation in which his brother and business partner, Donald Gaddis, was killed. His brother was found in a shallow grave in southwest Florida.¹⁹⁰

The deal between Mavericks and Gaddis had extraordinarily lucrative terms for Gaddis: Gaddis exchanged the building for a \$2 million promissory note attached to the mortgage at an initial interest rate of 12 percent (lowered to 10 percent in 2014). The term was originally for five years and was twice extended, in 2014 and 2017. The first extension reveals that the interest-only monthly payments for the note’s second term were nearly \$16,700.¹⁹¹

Mavericks LLC was a business. “Are there people making money in charter schools? Absolutely,” Frank Biden explained in one interview. “I don’t apologize for them at all. Just run good schools for kids who need them.”¹⁹²

Mavericks ran with its own unusual teaching model: students would interact with teachers for only a few hours a day. The rest of the time, they would sit in front of computers as part of self-directed learning.¹⁹³

According to the Florida Department of Education, the performance record of Mavericks Schools in Florida was abysmal. These were not what one would regard as “good schools for kids.” The best-performing Mavericks school was in Kissimmee, near Disney World. The graduation rate at that school was just 43 percent in 2011. Things were worse at Mavericks’

other Florida locations: in Largo, the graduation rate was an astonishing 7.2 percent; in Homestead, it was an incredible 4.5 percent.¹⁹⁴

The schools continued to receive poor marks from state regulators. From 2009 to 2014, individual schools received “ ‘declining’ ratings three times and one F.”¹⁹⁵

The graduation rates also did not really improve over time. In 2019, the *Miami Herald* reported continued basement-level performance. Mavericks High of North Miami Dade had a 9 percent graduation rate; Mavericks High of South Miami Dade was 13 percent.¹⁹⁶

Mavericks was also accused by state auditors in Florida of inflating their enrollment numbers. As the *South Florida Sun Sentinel* noted, “In South Florida, three probes released by the state Auditor General’s office in 2013 and 2014 found Mavericks schools in Fort Lauderdale, Pompano Beach, Palm Springs and Homestead were collecting dollars for students who did not attend the school and not teaching enough hours to meet state requirements.”¹⁹⁷ Why inflate the enrollment numbers? The more students enrolled, the more taxpayer funding collected.

The key to understanding Frank Biden’s business is that the real money was *not* in the operation of the schools themselves—but in the underlying real estate for charter schools. “It’s all about the buildings we buy,” he explained in another interview. “Certainly the operation of the schools isn’t profitable.”¹⁹⁸

In addition to Mavericks in Education, Frank also became a partner in School Property Development, which provided “building services” to charter schools and owned buildings connected to Mavericks. They were soon building charter schools in West Palm Beach, Royal Palm Beach, Glen Ridge, Pembroke Pines, and elsewhere in Florida.¹⁹⁹ He also lists himself as a partner in DelMarva LLC, based in Washington, D.C. “These entities are responsible for over 12 billion dollars in school financing placed with over 200 schools built and operated in Florida,” reads his account. “His companies provide a turnkey, single source of responsibility to acquire, finance, design, build and lease K-12 public schools.”²⁰⁰

The strategy was charging the schools high enough rent to pay off the mortgage on the property. In Homestead, Florida, for example, Mavericks’ school building had a market value of just \$1.2 million. The school was scheduled to pay \$1.75 million in rent over just five years.²⁰¹ In short, the schools were a vehicle for School Property Development LLC to profit from buying or leasing real estate for rental by Mavericks in Education LLC. Be-

cause the schools were using taxpayer money and receiving grants to pay for the buildings, they were probably less concerned with the cost of rent.

By 2014, the Mavericks schools had received more than \$70 million in state money. Nine million of that went to the management company.²⁰² As we will see, the Obama administration also lavished the failing Mavericks schools with federal grants.

During this time, Frank enjoyed access to the highest levels of the White House. Indeed, on May 1, 2014, he attended an education event at the White House with top education officials from the National Education Association. That day he was also in a small meeting of just ten people with President Barack Obama in the White House to talk about charter schools. Other participants included Stephen Bittel, a Florida real estate developer who would later become the chairman of the Florida Democratic Party.²⁰³

Getting a charter school approved can be a tricky political feat. There is clearly going to be opposition from local teachers' unions, and some politicians are going to be suspicious of who is actually going to be running the school. Frank Biden had an advantage that other competitors did not have: a powerful and famous brother whose name he could leverage.

Frank dropped his brother's name and position to vouch for his honesty. When he appeared before the city commission of Sunrise, Florida, in 2015 to pitch a school, he casually explained who he was. According to the official minutes of the meeting, the recorder tells of Frank's testimony, saying, "Whatever he [Frank] does, because of the honor of being the Vice President's brother, he has to watch himself. Whomever he was involved with was fully vetted."²⁰⁴ He never explained exactly how his business activities were vetted and by whom. Was he simply making it up? It is impossible to know. Regardless of what explanation he might provide, he was capitalizing on his relationship as the vice president's brother to confer integrity to his company. In an instance several years earlier, he told skeptical local politicians that his school would work by "invoking his family's political power." "I give you my word of honor, on my family name, that this system is sustainable," Frank said. "This school will be sustainable." Local officials approved the deal.²⁰⁵

During the Obama presidency, Frank Biden's charter schools received millions of dollars in federal grants. These were "discretionary grants" given through the U.S. Department of Education's (DOE) State Educational Agencies (SEA) grant program.²⁰⁶ Applications were filed with Education Department headquarters in Washington.²⁰⁷ As of 2012, the department was sending each Mavericks school approximately \$250,000 a year in

taxpayer money.²⁰⁸ In 2015, Mavericks schools received just under \$2.7 million in grants from the DOE—an average of almost \$300,000 per school.²⁰⁹

Shortly after he announced his 2020 campaign for president, Joe Biden was on the campaign trail in Texas. He told a crowd, “I do not support any federal money . . . for for-profit charter schools—period,” Biden said to the crowd’s approval. “The bottom line is it siphons off money from public schools, which are already in enough trouble.”²¹⁰ He never mentioned Frank’s profitable charter school businesses and, ironically, the legitimacy that his own name gave them.

* * *

On June 4, 2019, presidential candidate Joe Biden released a campaign video announcing his views on how to deal with climate change. Joe explained that his plan provided for “an enormous opportunity to hold polluters accountable for the damage they’ve caused, particularly in low-income communities and communities of color.”²¹¹

On the same day, about 1,600 miles from Joe, who was campaigning in New Hampshire, brother Frank stood before the assembled media in South Florida with a similar message. He, too, was making an announcement concerning pollution and “communities of color.” But Frank was part of a legal team that was suing twelve sugar growers in a class-action lawsuit.²¹² The tenor was remarkably similar to what his brother had spoken about in his campaign video.

The Berman Law Group in South Florida hired Frank in 2018 to serve as a “Senior Advisor.” “He brings a prestigious combination of accomplishments and experience,” the firm noted in a press release. They said of Frank, he is “highly regarded in the business and government sectors” and boasts “one of the most respected names in the U.S. and abroad.”²¹³

The Berman Law Group features as its director of government relations former Democratic Florida state senator Joseph Abruzzo, who had worked with then-vice president Joe Biden on legislation.²¹⁴

Frank had never filed a legal case before. On that day, the Berman firm filed a class-action lawsuit against the United States Sugar Corporation and eleven other defendants on behalf of poor minority residents in Belle Glade, Pahokee, and South Bay, Florida, who claimed that they had

suffered health problems related to the burning of sugarcane fields.²¹⁵ To help make their case, the law firm released a six-and-a-half-minute video/infomercial about the lawsuit. Frank figured prominently throughout and finished it off by walking with the group in slow motion, wearing black sunglasses, through a ring of fire while dramatic music played.²¹⁶

Biden's campaign video appeared to be perfectly synchronized with his brother's lawsuit.

When asked by a reporter at his press conference whether he had coordinated his announcement with that of his brother, Frank explained, "There was absolutely no coordination. It was serendipitous that Joe's environmental policy came out today. . . . Our thoughts are the same, but there was no coordination."²¹⁷

The environmental plan that Joe Biden unfurled in his campaign video had policy nuggets that would help Frank's businesses in very specific ways. Joe Biden's plan calls for strengthening international collaboration and investment in clean energy infrastructure in the Americas, and supplying clean energy across the entire Central American energy grid and in the Caribbean, which is of course what Frank was doing in the region.²¹⁸

Coordinated in this case or not, the overall pattern here is that the Biden family members see that Joe's vested public power is convenient for the creation of business opportunities for personal wealth.

It would be easier to dismiss these entanglements if they only involved one of the Bidens. The fact that it involves five family members indicates that there is a culture within the Biden family that trades off Joe's power. And Joe appears willing to act on their behalf whenever he can.

The Bidens leverage Joe's power to their financial benefit. But as we will see in the next chapter, others are also prepared to go to extraordinary lengths to leverage their power in creative and destructive ways.