

Obama Adviser Podesta Caught Green-Handed In Major Ethics Violation

Posted By [Richard Pollock](#) On 1:43 PM 01/29/2015 In | [2 Comments](#)



In 2013, John Podesta was paid \$87,000 by a shadowy foreign billionaire whose passion is preventing energy exploration on American land.

Just two years later, Podesta is a member of President Obama's inner circle, and the driving force inside the White House to block 12 million acres of land in Alaska's Arctic National Wildlife Refuge from oil drilling.

The circumstances suggest Podesta may have run afoul of Obama's highly-touted ethics pledge, [which requires political appointees to disqualify themselves](#) in matters relating to the interests of a former employer or client.

Podesta — who is preparing to leave the White House [to take a top position with Hillary Clinton's presidential campaign](#) — has largely avoided public scrutiny during his time as a White House Counselor.

But his work came into fuller view earlier this week when [he emerged as one of the architects](#) of the new White House policy that seeks to end any future drilling for oil on Alaska's coastal plain.

In fact, [Podesta personally announced the policy](#) in a White House blog post Sunday, waxing poetic that the move would ensure "this wild, free, beautiful, and bountiful place remains in trust for Alaska Natives and for all Americans."

Shielding public lands from oil and gas drilling also is one of the main occupations of Hansjorg Wyss, a mysterious Swiss billionaire who personally hired Podesta as a "consultant" in 2013 just before he entered the White House, [according to his White House disclosure form](#).

A public ethics controversy for the White House Counselor involving the second wealthiest man in Switzerland could be awkward for Podesta as he prepares to kick off Hillary's campaign.

The ethical questions could also force into the open the relationship between Podesta and Wyss — including why a left-wing foreigner is wielding influence over how Americans use their land.

Wyss, a Swiss citizen, has been a generous donor to Podesta's Center for American Progress, giving \$4 million to the group during Podesta's tenure, according to [the private foundation's tax documents](#).

Podesta has returned the favor by rewarding Wyss with [a coveted seat on CAP's board](#).

But it may be Wyss's decision to personally hire the White House Counselor in 2013 as a "consultant," [and paying him \\$87,000](#) that could cause Podesta the most trouble.

A number of federal ethics rules, including President Obama's "ethics pledge," signed into law by the president on his first day in office, preclude political appointees from engaging in issues of interest to a former employer.

The period of disqualification applies to all work done within two years before entering the federal government. Podesta worked at Wyss's HJW Foundation in 2013 and joined the White House in January 2014.

[Federal conflict of interest rules](#) overseen by the Office of Government Ethics also instruct political appointees to "not work on any matter" if the work of their previous employer "would raise a question regarding the employee's impartiality." The law applies to White House officials.

One way political appointees can get around conflicts of interest requirements is to get an official

waiver from an ethics office.

It's unclear if Podesta ever sought or received a waiver. White House press secretary Josh Earnest did not respond to a detailed request for comment on the matter.

Cleta Mitchell, an attorney for Republican political figures and conservative groups said the Podesta-Wyss issue could spell trouble for the White House Counselor.

"So he was just doing the bidding of a Swiss billionaire and he's in the White House to do it," Mitchell told TheDC. "That's pretty clear. If he didn't recuse himself then that's what he's done."

Wyss is a gigantic contributor to liberal groups. He [has given more than \\$110 million](#) to activist organizations since 2008.

Forbes estimates [his personal net wealth](#) at \$11.2 billion.

The billionaire has been adverse to publicity. He once told a Swiss newspaper, [in a rare interview in 2011](#), that "nobody knows me, and I hope that it stays like this."

It's not hard to see why.

In 2009, top executives at Synthes — a medical device company then-owned by Wyss — were indicted by federal prosecutors for [conducting untested medical procedures](#) on human patients without Food and Drug Administration approval.

[Three elderly people died.](#)

Wyss was CEO and according to court papers, approved the procedures.

In 2009, the U.S. Attorneys for Eastern Pennsylvania formally handed down indictments. Federal prosecutors named Wyss as "Person Number 7" in the criminal conspiracy.

While he eventually escaped indictment, [four of his top executives went to prison](#) and his company negotiated a plea deal in which [the firm's subsidiary paid \\$23 million](#). Immediately after the legal settlement with prosecutors, [Wyss sold his company for \\$21.3 billion](#).

Podesta's authorship of the Alaska lands deal dovetails with Wyss's main interest. Keeping drillers away from Western lands, including Alaska, is a passionate crusade for Wyss.

He [famously ponied up \\$35 million](#) in 2010 to set aside 310,000 acres of land from development in Montana.

In January 2013, [Wyss contributed \\$4.25 million](#) to purchase oil and gas leases on 58,000 acres of land in Wyoming's Hoback Basin.

Wyss sits on the governing council of the Wilderness Society, and on the boards of the Southern Utah Wilderness Alliance and the Grand Canyon Trust.

In addition to Podesta, Wyss [also hired Molly Mcusic](#) to be his foundation president.

Mcusic served in the Clinton administration as a top assistant to Interior Secretary Bruce Babbitt. She is best remembered for using the Antiquities Act to designate lands as "National Monuments."

It was through the use of the act that Mcusic permitted Clinton to withdraw more land in the lower 48 states than any president since Theodore Roosevelt.

Mcusic's office is in Washington, D.C. She visited the White House five times early in the administration, [according to White House visitor logs](#).

Her visits included a visit to White House special advisor Valerie Jarrett's office; two visits with communications guru Stephanie Cutter and a final visit with Nancy Sutley — who ran the White House Council of Environmental Quality until early 2014.

Wyss lives in Wyoming where he continues his campaign against oil and gas drilling, as well as seeking grazing bans on federal lands.

At the end of 2013, Wyss merged the HJF Foundation with his Wyss Foundation, building a private

foundation that has amassed a net value of \$2 billion, [according to tax filings](#).

Podesta has previously come under fire from liberal groups for CAP's excessive secrecy. [A Nation article in 2013 accused](#) Podesta's CAP of being "among the most secretive of all think tanks concerning its donors."

In anticipation that campaign finance reporters would be interested in CAP's contributors, CAP last week gave a list of its donors [to the Washington Post's Greg Sargent](#).

Wyss's name was left off that list, although [the think tank reported](#) three "anonymous" donors.

However, 2013 tax documents from the HJW Foundation and the Wyss Foundation [show that Wyss contributed \\$1.5 million](#) to CAP in that year alone.

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