

# Fire Axelrod and Jarrett Now For Chicago Olympic Scam

by Jeffrey Steinberg

Oct. 10—Lyndon LaRouche last week called for the immediate firing of White House aides David Axelrod and Valerie Jarrett, and the possible impeachment of President Barack Obama, for their involvement in a massive conflict-of-interest scheme, centered on their efforts to use the power of the U.S. Presidency to win Chicago's bid for the 2016 Summer Olympics. In a major flight-forward blunder, Obama, in the midst of two wars, skyrocketing unemployment, and the worst financial crisis in modern history, flew off to Copenhagen, to personally pitch the Chicago bid before the International Olympics Committee (IOC). The gambit failed, as Chicago came in last among the four contending cities.

According to the NBC News Chicago affiliate, just days after he ostensibly clinched the Democratic Party's Presidential nomination, in June 2008, Sen. Barack Obama made an appearance at a rally in Chicago's Washington Park, called by Chicago 2016, the \$49 million "non-profit" organization promoting the city's bid to host the 2016 Games. The park was designated to house an 80,000-seat Olympic stadium, not far from the Obamas' Hyde Park home. Obama told the crowd, "In 2016, I'll be wrapping up my second term as President, so I can't think of a better way than to be marching into Washington Park alongside Mayor Daley, alongside Rahm Emmanuel, alongside Dick Durbin, alongside Valerie Jarrett, as President of the United States, and announcing to the world, 'Let the games begin!'"

It was vintage Obama narcissism, but it also concealed a dark set of relationships that would follow him to Washington. The top players in Chicago 2016 were also top

operatives in the Obama Presidential campaign, and were among the people who would stand to reap the biggest financial rewards if Chicago won the Olympic bid.

Leading among the Olympic profiteers, and the person with the biggest conflict of interest, is White House advisor Valerie Jarrett. An intimate personal friend and mentor of both Barack and Michelle Obama, Jarrett was the vice chair of Chicago 2016. She was also, until coming to the White House, the CEO of the Chicago-based Habitat Company, which was bidding on the contract to build the 3,500-unit Olympic Village. Chicago 2016 president Lori Healey, until recently chief of staff to Mayor Richard Daley (Jarrett was formerly deputy chief of staff to Daley), had met with top officials of the U.S. Department of Housing and Urban Development (HUD), pressing for low-income housing grants, to build the Olympic Village, on the dubious claim that, after the Olympics, some of the units would go to low-income tenants. Jarrett, according to news accounts, set up that meeting at HUD.

Jarrett's Habitat Company was also implicated in a series of scandals involving the disintegration of Chicago public housing. Habitat was contracted by the Chicago Housing Authority to oversee the city's public housing, and, from 2001 to 2008, managed the Grove Parc Plaza Apartments. Habitat failed to redress disastrous conditions at the apartment complex, leading to a 90% vacancy rate. Another Habitat-managed public housing complex was seized by the Federal government in 2006, for widespread abuses, according to a June 27, 2008 report in the *Boston Globe*.

On May 1, 2009, the White House announced that Jarrett had been given an “ethics waiver,”<sup>1</sup> to allow her to represent the President, in pushing for the Chicago Olympics bid.

White House political director David Axelrod was another beneficiary of Chicago 2016 largesse. His firm, ASK Public Strategies, did public relations work for Chicago 2016. Jarrett admitted, in a recent Bloomberg News interview, that the Chicago group at the Obama White House was riveted on the Olympic bid: “We talked about it every single morning together as we met.”

### **Obama Backers Ran Chicago 2016**

Back in Chicago, the overlap between the Olympic organizing effort and the Obama Presidential campaign was absolute. In addition to Jarrett’s role as vice chair, four other members of Chicago 2016 were on the Obama inauguration committee. They were: chairman and CEO Pat Ryan, Treasurer John Rodgers, former U.S. Commerce Secretary William Daley (brother of the mayor), and Penny Pritzker. Heiress to the Hyatt Hotel fortune, Pritzker was co-chair of the Obama for President finance committee. Pritzker-owned hotels were designated as priority Olympic sites in the Chicago 2016 plan. Other close Obama backers who were part of the Chicago 2016 team included Desirée Rogers, White House Social Secretary, who contributed \$100,000 to the Olympic quest; Eric Whitaker, a close friend of Obama; and Martin Nesbitt, who replaced Jarrett as vice chair of Chicago 2016, and was treasurer of Obama’s Presidential campaign. An owner of The Parking Spot, a parking lot company financed by Pritzker, Nesbitt is also chairman of the Board of Commissioners of the Chicago Housing Authority, the very body that pitched so much business to Jarrett’s Habitat Company.

Obama’s last-minute Copenhagen trip was by no means the first time he had jumped into the fray. According to news accounts, Obama spent days “working the phones,” particularly pressuring the 16 African countries represented on the IOC, to back Chicago’s bid. Shortly before the Copenhagen vote, a Chicago 2016 delegation flew to Abuja, Nigeria, to meet with those 16 African representatives, to squeeze them for

their support. They carried with them a video statement from the President, touting the Chicago bid.

### **Was Obama Set Up To Fail?**

All of this leads to the obvious questions: Was the President set up, on the basis of his well-profiled zeal to please his Chicago backers? And, if he was set up, “who done it?” Axelrod, one of the President’s top “Daley men,” fumed at the media, days after the Copenhagen fiasco, admitting that he believed the fix was in for Chicago to win the bid. His essential message was: Do you think we would have let the President go to Copenhagen if we didn’t think we had the deal?

A senior U.S. intelligence official, speaking on background to *EIR*, reported that, months before the Copenhagen vote, it was widely known that Chicago would lose out to Rio de Janeiro, Brazil—the city that actually won the bid. “In the case of the Brazil bid, the national government was guaranteeing to cover the costs of the Olympics. It would be the first-ever Olympics in South America. Chicago was notoriously broke, notoriously corrupt, and was on its own—with no Federal government official backing for the bid, and no guarantee of covering the costs. Even Mayor Daley was initially opposed to the bid, knowing it would further bankrupt the city. It was the Chicago real estate crowd that stood to make the killing.”

Eventually, Daley came around to the Olympic scheme.

So, who might have set up Obama for the biggest gaffe of his young Presidency? One possible place to look is London, where, increasingly, the Establishment sees Obama as a lost cause—too weak to impose killer austerity on the American people, and all-around unreliable.

On Sept. 22, in the countdown to the Copenhagen fiasco, Valerie Jarrett flew up to New York City, to confer with former British Prime Minister Tony Blair. He had notoriously twisted arms, to win London’s bid for the 2012 Olympic Games. Blair told Jarrett that Obama had to go to Copenhagen, to seal the deal.

Blair’s successful Olympic drive was engineered by the public relations firm Hill and Knowlton—the same London-cartel-owned firm that was also in charge of public relations for the Chicago bid. Two top H&K executives, Sir Stephen Wall and Tim Fallon, were both Blair intimates during his tenure as Prime Minister. Wall headed the European Secretariat in Blair’s cabinet, and Fallon was his campaign manager. White House chief of staff Rahm Emmanuel’s top aide, Elizabeth Sears Smith, is the wife of Douglas Smith, H&K’s point man for Chicago 2016.

1. President Obama signed an Executive Order on Jan. 21, requiring all executive appointees to sign an Ethics Pledge. Paragraph 2, from which Jarrett was specifically exempted, reads: “I will not for a period of 2 years from the date of my appointment participate in any particular matter involving specific parties that is directly and substantially related to my former employer or former clients, including regulations and contracts.”