Written by **Bob Adelmann** on April 6, 2015

## New Jersey Senator Menendez' Indictment Is Rocking Washington

On Wednesday, April 1, following the Justice Department's indictment of New Jersey's senior Senator Bob Menendez on bribery charges, he declared himself innocent of all eight charges: "[Today's charges] contradict my public service career and my entire life. This is not how my career is going to end!"

A closer look at the 68-page indictment, however, reveals more serious and more extensive charges than observers were expecting. The Justice Department has for more than two years been investigating Menendez and his relationship with Dr. Salomon Melgen, a wealthy liberal Florida eve surgeon who gave hundreds of thousands of dollars to Menendez for his 2012 reelection campaign and trips on the doctor's private jet in exchange for favors including massive intervention in rules changes at Medicare that benefited Melgen, one of the country's largest Medicare billers. Menendez also arranged for temporary travel visas for some of Melgen's "girlfriends" from the Dominican Republic to entertain him at his Florida estate.

But the big surprise was the DOJ's decision, approved by Attorney General Eric Holder, to indict Menendez and Melgen for bribery even after the attorney for Menendez, Abbe Lowell, in at least two separate meetings with his staff, pleaded with Holder's staff that the DOJ drop the case altogether. As the New York Times noted:

A bribery charge is among the most serious accusations of corruption the federal government can make. Prosecutors often opt to file a lesser charge of accepting a gratuity, which is easier to prove.

A bribe amounts to the purchase of an official act.

The DOJ charged that Menendez and his staff intervened mightily and continuously to get Medicare reimbursement rules changed, saving Melgen from having to return some \$9 million in overcharges. Menendez personally solicited the secretary of Health and Human Services to intervene in August 2012. Two months later Melgen donated \$300,000 to a political action committee that was supporting the reelection campaign of Menendez.

It also charged that Menendez pressured the federal government to protect a port security contract with a company in the Dominican Republic in which Melgen was a major investor. And it charged that







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Menendez traveled on Melgen's private jet frequently, without reporting the trips on Senate disclosure documents (until after they were brought to light).

Dr. Melgen was also indicted along with Menendez. He had to post bail of \$1.5 million and surrender his passport and his gun collection, while Menendez was released without bail, giving up his personal passport but not his congressional one (which still allows him to travel outside the country).

Lowell, the attorney for Menendez, thinks it's all just a big misunderstanding: The two were friends whose relationship extended back for decades, and they were just doing favors for each other. Said Lowell, federal prosecutors "have to prove beyond a reasonable doubt that a 20-year friendship between Sen. Menendez and Dr. Melgen was something else.... This is a real friendship and not a corrupt relationship."

DOJ officials are confident that they will be able to show that Menendez took official actions directly because of Melgen's donations. Because of the timing of the gifts and their recurring nature, the DOJ is not only charging the two with bribery but with conspiracy and making false statements as well.

The impact on the Washington political scene was immediate. Menendez stepped down as the top Democrat on the Senate Foreign Relations Committee on Thursday, potentially knocking into a cocked hat the Republican efforts calling for congressional oversight on the president's Iranian negotiations. When quizzed about the departure by Menendez from the committee, White House correspondent Jonathan Karl told ABC's *This Week* on Sunday:

If you had written this in a *House of Cards* [a political TV drama] script, it would have been thrown out. The idea that the president's most powerful Democratic critic of the Iran deal goes down — indicted just before the deal is announced — is suggesting a connection.

But it sure does have an impact and it will be harder for Republicans [in the Senate] to get a vetoproof majority to challenge the deal.

And then there's Loretta Lynch's nomination to replace Eric Holder as attorney general. At present the Senate is evenly divided over the controversial nominee, and if Menendez abstains (because his fate is so closely tied to the Justice Department), it could end her nomination unless the president is able to strong-arm another Republican into voting for her.

With litigation over the charges likely to last years, the impact on Washington is immediate and profound. It's said that senators leave the Senate only in handcuffs or on a hospital gurney. In the case of Menendez, he is determined not to leave without a noisy and expensive fight. In the meantime, his indictment is turning Washington upside down.

A graduate of an Ivy League school and a former investment advisor, Bob is a regular contributor to The New American magazine and blogs frequently at www.LightFromTheRight.com, primarily on economics and politics.



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