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Mr. Tony Bledsoe, Director
Joint Legislative Ethics Committee
50 W. Broad Street
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November 9, 2007

Subject: Request For Investigation (Supplemental)

Dear Elected and Appointed Public Servants,

As evidenced by the April 14, 2007 correspondence at Attachment 1 and the July 2, 2007 correspondence at Attachment 2, many of you have seen this before, but no one has replied other than to comment that jurisdiction for investigating my complaint belongs with another office or agency. That should give every law-abiding citizen cause for grave concern. The U.S. Congress and most state governments, including Ohio, passed post-Watergate campaign finance disclosure laws, but your failure to act on my complaint leads me to the conclusion that you believe disclosure by itself is sufficient to comply with the law. I couldn't disagree more. Disclosure statutes are designed to reveal to the public real or apparent conflicts of interest, and therefore, should be a point of departure, not the end of the road in campaign finance law enforcement. My research indicates that [employees, partners or associates of] lobbying firm Paul Magliochetti

and Associates (PMA Group) and The Greentree Group, a government support contractor, donated to “Dave Hobson for Congress” over \$50,000 between 2003 and 2006. Furthermore, PMA and Greentree received at least \$560,000 in fees from the Dayton Development Coalition during that same period, which interestingly enough, was coincident with the period of performance of a no-bid BRAC support contract funded by an interest-free loan from Greene County taxpayers. It’s time we shine a bright light on what I believe to be another “***no-bid, no-work, no-oversight, no-value added***” contract funded by taxpayers in Greene County, the State of Ohio and the United States of America.

My first notion of inappropriate, if not illegal activity came in a telephone conversation with former Greene County Commissioner Marilyn Reid. Since I was an elected member of the Greene County Republican Central Committee, Ms. Reid called to ask that I vote for her son for Green County Board of Elections. I declined, but in that same telephone conversation I asked her about \$1 million the Greene County Commission loaned to the Dayton Development Coalition in 2003. Ms. Reid responded that Congressman Dave Hobson advised the Commission to provide County funds for BRAC support for Wright Patterson, including hiring the Dayton Development Coalition, and also a contractor to paint the Beavercreek water tower on I-675 with the theme, “Greene County Supports Wright Patterson AFB.” Although I believe painting the water tower in this fashion benefited only the contractor that painted the sign, I am more concerned with the million dollars that the Commission loaned the Dayton Development Coalition through the BRAC Initiative Agreement (See Attachment 3) with a period of performance running from October 1, 2003 until September 30, 2006, and here’s why:

1. ***Alleged Violation of the Ohio Constitution:*** Article VIII, Section 6 reads: “*No laws shall be passed authorizing any county, city, town or township, by a vote of its citizens, or otherwise, to become stockholder in any joint stock company, corporation, or association whatever, or raise money for, or loan credit to, or in aid of any such corporation, or association: provided, that nothing in this section shall prevent the insuring of public buildings or property in mutual insurance associations and companies.*” Absent a Constitutional Amendment, a loan/grant from the Greene County Commission to a private non-profit corporation would be illegal. I am not aware of such an Amendment, but even if the General Assembly changed the Ohio Constitutional to overturn Article VIII, Section 6, any law passed, but not compliant with the Ohio Revised Code, would be subject to prosecution. In my opinion, that would be the case with ORC 307.07.
2. Although credible evidence exists, at this point we cannot clearly determine if ***Greene County Commissioners violated ORC 307.07.*** I requested and received a copy of the BRAC Initiative Agreement (Atch 3) from Commissioner Rick Perales, but it raised more questions than it answered. When I requested from Commissioner Perales a follow-up Request For Information, including the contracts DDC negotiated with Greentree and PMA Groups, my request was denied except for Page 5 of the BRAC Initiative Agreement, which was missing from my first request. Please note that I have submitted to Mr. Perales a third request , BRAC Initiative Agreement / Supplementary Request For Information (Atch 4, dated November 5, 2007).
3. Even without the opportunity to review the contracts with The Greentree and PMA Groups, there is strong evidence of ***bid rigging.*** The BRAC Initiative Agreement (Atch 3, p. 6) details \$1.9 million of work activity. When you subtract \$100,000 for the outright grant, we are left with \$1.8 million, precisely two times to the dollar the \$900,000 loan. It does not take a forensic accountant to understand that whoever drew up that budget did so from the top down. The Greene County Commission, probably along

with the DDC, PMA Group and Greentree Group, started with a \$1.8 million target and adjusted the various line items in Exhibit A to equal that result. It's my assertion the Commission and DDC didn't use a dime of Greene County tax dollars for economic development as spelled out in ORC 307.07, but instead as local matching funds to qualify for some other state or federal economic development grant. Then once the money was transferred from state or federal taxpayer-funded accounts, the DDC repaid the interest-free loan from the Greene County Commissioners (See Paragraphs 4 & 5).

4. There's significant evidence to substantiate ***money laundering, pay-to-play politics, influence peddling and kickbacks to political campaigns***. To illustrate, let's follow the money that started with \$1.9 million from the Greene County Commission, including an interest free loan of \$1.8 million to Miami Valley Economic Development Projects, Inc., a shell corporation with the same address as Dayton Development Coalition, Inc. From documents available to the public, I learned that between 2003 and 2006, the precise period of performance of the BRAC Initiative Agreement, the Dayton Development Coalition paid the following fees to The Paul Magliochetti Group: \$120,000 in 2003; \$160,000 in 2004; \$160,000 in 2005, and \$120,000 in 2006. In 2007, the year after the BRAC Initiative Agreement expired, DDC fees to PMA dropped to \$20,000. In my opinion, it's not a coincidence that from 10/1/2003 through 9/30/2006 the PMA Political Action Committee and PMA employees contributed at least \$20,000 to Dave Hobson for Congress. Since Mr. Perales did not provide me with the contract DDC awarded to the Greentree Group and I could not find Greentree's fees in the public record, I cannot tell you what they were paid under the BRAC contract, but FEC records indicate that Greentree Group principals (Sam, Travis, Carol and Lisa Greenwood) contributed over \$30,000 to "Hobson for Congress" coincident with the period of performance of the BRAC Initiative Agreement.
5. Violation of the ***Racketeer Influenced and Corrupt Organizations (RICO) Act***. It's my understanding that for a RICO violation to occur, a "criminal enterprise" closely related to a "legal enterprise" must exist to facilitate an illegal activity covered by the RICO Act, in this case, ***money laundering***. Since the Dayton Development Coalition, Inc. does not qualify under ORC 307.07 as a conduit for the \$1.9 million loan/grant from the Greene County Commission to the DDC, the Coalition created Miami Valley Economic Development Projects, Inc. Please note that Ron Wine signed Page 5 of the Agreement for both Miami Valley Economic Development Projects, Inc. and Dayton Development Coalition, Inc. on or around 6:04 PM on 9/11/03, less than three weeks before the BRAC Initiative Agreement went into affect. And let's not forget that the membership of the Wright-Patt 2010 Committee and Advisory Council included key players in the alleged money laundering scheme including, Steve Austria, a declared candidate for Congress, 7th District; Mr. Austria's spouse, Eileen, 7th District Director for Congressman Hobson; Kevin DeWine, who at one time and still today may be simultaneously on the payroll of Dayton Power & Light, the Ohio General Assembly and the Ohio Republican Party; Bill Dwyer and Sam Greenwood from the Greentree group; and Briggs Shade from the PMA Group. In my opinion, this goes a long way to prove intent to launder Greene County tax dollars destined for Dayton Development Coalition officials and the Greentree and PMA Groups, not to mention "Dave Hobson for Congress," and other political campaigns.
6. The BRAC Commission has always emphasized "military value" as the primary criteria in determining which bases remain open, closed or consolidated. We need an explanation on exactly what The Paul Magliochetti and Greentree Groups added to the BRAC process for at least \$560,000 between 2003 and 2006. As I mentioned earlier, it

looks like another “*no-bid, no-work, no-oversight, no-value added*” tax-payer-funded rip-off. However, the alleged perpetrators deserve their day in court, and that’s where you come in. It’s time one of the addressed agencies unilaterally, or several jointly, accomplish a thorough investigation of my allegations. You owe it to the taxpayers who pay your salary, not to mention your sworn oath to protect and defend the US and Ohio Constitutions against all enemies, foreign and domestic.

Since the tentacles of my allegations stretch from Greene County Commissioners to the Dayton Development Coalition and Greentree Group in Beavercreek through the General Assembly in Columbus and on to Congressman Hobson and the PMA Group in Washington, I understand the problem law enforcement officials may have in determining jurisdiction to investigate my complaint. However, the fact remains that local elected officials, according to Ms. Reid on the advice of Mr. Hobson, loaned \$900,000 interest free to the Dayton Development Coalition, who in turn awarded no-bid contracts to Greentree and PMA, and those private corporations donated over \$50,000 to “Hobson for Congress” precisely coincident with the period of performance of the BRAC Initiative Agreement between Greene County Commissioners and the Dayton Development Coalition.

I am not an attorney, but that shouldn’t disqualify my complaint or diminish a citizen’s right to seek redress or accountability for our elected officials’ alleged misuse of Greene County taxpayer dollars. However, I do have over 30 years experience in the Department of Defense, beginning in 1966 when I entered the United States Air Force Academy. The Academy Honor Code reads “We will not lie, steal or cheat, nor tolerate among us anyone who does.” Furthermore, when I graduated from the Academy in 1970 I took an oath to “support and defend the Constitution against all enemies foreign and domestic.” The reason I’m telling you this is that I suspect I am wearing on the patience of some of you by my sustained attempts to hold our public servants accountable. Let me assure you, it’s nothing personal, just something I have to do and will continue to do until someone proves my complaint unfounded, frivolous or not based in law, but simply ignoring me or passing off the responsibility of investigating my complaint to someone else will not deter me from bringing the truth into the bright sunlight. I thank you in advance for your prompt reply to this correspondence. If you have any questions or comments on this correspondence or its attachments, please contact me at (937) 427-8442.

Yours truly,

John R. Mitchel
Lt Col, USAF (RET)

Attachments:

1. Request For Investigation, dated April 14, 2007
2. Referral from Ms. Jennifer Brunner (Ohio Secretary of State), dated July 2, 2007
3. BRAC Initiative Agreement, Period of Performance, October 1, 2003 to Sept. 30, 2006
4. BRAC Initiative Agreement / Supplemental Request For Information, dated Nov. 5, 2007
5. Wright-Patt 2010 Committee and Advisory Council

Sworn before me on the _____ of _____, 2007 that to my knowledge, all statements in this document are true and accurate.

John R. Mitchel