

Arrest of Republican congressman on corruption charges heightens political conflict in Washington

By Barry Grey
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Chris Collins, a three-term Republican congressman running for reelection in the 27th Congressional District of western New York, was arrested and arraigned Wednesday in a federal court in Manhattan on criminal charges of insider trading and lying to federal authorities. Also arrested and arraigned on the same charges were his son, Cameron Collins, and the father of Cameron Collins' fiancée, Stephen Zarsky.

All three pleaded “not guilty” and were released based on an agreement to post \$500,000 bond within three weeks. Representative Collins held a press conference later in the day at which he announced that he would remain on the ballot for the midterm election this November.

The arrests followed a press conference held by the US attorney for the Southern District of New York, Geoffrey Berman, at which Berman unveiled the indictment against Collins and his associates. The indictment presented telephone records and other evidence indicating that Chris Collins tipped off his son and other family members and associates upon learning on June 22, 2017 that a drug company in which they were heavily invested had failed a critical clinical test for a new drug.

Based on the private information, Rep. Collins' family and associates were able to dump their extensive holdings in the firm, Australian-based Innate Immunotherapeutics Limited, before the company announced the test results on June 27, triggering an immediate 90 percent decline in its stock price.

According to the indictment, the insider trading enabled Collins' family and friends to sell more than 1.78 million shares and avoid \$768,000 in stock losses. Rep. Collins himself, a former board member of Innate Immunotherapeutics and the company's largest stockholder, did not sell any of his 17 percent share of the

company's equity.

Berman heads up the same team of Federal Bureau of Investigation (FBI) agents and lawyers that carried out the raids on the office and residences of Donald Trump's former personal lawyer and “fixer” Michael Cohen, who is under investigation based on a referral to the US attorney's office from Special Counsel Robert Mueller, the former director of the FBI.

The timing of the move against Collins, exactly 90 days before the November congressional elections, points to its political motivation. Collins is a close ally of Trump, having been the first member of Congress to support his 2016 presidential election bid. He represents the western suburbs of Buffalo, a district that voted by 60 percent for Trump in the 2016 election.

The arrest of Collins was also timed to coincide with the ongoing trial of Trump's former campaign chairman, Paul Manafort, who is on trial in federal court in Alexandria, Virginia on charges of money laundering, bank fraud and tax evasion. The charges were brought by Special Counsel Mueller as part of his investigation into alleged Russian “meddling” in the 2016 elections and possible collusion by the Trump campaign, as well as possible obstruction of justice by Trump and his aides.

The Manafort trial concerns alleged crimes that occurred prior to Trump's campaign and the defendant's involvement in it. However, it is directed toward promoting the anti-Russia witch-hunt spearheaded by Mueller, the Democratic Party and the intelligence agencies, who oppose Trump's efforts to temporarily ratchet down the confrontation with Moscow. This is by virtue of Manafort's multi-year business dealings with the former pro-Russian president of Ukraine, Viktor Yanukovich, who was ousted in 2014 in a fascist-led, US-backed putsch.

The various prongs of the Mueller operation have provided glimpses into the unbridled corruption and criminality that pervade the Trump administration, the two-party political establishment and the financial oligarchy whose interests they serve. Collins' personal corruption was so brazen that the House Ethics Committee felt obliged to launch an investigation as far back as July 2017.

The House panel issued an initial report in October of last year that concluded there was "substantial" reason to believe Collins had violated rules, standards of conduct and potentially federal laws in his business dealings with the Australian drugmaker.

The *Buffalo News* ran a series of reports alleging corrupt dealings on the part of Collins with the Buffalo-based health metrics firm ZeptoMetrix Corp. And the anti-corruption advocacy group Public Citizen in January of 2017 asked the Office of Congressional Ethics and the Securities and Exchange Commission to investigate Collins' stock dealings, saying it was concerned that he had bought millions of shares of Innate Immunotherapeutics in 2016 while sponsoring legislation that could benefit the company.

Collins served on the health subcommittee of the House Energy and Commerce Committee until Wednesday, when House Speaker Paul Ryan suspended his membership on the committee. While on the committee, Collins aggressively promoted Innate Immunotherapeutics in Congress, even as he sat on the company's board and held millions worth of its stock.

Tom Price, the former Republican congressman and Trump's first health and human services (HHS) secretary, became an investor in the company. Price was forced to resign as HHS secretary in September of 2017 because of ethics abuses. Two other Republican members of the health subcommittee invested in the Australian drug company.

The FBI could clearly have unveiled an indictment against Collins months ago. It chose to do so at a point of unprecedented political warfare between the White House and the federal police and intelligence agencies. In recent weeks, Trump has denounced the FBI as a politicized tool of the Democrats and attacked Mueller, claiming his investigation is a "hoax" and that he himself has conflicts of interest.

The FBI, for its part, is all but openly campaigning for the Democrats in the upcoming midterm elections. James Comey, who was fired by Trump from his post as FBI director in May of 2017, has directly called for voters to

turn control of Congress over to the Democrats in November.

Trump is being denounced by the bulk of the corporate media and savaged by the Democrats not because of his fascistic attacks on immigrants or has massive tax cuts for the corporations and the wealthy. He is being attacked as a tool of Moscow and an unpatriotic threat to "American democracy," supposedly embodied in the FBI and the CIA. If anything, the relentless anti-Russia campaign, which is looked on with a combination of suspicion and indifference by the working class, burnishes Trump's image because the fabricated narrative does define it as a witch-hunt and hoax.

The prosecution of Collins is without doubt a political shot by the US intelligence agencies across Trump's bow. Sections of the press have noted the parallels between the legal jeopardy of Collins' family members and the potential for Mueller to bring charges of collusion with Russia and obstruction of justice against Donald Trump Jr. and Trump's son-in-law Jared Kushner.

The anti-Russian campaign is the focus of an attack by a faction of the ruling elite that opposes Trump primarily on questions of US imperialist foreign policy. In the struggle between these two criminal factions of the American oligarchy and their political mouthpieces there is no trace of democratic or progressive content on either side.

Despite their sharp tactical differences, they are united on a foreign policy of expanding war and preparations for World War III and a domestic policy of intensified austerity against the working class and authoritarian methods of rule, including censorship of the Internet and the criminalization of left-wing and working class opposition.

The Democrats, for their part, are rushing to defend the FBI and CIA and define themselves as the party of law-and-order and "patriotic" defender of the national security apparatus.

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