

May 2009

NomineeAlert



this issue:

Fred P. Hochberg, Nominee for
Chairman of the
Export-Import Bank

Hochberg's Background

President and COO, Lillian
Vernon Corporation

Founder and President, Heyday
Company

Deputy Administrator, Small
Business Administration

Acting Administrator, Small
Business Administration

Dean, New School University's
Milano Graduate School of
Management and Urban Policy

Co-Chair Human Rights
Campaign

EDUCATION

B.A., New York University
M.B.A., Columbia University

Who is Fred Hochberg? Out of touch limousine liberal...

On April 20, 2009 President Obama nominated Fred P. Hochberg to be Chairman of the Export-Import Bank of the United States.

missing. The FCC then requested and received a copy of the contract from Fusion.

Hochberg has served on the board of Fusion Telecommunications, a public company (AMEX:FSN) from 2004 through the present.

Fusion Telecommunications negotiated a controversial deal with the Haitian government in the late 1990s. This agreement provided Fusion with much

cheaper access to Haiti's telephone system than the official FCC rate. Any such deal was to be reported to the FCC so that other companies could benefit from the lower rate also. While the official FCC rates were 46 and 50 cents per minute for calls to Haiti, Fusion paid only 11 or 12 cents per minute. When the FCC checked its files in 2006, the Haiti file was

"Hochberg on reasons for microfinance loans to women: "because men spend it on women and booze. I say let's just cut out the middleman." Fn.1.

"Hochberg's past gives the appearance that he obtained his nomination due to fundraising prowess rather than management abilities."

-Don Todd, Director of Research, Americans for Limited Government

Part of the money paid by Fusion appears to have gone to a shell company controlled by former Haitian President Jean Bertrand Aristide or his supporters. For a time, Fusion even made payments to a "CW Holdings" account at a Florida bank rather than directly to Teleco, the Haiti's state-run telephone company. (This "CW Holdings" cannot be located, and is not

registered in either Florida or Haiti.)

Fusion continued doing business with Haiti until 2002. Many of the Fusion board members from that time are still there. From late 2007 until late 2008, Fusion fought a Freedom of Information Act request to see the papers describing the unseemly deal. The Haitian

Continued next page...

What you really need to know about Fred P. Hochberg

Sources for further reading:

Fn.1. Susan Kerr, *David Rockefeller Jr. and Susie Buffet on Giving*, Philantro Media, October 2, 2007. Available online at: http://www.philanthromedia.org/archives/2007/10/david_rockefeller_jr_and_susie_1.html. (Accessed May 5, 2009.)

Fn.2. Mary Anastasia O'Grady, *Democrats for Despotism*, THE WALL STREET JOURNAL, October 27, 2008. Available online at: <http://online.wsj.com/article/SB122506507943370505.html>. (Accessed May 5, 2009.)

Lucy Komisar, *Follow Aristide's Money Offshore: How Haiti was looted with the help of tax haven shell companies & secret bank accounts and U.S. citizens & corporations*, The Komisar Scoop, November 10, 2005. Available online at: <http://thekomisarscoop.com/2005/11/10/follow-aristides-money-offshore-how-haiti-was-looted-with-the-help-of-tax-haven-shell-companies-secret-bank-accounts-and-us-citizens-corporations/>. (Accessed May 5, 2009.)

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Fn.3. NewFest: The NY LGBT Film Festival webpage. Available online at: <http://www.newfest.org/cgi-bin/iowa/about.html>. (Accessed May 5, 2009.)

Fn.4. Marsha Austin, *Federal Loan Program Targets Gays*, THE DENVER POST, June 21, 2000, at A-01. Available online at: <http://extras.denverpost.com/business/biz0621a.htm>. (Accessed May 5, 2009.)

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government filed suit accusing Aristide of skimming millions of dollars from Haiti's telephone company, but withdrew the case citing a lack of funds. Fusion stock is now worth only a few cents a share.

While Hochberg did not join the board until 2004, he has worked willingly with those who presided over the company while the controversial Haitian deal was in place. Furthermore, Hochberg remained with the company in spite of its 11-month cover-up of the sweetheart deal. Finally, the FCC ordered Fusion to disclose the documents; the documents were turned over last October. Fn.2.

- Hochberg is on the advisory board of the New Festival, Inc. in New York. Every year this week-long film festival brings gay smut—graphic sexual content—to New York. Fn.3.
- While at the Small Business Administration Hochberg specifically set out to single out urban gays, and SBA signed agreements with 106 gay community centers. "The initiative gives gay and lesbian business owners access to federal small-business loans, government subcontracting opportunities, seminars led by business leaders, and other technical support services. . . .The idea of expanding the program to gays and lesbians arose . . . during a meeting between SBA officials including Hochberg, and members of the Colorado Business Council, the state's gay and lesbian chamber of commerce." Fn.4.
- Hochberg has given generously to the Democrats, and he was rewarded with an invitation to be a Lincoln Bedroom guest in the Clinton White House. Hochberg raised between \$100,000 and \$200,000 for Obama's presidential campaign. He also raised at least \$100,000 for John Kerry and Hillary Clinton. Fn.5.
- Hochberg's strong support for John Kerry was to be expected given Kerry's effort to get him confirmed in 1998. Republicans had held up Hochberg's nomination due to a question about a \$15,000 contribution which appeared to be illegal because it went into a "hard" money account rather than a "soft" money account. Fn.6.

Fn.5. Charles R. Babcock, *The Overnight Guests*, THE WASHINGTON POST, February 27, 2007, at A19. Available online at: <http://www.washingtonpost.com/wp-srv/politics/special/campfin/stories/quests.htm>. (Accessed May 5, 2009.)

Search conducted on www.opensecrets.org. Available online at: <http://www.opensecrets.org/pres08/bundlers.php?id=N00009638>. See also, search conducted on www.whitehouseforsale.org. Available online at: <http://www.whitehouseforsale.org/bundler.cfm?Bundler=11057>. (Accessed May 5, 2009.)

Fn.6. Chris Black, *Senators elude Kerry roundup*, THE BOSTON GLOBE, March 21, 1998, at A3. Available online at: <http://www.highbeam.com/doc/1P2-8459190.html>. (Accessed May 5, 2009.)

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9900 MAIN STREET
SUITE 303
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