

Tony Rezko

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Ties to Barack Obama

In 1990, after Obama was elected president of the Harvard Law Review, Rezmar Corp. offered him a job, which Obama turned down. Obama did end up taking a job with law firm Davis, Miner, Barnhill & Galland, which primarily worked civil rights cases, but also represented Rezmar and helped the company get more than \$43 million in government funding and whose former senior partner, Allison S. Davis, later went into business with Rezko and, in 2003, was appointed to Illinois State Board of Investment by Governor Blagojevich at Rezko's request. On July 31, 1995 the first ever political contributions to Obama were \$300 from a lawyer, a \$5,000 loan from a car dealer, and \$2,000 from two food companies owned by Rezko. Starting in 2003, Rezko was one of the people on Obama's U.S. Senate campaign finance committee, which raised more than \$14 million. Rezko threw an early fundraiser for Obama, and that fundraiser was instrumental in providing Obama with seed money for his U.S. Senate race.

Also, in 2005 Obama purchased a new home in the Kenwood District of Chicago for \$1.65 million (\$300,000 below the original price) on the same day that Rezko's wife, Rita Rezko, purchased the adjoining empty lot from the same sellers for the full asking price. Obama acknowledged bringing his interest in the property to Rezko's attention, but denied any coordination of offers.

After it had been reported in 2006 that Rezko was under federal investigation for influence-peddling, Obama purchased a 10 foot wide strip of Ms. Rezko's property for \$104,500,

\$60,000 above the assessed value. According to Chicago Sun-Times columnist, Mark Brown, "Rezko definitely did Obama a favor by selling him the 10-foot strip of land, making his own parcel less attractive for development." Obama acknowledges that the exchange may have created the appearance of impropriety, and stated "I consider this a mistake on my part and I regret it."

On December 28, 2006, Ms. Rezko sold the property to a company owned by her husband's former business attorney. That sale of \$575,000, combined with the earlier \$104,500 sale to the Obamas, amounted to a net profit of \$54,500 over her original purchase, less \$14,000 for a fence along the property line and other expenses. In October 2007, the new owners put the still vacant land up for sale again, this time for \$1.5 million.

In June 2007, the Sun-Times published a story about letters Obama had written in 1997 to city and state officials in support of a low-income senior citizen development project headed by Rezko and partner Allison Davis. The project received more than \$14 million in taxpayer funds, including \$885,000 in development fees for Rezko and Davis.

In the South Carolina Democratic Party presidential debate on January 21, 2008, Senator Hillary Clinton said that Obama had represented Rezko, who she referred to as a slum landlord. Obama responded that he had never represented Rezko and had done only about five hours work, indirectly, for Rezko's firm.

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