

Penny Pritzker: A Chicago Fat Cat for Commerce Secretary?

Will President Obama really nominate billionaire Chicago gal pal Penny Pritzker to head his Commerce Department? "It's a done deal," according to a White House source close to the Chicago Tribune. As further confirmation, Pritzker resigned abruptly from the Windy City's school board late last week. The crony fix seems to be in.

Taxpayers, beware. Pritzker is a deep-pocketed doyenne with a family history of dodging taxes – or siphoning them away from the public for her own family's gargantuan private gain. If you want to see how she'll oversee a \$10 billion government agency, look at her own wealth redistribution record.

Most notoriously, Pritzker headed up subprime lender Superior Bank. Even after it went under in 2001 and left 1,400 mostly poor and minority customers destitute, Pritzker was pushing to expand its toxic subprime loan business. As I've reported previously, Pritzker and her family escaped accountability by forking over a discounted \$460 million settlement over 15 years after the bank collapsed.

One of the Obamas' oldest Chicago friends and an intimate confidante of Chicago Mayor Rahm Emanuel, Pritzker served as a top national finance chairwoman and bundler for the 2008 presidential campaign. She is an heir to the Hyatt Hotel and Pritzker family fortunes. According to Forbes, her grandfather and his sons also created the industrial conglomerate Marmon Holdings, which the family sold to Warren Buffett's Berkshire Hathaway for \$4.5 billion.

To protect her family's multibillion-dollar fortune, Pritzker's enterprises park their money in the very same kind of offshore trusts Obama attacked GOP rival Mitt Romney over.

But Obama lapped up nearly \$800 million in campaign and inaugural funding raised by Pritzker. A former Pritzker tax lawyer pioneered tax-avoidance strategies for the family, which allowed them to pay \$9 million in taxes instead of \$150 million in estate taxes after patriarch A.N. Pritzker died. As Forbes notes: "There are now 11 Pritzkers on the Forbes list of the 400 richest Americans." Nice lawyering if you can get it.

Exempted from Obama's poisonous class-warfare demagoguery, Pritzker also chaired Chicago's failed Olympic Village Subcommittee while serving as president of Pritzker Realty Group, a top Illinois mega-developer that would have reaped untold millions in project work if then Chicago Mayor Richard M. Daley and the White House had secured the 2016 Olympic bid.

Former Pritzker executive and Obama campaign treasurer Martin Nesbitt also served on the Olympic committee, while holding the chairmanship of the Chicago Housing Authority under Daley – brother of former Obama Chief of Staff William Daley. Cronies of a feather.

One of the most lucrative schemes milked by these developers and perfected in Chicago is a mechanism called tax increment financing. When I worked in Seattle covering corporate welfare and city government, I became strange bedfellows with a diverse alliance of libertarians and Ralph Naderites who rightly oppose "public-private partnership" deals between developers, statist Democrats and corporate welfare Republican politicians. These "public-private partnership" scams inevitably involve tax increment financing gimmickry to siphon off tax dollars to subsidize developers/builders/contractors, who then reward politicians with big campaign donations.

TIF schemes totaling hundreds of millions of tax dollars were at the heart of the Obama/Daley/Pritzker Chicago Olympics bid. And a huge franchise of Pritzker's Hyatt Hotels Corp. was the beneficiary of a \$5.2 million TIF subsidy approved by Chicago

Dems last year. It's part of a massive redevelopment project with the Obamas' hometown University of Chicago that robs local schools to subsidize well-connected corporations.

Don't take my word for it. As a radical leftwing local activist put it: "It's not fighting economic blight; it's a way of taking from everyone and giving to the 1 percent." From Chicago to Chicago on the Potomac, it's dirty statist business as usual.

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