



THE PLAIN DEALER

Candidate tells of mentor's betrayal

Chandra details Maryland PAC scam

Wednesday, April 05, 2006

Ted Wendling
Plain Dealer Bureau

Columbus -- On the morning of April 28, 1995, Subodh Chandra, a 27-year-old Yale Law School graduate who had yet to pass the bar exam, sat across from a reporter for the Baltimore Sun at a hotel in Washington, D.C., and saw his emerging legal career going up in smoke.

The reporter had uncovered a scam in which Lalit Gadhia, Maryland Gov. Parris Glendening's campaign treasurer and Chandra's mentor, had duped Chandra by pumping \$46,000 in illegal contributions into an obscure political action committee in New Mexico called the Indian-American Leadership Investment Fund. Chandra, who is running for Ohio attorney general, had helped found the fund and was its treasurer.

"He said, Look, the guy the PAC reported as a chef is a short-order cook. This guy who was reported as an engineer is a maintenance guy. And these people aren't [U.S.] citizens," Chandra recalled.

"I'm just having an out-of-body experience as this reporter is telling me all this. I'm in complete and utter disbelief because I completely trusted him [Gadhia], and I'm seeing my as-yet-unpursued legal career flashing before my eyes."

Gadhia's betrayal proved to be a defining moment in Chandra's life, but not in the manner he feared.

He notified the Federal Election Commission and cooperated with the Justice Department, testifying against Gadhia before a federal grand jury. Gadhia later pleaded guilty to making a false statement to the FEC and was sentenced in 1996 to three months in prison.

A year later, Chandra married Meena Morey, a Cleveland personal-injury attorney who had taken a shine to the earnest Yalie. Morey had agreed to represent Chandra without compensation in his discussions with the feds because he had \$100,000 in student-loan debts and little money.

In 1999, Chandra had another serendipitous moment. The Justice Department, which had prosecuted Gadhia, hired him as a prosecutor in its white-collar crime section in Cleveland.

Much of the Gadhia story is laid out in the FBI background check that Chandra, 38, underwent and recently released because he is running in the Democratic primary.

"I've always viewed this race as the longest job interview of my life," he said. "Since Ohioans are making a hiring choice . . . they already paid for the FBI background check, so they might as well see it."

Chandra, who served as law director under former Cleveland Mayor Jane Campbell, is not challenging his primary opponent, Sen. Marc Dann of Youngstown, to make a similar disclosure. Nor has Dann, a lawyer, undergone such a security-clearance investigation, said his spokesman, Alex Goepfert.

"Marc's public record is out there," he said.

Chandra's trial by fire began after Gadhia, a Democratic fund-raiser and power broker in Baltimore, befriended him in the mid-1990s. Closely aligned with Maryland Sen. Barbara Mikulski and then-Baltimore Mayor Kurt Schmoke, Gadhia was trying to re-elect congressional Democrats, and he wanted Chandra's help.

Chandra said Gadhia asked whether he could use the Indian-American Leadership Fund to raise money and make contributions, but he said he initially rejected the idea because the purpose of the PAC was to support Indian-American candidates.

After discussing the matter with other fund executives, Chandra said they came up with a compromise: Since the PAC was supporting Peter Mathews, an Indian-American candidate in California, no recipient of PAC money could receive more money than Mathews.

In the following weeks, Gadhia directed thousands of dollars to the PAC, often frustrating Chandra by providing incomplete business and occupation data required by the FEC. After much cajoling, Gadhia eventually filled in the blanks.

But, as the Baltimore Sun and FBI later revealed, the records were false. Gadhia had laundered the money through an Indian Embassy official in violation of U.S. campaign-finance laws, which prohibit foreign nationals from contributing to federal elections.

Included among the unwitting recipients were Ohio Reps. Sherrod Brown and Eric Fingerhut. Both campaigns later returned the money.

Joseph Evans, a former assistant U.S. attorney who prosecuted Gadhia, said Chandra cooperated with the government even though doing so subjected him to substantial criticism from his Indian friends.

He also says it's a testament to Chandra's character that the Justice Department later hired him.

"What it says is the Department of Justice . . . concluded that he was the kind of person who had the moral integrity to be hired," Evans said. "I think that speaks volumes."

For his part, Chandra says he has forgiven Gadhia.

"He's a good person who did a bad, bad thing," he said. "He betrayed my trust, but I've forgiven him."

Asked whether he worries that others might use the information to portray him as complicit in Gadhia's fraud, Chandra said no.

"I passed a full field FBI background check," he said. "Anybody who would seek to misinterpret the information is going to have to confront that fact."

To reach this Plain Dealer reporter:

twendling@plained.com, 1-800-228-8272

© 2006 The Plain Dealer

© 2006 cleveland.com All Rights Reserved.