

MY CONVERSATION WITH REPRESENTATIVE DARRELL ISSA



As Ranking Member on the Committee on Oversight and Government Reform, this intrepid California Congressman is doggedly investigating malfeasance wherever he finds it — including the Obama Administration; with a GOP House win in November, his Chairmanship will mean subpoena power:

RUSH: Congressman, how are you?

ISSA: I am doing fine. The only problem is, Congress is back in session, wasting \$26 billion. I know how that disappoints you.

RUSH: Yes, very much so. [Laughs] I know you're busy, and I really appreciate your taking the time to do this. Let me begin with *The New York Times* article I saw in early July with the headline, "REPUBLICAN EMERGES AS OBAMA'S ANNOYER-IN-CHIEF." The article talked about you as a "designated pest, adept at drawing attention to nuisance issues," and so forth. And in this article you said, "You can call me a pain. I'll accept that as a compliment." Why do you embrace this role, when it seems to many of us that so many Republicans fear it?

ISSA: Constitutionally, our branch is supposed to be the balance for the Executive branch. It was never intended to be given the money and then walk out of town and let the Executive spend it for a year. So first, I think it's our job. And if the President — who said he was running on transparency, and he was going to be the most transparent and accountable President — feels I'm a pest, it's because he's even less transparent than the last President he complained about.

RUSH: Very true. Have you had any reaction by anybody in the Administration as a result of your work, or any Republicans telling you to go easy, that really we don't want to cause any waves here — "we're looking good this election year, don't cause too much trouble"? Is anybody giving you hassles about it?

ISSA: I'd stop short of "hassles," Rush, but absolutely. There are people that, every time an investigation includes Republicans or includes the last Administration, they get sensitive about the idea that you find fault and failure and waste where it is, and often it's going to occur on the last guy's watch. So I do get those. Sometimes it's a call to people in leadership, or some of my colleagues, from former members, when you're making their record not look as good as they remember it. But that goes with the turf.

RUSH: You sent a letter to the President's Financial Crisis Inquiry Commission, asking why the commission ran out of money already and wants more. You're inquiring about staff conflicts of interest. Have they responded to you yet?

ISSA: Only that they're shocked that I would go after a "bipartisan commission." I said, well, just because there's two Parties in there doesn't mean you're not wasting money or failing to accomplish a goal that I was very active in setting. I championed my own bill, but ultimately a very similar one from another member became law. I think what they're doing is important. I'm willing to pay for it, but I'm not willing to go through a charade. And that commission was distorted into a 6-4 partisan commission. So it lacks that normal if-you-can't-get-it-right, just-lock-it-up-until-you-can-get-it-right makeup that I had hoped to have, which we had on the 9/11 Commission.

RUSH: Are they even trying to be honest with you, or do they seem to be above being investigated: "Who are you — we're the ruling class; you don't have any right to know what we're doing"?

ISSA: You're absolutely right, Rush, and that's why so many articles make the point that they're actually campaigning and fundraising off of preventing me from getting subpoena power. Today, when I get a response it's because I've shamed the majority into allowing for a subpoena. But for the most part, this Administration does not answer letters from the majority or the minority. And the majority has been unwilling to subpoena records from the Administration, almost without fail. They accused Republicans of

not doing enough oversight over the Bush Administration, but the Obama Administration has discovered that no oversight is a good thing now that he's in the White House.

RUSH: Of all the issues that you're following — Fannie Mae/Freddie Mac execs and the sweetheart Countrywide deals, the Sestak matter, the federal response to BP — what's the most potentially serious thing you're looking into, that they are the most vulnerable on?

ISSA: Well, certainly Countrywide makes all politicians vulnerable. They spent a lot of money giving sweetheart deals to people who could influence politics on both sides of the aisle. That's one of those where you've got to fix it, because if you're allowed to give hundreds of thousands of dollars in discounts to prominent people around the contribution system, then our democracy basically will be bought and paid for by people you don't even know

being injured by some unscrupulous individual or company, or whether they're part of a group. It's amazing that this Administration is actually standing for closing access from the public that's been around since the 1960s.

with it, is absolutely doable. It is doable effectively on an Executive Order, or in fact, an order of their Oversight Board.

RUSH: Obama could just give away federal money.

ISSA: He could. This is the reason I led the charge against

depressing about a lot that's happened. Now, *The Times* article I referenced earlier says, "Democratic operatives have been circulating hefty opposition research files" on you. Focused on some wild-youth events from the 1970s. Has



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got a deal. So for me, that's one of the most important.

One that right now is actually getting Democrats uncomfortable enough to support legislation is the Dodd-Frank SEC lock-out of the Freedom of Information Act provision — which Barney [Frank] said wasn't a problem. The chairwoman has said it isn't a problem. But Senator Leahy suddenly says, "Well, I think we're going to drop a bill to fix it" — using essentially the same language as a bill I sponsored before the break — to reopen freedom of information coming out of the SEC, unless they have an actual investigation that would be harmed by it. That's the old way it was done; you had to have a darn good reason not to allow the public, particularly injured parties, to find out about whether they're alone in

RUSH: Earlier there was a rumor circulating that the President would have Fannie Mae/Freddie Mac just forgive the loans of people whose mortgages are underwater. Could the President, just by signing his name, have Fannie Mae/Freddie Mac, which are already in debt, insolvent, simply say we're going to forgive loans of mortgages that are underwater?

ISSA: Absolutely. Here's one of the sad things, the reason that everyone from Ron Paul to Darrell Issa and many Democrats want to audit the Fed. Some of the money has actually come out of TARP. But for the most part, we took all of the debt of Freddie and Fannie and simply made it Treasury bills, "full faith and credit." So the idea that they default as a semi-private corporation, and then the American people are stuck

the TARP, along with Bill Isaac, the former FDIC chair, and a lot of other people in the private sector, Art Laffer and the like. Once you give an Administration trillions of dollars of intangible, or if you will, fiat money, plus this almost a trillion dollars of TARP money, they can do just about anything they want. The President has to weigh the votes he'll lose versus the votes he gets, but if he were to simply make an order that says, "mark-to-market all these debts, and simply write them down to the current value of the home, and hand it back as a loan adjustment to all these individuals," it would represent probably a trillion dollars. And it would be hard to undo it.

RUSH: Yes, well, it's hard to undo any of this stuff that's been done — that's what's so

this intimidated you at all?

ISSA: It intimidated me in 1998 when I ran for the U.S. Senate, when I found out just how bad I'd been as a kid. But at this point, these things are all old news. You know, if I could do things over again, I'd have been better at some things and hung out less with the wrong people, including my brother sometimes. But at the end of the day, they're talking about things that occurred more than half my life ago.

RUSH: This just shows their pettiness. You think you guys are going to win the House in November?

ISSA: I do, Rush. And I think we're going to win it for the old-fashioned reason. Not that we have as much money as the Democrats have, but that the American people are with us. That includes the Reagan

Democrats, and there's a lot of them left. Also the new swing voter who says, "Wait a second here. I was an economic conservative and a social liberal. Put the social things aside for a moment. The economy is in ruin." That was really the first thing that made these folks Independents; they were wealthy enough to think that they could be swing voters, and it didn't matter who was in the White House and who was in the Speaker's chair. Now they know it matters a great deal.

RUSH: If you win the House back, you're going to be chairman of the Committee, and you would have subpoena power. Would you use subpoena power in the White House to pursue the things that you can't pursue now?

ISSA: If I had subpoena power, I'd probably find a little more cooperation based on the threat of it. But more importantly, I have a track history. The only time I had to use subpoena power when we were in the majority and I was a subcommittee chairman was to subpoena the heads of the oil companies for their too cozy relationship with the Mineral Management Service and the reckless way that organization worked with Big Oil. When you're a chairman or a subcommittee chairman, which I'll have five of them working for me, and you ask the Administration for something, they generally try to negotiate some middle disclosure, if they know you'll use a subpoena as a back-up. And I hope that I get that kind of cooperation, because most of the time what I'm looking for is not a "gotcha" on President Obama, I'm looking for the waste in the tens and hundreds of billions that occurs in any Administration.

RUSH: Yes, but which is being done on purpose. They're not going to want to give that up. It is Obama. Whether Obama's got his fingerprints on it or not, it is Obama.

ISSA: You're absolutely right, Rush, that it is Obama, but it's also a dozen or so political

appointees, former governors, people who believe they have a political future. One of the realities in politics is, if they cooperate, as the cooperation we've had from Ray LaHood on the Toyota issue and other Department of Transportation issues, they're actually enhancing their political future by cleaning up things that are discovered during their watch. If they push back and stall, and you have to go to the mat, then they're hurting their political future, particularly if you find that things happened on their watch that shouldn't have.



RUSH: You talk about Big Oil. One of the things that you're into, too, is the federal response to BP. What aspect of that response are you looking into, the lack of a response?

ISSA: Primarily the delta between what they claimed they were doing from Day One and what actually occurred. Many of these parish presidents did physical counts and said, "Look, your chart says I have so many; I'm flying over the site, I don't have this many people or boats working on the cleanup." And it was that disingenuous propaganda, if you will, that we really find intolerable.

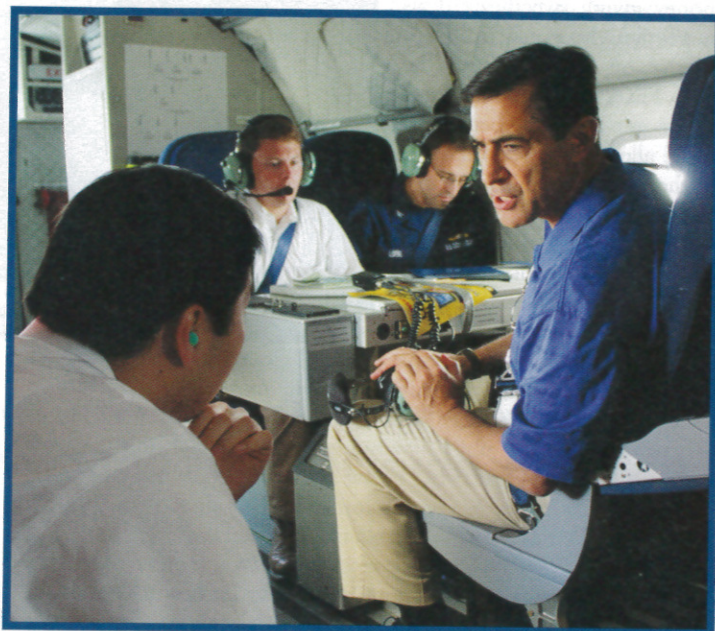
RUSH: There are a lot of people, Congressman, who think that the Administration really wasn't interested in solving this; that it was an opportunity for them to move cap-and-trade. I mean, here's an oil disaster and you've got an Administration that doesn't like

oil, is trying to push new green industry. They didn't do anything for 50 days. They shut down drilling with this moratorium they still haven't lifted. Even they now say they can't find the oil. There's no reason for any of this economic slow-down whatsoever. None.

ISSA: Rush, you're absolutely right that the idea of an arbitrary moratorium without an end date was supportive of their cap-and-trade goals. There's no question it's already affecting the cost of oil, because quite a bit of production is either off-line, or the

can't defend its borders. The American people are boiling, they are livid. What can you guys do if you take power back, to respond to some of these things the American people want opposed?

ISSA: Rush, the only power that Congress really has, in absolute terms, is the power of the purse. "No funds shall be used" is one of our favorite expressions. Because at the end of the day, the President has to deal with the money we give him in the way we give it to him, not the way he'd like to have it. And that'd be the



future production is now going to be off-line. But more importantly, it did allow them to blame the previous "oil Administration" for something that actually happened well into the Obama watch.

RUSH: You've also been outspoken on the federal lawsuit against Arizona, in addition to the drilling moratorium. If the Republicans do win the new majority in January, what do you anticipate they could do to check that sort of executive power on, say, the Arizona immigration bill, or the moratorium? I mean, the American people, wherever they look, see things like the judge overturning seven million votes in California on marriage, the federal government saying Arizona

difference between this current leadership in the House and Senate under Pelosi and Reid, and what we would be doing. We'll give him the money he needs to take care of our troops, to meet our requirement, to make sure your post office and your national parks are open, but we're not going to give him money to sue Arizona. Because it actually takes money to run that case, if they hadn't had it, he would have had a harder time. More importantly, there's something common sense: it should never be illegal to arrest an illegal.

RUSH: It happens in Rhode Island; the Virginia Attorney General just said that the local enforcement can do it there. It's clear that these guys are looking

at illegal immigration as an undocumented Democrat program — as a chance to register all these people as voters. It's just a mess. Frankly, I don't know how you guys keep your sanity up there, watching this, and powerless to really stop much of it. It's got to be frustrating.

ISSA: Well, Rush, it can be frustrating. For years you've been shaping the debate in a really good way. I happen to be somebody who will totally support a worker program, who wants to have comprehensive immigration reform. But having said that, look at the

in going to the middle. They'd like you to go to the middle.

ISSA: But Rush, they've never asked us to go to the middle; they've asked us to start by having 12 to 30 million amnesties. It eliminates only the one problem, that suddenly no one's illegal. It doesn't eliminate classrooms in California where the cost of getting people to learn English when they're not hearing English at home is disproportionately hurting the ability to educate our kids, including the legal immigrant. There's a series of problems that Obama

them as well. They're dumbing down people, teaching them things that you and I were not taught when we were in school, not teaching them the important things, about the founding of the country and so forth. They've got control of so many institutions, education, the judiciary now, as we know, they own the media. I mean, here you are simply trying to keep these people honest. But to them you're a bad guy, worse than some of the people who are actually participating in policies that are tearing down the fabric of the country. You

by a government that understood it doesn't create jobs. It got us where we are. I understand that FDR tore little holes in that fabric, but we're not going to let the whole thing come down on our watch. There's enough of us in Congress that those who want to "go along to get along" and just trade earmarks can't actually do it without our votes. And we're not giving our votes for that kind of go-along behavior that went on in the past.

RUSH: Excellent. You mentioned that you came up private sector. You had an alarm company called Directed Electronics. You created the Viper Car Alarm — and when somebody violated the alarm, it was your voice that the perpetrator heard, saying, "Step away from the car," is that right?

ISSA: Yes, and it should have said, "Vote for me." I wasn't thinking ahead at the time, Rush.

RUSH: [Laughs] Could you start that business today? How much more difficulty would you have starting that business



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disingenuous nature of this Administration and the Democrats in Congress who have voted for E-Verify, have voted for the very tools that Arizona wanted to use, and then when a state is going to try and use them collectively and effectively, say, "Hold it, you can't do that." It shows that we cannot have amnesty first; we cannot have "trust us, we'll enforce." We have to have real enforcement. Before this Administration pulled at the Arizona lawsuit, some people would have said, "Well, you guys ought to work together, just come to the middle." They know you can't come to the middle unless you do certain things first now.

RUSH: They have no interest

would like you to not see, but I certainly see it. Look at No Child Left Behind; it succeeds in Utah and it fails in California. When you ask the teachers, they'll tell you the difference is the quantity of people for whom English isn't their language. Well, wait a second, who's in control of that?

RUSH: Exactly.

ISSA: So it's a self-inflicted wound that is keeping our kids from being educated to a level where they can compete with the rest of the world. And the teachers should be on our side instead of on the other side. Unfortunately the union movement is Democrat first, and then the actual issue second.

RUSH: And I think the education aspect is working for

represent a great threat to these people with what you're doing, and it's remarkable that you haven't caved on this. A lot of people are hoping that you're able to go farther.

ISSA: Well, one of the things that gives me an advantage is that I had a private life and a good life in business and a career in the Army. And at this point I'm going to stand up to the question, will this be the last generation of democracy? Well, it's not going to fail on my watch, unless they literally shoot me down. Because I'm not going to quit. And there are plenty of people in Congress who feel the same way — that before all the other issues comes the preservation of a system, a private sector led

today, in today's climate, than you had when you started it?

ISSA: In the early 1980s, when I was just getting going and I was etching my own boards and having groups of men and women drill the boards manually and then stuff the boards, you actually could get the parts in the U.S. So one of the things we've done in electronics is we've eliminated all the support for small electronics companies because none of the parts, none of the equipment, virtually, is made in the U.S. So it's a portion of the economy that we're losing with the exception of a little bit of defense electronics. And it's one of the areas that, if we were strategically minded, if our government actually viewed

itself as a partner to success of industry, we'd be trying to figure out a way to get some of it back. Right now, Intel and companies like them, they innovate, they design. Andy Grove just had an article a few weeks ago in which he said, look, we're not going to create jobs from innovation — innovation will create high-end jobs, but the employment of the masses will go on in other countries. That's exactly the problem that government should be dealing with. If you have the best and the brightest and most innovative people, but when they go from innovation to production they're going to do it outside the country, then you've got to be active in figuring out how we're going to be competitive. Right now we're going exactly the wrong way. Whether it's raising the cost of energy — which even the President has been very candid in saying cap-and-trade will raise the cost of energy — or it's artificially raising the cost of labor with some of his health care reforms

with no reducing the cost of health care. We've got to change that, Rush. We've got to get where our health care system is competitive, not just comprehensive. You know, the President wants everyone covered, but at 24, 25 percent of GDP, we're spending three times as much on health care as our competitors. We will not compete successfully with that kind of rock in our knapsack.

RUSH: I want to go back to electronics for just a second, because you're absolutely right about health care. But I just saw the other day that the company in China that manufactures iPhones and iPads is building a new factory, 200,000 new workers; they're going to make 200,000 iPhones a day. The Apple products are revolutionary. They're basically taking over whatever market they're getting into, and all of them are made

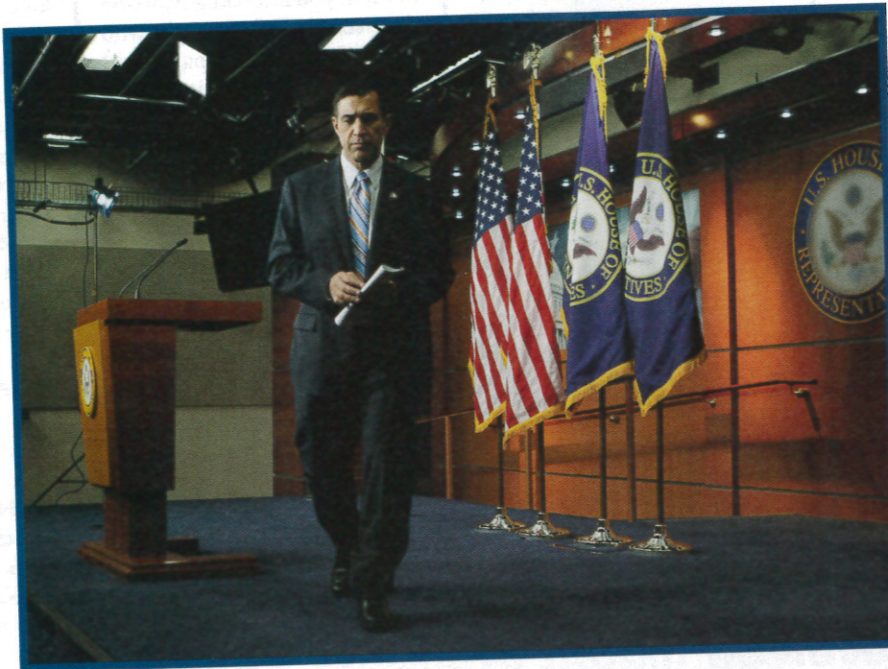
in China. All these people being hired are Chinese. If you order one of their products online, it's shipped to us from China. Everything is done there. Apple is a big supporter of left-wing causes, big supporter of Democrats, Al Gore's on their board. And yet it's those people out decrying the loss of manufacturing jobs and shifting jobs overseas because we're trying to globalize. What is there to be

ISSA: But you know, Rush, one of the things that people forget is it's the totality of everything you have that makes you competitive. When we had everything, when we had great roads and low-cost energy, a well-motivated workforce that you could hire and fire at will, it meant they were able to quickly move to fill these gaps. Some of the great migrations, including up to Detroit, to work for Ford

competitive, why is it we had to bail out General Motors in Detroit? There was something fundamentally wrong with what we were doing. If Honda and Toyota can do it in the U.S., it's not the American worker; it is, to a great extent, self-inflicted wounds that Congress has to spend more time working on — and less time working on how to spend more of your money before you've made it.

RUSH: Quick final question on California politics. What is your read on the Governor's race? And do you think Barbara Boxer's beatable?

ISSA: First, the match-up of Carly Fiorina and Barbara Boxer is between someone who understands the world and how the front of a paycheck gets signed versus the person who simply complains about it. So Barbara Boxer's time has come to face a real challenge. Second, California's going to make a huge tidal change if they elect Meg Whitman. And I think they're going to choose the future rather than



done about something like that?

ISSA: The most important thing we have to do, Rush, is we have to look at the elements that cause you to be competitive. Cost of labor is part of it, but cost of automating, cost of dealing with the government, speed. It takes twice as long to put a chip fab factory up in the U.S. as it takes in most developing countries. At the end of the day, Intel or AMD don't produce a different product there. They don't have different standards. But it takes them a lot longer to get it. And by the way, I've done business in China. China has bureaucracy, they just simply have found a way to have a lot less than we have. You can put a fab up cheaper and quicker in Ireland, in the European Union, than you can in the U.S.

RUSH: Sounds like building a house, too.

and others, wouldn't have happened with a centralized government. They would have kept them on their farms or doing whatever they wanted them to. But it was the fact that they came from all over the country, and sometimes all over the world, to get those jobs. That mobility. All of that has to be looked at to see, "Can we be competitive? Or are we simply going to assume, like the French, that an elegant decline is okay, because we used to be somebody?" I don't want to be like the French. I really don't want to used-to-be somebody. There's six billion people in the world; we're 300 million of them. To stay on the top, we have to have access to good brains, access to low-cost distribution and energy, and a willingness to allow innovation to turn into production. If there can be a Toyota plant in Georgia that's

the past. They're going to elect Meg Whitman by high single, maybe even double digits. In other words, Jerry Brown is going to lose in a landslide. The top of the ticket helps move votes. So when you see Meg Whitman win by ten, Barbara Boxer will not win. I think Barbara Boxer's gone, and some of it she can't control. This shift will probably give a four or five percent advantage to Carly, simply because I think Meg is going to decimate Governor Moonbeam.

RUSH: Darrell, thank you very much. I really appreciate your time. It's nice to talk to you, too; I've been admiring your work from afar for a long time.

ISSA: Well, I'm happy to do it. Admire it quietly, but if you want to criticize it, call me.

RUSH: [Laughs] Will do. Thank you very much. ■