



Written by [Bob Adelman](#) on May 31, 2013

Snopes Misses on Story of Collusion Between Sen. Feinstein and Husband's Company

When George Miller, writing for the Ventura County Tea Party on May 22, [complained about the blatant conflict of interest](#) apparent in the fact that California Senator Dianne Feinstein's husband, Richard Blum, was the exclusive seller of some 50 buildings belonging to the U.S. Postal Service, he didn't know that [Snopes had already poo-pooed the charge out of hand](#) back in April.



According to Miller, Blum's company was going to make a fortune through real estate commissions as a result of his wife's political influence:

The US has entered into a contract with a real estate firm to sell 56 buildings that currently house U.S. Post Offices. The government has decided it no longer needs these buildings, many of which are located on prime land in towns and cities across the country.

The sale of these properties will fetch billions of dollars and a handsome 6% commission to the company handling the sales. That company belongs to a man named Richard Blum. Who is Richard Blum, you ask? Why, the husband of Senator Dianne Feinstein, that's who! What a bunch of crooks we have running this country!

However, when the folks at Snopes analyzed the story in April, they said that while Miller's charge was largely true, it required some minor corrections, and it majorly misrepresented an important fact — namely that it found no collusion between Feinstein and her husband.

Snopes noted that it is common knowledge that the USPS is in desperate financial condition and, in an attempt to raise some cash and cut some of its expenses, it has "earmarked for disposal" more than 600 buildings. It noted further that at a Post Office website "[USPS Properties for Sale](#)" there were 41 buildings and 11 land parcels for sale. It failed to note, however, that the website was a joint venture between the USPS and a real estate company called [CBRE](#). But it did say that CBRE had done a deal back in 2011 to become the exclusive lister and seller of real estate for the USPS. It also noted that Blum's private equity company, [Blum Capital](#), "is one of CBRE's larger institutional stockholders." That, according to Snopes, is where the truth of the claims against Feinstein and her husband end.

According to Snopes, Blum's involvement in the Post Office sales was no big deal, quoting from one of just two articles that they "sourced" — [from the San Francisco Chronicle](#). Andrew Ross of the *Chronicle* wrote that Blum's activities hardly constituted any sort of conflict of interest. He claimed to know that this assertion was true because Feinstein's office spokesman, Brian Weiss, said so:

Sen. Feinstein is not involved with and does not discuss any of her husband's business decisions with him. Her husband's holdings are his separate personal property. Sen. Feinstein's assets are held in a blind trust.



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That arrangement has been in place since before she came to the Senate in 1992.

Claim debunked, right? Not so fast.

It's unfortunate that Snopes didn't dig any further into the matter. It could have, for instance, sourced [an 11-page exposé of Blum and Feinstein](#) published by the online site FoundSF entitled "Richard C. Blum and Dianne Feinstein: The Power Couple of California." There Snopes would have found how this couple, through a continuing series of events that could only be called crony capitalism on steroids, grew their wealth, starting in 1980 when they were married, from a modest sum to well over \$100 million.

In that exposé they would have uncovered another source, this time from the *Los Angeles Times*, which noted the couple's illicit activities from the beginning:

A review of the senator's first two years in office found that Feinstein supported several positions that benefited Blum, his wealthy clients and their investments. She was a vocal proponent of increased trade with China while Blum's firm was planning a major investment there. She also voted for appropriations bills that provided more than \$100 million a year in federal funds to three companies in which her husband is a substantial investor.

Visiting the *Times* article would have led them to [another source that](#) explained in detail her votes as head of the Military Construction Veterans Affairs and Related Agencies Subcommittee (MILCON), which funneled \$1.5 billion worth of military construction contracts to [URS Corporation](#), an engineering, design, and construction company located (where else?) in San Francisco — in which Blum had a significant financial interest. Her committee also funneled millions into [Tutor Perini](#), one of the largest general contractors in the country, also located in California, and in which Blum also had a significant financial interest. When Blum sold his interests in URS and Tutor Perini, he booked profits estimated at between \$5 and \$10 million.

It gets even better. While Blum was an owner in URS, it bought a substantial piece of another company, a defense contractor called [EG&G](#), which just happened to enjoy a windfall contract, thanks to Feinstein's MILCON committee, of \$600 million.

There are other egregious examples of how Feinstein, denials notwithstanding, funneled taxpayer funds into companies either controlled or heavily invested in by her husband. But the aforementioned examples should suffice to prove two points: Snopes often fails to dig deeply enough to discover the depth of corruption and deceit and denial in its efforts to "vet" a story like that from the Ventura California Tea Party. Second, the rampant self-dealing and obvious conflicts of interest go far beyond just a little agreement to sell some post offices through a company controlled by Feinstein's husband.

If one listens only to Snopes and fails to dig more deeply, one may be left with the conclusion that "there's nothing to see here. Just move along now, and thank you."

A graduate of Cornell University and a former investment advisor, Bob is a regular contributor to The New American magazine and blogs frequently at www.LightFromTheRight.com, primarily on economics and politics. He can be reached at badelman@thenewamerican.com.



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