

THE K STREET AFFAIR

By Mari Passananti

Excerpt: Chapter 1

Every soul employed in the fancy glass office building at 1050 Connecticut Avenue swarms the exits well before the alarm system finishes blaring its robotic instructions. We march slowly and deliberately down a stairwell plunged into blackness, illuminated only by emergency bulbs at each landing. I'm grateful nobody has panicked, but I can't help silently urging my colleagues to pick up the pace. The alarm shrieks deep inside my head, even with my hands pressed over my ears.

How many minutes since the floor rocked under our feet? Can aftershocks take down buildings? Crush the people in them?

I count the steps in order to estimate our progress. At 114 we reach the pavement. I pause and blink at the shock of sunlight before realizing that every person who stops for a moment to regroup slows the evacuation. A detail cop yells at us to move north along Connecticut Avenue. Good. Shorter buildings up there.

On the sidewalk the news barrels over us: Not an earthquake. A bomb. A massive one. The kind that can change everything.

The phones crash as I'm breathlessly relating my escape from Rutledge & Smerth to Damien. My husband listens without comment for several minutes.

I pause to look at the screen. No signal. I wonder how long I've been talking to dead air. Sirens wail, both in the distance and down the block. Conversation ceases while hundreds of my shell-shocked co-workers study their unresponsive phones. There's a bizarre but absolute absence of hysteria.

A vaguely familiar man touches my arm. “Lena, are you okay?”

I nod absently and turn away from this guy I now recognize as a paralegal from my floor. I can’t muster any conversation. I just want to go home. Hide under the covers. Erase the past thirty minutes from memory.

Firemen in full hazmat gear herd us further from the smoking crater that used to be the K to L Street block of Connecticut Avenue. They string up yellow police tape several yards back from the crumbling pavement, and plead with the most aggressive gawkers to back off so rescue teams can do their jobs. News vans start to arrive and soon outnumber ambulances. An officer with a bullhorn yells at the crowd to disperse. I pick my way through the crowd of faces, some familiar, many not. I finally reach M Street and turn north on 19th.

The walk takes twice as long as it should, because pedestrians, most underdressed for the January cold, clog the streets. My naked ears and fingers ache, but I feel guilty for wishing I had my coat. I should feel thankful to be alive and unscathed. By the time I arrive at our doorstep on T Street, it takes me three tries to maneuver the key into the lock with my numb hands.

I crank the heat, glad for the first time ever that Damien insisted we keep our landline. I knock a pile of magazines and catalogs out of the way so I can see its caller I.D. box, which has recorded more traffic this afternoon than during the entirety of the last two years. I try Damien at work. His steady voice on the outgoing message explains he has left for the day. He recites his temporarily useless mobile number and email address.

I talk to my mother, insist I'm shell shocked but physically fine. I urge her to refrain from taking any of the prescription sedatives one of her book club ladies recommended. We hang up. I scroll back through the missed calls. My friend Hannah is the only member of our intimate circle who hasn't checked in. Her office is a block from mine, a few hundred yards further removed from the crater on Connecticut. I saw, through the swirling ash and smoke, that her building withstood the jolt. Maybe Hannah will think to walk over here. We're much closer than her place across the river. I try to check Facebook, but our Internet isn't working. The router blinks an insolent red light under the desk.

On TV, NBC's anchorman reports, "At 12:13 p.m. in the nation's capital, at least six explosive devices detonated on different Metrorail trains. The explosions appear to have been simultaneous. The Secret Service, along with agents from both the FBI and the Department of Homeland Security, are trying to determine who or what triggered the blasts."

Blasts, plural.

Six of them? I grab the arm of the couch for support. Tell myself the blasts can't all have been as bad as the one under my building.

The screen shows a map of DC's Metro system. In addition to the bomb right outside my building, there are explosion icons at Capitol South Station, between Chevy Chase and Bethesda Stations, at Foggy Bottom, downtown at Metro Center, and across the river, at Pentagon City Station.

The anchorman says, "Initial estimates put the death toll over 700, and rising." I feel the world tilt under my feet. *700?* "Many area roads have collapsed from the force of

the underground explosions. We have no solid figures on the number of wounded, but police estimate that over a thousand people await treatment at area hospitals. Search and rescue teams from around the country have started to arrive in the DC area to aid overwhelmed first responders. Time is of the essence. If anyone is alive under the rubble, they will be unlikely to survive overnight. Record lows are forecast throughout the region. Elsewhere around the nation, police are on high alert. The FAA has ordered all U.S. airports closed at this hour.”

The local affiliate runs a list of road closures across the bottom of the screen. I’ll be amazed if Damien makes it home from his office in Virginia, even if he started walking as soon as he heard. When they pause, unbelievably, for a commercial, I fish a tank top and yoga pants out of the dryer and change out of my suit. I wriggle out of my itchy bra of last resort, unpin my hair from its twist and brush out the crackly remnants of hairspray.

I haul the rest of the clean laundry into the living room to fold in front of the TV, because it’s sat for five days and a mindless task could help me burn off nervous energy. I wish Damien was here.

The buzzer rings as the newscast resumes.

Good. Probably Hannah.

I pad over to the intercom in my leopard slippers. “Hello?”

An unfamiliar male voice crackles through the speaker. “Henry Redwell. United States Federal Bureau of Investigation, ma’am. We’d like a word with you, please.”

What?

I buzz him in, because I don't know what else to do. Heavy footsteps barrel up the stairs. I peer through the peephole. Two men in dark suits blink back at me, their faces and features distorted by the one-way lens. My first, ridiculous thought is that my insane boss has sent the metaphorical men in shiny black shoes to drag me into the office.

I open the door as far as the security chain allows. "Can I ask what this is about?"

"Federal investigation, ma'am. May we come in?"

I chew my bottom lip and consider. Henry Redwell looks nothing like the kind of "bumbling idiot federal bozo" my boss always rails about. He has a full head of salt and pepper hair and a rugged, sun-damaged complexion. He wears stylish rectangular frameless glasses. He reminds me of someone. I realize he looks a bit like Harrison Ford.

"Could I please see some ID?"

Both agents hold out FBI ID's for my examination. *Redwell, Henry* and *von Buren, Maxwell*.

Maxwell von Buren shakes my hand with a finger crushing grip. He's way younger than Redwell, thirty-five to the senior agent's sixty-seven, if I read their ID's right. Agent von Buren removes his Ray Ban aviators to reveal unreadable steel gray eyes and prominent cheekbones. He has a strong chin, an exceptionally fortunate jaw line and the slightest hint of a tan. His dark hair is cropped close, as if recently trimmed by a ten-dollar barber. But even with his underwhelming haircut, if he relaxed a little, he'd be gorgeous.

He catches me sizing him up. I feel my ears burn.

Agent Redwell clears his throat. "Ma'am, the door?"

I shut the door in their faces to undo the chain. I open it again. The agents' big frames fill our narrow hallway in a way that's more than a little unnerving. I wish I'd dressed for the afternoon in something other than slippers, tank top and yoga pants. I point them towards the sofa and mute the television. I fold my arms across my chest and sit on the edge of Damien's beat up leather armchair, a relic from his bachelor days.

"Ma'am, you're the Lena Mancuso employed by Rutledge & Smerth, correct?"

"Yes, but could you please explain why you're here?"

"Ma'am, we'd appreciate it if you would answer a few basic questions. It's a matter of some urgency," Agent Redwell says. "You work on William Acheson's defense team, correct?"

"Yes," I say, warily.

William Acheson is a disgraced lobbyist formerly employed by my firm.

He stands accused of bribing several members of Congress, filing fraudulent tax returns, and a host of other white collar crimes. My aforementioned insane boss, legendary litigator Q. Randolph Smerth, made the unusual decision to keep Acheson's case at R&S in order to prevent any rival attorney from accessing our files.

I scan von Buren's face for clues as to why the FBI is wasting its time visiting me. He gives me nothing. He looks bored, or perhaps resentful of this peculiar assignment. I'm sure he'd rather be doing something sexier than questioning the most junior lawyer on a K Street insider's defense team.

Redwell presses onward, "In your role, you would have access to information about Acheson's financial dealings, correct?"

I fight to keep my nerves out of my voice. Alarm bells ring in my head. This isn't normal. It's nowhere in the vicinity of normal. Not on an ordinary day, and certainly not on the heels of today's bombings. "Maybe I should consult an attorney before saying any more, since whatever I know from my work on Acheson's behalf is privileged. As you would know."

I reach into the laundry pile and grab an ancient URI sweatshirt. It's blue and well worn, and does nothing to make me appear either more adult or professional, but at least it covers my bralessness. A sickening thought hits me as I pull it over my head.

The FBI would have all its resources on the bombing. And even if we weren't two hours from the biggest attack since 9/11, they would never tamper with a suspect's defense. Smerth would barge into court, hollering for a mistrial if he heard the government was trolling his staff for inside info. And he'd get one.

Oh, God. Maybe these men aren't agents.

My breath catches in my throat.

But then who are they?

I fight to keep my voice firm and level. "I still don't understand why you're here."

"To request your cooperation as an informant for an investigation authorized under the USA Patriot Act of 2001. Due to the sensitive nature of the matter, our protocol requires a background check," Redwell explains, as if this should be both expected and obvious.

I don't understand why they would want *me*. I'm an inconsequential third year associate in a stuffy law firm. They're the FBI. If they wanted to jeopardize the federal case against my firm's client by consorting with his defense, wouldn't they aim higher

than *me*? I feel out of my depth. Not to mention my comfort zone. Besides, all I know about the Patriot Act is what I've heard in the news. It has something to do with counter-terrorism and wire tapping. I should Google it as soon as our Internet comes back.

Henry slaps a file onto the only corner of my coffee table not occupied by laundry. "We suspect Smerth and Acheson knew today's attacks were going to happen."

"You're not serious," I practically laugh. "Smerth may have an explosive temper, but he's no terrorist."

Redwell and von Buren stare at me with the most serious expressions imaginable.

I struggle to process. "What makes you think he is?"

"A number of things," Redwell says. "First, three of Smerth's clients, Acheson, Volodya Korov and Prince Abdullah al Sultan bin Aziz are major players in Clearwater Partners. I'm sure you read the papers, Ms. Mancuso, so you'd know Clearwater has fallen under suspicion due to alleged payments to foreign extremists made by its subsidiary Burtonhall Corporation. Which your firm also represents. Why would one attorney represent clients whose interests could diverge at any time?"

"I'm sure everyone signed conflicts waivers. These are very sophisticated people."

"Of course they're sophisticated businessmen," Redwell says, amiably. "But six months ago we learned through a reliable source that Acheson, Aziz and Smerth established a company in Bermuda called the Lotus Group."

"It's probably one of Clearwater's blocker companies," I say.

Judging by the looks on the agents' faces, the FBI has already considered and dismissed this possibility. Clearwater, one of the largest companies on the planet, has an

enormous private equity arm. Like many major PE firms, it maintains offshore “blocker” companies, so that its partners can avoid paying the IRS.

The Vice President of the United States, Jack Prescott, never paid a penny of taxes on hundreds of millions of dollars he made during his days as CEO of Clearwater’s private equity division, because he socked the cash away in various offshore blocker companies. I’m sure Aziz and Korov do the same thing.

Which might make them all tax evaders. And quite conceivably money launderers.

But not terrorists.

I’ve learned working for Smerth that blockers are a legal loophole the mega-rich use to get richer, not only by avoiding taxes in the first place, but by repeatedly re-investing cash they would have otherwise forked over to the IRS. Prescott survived public scrutiny before the election by arguing that he had no role in managing his investments in the blocker companies. A “blind trust,” transferred into his horse-crazy wife’s name during the campaign, did so for him.

“Lotus is different. It’s a blocker company on steroids,” von Buren says. “It manages investments through its alleged hedge fund, but it claims those investments, always held in blind trust accounts, exist for the benefit of charity. Its investors repatriate hundreds of millions of dollars annually in the form of falsely secured loans made to Lotus’ charitable beneficiaries.”

Redwell clears his throat. “We think they also donate hundreds of millions to groups with which the principals would prefer not to become associated.”

My head tilts to the right as I try to picture the Lotus Group's corporate flow chart. I glance around the room for a stray legal pad or even a Post-It to make a sketch. We've got nothing. *This is too cryptic. Circumstantial. I wish they'd get to the point.*

Redwell says, "Another remarkable thing about Lotus is that its directors include such financial heavy weights as Acheson's personal trainer and Smerth's nanny. Which leads us to believe that the 'blind' investments are – and you'll pardon my French, ma'am - bullshit."

Smerth has represented Clearwater and its power players for two decades. It's no wonder he's grown to share his clients' disdain for taxes. I'm only surprised that Smerth, with his legendary legal mind, would get caught. "How do you know this?" I ask. The whole point of offshore blockers is that they're secretive and out of range of the authorities.

"I said we have a reliable source," Redwell says.

"So, your source alleges that Acheson and Aziz, and perhaps Smerth, are using Lotus to write off questionable charitable contributions, based on the advice of their supposed fund managers? Who happen to be household employees?"

The agents nod. Redwell shoots me an earnest, encouraging look.

I shake my head. "No. I don't buy it. Wouldn't they get caught on the back end?" It's too brazen, too simple, too plain *wrong* to work. "And if their chosen charities are funneling big money to terrorists, doesn't that present a larger problem for you than chasing down some chronic tax evaders?"

Redwell's unruly eyebrows ease up his forehead. "We believe the two criminal enterprises, the finances and the operations, if you will, are so entangled that we can't apprehend one without the other."

"I still don't understand why you're telling me any of this. If you have probable cause, then start making arrests. Or at least get the IRS to audit the charities in question."

Max von Buren leans forward in his seat. "We came to you because we need someone inside the firm. If we make arrests too soon, we cut off our likeliest sources of further evidence. And auditing bullshit foundations is like playing Whack-a-Mole. One so-called charity shuts down, another springs up."

"Quite frankly, we're pressed for time, and not interested in discussing the many avenues we've already explored." Redwell looks me in the eye and starts to nod slightly, a technique I congratulate myself for recalling from a law school negotiation seminar. "We think you're smart and inclined to do the right thing."

I stall. "I need to talk this over with my husband. He'll be home any time now." I glance in the direction of the door, willing Damien to step through it.

"I'm sorry. There's no time for that." Redwell's tone makes it clear he lacks interest in further discussion. "Almost a thousand people lost their lives today. We think your boss knew it was about to happen. He did nothing to stop it. We need to know if we can count on you to help prevent another atrocity, because we believe today was just the beginning."

Just the beginning? Is Redwell suggesting that someone will blow away several more blocks? Imminently? It's unimaginable. Why would anyone in my law firm want to

instigate such devastation? Smerth could have been killed or maimed, just like any other Washingtonian who happened to be standing in the wrong place at 12:13 p.m. yesterday.

Except Smerth spent yesterday in our New York Office.

All my concerns for protecting my career and my employer evaporate. Maybe I should have never become a lawyer, because if my boss and his clients knew about yesterday's attacks and did nothing, I wouldn't have it in me to defend them. The corners of Redwell's mouth turn up ever so slightly when I say, "I suppose it doesn't hurt to listen to whatever you have to say."

He cuts me off. "Sign here and we'll explain what we know so far."

I'm behaving completely out of character as I sign the confidentiality agreement Redwell shoves at me, but I don't care. My hand doesn't waver as I scrawl my name on the line. If Smerth has even a remote connection to today's devastation, I'm going to do whatever I can to make sure he pays.

Redwell nods approvingly. "Good. Now we can speak freely. Lena. Sorry, ma'am. May we call you Lena?"

"That's fine."

"Lena, we've wanted to recruit a source inside R&S for at least twelve months," Max explains. "At first we focused on a Charles Winthrop, but our research led us to believe he's determined to make partner at the firm. He's a loyal dog."

I ignore the not-so-subtle slight. While it's no secret to my friends that I don't plan to spend my life in the service of R&S, I bristle when strangers imply I lack the right stuff to hack it in the firm's senior ranks.

Charlie, on the other hand, has no life outside his eighty-plus hour work week, but he's a good guy. He showed me the ropes when I started and ran interference with Smerth until I got my bearings. That may not sound like much, but such kindness rarely exists in major law firms.

Max says, "Next to Charlie, you have the most access. Which makes you our best bet." He hauls a laptop out of his briefcase and shoves some of my laundry back to clear space on the table. He pulls up a map of the Caucasus, Turkey and the Mediterranean. He clicks to the next slide and a bright yellow line lights up on the map. I at least partially understand why we're looking at this part of the world. The yellow line represents a major new oil pipeline, owned mostly by Clearwater Partners. The line, nicknamed K4, pumps millions of barrels of crude oil from Kazakhstan through some former Soviet republics, to Turkish refineries.

K4's construction was financed through an enormous aid package from the United States. Congress sent billions of taxpayers' dollars to the various foreign governments, who paid it all right back to Clearwater Partners. Their subsidiary, the Burtonhall Corporation, built the entire project, supposedly for far less than the amount paid by the taxpayers.

Acheson helped steer K4 through Congress by persuading enough members that the United States would rather have Kazakhstan's oil refined and distributed by a NATO country than by Russia.

K4 was also the beginning of Acheson's major legal problems.

The prosecutors claim he purchased the pivotal votes, a charge that seems almost quaint now that corporations can make unlimited political contributions. At the time, it was a serious offense for a lobbyist to attach *quid pro quos* to campaign donations.

Which is why my life now revolves around his defense. Though the government would have had a slam dunk case against Acheson a few short years ago, Smerth plans to argue that the new, laxer rules allow lobbyists, like Acheson, to act as extensions of their clients.

Charlie calls the argument a Hail Mary pass, but Smerth seems confident. Which is good news for R&S, since Acheson runs his lobbying operation from under the firm's roof - not an uncommon scenario in Washington. Though the arrangement might strike outsiders as ethically dubious.

K4 has wildly exceeded analysts' expectations. Though operational for only a year, it supplies enough of the world's crude to wield considerable sway over price.

Max clicks to the next slide. A purple line springs up on the topographic map, running south to join the yellow line in Turkey. "I trust you know what we're looking at?"

"Yes." It's a Russian pipeline Clearwater wants to build. The plan includes eight or nine new refineries, which would make it the biggest construction project on the planet. By far. And the most expensive. I know this because Clearwater has promised all the potential legal work to Rutledge & Smerth. The deal would create a windfall of billable hours, enough to keep dozens of associates busy for years. If not decades. Which would be welcome news for many R&S lawyers spooked by persistent layoff rumors that will undoubtedly gain steam from yesterday's tragedy.

The way Smerth explains it, Volodya Korov, a Russian oil and casino billionaire and longtime lobbying client of Acheson, controls the Russian oil fields in question. Korov has pledged a substantial percentage of his fortune to the project, on the condition that Burtonhall wins the work instead of a rival contractor controlled by the Russian government.

But there's a rub: a significant number of Congressmen believe Korov wants the refineries so he can do business with Iran, which produces far more oil than it can refine domestically.

At the time of his arrest, Acheson was collecting millions in retainers from both Korov and Clearwater to persuade Congress that the U.S. should help the Russians build their refineries. He disowned his earlier security concerns and appealed to economic pragmatism: The project would move forward, like it or not. Obstructionism by Congress would cost American jobs and profits.

All of which is no doubt fascinating to the board of Clearwater Partners and the management committee of my law firm. And perhaps certain Beltway policy wonks.

When nothing else is going on.

DC suffered a devastating attack less than twenty-four hours ago.

Why do I have federal agents in my living room discussing global oil politics?

Henry interrupts my train of thought. "Korov believes that if he secures American financing for the biggest public works project in post-Soviet Russian history, he can make a viable bid for the Russian presidency. But he put too many eggs in Acheson's basket. With Acheson in disgrace, his clients find themselves *personae non grati* on the Hill."

Tell me something I don't know. Or something that actually matters. I glance at my grandmother's antique clock on the wall by our bay window. Its brass pendulum has ticked off three hours since the attacks.

I wonder how far away Damien is.

Henry says, "We've received a tip that Acheson masterminded a plan, to be financed by his international associates, to sabotage the existing pipeline, K4. The drop in supply would cause a sudden spike in energy prices, which would make the need for a back up line crystal clear to the American public."

"Which would spur Congress to act," Max adds.

"Sabotage?" I ask.

"Blow it to pieces," says Henry.

"I understand that would be an unwelcome development, and forgive me for sounding blasé, but doesn't some vague threat to an oil pipeline in the middle of nowhere pale in comparison to what happened *right here* less than twenty-four hours ago? Have you been downtown? Whole blocks are gone. Lives destroyed. Buildings in ruins. People missing in the rubble." My voice catches in my throat.

"Of course it pales in comparison until it happens."

"I'm sorry. You've lost me," I say.

Henry lowers his voice and leans in so close that I can feel his breath on my face. "We think yesterday's attack was the opening strike in a war started, financed and prosecuted by a corporation. Your firm's clients seek to destabilize the world economy, incite public panic and ultimately orchestrate a takeover of the U.S. government."

“Don’t look so shocked,” Max says. “The stock market is in free fall. Flags are selling out from coast to coast. People in backwaters are stockpiling canned goods and guns. Once gas prices hit eight bucks a gallon, the masses will fall in line with whoever promises relief. Even if their saviors happen to be terrorists dressed up as good flag-waving captains of industry.”