

Sen. Obama: I apologize for being late. What I want to do if this is OK with you was to use this time to make sure that all your questioners were answered with regard to my relationship with Tony Rezko and the purchase of my house. And it makes sense, I will make a presentation that I will try to keep as brief as possible, though it may go on for 20 minutes or so, then just let you guys have at it. Then, if there are other topics you want to talk about I'll be happy to do that as well.

Q: Thank you Senator. Carol Marin has agreed to be our moderator.

Obama: If you don't mind, I just think the best way to do it is for me to lay out sort of a narrative. Much of this is a repeat of stuff that you already know and that you've already heard. But I think it's really important to make sure that you guys feel like you've got it all.

I first met Tony Rezko when I was either still in law school or had just graduated from law school. I don't recall whether his office contacted me right before I graduated or when I was still in law school and visiting Chicago. He and his two partners had just formed Rezmar. They had read about me as president of Harvard law review, had read that I was interested in community development work because of my background as a community organizer and contacted me saying would I be interested in talking about working in development. I was in Chicago for other reasons and met with them for about 45 minutes. Their partners Dan Mahru and at the time, a guy named David Brint. Had a nice conversation with them. They explained what they were doing. They were involved in a lot of affordable housing work around some of the areas where I, been an organizer and decided that I wasn't interested in pursuing development. So the conversation really never went anywhere. But that's the first time I met Tony.

I was practicing law for the next four years and . . . our paths would cross at times because they were doing development work. And my firm, which was mostly a litigation firm, had a small transactional practice that represented not for profits that were doing affordable housing work. And that's where I wound up doing five hours worth or six hours worth of legal work on a partnership, a joint venture between the — I forget what the name of it was — but it was a community development group based in Woodlawn that Arthur Brazier had started and Rezmar. So we were representing the not for profit.

But at that time, I wasn't particularly close with Tony, although I was

familiar with him and I would see him on occasion.

Probably our relationship deepened when I started my first political campaign for the state Senate. He had been a supporter of Alice Palmer's. I had been a supporter and was working to help Alice Palmer in her congressional run. And since she was giving up her seat, there was a question of who would be her successor, and some people talked to me about potentially running for that seat. And Tony was one of the people I talked to about that. And he then supported me in that first race.

It's a sign of how much times have changed that I raised a grand total of \$100,000 in that first race.

And this is an estimate. He probably raised about \$10,000 of that \$100,000.

So we became friendly at that point, and through most of my years in the Senate, he was somebody I considered a friend, and I'd probably see maybe when I wasn't in the midst of a campaign, I would probably see maybe six times a year. We'd have lunch or we'd have breakfast. And, during that period of time, I had another re-election, and so he probably raised another \$10,000 for me. I then ran for Congress, and he chose to support me in my race against Bobby Rush, although though he had a relationship with Bobby Rush, and that was loyalty that I appreciated.

We'd continue to have lunches or breakfasts. We'd talk about politics. We'd talk about family. In terms of other than lunch or breakfast he and I had, socially, Michelle and I probably had a couple of dinners, or two or three dinners with him and his wife during the course of this six or seven or eight years. Visited their home in Lake Geneva once for the day. And I have to say during that entire time, he never asked me for anything. He never did any favors for me other than obviously supporting my campaigns. He never gave me any gifts. Gave me no indication he was setting me up to ask for favors in the future. In fact, most of the work that he was doing at the time involved development here in the city of Chicago, as far as I knew, and so most of his interactions, in terms of politics, were more at the city level, municipal level and the county level. He was close to John Stroger and was strongly involved there.

The one area where he did have a political interest in Springfield that emerged — this is all pre-Blagojevich — was gaming. He was one of the minority investors in Rosemont. That's one area where he could have asked me for favors, but did not, partly because I was clearly on record as

being opposed. I was a gaming opponent as [Sun-Times Springfield Bureau Chief] Dave McKinney will recall.

Fast-forward. After I get trounced in my congressional race, in that same race, or at that same time, Blagojevich is starting to run. Tony becomes very active in Blagojevich's inner circle and campaigns, and frankly during that year and half or two years where he's helping Blagojevich, I don't have that much interaction with him. After Blagojevich is elected, Tony is part of the inner circle that's helping him put the administration together, he does contact me about — well, the Blagojevich office, I don't think Tony necessarily contacts me — but the Blagojevich office contacts our office about recommendations for potential people just to fill state jobs generally. I didn't have some big patronage organization or operation. I had one district director and a bunch of volunteers who all were employed elsewhere. So, I think we submitted just a list of people that were mostly, you know, some of them were people who'd sent us resumes in the past or other people we thought we might be interested but they weren't people who were connected to our political organization in any meaningful way. Or they weren't people I knew particularly well. The one exception I do remember talking to Tony about was Dr. Eric Whitaker, who was a longtime friend of mine from Harvard. He and I played basketball together when he was getting his masters in public health at Harvard, while was at law school there. He had expressed an interest in that job. He did contact me, or Tony contacted me, and I gave him a glowing recommendation because I thought he was outstanding.

So fast-forward to the U.S. Senate race. Tony joined my finance committee. He wasn't my largest fund-raiser but he was a significant fundraiser. He only held one event for us at his home in Wilmette. It was a successful event. We think he raised about \$70,000 himself for the event, and that accounts for our initial representation that we had \$60,000 or \$70,000. Subsequently, though, we have now traced about \$160,000 that was connected to him that he raised that we know of or we're certain of or there's some connection we can draw. All of that money has been given to charity, but he did host that fund-raiser. He was an active member of the finance committee. And we were successful in that race.

Fast-forward to shortly after I'm inaugurated. Or sworn in. I'm getting ahead of myself. Because of the attention I received during Senate campaign and the convention, my book sold well, I came into a sizeable amount of money that allowed us to move. We'd outgrown our condominium. We contacted our real estate broker, Miriam Zeltzman. She was the person who sold us our condo in East View Park. Told her we

were interested in putting our condo on the market, interested in having her show us houses in the area. She and Michelle went off and probably looked at 10 houses. One of the last ones they looked at was the house on Greenwood, which Michelle fell in love with and was actually slightly above, well it was above, what we'd originally intended to pay.

Michelle called me. She says, "I saw this house, I really like it, it's more than we originally budgeted for. I'd like you to take a look at it."

So I went with Miriam to take a look at the house. It was a wonderful house. The asking price was \$1.9 [million].

The sellers, the Wondisfords, had originally sought a higher price because it was not just the house, but because there was a lot that was basically the side yard. They had put that on the market in quite some fashion for a very long time. It had not sold. So they decided to break it up, separate the lot, which was fully developable from the house. So they were listing house separately at 1.9. The lot already had option on it when we went to look at it. The reason the lots were separated was because of seller, and the two transactions were entirely separate.

We come back. I talk to the broker and she says you should probably give a lower offer. You never know. They've had this on the market. I think the house had been on the market for six months. And the sellers, the Wondisfords, wanted to make sure they sold both, not just one.

The lot was not their difficulty. Their difficulty was selling the house. This is what my broker told me. . . . Michelle and I talk about it, and we decide is there somebody that we should — there are some people we should talk to who know more about the real estate market in Kenwood — because we had never purchased a house before. Tony was a developer in that area, was active in that area, owned lots in that area and had developed in that area. So, I don't recall whether I called him, whether we saw each other, whether it was something that was already scheduled, I don't remember the exact circumstances. But I did bring to his attention, we are looking at this house. We are interested in it. I'd love for us to give your opinion on it. He got the address, and I think he may have looked at it separate and apart from me when he was in the neighborhood. . . . The upshot is that we found out the person who had renovated the house six years earlier was also the person who had an option on the lot, and that person had worked for Rezko, and so he knew him and was an active developer. So Tony then arranged with me and Miriam Zeltzerman to take a look at the house because I wanted to get a basic assessment. He took a look at it with me.

Miriam Zeltzerman was there. And he asked me about the lot, and I said, there's already an option on it. It's not something we want to purchase. It's not worth it to us to spend an extra \$600,000 on a lot. We're just gonna buy the house.

He, at that point, expressed some interest potentially in purchasing the lot.

So my response was, and I'll be honest with you, my basic view at that time was having somebody who I knew, a friend of mine, who would be developing the lot if he could, would be great. It would be somebody who we know. If we had problems or there were complaints, etc . . .

We then put in a bid for \$1.3 [million]. The sellers came back. We went up to \$1.5 [million]. Ultimately, we settled on a price of \$1.65 [million].

This was conducted entirely between my broker and the seller's broker. [Discussion of the documents brought by Obama about the house.] Tony Rezko had nothing to do with negotiating the price of the house. The lot was an entirely separate transaction. There's confirmation from the seller that this idea that I somehow got a discount on the property is simply not true. It is not factually correct. We negotiated it in the same way that housing transactions are negotiated all across the country. And I should add, by the way, in terms of the Wondisfords, just to give a little context, the reason this appears in an email that first comes from our lawyer and we had not put this out earlier, is that they did not want to be caught up in a media circus. They're very private people. They were the ones who originally contacted us when the story first broke. . . .

Let me just wrap up by talking about the strip of land. I wanted to build a fence between the properties so it wouldn't be perceived I was using this lot. Tony agreed to pay for the erection of a fence. I agreed to make sure that all the legal issues were resolved because it's a landmark district, so there were questions about what the fencing could look like and so forth. During discussions about the fence, I mentioned to Tony that I might be interested in a 5- to 10 feet of that strip if it was still developable because, even breaking this in half, it was still a larger lot than most Chicago lots. It was a 60-foot lot. So, he said, "I might be interested in that," and "Let me talk to my folks about if they relinquished a strip, will it impede any development capacity on the lot," and it was determined that it wasn't.

I, in the meantime, asked for an appraisal about because I didn't want to be perceived as paying below an appraisal price. The appraisal came back, actually, at \$40,000, partly because the appraiser said it's hard to

figure out a piece of property that can't be developed on. And my view was I either paid the appraisal price or one-sixth of what Tony paid for land, whichever was higher, because I wanted to make sure it was fair and he was getting fair market value. So I paid one-sixth of the price, which was approximately \$104,000, and then the fence was erected.

Let me close by saying this. During the time that I was purchasing the house, there were some noises about Tony having potential problems. But they . . . hadn't risen to the attention that they ultimately would. And I viewed him as . . . purchasing the lot as a friend purchasing a lot, somebody who was interested in real estate development and who was experienced in real estate development.

It is possible that he purchased that lot partly out of business interests and the belief it would appreciate, partly out of a desire to have a lot next to me. I can't speak fully in terms of his motives.

But it's fair to say at that time a red light might have gone off in my mind in terms of him purchasing his property next to mine, and the potential conflicts of interest. And I think that's the first stage of where I wasn't sufficiently focused on how this would look.

I think that a larger problem is me having bought the strip of land. At that point, it was clear that he was going to have some significant legal problems. But more to the point, even if he hadn't, he was a contributor and somebody who was doing business with the state. For me to enter into a business transaction with him was a bad idea. I've said repeatedly it was a boneheaded move, and a mistake that I regret.

I just want to provide the context, though, this is, again, somebody who had never asked me for anything, who I had never been involved with in any kind of dealings with the state. And so, I was not as focused as I should have been on the potential appearances involved.

So with that, let me stop, and let you guys go at it:

Q: How do you feel about Tony Rezko now?

A: I feel saddened with what has happened. Obviously, he has an ongoing trial, so I don't want to comment on the truth of the allegations made against him. I'm saddened for him. I'm saddened for his family.

Q: You're on a list, senator, of 237 potential witnesses or people who could

be mentioned at Tony Rezko's trial. Have you or your campaign fund or your former law firm or anyone associated with you been interviewed by federal authorities or been in receipt of subpoenas?

A: No.

Q: Have you or anybody associated with you been interviewed by Mr. Rezko's criminal attorneys?

A: No.

Q: Have you consulted with a lawyer on the Rezko trial?

A: No. Well I take that back. I want to be clear. Our campaign lawyer has been in discussions with us in terms of preparing documents, you know this binder and so forth, but that's not in the context of preparing for any inquiries about his trial.

Q: You have somebody in the courtroom to monitor the trial, right?

A: We may. I think that may be true.

Q: Have you and Tony Rezko ever discussed this federal investigation that began to move against him or the criminal charges?

A: Yes. When, I don't remember exactly the dates, but I remember when we first contact about this story and the lot, I called him to let him know that, "Look you may be getting inquiries about this and so it's important for you to be able to talk to folks about your intentions in terms of development and so forth." At that point, I do remember saying to him how's it going because I'm reading these problems. And his response was that his lawyers had been talking to the U.S. Attorney's office and it's all getting resolved. That was the sum total.

Q: Was that the last time you talked to him, or have you talked to him since?

A: That may have been last time I talked to him, or there might have been another conversation subsequent to that, but close to that. But the conversation was of the same nature. I have not talked to him since he was indicted.

Q. Do you still consider him a friend?

A. Yes, with the caveat that obviously if it turns out that the allegations are true, then he's not who I thought he was, and I'd be very disappointed with that. And I will say I was shocked — as I think a lot of people in Chicago were shocked — to find out the difficult financial straits he was in because I don't think anybody suspected that at the time.

Q. In November 2006, you and your campaign exchanged with us written interrogatories. So a lot of the quotes I will give you just come out of those. The campaign said that you probably had lunch with Rezko once or twice a year. You sort of added four or five times, something like that. John Thomas is an FBI mole. He recently told us that he saw you coming and going from Rezko's office a lot. And three other sources told us that you and Rezko spoke on the phone daily. Is that true?

A. No. That's not accurate. I think what is true is that, it depends on the period of time. I knew him for ... I'm just trying to do the math here. I've known him for 17 years. There were stretches of time where I would see him once or twice a year. But as I said when he was involved in finance committee for the U.S. Senate race, or the state senate races, or the U.S. Congressional race, then he was an active member. And there's no doubt there were much more intensive discussion at that point. During the U.S. Senate race, there's been stretches of like a couple of weeks — for example prior to him organizing the fundraiser that he did for us — where I would probably be talking to him once a day to make sure that was going well. But the typical relationship was one that was fond. We would see each other. But there would be no reason for me to be seeing him that often.

Q. You told us in November 2006, that your best estimate was that Rezko raised somewhere between \$50,000 and \$60,000 during your political career. Since then, your campaign's given back \$157,000 in Rezko-related contributions. Now the total is what?

A. Let me say this. That original estimate was based on, I asked my staff to find what monies they attributed to Rezko, and this was the figure given to me. The money that we've given back includes money that was raised at the house when he had that fundraiser, even though these are people who Tony probably didn't raise the money for, or from, these would have been individuals who I had known separately who were supporters who basically got funneled into that fundraiser. But because they went to that fundraiser, we decided to return the money.

Q. Is your total now, as you continue to scrub these contributions, is it

higher in terms of what he bundled for you, or got for you, than \$157,000?

A. We believe that we have identified all the money that we know of right now that is traceable to Tony Rezko and we've given that to charity.

Q. Including your state senate campaigns?

A. No.

Q. Do we have a handle on those?

A. It would probably be, my guess would be that it would be about \$10,000 to \$15,000 per campaign probably. That would be my best guess. It might be slightly more for the U.S. Congressional race. But keep in mind, again, that this is over the course of 10 years.

Q. The Tribune Web site is saying that you told them \$250,000.

A. Well I think that's a tally of tally of all the money that they're talking about over the course of that 10 years. So that would include the \$160,000, plus the \$10,000 to \$15,000 for senate races plus the money that might have been raised, I think they just did their own math.

It's hard for me to know precisely. And the reason is because on the state senate and the congressional race, we disclosed everything on the standard forms that you need to disclose on. I don't have the capacity to go back and figure out who did he raise money from. There might be additional dollars or there might be less than the estimates that I'm giving. Other than the checks that he wrote or his wife wrote, I may not know who were friends of his.

Q. Could we talk to those people . . . played a role for you in the U.S. Senate campaign.

A. She does not work for me, but you can feel free to contact her.

Q. Will you release to us a member of your campaign finance committee for the U.S. Senate?

A. I'm happy to release that.

Q. And the nation campaign finance committee for president?

A. Yes.

Q. In November 2006, we asked you if Rezko or his company solicit your support on any matter involving state or federal government. And you said no, I've never been asked to do anything to advance his business interests.

A. That's correct.

Q. However, we later learned that you wrote a letter on Oct. 28, 1998, to city and state housing officials urging them to fund a senior-citizen building that Rezko was developing with your former boss, Allison Davis — a deal that paid them \$855,000 in development fees. All of which raises for us a couple of questions.

A. Before you ask the questions, he did not solicit that from me. I think his own counsel has indicated that he did not make the request for that letter. That was a project, it may have ended up coming from the alderman's office because I think they wrote the exact same form letter. This was a project that was well-regarded in the community, has done well, and was supported on its own merits, and it was essentially a form letter of the sort that I did all time. And that I wasn't, by the way, aware of.

Q. You weren't aware that he was associated with the project?

A. I wasn't even aware that we wrote the letter. The answer that I gave at the time was accurate as far as I knew.

Q. As you know, what it appears to be is endorsing the project of a client of your law firm and a campaign contributor in your official capacity as an Illinois state senator.

A. I recall the story that you wrote together. And as I said before, this is not a letter he solicited. I don't know who solicited the letter. I had a single district director. These are letters of the sort that we did all the time. We would find out if a project was worthy. This was one of many form letters, or letters of recommendation we would send out constantly for all sorts of projects. And my understanding is that our letter was just one of many. And I wasn't a decision maker in any of this process.

Q. In retrospect, is this one of those things, even though it may be a daily practice in how things get done, that a legislator should have known, like vetting every project in terms of who's in it, who's got money in it?

A. Well Carol, I have to say ... I had one district director. That was my staff, one person in my office to do everything. Somebody that comes in and makes requests for help on food stamps. Somebody who comes in and asks for help in terms of Social Security. This was not a high tech operation. So we can talk about what resources would be needed in order for a state legislator to do that, but what we typically would do is make sure this is a project that was worthy and it was.

Q. You've told us a lot about the house. Let me just go back to a couple of things in the house deal. Did you and Mr. Rezko begin discussing the sale of the strip of land from Rezko's property before you closed on the house or after?

A. After.

Q. And you've said that it probably is better to have somebody you know developing the thing next to you than somebody you don't. At the time that all of that was happening, the stories coming out on a regular basis ... were about Rezko's fundraising activities with the Blagojevich administration.

A. By the time we closed and we were talking about the strip.

Q: Why didn't alarm bells go off when you agreed to by a 10-foot-wide strip of property from Rezko to buffer your home at the same time reports were coming out that he was being investigated for alleged illegal influence-peddling?

A: Probably because I had known him for a long time and he had acted in an above-board manner with me and I considered him a friend. In retrospect it should have, so this was a mistake on my part.

Q: You talk a lot about judgment in your campaign. Was this a judgment issue?

A: It was a mistake. I said it was a boneheaded move, I think it is further evidence I am not perfect. I would put it in the context now of somebody who has been in politics for 11 or 12 years and other than this has had a blemishless record in a political context where it's very easy to get blemished. I think I've conducted myself with the highest ethical standards. I think that's been my reputation. I think anybody who saw me in Springfield

can confirm that and that has been true since I left Springfield. So absolutely this was a mistake. Does it speak to a trend of mine? No.

Q: How did other officials such as Ald. Toni Preckwinkle know that Rezko was defaulting on his properties, letting them get run-down, and being investigated?

A: Aldermen deal with this stuff on a daily basis. This was not written about. It was not reported on. There was nothing in the newspapers about it. I wasn't involved in development. I wasn't being approached for zoning variances or other things that aldermen are. So she would have been much more familiar with this stuff. Obviously, had I heard about it, I would have expressed great concern. This was not brought to my attention, [moderator] Carol [Marin]. It's simply not true that this was common knowledge. It may have been common knowledge among those who were familiar with development and developers in the community. It wasn't common knowledge and it wasn't reported on.

Q: But your law firm was involved in those cases, representing Rezko and/or his partners that owned the buildings that were getting foreclosed on . . .

A: But I was no longer with the firm. I was "Of counsel" and I was not doing any work with them.

Q: No one close to you would have told you?

A: Carol, I'm just letting you know, I didn't know.

Q: You're managing partner said you didn't leave the firm until you went to the U.S. Senate.

A: I stopped working at the firm as an associate when I went to the state senate in 1997, I became "of counsel" and for probably sporadically in the subsequent years would do some work over the summers with the firm or when I wasn't either in Springfield or teaching at the University of Chicago. I think it's fair to say that just about all the work that I billed had to do with litigation on civil rights cases and appellate work so it was entirely separate from all the transactional [real estate/ neighborhood redevelopment] work that was done.

Q: Did you ever meet Nadhmi Auchi or Dr. Aiham Alsammarae?

A: I have to say I do not recall meeting them. It's been reported that a

dinner Tony hosted at the four seasons, I don't have the exact date, so I don't know whether it was the before November '04 when I hadn't been elected but had already won the primary or whether it was after the election, in which I was . . . Tony called and asked if I could stop by because he had a number of friends that he had invited to dinner and he wanted me to meet them. I told him that I would be happy to come by if my schedule allowed it. And it did. Although I couldn't, I think, stay for dinner, so I remember meeting a bunch of people who I had not met before. I frankly don't remember what their names were. Business was not discussed at the meeting. It was more of a social meeting and they asked me questions about the senate race and so forth and so on. I have no specific recollection. They may have been there. I can't say unequivocally that I did not meet them, but I just don't recall.

Q: Did you ever help Auchie enter the country?

A: No

Q: Or your office?

A: "Not that I know of."

Q: Do you need to distance yourself from the Rev. Jeremiah Wright?

A: "He's retiring. He preached his last sermon and is on sabbatical until his official retirement in May. I put out a statement today very clear about my clear rejection of the statements that have caused controversy. I'll be honest with you. I wasn't in church when any of those sermons were issued. I've known Rev. Wright for 20 years. I've known him as a former Marine, as a biblical scholar who's well-known and well-regarded around the country and has taught and lectured at some of the top theological seminaries. He is someone who is not my political advisor but has talked with me about faith and family and my relationship to God. I'd never heard him, he's always preached a social gospel, in a style that, I think, was more casual, less traditional than a lot of people. But the sermons I've always hear were no different than the sermons you hear in many African-American churches. I had not heard him make such, what I consider to be objectionable remarks from the pulpit. Had I heard them while I was in church, I would have objected. Had that been the tenor of the church generally, I probably wouldn't be a member of the church. The church I know, Trinity, is a pillar of the community, one of the most active and well-established churches in the country. It is a welcoming church that is visited by people from all across the world, particularly in the United Church of

Christ family, so I strongly reject the statements that he's made. Given that he's on the brink of retirement, we have a new pastor, Rev. Moss, I don't intend to leave the church. The way I view it, Carol, is, Rev. Wright is like an uncle who you love and respect but who has lately said some things that you really disagree with and anger . . .

Q: Does Wright's relationship with Nation of Islam leader Louis Farrakhan bother you?

A: I don't know the extent of his relationship. There was a magazine that was affiliated with the church that gave him an award. That disturbed me as well. There have been a number of things that have come up lately that I've been troubled by. But given my strong relationship with the church. This is the church where I was married, where my children were Baptized, that has a record of helping the homeless and dealing HIV/AIDS and speaking out on issues like South Africa, and, you know, is my church family, and given the fact that Rev. Wright is retiring, my decision is to condemn in the strongest terms some of the statements he has made but still affirm that Trinity is an important part of my life."

Q: Is there a role in his campaign for members of the Nation of Islam?

A: I've been very clear about my profound disagreement with the Nation of Islam and have denounced and rejected in the strongest terms the anti-Semitic statement of Minister Farrakhan. We don't do a religious affiliation check on who gets involved in the campaign. So I don't know who's been involved. If I ever heard any statements emanating from somebody in our campaign, whether a staff person or volunteer that I thought was bigoted or derogatory, racist or anti-Semitic, or sexist in anyway than those people would be removed from my campaign."

[Questions from the group . . .]

Q: You said there was an earlier bid on the lot, or an option, from the guy who had rehabbed the house. Was that John Keich?

A: I don't know the gentleman's name. I know that he used to work for Tony because Tony was familiar with him. I don't know his name.

Q: At the beginning of your relationship, how did it go from a job offer to fund-raising.

A: As I said, our paths crossed. We were friendly when we saw each other.

He was always gracious. Asked me about my family, or Michelle. That was the extent of my contact with him at the time. And then we were both active in Alice Palmer campaign, so I got to know him at that point, and he was obviously somebody who was supportive of political campaigns. So it's not surprising then, when I decided that I might be interested in running, that it would be worthwhile asking him if he'd be interested in supporting me.

Q: When he asked you about the job, was politics mentioned at all?

A: Quite frankly, I don't recall. I think it was talking about the possibility of me working for him.

Q: What was your assessment of him?

A: My assessment of Tony Rezko was that he was an immigrant who had sort of pulled himself up by his bootstraps. Somebody who was active not only in the political scene generally, but also had links to the African-American community. I think he saw me as somebody who had talent, but he was probably also intrigued by my international background and the fact that I had lived in Asia, and that I knew something about his culture in the Middle East. So I think that probably contributed to it.

As I said, my guard would have been up had I seen a pattern of him asking for favors, or even being obtrusive. Something that I always appreciated is he was not one of these people who wanted pictures taken all the time or was constantly calling you for you to show up at things. He was a very gracious individual.

Q: We're a little confused on the house. When the Wondisfords put the property on the market, did they want to sell to one buyer?

A: Let me not characterize this, but this proceeds me. I heard secondhand that it had been on the market as a single lot, and that they were having trouble as a single lot. They then divided the lot. . . .

Q: But weren't they two separate parcels historically?

A: I don't know. All I know is by the time I came to purchase, this is what I saw [references listing]. All the closing documents are there. . . .

Q: Would you have been able to buy the house if Rezko hadn't stepped forward at that time?

A: Absolutely. The transaction with the sellers had to do with the house, and they confirm it here. Let me just repeat, [Sun-Times columnist] Mark [Brown], because I want to be as clear as possible on this because you've written a couple of times intimating that somehow the house purchase was subsidized.

Brown: No, that's not me.

Obama: . . . The house purchase was negotiated between ourselves and the seller. It was not contingent on the lot. The lot had nothing to do with the sale of the house, and the sellers confirm it. . . .

Q: How did Rezko then jump ahead of the guy with the option.

A: That I don't know. . . .

Q: And you had never relayed to the seller that you would have preferred that lot be sold to Tony Rezko.

A: Never had that conversation. . . .

Q: Was a bit disingenuous during the South Carolina debate . . .

It wasn't disingenuous. Look, I strongly objected to that story that you guys wrote, which landed me on the front page of the Sun-Times. I was pretty vociferous then as well. . . . I have no problem with an article that says I had a relationship with Tony Rezko. I felt, and I hope you guys forgive me, that bootstrapping five or six hours of work that I did as an associate at a law firm to me helping a slumlord, I thought, was a stretch, and I continue to think that. I was responding to that implication, that I was actively doing legal work for a slumlord.

Q: But you were also minimizing your relationship with Tony Rezko?

A: Look, I was in a debate in which I've got 30 seconds to answer a questions. So I'm gonna obviously respond to the essence of the accusation that's being made, which is that I'm doing the bidding of a slumlord.

Q: But, Senator, it's never really been about the hours you worked on the case. . . . Those are projects that were done with your law firm. Those were the projects that failed. Many of them were in the district you were representing at the time . . .

A: I read the story. I understand the argument you're making.

Q: Why has it taken us so long to have this conversation?

A: I'll be honest with you. Part of it is the same reaction that I had at the press conference in Texas when you asked me about this, which is I feel like the fact pattern hasn't changed, my story hasn't changed. What's changed is my profile has changed because I'm potentially the nominee for the Democratic Party for president, and Tony Rezko's been indicted.

I appreciate the fact I have to be under greater scrutiny as somebody who could be president. But at the same time, I didn't feel like I had a lot of new information to bring. Part of the reason we didn't have new information to bring is because of reticence of the sellers to talk to the press, which put us in a difficult position because I had to continually assert this was just an interaction with them.

Q: In the same regard, is it fair for the scrutiny that Rev. Jeremiah Wright has been getting? Is it fair that you have to denounce him, denounce his statement?

A: It makes me feel bad for the church. I have felt frustrated about how the church has been characterized. The suggestion that somehow this is a separatist church or other statements that have been made on some of these talk shows has disturbed me. Anybody who goes to Trinity . . . knows this is a terrific, welcoming church that there are constant streams of visitors in from every place from Denmark to Iowa . . .

I have to say that the particular statements that have been pulled out of Rev. Wright's sermons are ones I profoundly disagree with. And if I had heard Rev. Wright making those statements while I was sitting in the pews, I would have talked to him afterwards and said, 'I'm troubled by these statements, and I think they don't reflect my truth and how I feel about this country or race relations.' On the other hand, he preached for 30 years, and so I don't there's a well-rounded portrait with him.

Q: How has that affected your relationship with Rev. Wright?

A: There's no doubt it's put strains on it. I'm still a member of the church. I haven't been in town on Sundays much frankly lately. . . . I've been staying in contact with members of the church. It is tougher now to go to church because of the attention I draw wherever I go. . . . It has put a lot of

pressure on the church. They're constantly getting inquiries. . . . I feel bad about the burdens that I've placed on the other members of the church.

Q: Haven't you pulled Rev. Wright to the side in the past?

A: I've had conversations with him. When some of these statements started coming out, I've had conversations with him about.

Q: I just want to clarify on the fund-raising, did Rezko help you with Hopefund, and did you keep a list of bundlers from the U.S. Senate campaign?

[Answers no on Hopefund]

Q: And for the Obama '04 campaign, did you keep a bundler list?

A: No

Q: Is that unusual?

A: Keep in mind that Tony raised money for me primarily in the primary. That was really when he was most active. And we started with eight people. It was a real stretch just to raise the first \$250,000. Tony Rezko wasn't involved primarily in bundling. We've kept track of who our bundlers are, and we disclose them. That's been a routine practice since I've been in the U.S. Senate.

Q: When you read the story about the buildings Rezko defaulted on, was the first time you had heard about those properties?

A: Yes.

Q: Had you known about that during your relationship, would you have distanced yourself from Rezko?

A: Yes. I would have talked to him first, and I would have asked 'What's resulting in all these properties being in default.'

Q: Tony Rezko never mentioned his financial problems to you?

A: No, as I said, the last I knew of his business concerns, he was in the process of developing Roosevelt Road with the city, which was an enormous project. That was my knowledge of it.

Q: Comparing the benign-ness of the fact pattern and the trouble it's caused you, do you think you've mishandled this at all.

A: I think that running for president is a series of gauntlets you have to run. And I think that we could have — setting aside the initial mistake which I deserve some blame for, I have acknowledged publicly — I think that understanding that there would be heightened interest in me, that Rezko had been finally indicted and arrested, that there was gonna be a need for us to do this again, I think was, it probably would have been good for us to do earlier. There's no doubt about it.

Q: In one regard, you describe Tony Rezko as an "active member" of the finance committee for your U.S. Senate run. On the other, we're trying to nail down that fund-raising total he did for in your political career. We're talking about a guy whose sitting in the MCC right now, an alleged criminal. Can we get a better total?

A: I have provided you with the best information we have right now. And what I'm trying to do is to make sure is that any totals that I'm giving you are traceable to actual checks as opposed to me guessing because part of your frustration has to do with the fact that my State Senate totals are estimates.

Q: Could we just run through that again.

A: I will run through it again. I had two state Senate races: the first, I raised \$100,000. So my estimate of Tony having raised \$10,000-15,000 sounds accurate. About 10 percent or 15 percent of the total I raised. That is an estimate but that sounds accurate to me.

My second state senate race, I didn't really have a serious opponent, so I raised substantially less than that, and as a consequence, I think the amount he raised might have been less than that. Again, that's an estimate.

My U.S. Senate campaign, I raised approximately \$600,000 [corrected] — My congressional race, rather. I raised approximately \$600,000. Again, my estimate would be about \$50,000 to 60,000.

Keep in mind by the way . . . my experience with Tony Rezko and fund-raising was he was able to raise a lot of money at the state level because there are no limits. The congressional races he could only give \$2,000 at a

time, and so to the extent he did not have a huge network of people he could draw from, that would cap out how much he was able to raise. You know, frankly, he probably, if it had been a gubernatorial race, he might have been willing to write bigger checks himself personally. But he was limited in the congressional race.

He was less limited in the US Senate race because of the millionaire exemption and Blair Hull.

Q: So that roughly comes out to \$247,000-\$250,0000?

A: [Agrees.]

Q: In the U.S. Senate race, the federal government is alleging at least two of those donations were straw donations. Does this trouble you?

A: Yes, absolutely. Its illegal, and I obviously had no knowledge of it. If I did, we would not have not accepted those donations.

Has the FEC asked about those donations?

No.

Q: In connection with that, we've asked for the names of all your interns?

A: We would get inquiries from friends, supporters, people in the state all the time. . . . We'll be happy to give you the list.

Q: That intern was Joe Aramanda's son. We were told he agreed to make the straw donation in exchange for the internship . . .

A: That was not something that was ever brought to my attention.

[Discussion of "of counsel" work at law firm.]

Q: At any time during that, did they ever come to you and say there are problems with the Tony Rezko buildings?

A: No

Q: Are you troubled that Tony Rezko hurt your former constituents?

A: I think it is deeply troubling that he did not keep these properties up, and

I'm very disappointed in that. And I think that every landlord in the city has an obligation to do right by their tenants, and the fact that he didn't is something that shines a different light on it.

Q: Do you think there should be something done to recover the millions of dollars lost by taxpayers on these buildings.

A: I don't know what legal recourse is typically involved in these. I have not followed closely what happened in terms of these defaults, and any litigation that's involved in them or lawsuits. So I don't want to characterize what should be done.

Q: You've made a distinction about the relationship with Tony Rezko both during and not during campaign times. Would you talk daily during campaign times?

You know, I have to say we're talking over the course of 10 years, there might have been spurts where I talked to him daily. There might have been stretches over a month where I wouldn't have talked to him at all.

Q: What's your impression of the situation in Springfield, the acrimony?

A: I won't blame anybody. I think everybody's responsible. I think the people of Illinois are not being well served right now and are disappointed by the inaction and the gridlock . . . and the rancor that has taken place down there. And I don't think it makes Democrats look good if we are in charge of every branch of government. We should be able to solve problems. My advice would be to leave the egos at the door and actually start dealing with the issues that people sent them to deal with.