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## Beer Executive Could Be Next First Lady

By SHARON THEIMER

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WASHINGTON (AP) — On a spring day at a speedway in the South, John McCain posed with his wife, Cindy, and racing star Dale Earnhardt Jr., highlighting the couple's political and business interests in a single snapshot.

McCain served as honorary starter of the NASCAR race that weekend in Charlotte, N.C. Earnhardt drove the Budweiser car, painted military camouflage, rather than its trademark red, to honor the troops. Budweiser, then NASCAR's official beer, is brewed by Anheuser-Busch Cos. Inc., whose products have made Cindy McCain and her family a fortune.

The brewer sold toy replicas of its race car to aid the Special Operations Warrior Foundation and publicized its support for the group, on whose board John McCain served and whose chairman later endorsed him. The speedway appearance helped McCain court NASCAR voters, and his campaign circulated video of the event over the Internet.

The McCains' marriage has mixed business and politics from the beginning, according to an expansive review by The Associated Press of thousands of pages of campaign, personal finance, real estate and property records nationwide. The paperwork chronicles the McCains' ascent from Arizona newlyweds to political power couple on the national stage.

As heiress to her father's stake in Hensley & Co. of Phoenix, Cindy McCain is an executive whose worth may exceed \$100 million. Her beer earnings have afforded the GOP presidential nominee a wealthy lifestyle with a private jet and vacation homes at his disposal, and her connections helped him launch his political career — even if the millions remain in her name alone. Yet the arm's-length distance between McCain and his wife's assets also has helped shield him from conflict-of-interest problems.

Nearly 30 years before John McCain became the Republican presidential nominee, he worked in public relations at his wife's family company.

Within a few years of marrying Cindy Hensley, the daughter of a multimillionaire Anheuser-Busch distributor, John McCain won his first election. He was new to Arizona politics and fundraising in the 1982 House race, and his campaign quickly fell into debt. Personal money — tens of thousands of dollars in loans to his campaign from McCain bank accounts — helped him survive.

Anheuser-Busch's political action committee was among McCain's earliest donors. Cindy McCain's father, James Hensley, and other Hensley & Co. executives gave so much the Federal Election Commission ordered McCain to give some of it back. McCain's campaign used Hensley office equipment such as computers and copiers, and Cindy McCain personally paid some of the campaign's

bills.

The campaign gradually reimbursed Hensley for use of its equipment and Cindy McCain for her expenses. The loans — described initially by John McCain as coming from him and his wife — caught the eye of the FEC, which repeatedly questioned him about them; spouses are held to the same donation limits as everyone else.

McCain told the FEC the loaned money came from his share of joint accounts. At the time, McCain reported drawing a \$25,067 salary and \$25,000 bonus working for Hensley in public relations and receiving a Navy pension of \$11,038 a year; his 1982 financial disclosure report showed bank interest but didn't say how much the bank accounts held.

McCain's campaign debt grew to about \$177,000 by the end of 1982. His 1984 House campaign repaid just under half the loans. McCain forgave about \$93,000 in loans, a sizable personal donation to his inaugural campaign.

McCain's fundraising base is now far broader than his family bank accounts and Hensley. Still, Hensley and Anheuser-Busch executives have been important and longtime supporters. Long before McCain became a sought-after speaker on the national stage, he gave several speeches at Anheuser-Busch's invitation in the 1980s and donated his fees to charity.

Hensley executives are among the Arizona senator's top career givers. The Anheuser-Busch PAC has given McCain's campaigns at least \$19,500 over the years. McCain's campaign fundraisers include Robert Delgado, Hensley's president and chief executive officer; Andrew McCain, the company's chief financial officer and John McCain's stepson from his first marriage, to Carol Shepp; and August Busch III, chairman of Anheuser-Busch's executive committee. Anheuser-Busch in 2006 gave \$25,000 to the International Republican Institute, a pro-democracy group chaired by McCain.

McCain's campaign still taps Hensley assets: His presidential campaign paid at least \$227,000 last year to a limited liability company in which his wife and children are invested, King Aviation, for use of its private jet, according to campaign finance reports.

Although Cindy McCain's business connections have benefited John McCain politically, they appear to have had little impact on his personal fortunes.

McCain is routinely ranked among the richest senators. But a prenuptial agreement has kept most assets in his wife's name. That arrangement served as a defense for McCain when the Senate ethics committee scrutinized a real estate deal involving his wife, her father and disgraced savings and loan owner Charles Keating Jr. McCain said at the time the separation of assets helped prove the deal didn't benefit him.

McCain himself reports little more wealth than when he started in politics. With his book royalties and radio-appearance fees donated to charity, McCain's Senate salary of \$169,300 and Navy pension of about \$56,000 are his only significant sources of income. He has accounts at two banks with his wife worth up to \$15,000 each, according to his most recent financial disclosure report. In contrast, Cindy McCain is a millionaire many times over — though the McCains haven't disclosed

just how many times.

In government records, McCain is permitted to describe his wife's salary at Hensley as simply "more than \$1,000" and, when listing her major assets, say only that they are worth "more than \$1 million." The reports show Cindy McCain has at least \$9 million in assets on her own and at least \$15 million with the McCain children. But those figures are virtually meaningless; her stake in Hensley & Co. alone almost certainly exceeds them by tens of millions of dollars.

Beverage industry analysts estimate Hensley's value at more than \$250 million and its annual sales at \$300 million or more. Hensley describes itself as the third-largest Anheuser-Bush wholesaler in the United States. It sold more than 23 million cases of beer last year and is among the nation's biggest beer distributors regardless of brand.

Still, don't expect Budweiser to be the beverage of choice at the White House if McCain is elected. "Senator McCain very rarely, if ever, drinks alcohol," campaign spokeswoman Jill Hazelbaker said. Hensley is a prominent presence in Phoenix. Its sports sponsorships include the Phoenix International Raceway, and its foundation gives tens of thousands of dollars to local causes each year. McCain turns over most of his book and speaking proceeds to Hensley's foundation, which distributes them to charities. Hensley's philanthropy includes supporting a flatbed-truck service that transports intoxicated drivers and their vehicles.

Cindy McCain is Hensley's chairwoman and holds at least a 20 percent stake in it, according to Arizona corporate records. She works mostly on strategic planning and corporate vision, said Hensley spokesman Douglas Yonko. The company is family owned, but Hensley won't say whether Cindy McCain is a majority shareholder.

Within the industry, as heiress to her father, she is widely assumed to own a majority of the company. If so, that would make her net worth at least \$100 million, if industry estimates of Hensley's value are accurate.

Hensley distributes only Anheuser-Busch products, which makes it and the St. Louis-based brewer heavily dependent on each other, said Joe Thompson, president of the Independent Beverage Group, a research and consulting firm.

"It is a very, very competitive business, and Phoenix is a very, very competitive market," Thompson said. Nationally, some Anheuser-Busch wholesalers are looking to end exclusive arrangements with the brewer, but Thompson does not believe Hensley is among them: "They've been very loyal to Anheuser-Busch, and Anheuser-Busch has been very loyal to them."

Hensley's Web site includes links to Anheuser-Busch promotions and to the National Beer Wholesalers Association, a powerful trade group. Hensley's spokesman, Yonko, is the lobby's Arizona director, and Hensley executives gave enough to the group's political action committee to make its company honor roll.

The PAC doles out millions of dollars to Democratic and Republican congressional candidates each election. John McCain's campaigns have received at least \$26,000 from it over the years. An informal

poll on the trade group's Web site asks visitors which presidential candidate they would most like to have a beer with (Democrat Barack Obama was way ahead in late March with 45 percent, McCain was second, with 23 percent).

The association's priorities include drunken-driving laws; trucking and labor regulations; estate, fuel and alcoholic-beverage taxes; beer labeling and advertising rules; recycling programs and campaign finance restrictions. Many of those issues come under the purview of the Senate Commerce, Science and Transportation Committee, which McCain chaired from 1997-2001 and again from 2003-2005.

McCain has long said he refrains from voting on beer industry-specific issues. Following that policy, McCain voted "present" when the Senate voted in March 1998 to withhold state highway funding from states that failed to adopt a .08 blood-alcohol standard for drunken driving.

Two years later, McCain voted against the fiscal 2001 transportation appropriations bill, which set a national .08 standard. The National Beer Wholesalers Association opposed the legislation and told its members it had at least succeeded in "delaying and diluting the final version." McCain voted against the bill because he objected to "pork-barrel spending," Hazelbaker said.

On some high-profile issues, McCain disagrees with his wife's industry.

Beer wholesalers and other businesses tried unsuccessfully to block a campaign finance law that McCain co-sponsored banning corporate contributions to the national Democratic and Republican parties. On another top business issue, the estate tax, McCain has supported cuts but opposes permanent repeal. Beer wholesalers contend a repeal would help save family businesses like Hensley. Cindy McCain became chairwoman of Hensley in 2000 around the time of her father's death. She previously served as a vice president and director of the company.

"She is regarded as a serious businesswoman," said Art Pearce, a Hensley competitor in Phoenix until he sold his family's Coors beer distributorship in 2004. Pearce said he worked with Cindy McCain on tax and recycling issues in Arizona. "We were major competitors, but she was open-minded and listened to issues, and I couldn't have asked for anybody better to deal with, really."

Pearce said she scaled back her involvement in state beer issues after John McCain was elected to Congress.

Still, Cindy McCain remained involved in Hensley as her husband began his presidential campaign. A company photo last year shows her posing with a shovel at a groundbreaking ceremony for a distribution facility in Chandler, Ariz. Hensley declined to say whether she will step down if she becomes first lady.

Cindy McCain's assets go beyond the family beer company.

She and her children own a minority stake in the Arizona Diamondbacks. The professional baseball team's chief executive, Jeff Moorad, and former majority owner Jerry Colangelo are McCain fundraisers. Red Sox pitcher Curt Schilling, a former Diamondback player, appeared in a New Hampshire campaign advertisement for McCain.

Assets held by Cindy McCain alone or with her children also include Anheuser-Busch stock; two condominiums along the California coast worth a total of at least \$3 million and Arizona investments in rental medical offices and a parking lot, according to property records and John McCain's latest financial disclosure reports.

John McCain has seven children: two stepsons and a daughter from his first marriage, and two sons, a daughter and an adopted daughter from his second. McCain's financial disclosure reports do not identify the children who share assets with Cindy McCain.

Arizona is a community property state, so McCain may share possessions his wife didn't inherit, such as their primary home. Cindy McCain, through a family trust, sold the family mansion in Phoenix for \$3.2 million and bought a \$4.6 million Phoenix condo in 2006. The couple may also jointly own a condo in Arlington, Va., assessed at \$847,800. McCain's campaign and Hensley declined to say whether the couple has communal property.

John McCain held a barbecue recently for reporters at a two-story cabin near Sedona, Ariz., that sits on 15 acres owned by his wife's family trust and a real estate partnership in her name. The property includes four single-family homes and is worth nearly \$1.8 million.

It's clear the rustic retreat is considered family property. The cabin features artwork by the McCain children and editorial cartoons depicting McCain. A doormat reads: "GEEZER (formerly known as 'Stud Muffin') Lives Here." The amenities include a soda fountain and, of course, a Budweiser beer tap.

*Associated Press Writer Libby Quaid contributed to this report.*