

In The Matter Of:

*Committee on Senate Governmental Affairs
Special Investigation - 1996 Campaign Funds*

*Hearing Volume Number 10
July 25, 1997*

*Miller Reporting Company, Inc.
507 C Street, N.E.
Washington, DC 20002
(202) 546-6666 FAX: (202) 546-1502*

*Original File 0725sg10.asc, 129 Pages
Min-U-Script® File ID: 4142219133*

Word Index included with this Min-U-Script®

(1) INVESTIGATION OF ILLEGAL OR IMPROPER ACTIVITIES IN
 (2) CONNECTION WITH THE 1996 FEDERAL ELECTION CAMPAIGN
 (3)
 (4) FRIDAY, JULY 25, 1997
 (5) United States Senate,
 (6) Committee on Governmental Affairs,
 (7) Washington, D.C.
 (8) The Committee met, pursuant to notice, at 10:11 a.m.,
 (9) in Room SH-216, Hart Senate Office Building, Hon. Fred
 (10) Thompson, Chairman of the Committee, presiding.
 (11) Present: Senators Thompson, Collins, Cochran, Specter,
 (12) Smith, Bennett, Glenn, Levin, Lieberman, and Durbin.
 (13) Chairman Thompson. Let's come to order, please.
 (14) Our first witness this morning will be Mr. Donald K.
 (15) Stern, United States Attorney for the District of
 (16) Massachusetts.
 (17) Mr. Stern, would you stand and raise your right hand,
 (18) please? Do you solemnly swear that the testimony you are
 (19) about to give is the truth, the whole truth, and nothing but
 (20) the truth, so help you, God?
 (21) Mr. Stern. Yes, sir.
 (22) Chairman Thompson. Thank you very much.
 (23) Do you have a preliminary statement to give, Mr. Stern?
 (24) Mr. Stern. I do, Mr. Chairman, a very brief statement.
 (25) With the Chairman's permission, I would like to read it.

(1) Chairman Thompson. Certainly.
 (2) 3
 (3) I TESTIMONY OF DONALD K. STERN, U.S. ATTORNEY FOR
 (4) THE DISTRICT OF MASSACHUSETTS
 (5) Mr. Stern. Mr. Chairman, I am here today at the
 (6) Committee's request to provide testimony in connection with
 (7) the 1996 criminal convictions obtained by the U.S.
 (8) Attorney's Office in Massachusetts against Simon Fireman,
 (9) Aqua-Leisure Industries, Inc., and Carol Nichols.
 (10) I will briefly outline the charges filed against these
 (11) defendants, their guilty pleas, and the sentences imposed by
 (12) the Court. Before doing so, however, I would like to make
 (13) explicit certain constraints on my testimony.
 (14) First, I intend to restrict my comments to the
 (15) information available on the public record—for example, in
 (16) the charging document or in other court filings—in part, so
 (17) that I do not violate the legal prohibition against
 (18) disclosing confidential grand jury material.
 (19) In addition, so there is no confusion among the
 (20) Committee members, I should make clear that I have
 (21) absolutely no involvement in the ongoing investigation by
 (22) the Department of Justice task force of alleged campaign
 (23) finance abuses and, as a result, am unable to provide
 (24) information or answer any questions about that matter.
 (25) In July 1996, Simon Fireman, a Massachusetts
 (26) businessman who controls Aqua-Leisure Industries, which is
 (27) an Avon, Massachusetts, company, was charged with conspiracy

(1) to defraud the United States by impeding and obstructing the
 (2) Federal Election Commission, causing campaign contributions
 (3) to be made in the name of others, in other words through
 (4) conduits, and making contributions over the \$1,000 statutory
 (5) limit to individual campaigns and in excess of the \$25,000
 (6) annual statutory ceiling.
 (7) The corporation, Aqua-Leisure, was charged with making
 (8) contributions in the name of others through conduits and
 (9) making illegal campaign contributions.
 (10) Carol Nichols, Mr. Fireman's special assistant at
 (11) Aqua-Leisure, was charged with participating as part of the
 (12) conspiracy with Mr. Fireman in the criminal activities to
 (13) defraud the FEC.
 (14) Between 1991 and 1995, Mr. Fireman and Aqua-Leisure
 (15) funneled more than \$120,000 to the Republican National
 (16) Committee, the Citizens for Joe Kennedy Committee, the
 (17) Bush-Quayle '92, and the Dole Presidential campaigns.
 (18) During the conspiracy, Mr. Fireman, with the
 (19) participation of Carol Nichols, his assistant, had money
 (20) wire-transferred from a Hong Kong trust to a bank account in
 (21) the United States. Funds were then converted into cash and
 (22) provided to employees of Mr. Fireman's company,
 (23) Aqua-Leisure, and others, so that the individuals could then
 (24) write out checks of \$100,000 to the various campaigns or
 (25) \$4,000 to the Republican National Committee. This scheme

(1) caused the committees to file false reports with the FEC
 (2) since the true source of the money was not revealed.
 (3) In another part of the conspiracy, Mr. Fireman caused
 (4) another individual to make illegal contributions to both the
 (5) Bush-Quayle '92 and Dole for President campaigns. Mr.
 (6) Fireman caused these contributions to be disguised so that
 (7) the campaigns filed further false reports with the FEC.
 (8) The U.S. Attorney's office, after the investigation
 (9) began, promptly entered into plea agreements with the three
 (10) defendants. Mr. Fireman pleaded guilty, and the judge
 (11) sentenced him to 6 months home detention and 1 year
 (12) probation. In addition, he was fined \$1 million.
 (13) Ms. Nichols was sentenced to 4 months home detention,
 (14) fined \$7,500, and placed on 1 million (sic) probation.
 (15) The corporation, Aqua-Leisure, was fined \$5 million and
 (16) placed on 4 years probation.
 (17) That, Mr. Chairman, is a thumb-nail outline of the
 (18) case, but if I can, before responding to questions, I would
 (19) like to make three additional points.
 (20) First, there was no evidence disclosed as part of our
 (21) investigation that any of the campaign committees were aware
 (22) of this illegal activity. I made that clear publicly at
 (23) that the charges were announced in July of 1996, and that
 (24) statement was repeated at the sentencing hearings.
 (25) Secondly, while we charged that one goal of Mr. Fireman

(1) in the scheme to funnel money to the Dole campaign was to
 (2) obtain a position with the U.S. Government, Mr. Fireman
 (3) denied that charge. Again, we have made clear that there is
 (4) absolutely no evidence that this objective or this claimed
 (5) objective of Mr. Fireman was ever made known to the Dole
 (6) campaign.
 (7) Third, and finally, all of the money involved in these
 (8) charges were funds that Mr. Fireman controlled, which
 (9) accounted for about \$100,000 of the some \$120,000. The
 (10) balance consisted of contributions which he caused another
 (11) individual to make.
 (12) With that, Mr. Chairman, brief summary, I would be
 (13) happy to answer any questions that I can.
 (14) [The prepared statement of Mr. Stern follows.]

(1) Chairman Thompson. All right, sir. Thank you very
(2) much, Mr. Stern.

(3) I will defer my questioning and turn to Senator Glenn.
(4) Senator Glenn. Thank you, Mr. Chairman. Just one
(5) minute of comment here, and then I will turn this over to
(6) Senator Levin, today.

(7) We are building a background of information that we
(8) hope will lead to real campaign finance reform. One part of
(9) that process is the area of foreign money, and we are
(10) looking into all examples of foreign money. This happens to
(11) be a case that has already been through the courts where we
(12) know what happened, but this can show us a lot as to how
(13) these schemes work and how they are executed, and we
(14) appreciate your being here.

(15) Foreign money is one area. Tax-exempts, third-party
(16) transfers of money, soft money, all fit into this whole
(17) pattern here, but I think your testimony today can be a
(18) major help to us in this area in showing us how one of these
(19) things work that has already been through the course, and we
(20) appreciate having that on the Committee record here for
(21) consideration at the end of the year.

(22) I yield such time out of my 30 minutes as Senator Levin
(23) may feel he needs.

(24) Senator Levin. Thank you.

(25) Thank you for being here today, Mr. Stern.

(1) In your opening statement, I think it is very helping
(2) and lays out very concisely for us the history of this case,
(3) and so I will just be asking you to flesh out some of the
(4) details.

(5) Can you get into some of the conduct that Mr. Fireman
(6) engaged in, in order to implement this scheme? How was it
(7) implemented?

(8) Mr. Stern. Well, it, first of all, extended over a
(9) period of some years, from 1991 to 1995. As I said, it
(10) involved four different campaigns, and essentially, what was
(11) happening was Mr. Fireman's money was being funneled through
(12) conduits, straws, if you will, who purported, based upon
(13) filings made with the FEC, were, in fact, the true donors to
(14) the campaigns, or in the case of the RNC, to the committee,
(15) when, in fact, it was not their money. It was money that
(16) was owned or controlled by Mr. Fireman which had been paid
(17) back to them, basically, once they made their contribution.

(18) Much of the money sat in a trust created in Hong Kong,
(19) much earlier, in 1985, and I want to make clear that
(20) although the trust was created, so far as we know in 1985,
(21) the use of that at all for campaign purposes did not begin
(22) until 1991 and extended from 1991 to 1995.

(23) Money from the Hong Kong trust, again, the trust
(24) controlled by Mr. Fireman, was wire-transferred to a bank in
(25) Boston. Those funds were typically withdrawn in cash by

(1) agents of Mr. Fireman, principally Carol Nichols, and then
(2) distributed to conduits.

(3) Senator Levin. Could you be a little more precise as
(4) to how that distribution took place? How were those checks
(5) obtained from those people? How many people were involved
(6) in the campaigns, approximately? How were they reimbursed
(7) by Fireman for their checks?

(8) Mr. Stern. Well, by and large, they were reimbursed in
(9) cash, and again, I want to be careful not to go outside of
(10) the public record, either court filings or statements made
(11) at the various sentencing hearings, but at least one
(12) scenario would be employees of Aqua-Leisure in Massachusetts
(13) would be called into Carol Nichols' office, be asked to make
(14) contributions, be told that they would be reimbursed in
(15) cash. Those contributions would be made.

(16) It would result, unknowingly, we believe, in false
(17) filings by the committees to the FEC, and it was not, in
(18) fact, the true donor. They were not the true donors. They
(19) were, if you will, the nominal donors to the various
(20) campaigns. The true donor was either Mr. Fireman or
(21) Aqua-Leisure.

(22) Senator Levin. Could you tell us the amounts of money
(23) which went to each of the four campaigns?

(24) Mr. Stern. Well, I am going to give you a very good
(25) approximation, Senator, and this is pretty much in

(1) chronological order.

(2) To the Bush-Quayle committees, and this was in the
(3) 1991-1992 period, there was about \$21,000 of illegal
(4) contributions.

(5) To the RNC, there were actually two separate funds in
(6) the RNC, I believe. That is my recollection. In 1992, that
(7) totaled about \$24,000.

(8) To the Joe Kennedy Committee, which I think technically
(9) it was probably—I think it was called the Citizens for Joe
(10) Kennedy Committee—that occurred in 1993, and that was in
(11) the range of \$6,000.

(12) And then, the Dole committees, and I believe it was the
(13) Dole for President Committee and then I think there was a
(14) compliance committee, a Dole Compliance Committee, that was
(15) in 1995, and that approximated \$69,000.

(16) Senator Levin. So the four figures, \$21,000 into the
(17) Bush campaign, \$24,000 to the RNC, \$6,000 to the Joe Kennedy
(18) campaign, and \$69,000 to the Dole campaign in 1995 total
(19) approximately how much?

(20) Mr. Stern. Well, I think it is in the range of 120. I
(21) have not done the math, Senator, but it is in the 120-to-123
(22) range, I think.

(23) Senator Levin. All right. About how many individuals
(24) were used by Mr. Fireman in this scheme?

(25) Mr. Stern. Well, you know, I meant this morning,

(1) believe it or not, to go back to the information and to add
(2) them up because, in some cases, people were used more than
(3) once.

(4) My best memory, it was in the range of 40 individuals,
(5) I think, but that is—you know, anybody, I suppose, could go
(6) back and look.

(7) We list, individual by individual, the conduits in the
(8) Dole campaign by person. We name who they are, and I would
(9) have to go back and try to eliminate double-counting, but I
(10) think about 40 is right.

(11) Senator Levin. Was Mr. Fireman, by the way, one of the
(12) vice chairs of the Finance Committee in the Dole campaign?

(13) Mr. Stern. I believe that is true.

(14) Senator Levin. We have got an exhibit which summarizes
(15) these convictions of the two individuals and the corporation
(16) in Exhibit No. 398, and it is up on that chart. I am
(17) wondering if you can look at that chart. I do not know
(18) whether copies could be made available for members and for
(19) the witness as well.

(20) Is that chart an accurate depiction of these
(21) convictions?

(22) Mr. Stern. Well, it is, with one qualification, which
(23) is I said the 40 because I think that is about right.

(24) Again, I have not compared name for name, but certainly, my
(25) best memory is the 40 is right.

(1) The other—and this is not a change so much in the
(2) accuracy of the chart, which I think is accurate. I guess I
(3) do want to say that although Mr. Fireman pled guilty in
(4) October of 1996 and Carol Nichols—as did the company—and
(5) Carol Nichols pled guilty on November 4, 1996, the criminal
(6) charges themselves were brought in early July, at which time
(7) we made public and filed with the court the respective plea
(8) agreements.

(9) There was a prompt hearing sometime, I believe, in
(10) July, end of July before Judge Young, Federal District
(11) Court. So that, the pleas were tendered as early as July.
(12) Judge Young decided that he did not want to make a
(13) determination as to whether to accept the pleas or not until
(14) a full presentence report was prepared by the Probation.

(15) So the pleas were actually tendered in July. The
(16) formal acceptance by the court and the sentencing did not
(17) occur until the dates that are reflected on the chart.

(18) Senator Levin. Now, this scheme had gone on for 4
(19) years at least?

(20) Mr. Stern. Yes.

(21) Senator Levin. It involved the transfer of money from
(22) a Hong Kong trust; is that correct?

(23) Mr. Stern. Yes, that is correct.

(24) Senator Levin. Was that money that you believe was
(25) earned abroad?

[1] Mr. Stern. Well, again, I am not going to--Senator,
[2] with all due respect, I do not want to go outside of the
[3] public record.
[4] What we have said in the charging document and in
[5] court, it was money that was either owned by or controlled
[6] by Mr. Fireman. It was basically Mr. Fireman's money, and I
[7] should say that Aqua-Leisure at that time, I believe, was
[8] 100-percent owned by Mr. Fireman.
[9] I believe at some point perhaps during this period, but
[10] certainly now, it is owned, 85 percent, by Mr. Fireman, and
[11] 15 percent of the stick is held in trust for one of his
[12] sons.
[13] Senator Levin. Why was money wired in from Hong Kong
[14] and then distributed rather than just his using his wholly
[15] owned domestic corporation for that purpose?
[16] Mr. Stern. I do not have the answer to that, Senator.
[17] Senator Levin. Do you know whether or not if he had
[18] been charged--excuse me--whether or not this transfer of
[19] money from Hong Kong and then its distribution in the way
[20] you have described violates the prohibition on the use of
[21] foreign money?
[22] Mr. Stern. All I can say in response to that, Senator,
[23] is he was not charged with that, and I leave to others, I
[24] suppose in particular to the Committee, to the extent that
[25] it is relevant to the Committee's determination, to make its

[1] own legal judgment. All I can say is that he was not
[2] charged with that.
[3] Senator Levin. How was this case uncovered? Can you
[4] give us the background on this?
[5] Mr. Stern. Well, the background is actually relatively
[6] straightforward. We became aware of it first as a result of
[7] an article in the Kansas City newspaper. I think it is the
[8] Kansas City Star.
[9] Senator Levin. Did that article publicly set forth a
[10] pattern of multiple contributions from Aqua-Leisure
[11] employees and family members, including \$1,000 contributions
[12] from secretaries and a warehouse manager? Do you remember
[13] that?
[14] Mr. Stern. I do remember the general contours of the
[15] article, and, you know, as in any instance where a criminal
[16] investigation is on the heels of a newspaper article, our
[17] task is not to determine whether each particular fact in the
[18] article is accurate. Once we commence an investigation, we
[19] obviously make our own determination and have our own tools
[20] available, but I certainly made reference, as I recall, to
[21] the contours of the scheme and certainly initially pointed
[22] us in the direction of the FEC and publicly available
[23] documents at the FEC.
[24] Senator Levin. If we could put Exhibit 401 on the
[25] screen.

[1] This is a copy of the April 1996 story by the Kansas
[2] City Star. Is this the article?
[3] Mr. Stern. I believe so, Senator. I read it at the
[4] time and actually re-read it last night. It is the first
[5] time I had seen it, probably since April, soon after it was
[6] published, but this certainly appears to be the same
[7] article.
[8] Senator Levin. This article talks about Aqua-Leisure's
[9] employees and families sending the Dole campaign 40
[10] individual checks totalling \$40,000? Is that what this
[11] article says in paragraph 2?
[12] Mr. Stern. It does say that, Senator, right.
[13] Senator Levin. Now, when your criminal investigation
[14] was prompted by this article, it was able to wrap up your
[15] case fairly promptly, like 6 months. Can you tell us how
[16] that was able to be accomplished?
[17] Mr. Stern. Well, I can, I suppose, with two general
[18] observations.
[19] First off, I should say we had no particular time table
[20] or timing. We treated this case as any other, which is we
[21] put in the resources necessary to do a prompt and thorough
[22] investigation. That is what happened here.
[23] I guess I can say that once the outlines of the scheme
[24] became apparent to us, that, in some respects, was not that
[25] complicated because we were able to both trace the money and

[1] establish that the bulk of the straws, the conduits, were
[2] either working at Aqua-Leisure or were known to people at
[3] Aqua-Leisure.
[4] Secondly, early on, to its credit, both Mr. Fireman and
[5] the company indicated a willingness to acknowledge their
[6] criminal responsibility, and early on, there were plea
[7] discussions, and probably, more than anything else, as Mr.
[8] Fireman's lawyer said at the sentencing hearing, that drove
[9] the timing.
[10] It makes a big difference, obviously, when defendants
[11] are prepared to step up to the plate, own up to their
[12] responsibility and to plead guilty.
[13] Senator Levin. On July 11th, the New York Times
[14] reported you as saying that a 6-month prison term for Mr.
[15] Fireman was warranted, and here, they are quoting you in
[16] part, "because of the elaborate lengths to which Mr. Fireman
[17] had gone to keep his scheme from being traced, steps that
[18] included wiring from Hong Kong, the money that was to be
[19] distributed in cash, to participating employees."
[20] Can you tell us what elaborate lengths you referred to?
[21] Mr. Stern. Well, I really meant nothing more than,
[22] perhaps as your earlier question, Senator, suggested, which
[23] is this was not money which came from your neighborhood
[24] bank, where you walk down the street and make a withdrawal;
[25] that initially, the money came, albeit from a trust

[1] controlled by Mr. Fireman, from Hong Kong, and certainly, at
[2] least initially, it presented separate issues and problems
[3] for investigations in being able to trace back the money.
[4] We were able to overcome that, clearly, but that is
[5] really what I had in mind, coupled with the fact that this
[6] was a scheme which existed over some 4 years that involved
[7] four different and separate campaigns and involved many,
[8] many conduits.
[9] Senator Levin. You said before that Mr. Fireman was
[10] not charged with the use of foreign funds in a campaign or
[11] giving foreign funds to candidates. Did you determine that
[12] there were no foreign funds, or did you decide not to pursue
[13] that issue since you already had clearly illegal
[14] contributions made in the name of another?
[15] Mr. Stern. All I can do, Senator, with all due
[16] respect, is repeat that we determine that the ownership and
[17] source--the ownership of the funds was Mr. Fireman, as an
[18] American citizen and an American businessman, and that we
[19] did not charge him. There were no charges of the company or
[20] of Mr. Fireman, which related to contributions by foreign
[21] entities.
[22] Senator Levin. Is the reason you are not able to say
[23] there was a determination relative to the source of the
[24] funds because that would go beyond the public record?
[25] Mr. Stern. Yes, that is correct, Senator.

[1] Senator Levin. All right. On page 7 of the
[2] indictment, it said that Mr. Fireman "caused an entity known
[3] as 'Rickwood, Ltd.'...to be formed in Hong Kong." Is that
[4] the secret Hong Kong trust referred to on page 2 of your
[5] indictment?
[6] Mr. Stern. Yes, it is, Senator.
[7] Senator Levin. Do you know about on how many
[8] dates--let me refer you to page 10 of the indictment. The
[9] indictment says that the trust was formed in Hong Kong, and
[10] it uses the phrase "Rickwood, Ltd."
[11] Mr. Stern. Uh-huh. [Nodding head up and down.]
[12] Senator Levin. Was that an entity formed under Hong
[13] Kong law?
[14] Mr. Stern. I believe so.
[15] Senator Levin. Then, you say on page 10 that on
[16] various dates in mid-1995, that Ms. Nichols and Mr. Fireman
[17] caused funds to be wire-transferred from Hong Kong to a bank
[18] account of Rickwood.
[19] Do you know approximately how many dates that might be?
[20] Was that a frequent occurrence?
[21] Mr. Stern. With respect to the reference in paragraph
[22] 10--rather, page 10?
[23] Senator Levin. Yes.
[24] Mr. Stern. I believe at some point during the
[25] sentencing hearing, there was a reference to probably four

(1) or five, and my memory is a little fuzzy on that, but four
(2) or five separate wire transfers.
(3) Senator Levin. All right.
(4) Mr. Stern. During that time period, that is.
(5) Senator Levin. Did Ms. Nichols testify that
(6) Aqua-Leisure had a foreign subsidiary called Aqua-Asia?
(7) Mr. Stern. Ms. Nichols did not testify as part of our
(8) investigation.
(9) Senator Levin. All right. I wonder if we could put on
(10) Exhibit 400.
(11) This is an interview by the Committee of Ms. Nichols,
(12) and on page 1 of that interview, it says that Aqua-Leisure
(13) has a foreign subsidiary called Aqua-Asia and that
(14) Aqua-Asia, in turn, had a subsidiary called Grayland Trading
(15) Company, and that Aqua-Asia paid Grayland an annual fee of
(16) \$120,000 for its work, and that it was this \$120,000 fee
(17) that Mr. Fireman would transfer to the Rickwood bank
(18) account.
(19) So, if those facts are true, that the money went from
(20) Aqua-Asia to Grayland to Rickwood, would that make it
(21) clearer in your mind that foreign funds were used to pay for
(22) the illegal contributions, if that statement is true in
(23) that?
(24) Mr. Stern. Well, you know, again, Senator, with all
(25) due respect, I am hoping I do not have to offer a legal

(1) opinion to the Committee on that point.
(2) Senator Levin. You did not get into that issue, in any
(3) event?
(4) Mr. Stern. Well, to respond to the particular facts in
(5) that paragraph, and I have not seen this interview before,
(6) it would require me, again, to rely upon information which I
(7) learned only by grand jury, and as you know, it would be
(8) improper and probably illegal for me to disclose any of
(9) that. So I hope I am able to beg off in responding directly
(10) to you, Senator.
(11) Senator Levin. All right. No, we do not want you to
(12) get into grand jury information.
(13) Are you able to tell us whether--to confirm that
(14) Aqua-Asia is a foreign subsidiary of a U.S. parent
(15) corporation? Are you able to confirm it?
(16) Mr. Stern. The only way I would be able to confirm or
(17) deny in some way, it would be to, again, rely upon grand
(18) jury information.
(19) Senator Levin. All right. Now, you have indicated
(20) that to the best of your information that you have concluded
(21) that none of the campaigns, nor did the RNC themselves, know
(22) of these illegal contributions. Is that correct?
(23) Mr. Stern. That is correct.
(24) Senator Levin. So that, even though this was a 5-year
(25) scheme and even though in one case Mr. Fireman was actually

(1) a vice chair of the Finance Committee of the Dole campaign,
(2) that neither Mr. Dole nor Mr. Bush earlier, Mr. Quayle, Mr.
(3) Kennedy, nor the RNC chairman, or the officials of the RNC
(4) knew when these many checks came in that, in fact, those
(5) checks were illegal. Is that correct?
(6) Mr. Stern. That is correct.
(7) Senator Levin. All right. Were these checks in the
(8) amounts that were legal to be contributed by individuals to
(9) a campaign? In other words, the \$1,000, for instance, is
(10) that a legal amount to be contributed?
(11) Mr. Stern. Yes, yes.
(12) Senator Levin. Do you know the hard money and soft
(13) money lingo?
(14) Mr. Stern. I am not well versed in it, Senator.
(15) Senator Levin. All right. Do you know whether this
(16) was intended to be hard dollars, legal amounts of
(17) contributions in terms of the amount, not the source?
(18) Mr. Stern. Most of it, to the various committees, were
(19) in \$1,000 amounts. I believe the \$24,000 to the RNC in 1992
(20) were from six individuals who paid \$4,000 each, and my
(21) recollection of the indictment is that that may, in fact, be
(22) what is commonly referred to as soft money, but the chart
(23) there was not that the campaign limit was exceeded, but that
(24) it was done illegally through a straw. Even as I understand
(25) it in the case of soft money, you have to disclose who the

(1) proper donor is, and if you do not do that, that would be a
(2) violation of Federal law.
(3) So the charge there had nothing to do with exceeding
(4) the limit. It had to do with the use of straws.
(5) Senator Levin. All right. Putting aside the RNC, just
(6) the money to the three campaigns, to the Bush, Dole, and
(7) Joseph Kennedy campaigns--
(8) Mr. Stern. Yes.
(9) Senator Levin. --in those three instances, the amounts
(10) that they received were within the limits established for
(11) individual contributions to candidates; is that correct?
(12) There was no way that they could see from the amount of
(13) money coming in that there was anything illegal about the
(14) contribution?
(15) Mr. Stern. That is right. I believe that is correct.
(16) Senator Levin. What is the current status of these
(17) cases? Is there litigation that is ongoing relative to
(18) this, some challenge now?
(19) Mr. Stern. Well, there is. The procedural history is
(20) a little unusual at the moment. The criminal cases were
(21) completed--are completed. Both defendants have completed
(22) their home detention, and they are now on probation.
(23) About, I think, the end of May, Mr. Fireman has filed a
(24) separate civil action in Federal court in Boston, seeking a
(25) declaration as to whether if he were to file what is

(1) referred to a 2255 filing, essentially a Federal habeas
(2) corpus petition, challenging the constitutionality of the
(3) Federal election law, he wants a declaration as to whether
(4) that would violate his plea agreement.
(5) We have taken the position that the plea agreement
(6) intended that there would be a final resolution of the cases
(7) and that a collateral challenge like this at this point does
(8) violate the plea agreement.
(9) Mr. Fireman obviously wants some assurance before he
(10) files his 2255 as to whether we are right or he is right,
(11) and that matter is now pending in the Federal court in
(12) Boston.
(13) Senator Levin. Do you know anything about Mr.
(14) Fireman's background in Government? Had he ever been in the
(15) Federal Government in any position, do you know?
(16) Mr. Stern. My memory, Senator, is he was appointed to
(17) several honorary positions. By that, I mean on various
(18) committees; initially, I think by President Carter, then by
(19) President Reagan, and then I believe by President Bush.
(20) Then, as some point--I am a little fuzzy on the years--as
(21) some point, he was a member of, I believe it is, the
(22) Import-Export Commission or Board and served officially in
(23) that capacity for a couple of years.
(24) Senator Levin. That would have been as a director of
(25) the U.S. Export-Import Bank, appointed by President Bush?

(1) Mr. Stern. I am not sure of the title, but it was
(2) certainly--the Import-Export Bank sounds right. Whether it
(3) is a director, I do not know.
(4) Senator Levin. When this case first came to light in
(5) 1996, Senator Dole's campaign press secretary, Mr. Nelson
(6) Warfield, was quoted as saying that, "If a person chooses to
(7) break the law, there is not much that we can do to stop it,"
(8) referring to the difficulty of their campaign in
(9) ascertaining the kind of illegality that was finally
(10) ascertained here by you.
(11) Do you have any comment on that?
(12) Mr. Stern. I really don't, Senator. I will say that
(13) these are--you know, we have done a number of campaign
(14) finance cases, not just this one, and they can be very
(15) time-consuming, difficult cases to investigate. They are,
(16) by design, intended to be secret conspiracies. The very
(17) nature of the crime, typically, is to shield from the public
(18) view. That is, the heart of the crime is to shield from the
(19) public view the true source of the funds, and so it does
(20) present challenges both to prosecutor and law enforcement.
(21) in general.
(22) Senator Levin. And also to campaigns?
(23) Mr. Stern. And to campaigns. I think that is fair.
(24) Senator Levin. You use the term in your indictment
(25) repeatedly that because of that shielding by Mr. Fireman

(1) that the campaigns, all three, and the RNC were caused to
 (2) file false reports; that those reports that were filed were
 (3) false, but that he caused it to be false, rather than the
 (4) campaigns. Is that correct?
 (5) Mr. Stern. That is correct. He put in motion the
 (6) filing of reports, the filing of information with the
 (7) campaign, which in turn caused them, and that is probably
 (8) language right out of the Federal statute, caused them to
 (9) file false reports and, therefore, to impede and impair the
 (10) lawful functioning of the Federal Election Commission.
 (11) Senator Levin. And you did not charge them with any
 (12) improprieties or wrongdoings?
 (13) Mr. Stern. That is correct.
 (14) Senator Levin. Thank you, Mr. Chairman.
 (15) Chairman Thompson. Thank you.
 (16) Mr. Stern, thank you for being here with us today.
 (17) I do not know how much more blood we can squeeze out of
 (18) this particular turnip. This is something that has been
 (19) known for some time, and the Fireman transaction was among
 (20) the first subpoenas that the majority issued when we started
 (21) our investigation, and you have provided some more
 (22) interesting details.
 (23) It seems like it is a fairly typical contributions in
 (24) the name of another scheme that we have come to know about,
 (25) and this is a case where justice was done. People were

(1) prosecuted, and people were convicted, and that is the way
 (2) that it is supposed to happen. It is an indication that
 (3) things worked out well, but there are a couple of
 (4) interesting things here.
 (5) I noticed in the indictment--do you have the indictment
 (6) there before you?
 (7) Mr. Stern. Yes. Yes, I do, Senator.
 (8) Chairman Thompson. I would refer to page 12 of the
 (9) indictment.
 (10) Before you start, the list of conduits--
 (11) Mr. Stern. Yes.
 (12) Chairman Thompson. --and there appear to be over
 (13) several pages here. There appear to be a total of 70 or
 (14) maybe 69 conduits. Is that--
 (15) Mr. Stern. I think that is right.
 (16) Chairman Thompson. These conduits, of course, are
 (17) individuals who were used, whose names were used. I
 (18) understand they were given cash by Mr. Fireman or Mr.
 (19) Nichols, and they were given cash, and they, in turn, wrote
 (20) out a check. Is that basically--
 (21) Mr. Stern. That is basically how it operated.
 (22) Chairman Thompson. --the way it works?
 (23) Were any of these conduits prosecuted?
 (24) Mr. Stern. No.
 (25) Chairman Thompson. They were all for \$1,000, as I see

(1) it here. So you prosecuted Mr. Fireman. You came up with a
 (2) scheme, and you prosecuted his corporation.
 (3) Mr. Stern. Yes.
 (4) Chairman Thompson. And you prosecuted his--it sounds
 (5) like she was more like a top assistant who really
 (6) orchestrated the thing, Ms. Nichols.
 (7) Mr. Stern. Well, I would not say orchestrate as much
 (8) as she carried out his requests.
 (9) Chairman Thompson. She handled the cash for
 (10) everybody--
 (11) Mr. Stern. That is right.
 (12) Chairman Thompson. --and got everybody in, doled out
 (13) the cash, told them what to do, and that sort of thing, but
 (14) these 70 conduits were not prosecuted.
 (15) Let's refer back to the exhibit that Senator Levin
 (16) referred to a minute ago, the newspaper article. If we can
 (17) put that back up on the screen, that is Exhibit 401.
 (18) This is the Kansas City Star, April 21, 1996. I think
 (19) it is the fifth paragraph, where it says, and I quote, "I
 (20) knew it was illegal, especially when they gave me cash," one
 (21) contributor said, "You just don't see people with that kind
 (22) of cash." Now, that apparently was referring to one of the
 (23) conduits. Is that right?
 (24) Mr. Stern. As I read the article, I read the article
 (25) the same way, Senator.

(1) Chairman Thompson. Yes. Well, my point is, and you
 (2) may not have direct knowledge of that, it is clear that you
 (3) had 69 or 70 conduits, at least one of them admitting they
 (4) knew it was illegal and they were not prosecuted. I
 (5) understand why they were not prosecuted. I think that was a
 (6) proper decision.
 (7) The analogy to our nuns out in California, I think,
 (8) kind of reaches out and grabs you, but that is not your
 (9) dispute.
 (10) All I can say is that Senator Glenn wrote the Attorney
 (11) General on July 18 requesting your appearance here, and from
 (12) the time it took that letter to get there and you were
 (13) contacted and you traveled here--what is today? The 25th?
 (14) All that happened within one week, and I am glad you are
 (15) here, but that is a pretty rapid turnaround.
 (16) Now we have been waiting for 3 days to see whether or
 (17) not the Attorney General is going to waive a 10-day period
 (18) to object to the immunities that we have given for the nuns
 (19) out there. It is 3 days and counting now. I assume that
 (20) within that 10-day period, we will find if she is going to
 (21) find out whether or not she is going to waive that 10-day
 (22) period, but it is clear that quick and responsive action can
 (23) take place over there when it is needed.
 (24) Mr. Stern. Senator, can I make just one--
 (25) Chairman Thompson. Yes.

(1) Mr. Stern. I certainly do not want to get in the
 (2) middle of issues larger than the United States Attorney for
 (3) Massachusetts, but the judgments as to what to do with
 (4) conduits are really individualized judgments, and it is the
 (5) kind of judgments, as you know, Senator, that prosecutors
 (6) make all the time in cases which have nothing to do with
 (7) campaign finance, and we make those at various times as an
 (8) investigation proceeds.
 (9) Certainly, in this particular case, a judgment was made
 (10) that the people writing the \$1,000 checks were what I would
 (11) refer to as pure conduits, who were basically passsthroughs.
 (12) Chairman Thompson. Is there not a Justice Department
 (13) guideline that basically says you do not prosecute conduits
 (14) in that situation?
 (15) Mr. Stern. There is a general rule, absolutely. The
 (16) general rule is that pure conduits, people whose only
 (17) criminal responsibility is that they were the conduit, but
 (18) again, those are, you know--
 (19) Chairman Thompson. I understand.
 (20) Mr. Stern. These are not cookie-cutter judgments.
 (21) These are made individually, based upon the facts--
 (22) Chairman Thompson. I understand.
 (23) Mr. Stern. --and that is what we did here--
 (24) Chairman Thompson. I understand that.
 (25) Mr. Stern. --and I trust that is what is being done

(1) around the country.
 (2) Chairman Thompson. I understand that.
 (3) Now, I understand that the charges were brought in
 (4) July.
 (5) Mr. Stern. Yes.
 (6) Chairman Thompson. The newspaper article appeared on
 (7) April 21st, and the charges were brought within 3 months.
 (8) Mr. Stern. Yes, that is correct.
 (9) Chairman Thompson. And this scheme involving 69 or 70
 (10) conduits, that is pretty rapid. I think your office is to
 (11) be congratulated.
 (12) You first found out about the scheme on April 21st and
 (13) charges were brought the following July and you got your
 (14) pleas in October and November. Now, that is good work.
 (15) Mr. Stern. Thank you.
 (16) Chairman Thompson. That is good work. I will not
 (17) belabor the obvious analogies with regard to that.
 (18) So, with that, the rest of my time, I am going to refer
 (19) to Senator Cochran.
 (20) Senator Cochran. Thank you, Mr. Chairman.
 (21) Mr. Stern, my information is that when you began your
 (22) work investigating this allegation of illegal conduct that
 (23) the Dole campaign cooperated with your office in the
 (24) investigation in providing facts that you requested from the
 (25) campaign. Is that correct?

(1) Mr. Stern. That is correct.
 (2) Senator Cochran. The Dole campaign also was not
 (3) prosecuted by your office or no official in the employment
 (4) of the Dole campaign was prosecuted. Isn't that correct?
 (5) Mr. Stern. That is correct.
 (6) Senator Cochran. Do you also know that the Dole
 (7) campaign terminated any relationship that they had with this
 (8) Mr. Fireman when they learned of the wrongdoing that was
 (9) being investigated by your office?
 (10) Mr. Stern. I think I know that from newspaper
 (11) accounts, Senator, at the time.
 (12) Senator Cochran. Your office also had undertaken a
 (13) series of prosecutions, as I understand, from a PR news wire
 (14) story dated October 23, 1996. While this is not designated
 (15) as any exhibit, I notice—and you can confirm this if it is
 (16) true—that this case was one of a series of prosecutions of
 (17) campaign contribution crimes by your office in Massachusetts
 (18) during the last 3 years. Isn't that correct?
 (19) Mr. Stern. That is correct.
 (20) Senator Cochran. That series included a prosecution of
 (21) the national fund-raising chairman for the Tsongas for
 (22) President campaign?
 (23) Mr. Stern. Yes.
 (24) Senator Cochran. The treasurer of the Haig for
 (25) President campaign?

(1) Mr. Stern. Yes.
 (2) Senator Cochran. And others prosecuted by your office
 (3) for illegally making excess contributions in State and
 (4) Federal campaigns included a Tsongas campaign operative,
 (5) another Haig campaign operative, and someone from the Silber
 (6) for Governor campaign. Isn't that correct?
 (7) Mr. Stern. That is correct.
 (8) Senator Cochran. Your office also prosecuted this same
 (9) person, Mr. Fireman, for funnelling cash to individuals who
 (10) were conduits for contributions to the Citizens for Joe
 (11) Kennedy Committee?
 (12) Mr. Stern. That is correct.
 (13) Senator Cochran. And this is the Joe Kennedy who is
 (14) the Democratic Congressman from Massachusetts; is that
 (15) correct?
 (16) Mr. Stern. Yes, it is.
 (17) Senator Cochran. Mr. Chairman, those are all the
 (18) questions I have.
 (19) Chairman Thompson. All right. Senator Lieberman?
 (20) Senator Lieberman. Thanks, Mr. Chairman.
 (21) Mr. Stern, thanks for being here. The Chairman has
 (22) made an interesting comparison of this case, if you will, to
 (23) the Hsi Lai Temple with the Buddhist nuns, and I think there
 (24) are parallels, and the parallels on the face of it, although
 (25) there is a big difference here, which is that this case has

(1) been successfully concluded with a plea bargain and
 (2) punishment has been applied to both Mr. Fireman and Ms.
 (3) Nichols, in that case, the investigation is ongoing, but you
 (4) have got at least allegations there that are quite similar
 (5) of people writing checks, being reimbursed. Source of
 (6) funds, we are not sure of yet in the Hsi Lai Temple case.
 (7) We do not know whether they came from within the temple's
 (8) own resources or from some other source. In this case, we
 (9) know that it came from this Hong Kong account
 (10) In both cases, certainly by your testimony, none of the
 (11) recipients here, either Bush-Quayle, Senator Dole, or Joe
 (12) Kennedy knew of the tainted source, and I presume, though we
 (13) do not know for sure yet, that that is true of the
 (14) recipients of the money raised at the Hsi Lai Temple, did
 (15) not know it was laundered, but let me ask you this because I
 (16) think it is important, and in some sense, we are continuing
 (17) a discussion that began earlier in the week on the immunity
 (18) question.
 (19) Am I correct in assuming in this case that you had
 (20) testimony from the so-called conduits, which is to say the
 (21) people who wrote the checks and were reimbursed in cash by
 (22) Mr. Fireman and Ms. Nichols, of what had happened? In other
 (23) words, did the conduits provide evidence to you of the
 (24) wrongdoing here?
 (25) Mr. Stern. I think I can safely say that the conduits

(1) did provide evidence.
 (2) Senator Lieberman. Again, I know this may be
 (3) difficult, but I presume that when you interviewed the
 (4) conduits, they were not clear. They had no guarantee that
 (5) they themselves were not going to be prosecuted.
 (6) Mr. Stern. Well, if I can, Senator, with permission,
 (7) perhaps to answer the question more generally?
 (8) Senator Lieberman. Sure.
 (9) Mr. Stern. You know, people speak to law enforcement
 (10) in a variety of different contexts. Sometimes they come in.
 (11) They want to talk. They want to complain about something.
 (12) Sometimes people come in wanting to talk, and we need to
 (13) make a determination in due course as to whether they are
 (14) telling the truth or not, and that is very important to us,
 (15) obviously.
 (16) Some people come in and talk only if and when we make a
 (17) judgment that immunity is appropriate.
 (18) Senator Lieberman. Right.
 (19) Mr. Stern. And some people will speak and testify
 (20) before the grand jury, and some people will be comfortable
 (21) in relying upon interviews by an agent. So there is a menu,
 (22) if you will, of different possibilities, all of which we
 (23) try—I know my office tries—to calibrate that choice
 (24) consistent with the state of the investigation and the
 (25) facts.

(1) Senator Lieberman. Okay. I mean, in a sense, Senator
 (2) Thompson and I are continuing our respectful dialogue on the
 (3) question of immunity that we started earlier in the week,
 (4) and I guess my feeling was—I know my feeling then was, and
 (5) I would guess it was at least implicit in this case, that
 (6) the conduits are more likely to cooperate in helping to
 (7) build a case against the principals if they fear that the
 (8) prosecutor may prosecute them, but I do want to make one
 (9) other comparison here, without asking you, just for the
 (10) record, that at least one of the people we gave immunity to
 (11) on Tuesday is exactly comparable to Ms. Nichols, which is to
 (12) say one of the people is the person who had the—at the Hsi
 (13) Lai Temple, had the connection to John Huang and Maria Hsia
 (14) and then went out and arranged with the other nuns to write
 (15) the checks and promise them they would be reimbursed, which
 (16) is very comparable to the role that Ms. Nichols played here,
 (17) and Ms. Nichols, of course, was successfully prosecuted and
 (18) presumably was helpful in prosecuting Mr. Fireman.
 (19) The same is true of Keshi Zhan in the Charlie Trie
 (20) case, who we gave immunity to the other day, but more
 (21) generally, I do think that this shows that you know when the
 (22) quest is on for money and people are under pressure and
 (23) people have motivations here to give, to try to gain access
 (24) or influence or whatever, they will skirt the law, and I
 (25) appreciate the fact that you successfully prosecuted these

(1) cases.
 (2) Can I ask you about Mr. Fireman's motivation? I have
 (3) seen somewhere in the material that somebody said—perhaps
 (4) it was Ms. Nichols—that Mr. Fireman's motivation in giving
 (5) this large amount of money was the hope that he would
 (6) receive an ambassadorship. Was that part of the record that
 (7) you recall?
 (8) Mr. Stern. It is, in part. In the criminal charges,
 (9) we alleged that his goal, his objective was at least in
 (10) part—and I emphasize in part—at least in part to obtain a
 (11) position in the—in a future administration, and I know we
 (12) have said publicly in the past that his objective had keyed
 (13) in on a possibility of an ambassadorship.
 (14) We did not find—and I tried to make this clear in the
 (15) opening statement—we did not find any evidence that that
 (16) goal, at least partial goal, was ever communicated either to
 (17) Senator Dole or to the Dole campaign.
 (18) Senator Lieberman. Right.
 (19) And there were no other indications of what motivation
 (20) might have been here beyond that for Mr. Fireman?
 (21) Mr. Stern. Well, the prosecutor, Joe Savage, who did
 (22) this—presented this case at the sentencing hearing made
 (23) reference to one of two possibilities; one, that Mr. Fireman
 (24) was interested—hope for a future Government position.
 (25) Senator Lieberman. Right.

(1) Mr. Stern. The other possibility, that he was a lousy
(2) fund-raiser, and since he was a lousy fund-raiser--
(3) Senator Lieberman. Yes.
(4) Mr. Stern. --and since he could dip into this own
(5) pocket--
(6) Senator Lieberman. Right.
(7) Mr. Stern. --and pay for it that he would do that.
(8) Senator Lieberman. Yes, okay. This wouldn't be the
(9) first time in American history that somebody tried to buy an
(10) ambassadorship, but obviously as part of the system, or more
(11) broadly investigating, the more the amount of money that
(12) grows that is spent in political campaigns, the more
(13) temptation there is for people who have big money to try to
(14) do exactly that, and the more I fear it occurs.
(15) One of things that puzzled me and intrigues me about
(16) this campaign, about this case, is why Mr. Fireman didn't do
(17) this legally, which is to say much of the testimony before
(18) the Committee in the preceding hearings has focused around
(19) the evil of soft money. Mr. Fireman was a wealthy man. He
(20) could have legally given the large amounts that he did, and
(21) I am curious as to whether the record shows at all what
(22) motivated him to do it in this particular way?
(23) Mr. Stern. It doesn't, Senator, and even apart from
(24) the record, I don't have the answer to that question.
(25) Senator Lieberman. I want to suggest--and I don't know

(1) Mr. Fireman, so I may be being unfair here. I want to
(2) suggest one of two possibilities. One is that he was badly
(3) advised and he didn't know that he could have done this
(4) legally. The second is he was cheap or greedy, and if he
(5) had given it himself, he would have had to--if you will, if
(6) he had had the money transferred from the Hong Kong account
(7) to himself, presumably, and did it legally, he would have
(8) had to pay income tax on it and then given it as soft money
(9) to the campaign. I don't expect you to comment on that, but
(10) it is an--when we see these enormous contributions coming in
(11) in soft money to both parties, actually much larger than the
(12) total amount he gave, it puzzled me.
(13) A final question is this. Based on the election law
(14) cases you have done, how many others would you say have been
(15) done in your jurisdiction since you have been U.S. attorney?
(16) Mr. Stern. Since I've been U.S. attorney, probably
(17) one, two, three--probably four or five. The Tsongas for
(18) President national fund-raising chairman actually preceded
(19) me by several months.
(20) Senator Lieberman. Yes.
(21) Mr. Stern. So that began under the prior U.S.
(22) attorney.
(23) Senator Lieberman. That was a case--I remember that in
(24) the press--where he embezzled money from campaign funds.
(25) Mr. Stern. That's right, on the--not the eve of the

(1) Connecticut primary, but--
(2) Senator Lieberman. On the eve of the Connecticut
(3) primary. I remember that one particularly. I have scars
(4) from that.
(5) My question--if I may, Mr. Chairman, just briefly, I
(6) was going to ask you, based on the work that you have done
(7) prosecuting these cases, do you have any suggestions as to
(8) how this Committee might recommend changes in the criminal
(9) aspects of election laws?
(10) Mr. Stern. Well, I'd like to give that some thought,
(11) if I could. I'd be happy, if the Attorney General wants me
(12) to do that, to supply some thoughts. I haven't really
(13) focused on that question before, Senator, but if--at some
(14) point, if the Committee wanted me or other U.S. attorneys or
(15) prosecutors to make suggestions, and if the Attorney General
(16) authorized me to do it, I would certainly do that.
(17) Senator Lieberman. Well, I personally would welcome
(18) it, and I would guess that members of both parties on the
(19) Committee would, from you and from the U.S. attorneys
(20) generally, or folks at the Justice Department here in
(21) Washington who may have prosecuted these cases, because
(22) while we are talking about altering and perhaps banning soft
(23) money, et cetera, et cetera, the criminal law still has an
(24) important role to play here and you may be able to help us
(25) from the field in doing that.

(1) Thanks very much, Mr. Stern.
(2) Mr. Stern. Thank you, Senator.
(3) Chairman Thompson. Thank you, Senator Lieberman.
(4) Very briefly, Senator Lieberman and I have a bit of a
(5) different view on some of these things, and he stated as a
(6) fact something that I respectfully disagree with. I think
(7) the facts will show that we did not seek immunity for the
(8) person who is comparable to Ms. Nichols. I think that is
(9) just a different view that we have of the facts and we will
(10) just have to wait and see how that pans out, but that is my
(11) view of it.
(12) Senator Lieberman. We definitely do have a different
(13) view of that because I think both in the Buddhist temple
(14) case and in the Charlie Trie case, on Tuesday, we gave
(15) immunity to the person who is exactly comparable to Ms.
(16) Nichols.
(17) Chairman Thompson. Well, that is just not accurate
(18) Senator, in my view. I mean, we are going to have to wait
(19) and say that.
(20) Senator Lieberman. Okay.
(21) Chairman Thompson. But the person who orchestrated
(22) this thing and put it together and was the primary agent is
(23) someone who we did not even seek immunity for. We have
(24) agreed not to talk about names in public and it will all
(25) come out in the wash, but I just think that, you know, the

(1) record ought to reflect that we disagree on that factually.
(2) Senator Lieberman. Okay. We will continue this in
(3) private when we can, then.
(4) Chairman Thompson. All right.
(5) Senator Specter?
(6) Senator Specter. Thank you, Mr. Chairman.
(7) Thank you for coming in, Mr. Stern. The purpose of
(8) this inquiry and the purpose of your being called in, Mr.
(9) Stern, is to determine if there was any illegal foreign
(10) contribution involved here. Had the United States
(11) Government had the evidence for a prosecution for illegal
(12) foreign contributions, would that prosecution have been
(13) pursued?
(14) Mr. Stern. Well, Senator, I just want to, I guess,
(15) repeat, and I don't mean to be cute about this, that we
(16) determined that the ownership of the money that eventually
(17) was wired from Hong Kong to Boston was owned by Mr. Fireman,
(18) that it was basically--or controlled by Mr. Fireman, and
(19) that there were no charges. I don't think I frankly ought
(20) to be speculating as to why there--in hindsight, charges
(21) could have, should have, maybe, ought to have been brought.
(22) But as a factual matter, there were no such charges brought.
(23) Senator Specter. Well, Mr. Stern, my question is a
(24) very simple one. You are in the business of prosecuting
(25) criminal cases where there is evidence to warrant a

(1) prosecution. Those prosecutions are brought, correct?
(2) Mr. Stern. Well, I think that's probably a fair
(3) statement to make.
(4) Senator Specter. Okay. Well, had there been evidence
(5) to bring such a prosecution, wouldn't it have been brought?
(6) Mr. Stern. We did not think that any such charge in
(7) this case was appropriate.
(8) Senator Specter. Thank you.
(9) Senator Cochran. Mr. Chairman, can I ask another
(10) question?
(11) Chairman Thompson. Certainly, Senator Cochran.
(12) Senator Cochran. Senator Lieberman suggested in a
(13) comment that he made--he said this is not the first time
(14) that an ambassadorship has tried to be bought, or words to
(15) that effect.
(16) You didn't find any evidence of the fact that the Dole
(17) campaign was trying to sell an ambassadorship in this case,
(18) did you?
(19) Mr. Stern. No, none, whatsoever.
(20) Senator Cochran. That is all.
(21) Senator Lieberman. Oh, no. Excuse me, Mr. Chairman.
(22) Let me make clear that I did not mean to imply that that was
(23) the intention of the Dole campaign at all. I think the
(24) record is very clear here that this was totally in Mr.
(25) Fireman's mind, and that is the problem. The more money we

(1) have to raise, the more people like this decide they can buy
(2) something even if nobody is selling.
(3) Chairman Thompson. All right.
(4) Senator Akaka?
(5) Senator Akaka. I yield my time, Mr. Chairman.
(6) Chairman Thompson. Senator Durbin?
(7) Senator Durbin. Thank you, Mr. Chairman. Mr.
(8) Chairman, may I ask a question of you before we proceed so I
(9) understand?
(10) Chairman Thompson. Yes.
(11) Senator Durbin. Have we publicly disclosed the names
(12) of all the individuals who were granted immunity the other
(13) day, the five-
(14) Chairman Thompson. No, we did not.
(15) Senator Durbin. We have not disclosed those?
(16) Chairman Thompson. No.
(17) Senator Durbin. Thank you.
(18) I would like to ask--thank you, Mr. Stern, for being
(19) here. The Chairman described this case in his remarks as,
(20) quote, "fairly typical," close quote, in terms of
(21) laundering. But I hope it is not fairly typical and I hope
(22) that laundering is an exception rather than a rule.
(23) I would like, if you would, if you could explore your
(24) statement, Mr. Stern, about how difficult these cases are to
(25) investigate and prosecute. Wherein lies the difficulty?

(1) Mr. Stern. Well, first off, I'm not sure in my
(2) experience I've found any of these cases typical of
(3) anything. I mean, each case sort of stands on its own facts
(4) and each case has its twists and turns and peculiarities, so
(5) I'm not sure there's anything particular about a particular
(6) case.
(7) You know, as I said before, these are conspiracies,
(8) typically, and frankly it's not peculiar to campaign finance
(9) violations. It applies to other white collar cases, in
(10) general, intended by design to be committed in secret. If
(11) someone goes into a bank and robbed a bank, we may not know
(12) who they are, but the crime has been committed. It's there
(13) for the public to see. People know about it.
(14) The first task in investigating any kind of case like
(15) this is first determining whether there has been a crime,
(16) and then, of course, you have to find out who, if anyone,
(17) has committed a crime. So they're complicated and they can
(18) be resource-intensive. This one, as I said, came together
(19) fairly quickly, at least in part because of the cooperation
(20) of the defendants. That helps a lot when a defendant is
(21) willing to plead guilty, but they can be--they can be
(22) complicated.
(23) Senator Durbin. Now, in this case it appears to be
(24) something other than a garden-variety laundering case where
(25) some American citizen might, in his exuberance to support a

(1) candidate, decide to give money to another person to
(2) contribute in their name, at least complicated by the fact
(3) that we are dealing with a Hong Kong trust created by Mr.
(4) Fireman--
(5) Mr. Stern. That's correct.
(6) Senator Durbin. --and transfers of funds from overseas
(7) to the United States. And that really is what this first
(8) phase of the hearing is supposed to be all about, the
(9) involvement of foreign money illegally or improperly into
(10) our process, and that appears to be a very poignant fact in
(11) this case, the way Mr. Fireman set up this elaborate scheme
(12) to bring in \$120,000 over 5 years for a variety of
(13) candidates, mainly Republican, but even some Democrats.
(14) What I am driving at is this. We have had
(15) representatives now sit at that table from the Democratic
(16) National Committee and yesterday the former chairman of the
(17) Republican National Committee talk about their efforts in
(18) receiving funds to determine whether or not they are legal,
(19) and they have many times bragged about their abilities to
(20) determine them as to their legality and at other times
(21) apologized because they weren't as good as they should be.
(22) The point I am trying to get to is this. There you sit
(23) in a prosecutor's role, with extraordinary authority, and
(24) you tell us under oath today that many times you have
(25) struggle with these cases to determine whether or not a law

(1) has been broken. I will say this and you can accept it for
(2) a fact. Those of us who are in the political business don't
(3) have your resources at our disposal. We receive checks with
(4) a very scant disclosure of the identity and occupation of
(5) the contributor and we don't even inquire as a matter of
(6) course as to the source of these funds unless there is
(7) something suspicious that comes to mind.
(8) I think it raises questions that maybe Senator
(9) Lieberman alluded to that perhaps the Department of Justice
(10) and maybe you personally could be helpful to this Committee
(11) in suggesting ways of amending our disclosure forms that
(12) might at least raise some suspicion where it should be
(13) raised when these contributions are made. And as a
(14) consequence, I hope that this hearing doesn't result just in
(15) investigating, but also in legislating.
(16) I would like to talk to you a moment about the immunity
(17) question because this is one that we struggle with, and
(18) since you are here today I don't know if you want to be case
(19) in the role as an expert on the question, but I agree with
(20) Senator Lieberman. I think that one of the persons who was
(21) immunized by this Committee this week really falls right
(22) into the same category as Carol Nichols did in the Fireman
(23) case, and that is why I didn't join the majority of the
(24) Committee on that one particular request for immunity and,
(25) with Senator Akaka and Senator Lieberman, voted against it.

(1) I would like you to just, if you could, give me your
(2) feelings. What would have been the impact in this
(3) prosecution if Carol Nichols had received immunity by this
(4) Committee prior to any active investigation and prosecution
(5) by the U.S. attorney's office?
(6) Mr. Stern. I don't have anything to be helpful to the
(7) Committee with respect to the granting of congressional
(8) immunity and what impact that has on potential future
(9) criminal prosecutions. I just--I just haven't faced it in
(10) my private practice or now as U.S. attorney. I can say that
(11) if we had decided to grant Ms. Nichols immunity, then she
(12) would not have been prosecuted, obviously. And, in my
(13) judgment, an individual who had some criminal culpability,
(14) albeit not as serious as Mr. Fireman, would not have been
(15) prosecuted.
(16) Senator Durbin. That is clear and understood that she
(17) may not have paid a price that she should have paid for
(18) wrongdoing. I am hoping that--
(19) Mr. Stern. I think--I think--I think Ms. Nichols paid
(20) the price that was appropriate in--
(21) Senator Durbin. No, but I am saying had she been
(22) granted immunity.
(23) Mr. Stern. I see, yes.
(24) Senator Durbin. Now, the point I am trying to get to
(25) is beyond that, and forget the fact if you can for a moment

(1) that you are here before the Senate under oath and talking
(2) about congressional immunity. But in this type of case when
(3) you were trying to construct a prosecution, if you have a
(4) witness like Ms. Nichols who is given immunity in the case,
(5) how does that make your life more difficult, or does it make
(6) it more difficult as prosecutor?
(7) Mr. Stern. You know, again, I don't want to, if I can,
(8) not refer to Carol Nichols, in particular, and perhaps
(9) answer the question more generally. Judgments are--these
(10) are dicey judgments, critical judgments, very important
(11) judgments that get made in virtually every case, and you
(12) worry about--I'll be honest with you--the grant--the
(13) premature granting of immunity before you know the facts,
(14) before the full texture and context of the case becomes
(15) important.
(16) A witness comes in and says, I'll only talk to you if
(17) you give me immunity. You need to be careful about that
(18) judgment because, again, I'm not referring, Mr. Chairman, to
(19) congressional immunity and what impact, if any, that has.
(20) But a Federal prosecutor, either by letter immunity or
(21) court-granted immunity, essentially gives someone a pass
(22) from criminal prosecution. That's a serious decision,
(23) that's a serious judgment.
(24) Senator Durbin. Is the prospect or possibility of
(25) immunity--I think I know the answer to this, but I am going

(1) to ask you your opinion--the prospect or possibility of an
(2) immunity the type of thing that is used by a prosecutor to
(3) encourage active cooperation by a witness?

(4) Mr. Stern. It might be.

(5) Senator Durbin. That is the point, and I want to say
(6) in defense of the Committee here--and I felt the frustration
(7) that many members did that the Department of Justice just
(8) didn't give us enough information when it came to this
(9) question, and I won't draw you into this part of it because
(10) I know that is where you work.

(11) But I felt that the Attorney General and the Department
(12) of Justice should have shared more information if they felt
(13) that the granting of immunity in these five cases would
(14) compromise a prosecution, and they didn't do it. And I do
(15) not want to gainsay any of my colleagues here who voted for
(16) immunity. I thought in this one case where immunity was
(17) granted, there was a virtual parallel to the Carol Nichols
(18) situation and I don't think we should have granted immunity
(19) in that case.

(20) But we are going to have to have some information
(21) forthcoming from the Department of Justice if we are going
(22) to be able to work in a more cooperative fashion. And I
(23) know they are very reluctant to share some of this
(24) information, so it is that tension between the two branches
(25) of Government that has been manifest this week in the

(1) proceedings of this Committee.

(2) I think that is all I have at this point. Thank you,
(3) Mr. Chairman.

(4) Chairman Thompson. Just a minute or so of my time.
(5) Your office apparently was able to make a decision within
(6) about three months not to prosecute these conduits, was it
(7) not?

(8) Mr. Stern. That's correct.

(9) Chairman Thompson. And, of course, number one, you
(10) can't speak of the individual case, as you have said. And,
(11) secondly, every case is different and it is really fruitless
(12) to be trying to draw too many immunity-type parallel and
(13) identify one factual situation to another, I suppose. But
(14) as a general proposition, is it not true that you weigh the
(15) forgoing of prosecution, on the one hand, with what that
(16) witness can give you in terms of assistance and help and
(17) testimony on the other hand?

(18) Mr. Stern. That's--that's part of the calculus, you
(19) know, but there are certainly situations where if you want
(20) the witness to be helpful and to testify truthfully down the
(21) road before a jury, the jury may not like--if a person has
(22) serious criminal culpability, a jury may not like the fact
(23) that immunity has been granted and may find the witness'
(24) testimony more credible if, in addition to testifying, the
(25) person is testifying having themselves been brought to

(1) justice, so to speak.

(2) So, again, there are a variety of--of--of situations,
(3) but there are times when, um, you know, we will insist, yes,
(4) we'll--we won't prosecute you for certain things or we'll
(5) give you "x" sentence, but when you're before the jury, we
(6) want the jury to know that you also committed a crime and
(7) that--and that you're paying for it.

(8) Chairman Thompson. Right, but in these cases, these 70
(9) conduits, you were able to decide within 3 months--

(10) Mr. Stern. That's--that's correct.

(11) Chairman Thompson. --that they did not deserve
(12) prosecution.

(13) Mr. Stern. That's--that's absolutely--that's correct.

(14) Chairman Thompson. Even though apparently one of them
(15) is quoted here saying, "Of course, I knew it was illegal.
(16) You don't see that much cash."

(17) I don't want to belabor the point. The prosecuting
(18) authority, whether it be the Attorney General or as in most
(19) situations like this an independent counsel, has their job
(20) to do, and we have our job to do and we should not make our
(21) decision based upon what the Attorney General's job is any
(22) more than they should base their decision based upon what
(23) our job is. So we will continue to weigh these cases on an
(24) individual basis, I assume.

(25) Senator Smith?

(1) Senator Smith. Thank you, Mr. Chairman. I just have
(2) one question. I remember the details of this case when it
(3) came out, Mr. Stern, but refresh my memory on how did the--
(4) what was the genesis of this? How did this come out? I
(5) know there was a newspaper report. I mean, did one of the
(6) straw donors say something, or how did this--

(7) Mr. Stern. Well, we became aware--I became aware of it
(8) as a result of the Kansas City Star article.

(9) Senator Smith. And did it say in there whether one of
(10) those people talked? I was just curious as to--

(11) Mr. Stern. The article itself actually has been made
(12) an exhibit, um, this morning, and I believe that in some
(13) cases some people identify themselves by name to the
(14) reporter.

(15) Senator Smith. As having given the \$1,000 and been
(16) told that they were reimbursed. So that is where--

(17) Mr. Stern. Right, I believe that's--

(18) Senator Smith. So it came from the employees, then?

(19) Mr. Stern. Well, I--you'd have to ask the reporter
(20) that. The reporter quotes by name certain individuals and
(21) then makes reference to other, um, conduit straw donors who
(22) were unnamed.

(23) Senator Smith. Maybe some of us who are involved in
(24) politics are probably too close to it, but it is incredulous
(25) to me that people would not know that that was wrong, and

(1) yet they did talk to the media afterwards. But it just
(2) seems incredible that that many people would do something
(3) like that and not know that it was wrong, either Mr. Fireman
(4) himself or the employees. It is so obvious. I mean, maybe
(5) it is too obvious because we are close to it.

(6) Mr. Stern. Well, you know, Mr. Fireman pled guilty to
(7) knowing it was illegal. That was part--

(8) Senator Smith. Yes.

(9) Mr. Stern. --part and parcel of his guilty plea, as
(10) well as Ms. Nichols was, that they knowingly and
(11) intentionally violated Federal criminal law. So, that much
(12) is the case. And, you know, at the time of the--when we
(13) announced the information and the, uh--and the plea
(14) agreements, I think I said in response to probably a
(15) reporter's question that I thought it was troubling, in
(16) part, that this took place in the workplace, that individual
(17) employees were essentially brought in. And, you know, I
(18) don't think it takes too much of imagination to conceive of
(19) the coercive effect on its face of people being brought into
(20) your employer's office and being asked to do this.

(21) Senator Smith. Let me add to the comments that have
(22) already been made to congratulate you on the--

(23) Mr. Stern. Thank you, Senator.

(24) Senator Smith. on the timely and prompt way that you
(25) handled the case.

(1) Thank you, Mr. Chairman.

(2) Chairman Thompson. Senator Glenn?

(3) Senator Glenn. Thank you, Mr. Chairman. A couple
(4) things I wanted to point here that I think are pertinent.

(5) The successful prosecution did not result from politicians
(6) accusing each other or political pressures being brought, as
(7) I understand it, or it wasn't from what we in the trade call
(8) opposition research, which means you are watching like a
(9) hawk the other person's campaign to see whether there was
(10) wrongdoing or wrong filings. Or you go over the other
(11) person's donor list to see where the money was coming from.

(12) As I understand it from you said, this was discovered
(13) because an enterprising reporter was covering this and got
(14) into some of this and published it in the Kansas City Star.
(15) Was that correct?

(16) Mr. Stern. That's--that's correct.

(17) Senator Glenn. Well, I think it points out the
(18) importance of the role of the press in things like this and
(19) that we don't operate in a vacuum in this country. It has
(20) been called the fourth estate, and I guess it probably is.
(21) But I think it points up, too, how hidden this can be and
(22) how insidious the whole process can be, because here we had
(23) things that were absolutely illegal being done, but none of
(24) the four campaigns that you mentioned in your statement--
(25) none of the four campaigns that were involved with this knew

(1) the first thing about it.
 (2) Mr. Stern. That's correct.
 (3) Senator Glenn. And so they were completely innocent of
 (4) any-and it was bipartisan.
 (5) Mr. Stern. Well, I should say more accurately we-we
 (6) we discovered no evidence that they did.
 (7) Senator Glenn. Yes, okay, right, which could lead to a
 (8) whole line of questioning that I won't go down at the
 (9) moment.
 (10) Mr. Stern. Well, it's the kind of answer you'll get
 (11) from a prosecutor, uh.
 (12) Senator Glenn. Yes. Well, no, all right. That is
 (13) fair enough. I am just pointing out how insidious this is
 (14) in our whole system. I might add one other item to this,
 (15) too. You have prosecuted both Democrats and Republicans.
 (16) One of the prominent examples was one of my close friends
 (17) and a friend of many of us here, Senator Paul Tsongas, when
 (18) his fund-raising chief, I believe, was prosecuted.
 (19) And Paul Tsongas, who was as fine a man as has ever
 (20) come to Washington, in my opinion, had no knowledge of that,
 (21) and that fits in with the points about these other four
 (22) campaigns. So when these have been alluded to, there was no
 (23) intention here whatsoever to point across party lines and
 (24) say that one party does it and the other doesn't.
 (25) The important thing here is that under existing law,

(1) this is illegal, and so a lot of people are going to say,
 (2) well, if we just enforce the law, then that takes care; we
 (3) don't need any campaign finance reform. What I hope we are
 (4) adding to by you being here and by pointing out what
 (5) happened in this case that has been successfully prosecuted
 (6) is the fact that here we had foreign money coming in. We
 (7) had third-party transfers of money, which are two of the
 (8) areas that I have continually stressed we should be dealing
 (9) with, in addition to tax-exempt misuse and soft money
 (10) misuse, as the four points that I hope we are able to get
 (11) into over the course of the next few months.
 (12) And here in this one case, we had two of those
 (13) elements-foreign money and third-party transfers, and
 (14) contributions disguised so that campaigns filed further
 (15) false reports with the FEC unknowingly. Is this analogous
 (16) to the Buddhist temple situation? I don't know, but we are
 (17) sure going to find out. And is it analogous in that did the
 (18) campaigns know about this? I don't know, but we are going
 (19) to find out. And I don't know whether they will wind up as
 (20) similar cases or not. I have no idea at this point.
 (21) But to come back to my first point, I think, obviously,
 (22) we have to deal with illegalities, but if we are not to
 (23) correct the system that breeds those illegalities by looking
 (24) into these four areas of tax-exempts and soft money and
 (25) foreign money and third-party transfers, then we will not

(1) have done our job.
 (2) And I don't know the answer to this. What is needed?
 (3) What needs to be changed? Do we need tougher penalties? I
 (4) don't know. Would that stop anything or are our laws
 (5) adequate? Do we need change in reporting at either the
 (6) local level or the campaign level, or do we need somebody
 (7) monitoring campaigns closer from outside the campaigns as
 (8) they are in progress to try and ferret out some of these
 (9) things? Or do we need the internal reporting of campaigns
 (10) more available to the press? That is a big one to take on
 (11) around here, I will tell you that.
 (12) Do we need changes in FEC procedures or changes in what
 (13) availability there might be of bank accounts to monitor
 (14) political contributions and expenditures, more reporting
 (15) earlier on? I don't know. These are all things that I
 (16) think we should be thinking about and that I hope we are
 (17) building an information base on through this year to maybe
 (18) take some action on in real, meaningful campaign finance
 (19) reform at the end of the year.
 (20) I just think that is the important thing for us to keep
 (21) in the background of our minds here, or the back of our
 (22) minds. And what it is is a general political problem, and I
 (23) am not trying to say just everybody does it, but it is a
 (24) general political problem across the whole spectrum of
 (25) things. And just to say that existing laws are

(1) automatically okay if we just enforce them-I think we have
 (2) to evaluate what after all the testimony of the next six
 (3) months or so comes out and see what kind of campaign finance
 (4) reform we need.
 (5) A number of us have strongly backed the campaign
 (6) finance reform proposed by Senator McCain and Senator
 (7) Feingold, and I am hoping we can have a vote on that one of
 (8) these days. I think that is a start. It is just a start.
 (9) I think we need to go far beyond what is provided there. So
 (10) I think these are all things that you are adding to our
 (11) background of information on. We appreciate very much you
 (12) being here this morning.
 (13) I will yield the rest of my time to Senator Akaka. I
 (14) think he had a question he wanted to ask.
 (15) Senator Akaka. Thank you very much. I have a remark
 (16) to make and a question to Mr. Stern.
 (17) Thank you for being here. After hearing Senator
 (18) Durbin, I want to say that I agree with him that there are
 (19) similarities between the level of involvement of Carol
 (20) Nichols and at least one of the individuals for whom the
 (21) Committee granted immunity this week.
 (22) My question to you, Mr. Stern, is-you stated that the
 (23) Department of Justice does not prosecute mere conduits, and
 (24) my question to you is: What factors brought Carol Nichols
 (25) to prosecution?

(1) Mr. Stern. I'm sorry. I missed the beginning.
 (2) Senator Akaka. What factors brought Carol Nichols to
 (3) prosecution?
 (4) Mr. Stern. Well, she was an active, I would say
 (5) indispensable part of the conspiracy. She was the one who
 (6) in some cases withdrew money from the Boston bank in cash
 (7) and handed out cash payments, essentially reimbursement to
 (8) those people who were straw donors. So she wasn't herself
 (9) and maybe-I can't even remember, Senator, whether she may
 (10) have served at least in one or two instances as a straw
 (11) herself, but that's part of the example. She may have been
 (12) a straw with respect to perhaps one \$1,000 payment, as well
 (13) as perhaps members of her family. But her criminal
 (14) culpability, in our judgment-and she pled guilty to it-
 (15) extended well beyond that.
 (16) Senator Akaka. Thank you, Mr. Chairman.
 (17) Chairman Thompson. Thank you very much.
 (18) Just one brief comment. I think the point is well made
 (19) that these things are hard to catch up with. There is
 (20) probably not anybody here that hasn't inadvertently taken an
 (21) improper donation of some kind. But I think that what has
 (22) changed now is this whole soft money situation. It is one
 (23) thing to try to catch a \$1,000 donation, but it something
 (24) else again when you are dealing with \$100,000 or \$200,000,
 (25) and you are dealing with an individual who has already

(1) proven themselves to be untrustworthy. And that is what we
 (2) are dealing with in this investigation.
 (3) So I don't think we can just say that these things are
 (4) tough to catch up with and we can't follow them. I think
 (5) that used to be the case more than it is now, but with these
 (6) tremendously large sums of money coming in in the soft money
 (7) situation to both parties, then I think it is incumbent on
 (8) us to be even more careful.
 (9) Senator Bennett?
 (10) Senator Bennett. Thank you, Mr. Chairman. I don't
 (11) want to prolong this because I think this one has been
 (12) examined about as much as it needs to be. But I can't help
 (13) but reflect the comment that Senator Glenn. He said this
 (14) was not turned up as a result of opposition research. It
 (15) was an enterprising reporter.
 (16) Just for my historic curiosity, I would like to know
 (17) why an enterprising report from the Kansas City Star is the
 (18) one who uncovered activity in the State of Massachusetts.
 (19) And I am not a conspiracy theorist.
 (20) Senator Glenn. Ask the U.S. attorney, not me.
 (21) Senator Bennett. You don't-
 (22) Mr. Stern. I don't know. I can-you know, it may be
 (23) that-you know, the article quotes, in some cases by name
 (24) and in some cases not by name, people, you know, straw
 (25) donors. I can't speculate as to why those donors might have

(1) knocked on the door, if that's what they did, of a reporter
(2) for the Kansas City Star rather than the Boston Globe or the
(3) Boston Herald. It's probably a question that the local
(4) reporters have asked themselves more often than I've asked
(5) myself.

(6) Senator Bennett. If I were John Grisham or some other
(7) novelist, I could draw a circumstance where someone in a
(8) campaign in Massachusetts becomes aware of the fact that
(9) this activity is going on, becomes fearful that if it is
(10) exposed in Massachusetts, his campaign might be subject to
(11) some unfavorable publicity, discovers that Senator Dole is a
(12) beneficiary as well of this illegal activity, and says, you
(13) know, it would really help a whole lot if this were
(14) uncovered in Kansas, where Senator Dole is from, instead of
(15) Massachusetts, where I am from, and I will see to it that
(16) somehow somebody gets tipped off.

(17) The budding novelists--
(18) Mr. Stern. You are out of my league, Senator. I
(19) can't-I have no experience with that.

(20) Senator Bennett. The budding novelists in the crowd
(21) are free to use that without attribution.

(22) Thank you, Mr. Chairman.

(23) Chairman Thompson. Senator Collins?

(24) Senator Collins. Thank you, Mr. Chairman.

(25) Mr. Stern, I first want to congratulate you on your

(1) successful and expeditious prosecution in this case. I also
(2) want to tell you that it is very refreshing but,
(3) unfortunately, surprising for us to have someone from the
(4) Department of Justice come before us and actually be willing
(5) to share some information.

(6) While much of what you have to say has been widely
(7) reported, it is such a novel experience for this Committee
(8) that I think it was probably worth the minority having you
(9) miss a day or part of a day of work and spend taxpayers'
(10) dollars to fly you down here to be with us.

(11) I do want to ask you one question, and I would like to
(12) have Exhibit 400 put on the monitor, if I could, and
(13) provided to Mr. Stern if he doesn't have it.

(14) Mr. Stern. I have it.

(15) Senator Collins. You do have it.

(16) I want to direct your attention to the second
(17) paragraph, the last sentence. It says that Fireman
(18) established Rickwood, Ltd., in 1987 or 1988 in Hong Kong as
(19) a means to purchase real estate in Florida which would not
(20) be discovered by his first wife. In other words, he set it
(21) up in Hong Kong to conceal financial transactions from his
(22) first wife.

(23) Is that your understanding as well?

(24) Mr. Stern. Senator, I'm just going to, with your
(25) permission, read just from the charge, because I think the

(1) charge was that he--that it was established in--in 1985.

(2) Senator Collins. 1985.

(3) Mr. Stern. In 1985.

(4) Senator Collins. Yes, but the purpose--

(5) Mr. Stern. The purpose was to make certain

(6) expenditures for the benefit of Simon C. Fireman that Simon
(7) C. Fireman wished to conceal. And for me to go beyond that
(8) and respond directly to your question would--I'd be relying
(9) upon information that I only know by virtue of the grand
(10) jury, and I don't think I should do that.

(11) Senator Collins. I will not ask you to do that. I
(12) will point out that in the staff interview of Carol Nichols
(13) that that is the information uncovered. So it tells me that
(14) this was set up to--that Mr. Fireman set this up essentially
(15) to cheat his wife rather than to cheat his Government.

(16) Thank you, Mr. Chairman.

(17) Chairman Thompson. Anything further?

(18) Senator Lieberman. Mr. Chairman?

(19) Chairman Thompson. Yes, Senator Lieberman?

(20) Senator Lieberman. Well, Mr. Chairman, I just want to
(21) leave my friend and colleague, Senator Collins, with some
(22) optimism, which is that I am confident that when the Public
(23) Integrity Section of the Justice Department successfully
(24) completes its prosecution of the people that they are
(25) investigating now, as Mr. Stern has in this case, that they

(1) will come before this or some other congressional committee
(2) and testify with equal completeness.

(3) Thank you.

(4) Chairman Thompson. Anything further?

(5) [No response.]

(6) Chairman Thompson. Mr. Stern, thank you for being with
(7) us very much.

(8) Mr. Stern. Thank you, Mr. Chairman.

(9) Chairman Thompson. You are excused.

(1) Chairman Thompson. We are going to have a vote
(2) momentarily, I believe, but shall we swear the next witness
(3) in?

(4) Senator Glenn. Yes.

(5) Chairman Thompson. Mr. Richards, how are you? Would
(6) you raise your right hand, please? Do you solemnly swear
(7) that the testimony you are about to give will be the truth,
(8) the whole truth, and nothing but the truth, so help you God?

(9) Mr. Richards. I do.

(10) Chairman Thompson. Thank you very much.

(11) I think rather than get started we would best just

(12) break now, anticipating a vote momentarily, and we will
(13) resume as soon as we return. It shouldn't be long, so let's
(14) stay close by.

(15) [Recess.]

(16) Chairman Thompson. Let's come back to order.

(17) All right, sir. Mr. Richards, you have been sworn in.

(18) Do you have a statement to make?

(1) TESTIMONY OF RICHARD RICHARDS, PRESIDENT, YOUNG
(2) BROTHERS DEVELOPMENT (USA), AND FORMER CHAIRMAN,
(3) REPUBLICAN NATIONAL COMMITTEE

(4) Mr. Richards. No, sir. I read the opening statement
(5) of Mr. Benton Becker, and that pretty well expresses what I
(6) would say. So I won't bother with that, and I'm simply
(7) prepared to respond to questions.

(8) Chairman Thompson. All right. I will reserve my time,
(9) Senator Glenn, and call upon you.

(10) Senator Glenn. Mr. Chairman, let me just express our
(11) appreciation. I know Mr. Becker was on a boat in Alaska on
(12) a little vacation, and--I mean Mr. Richards. I am very
(13) sorry. We had to get him off a boat and bring him back
(14) here, and we appreciate his coming back very, very much.

(15) Mr. Richards. Does that mean the Committee owes me
(16) another trip to Alaska?

(17) Senator Glenn. The Committee owes you something. I am
(18) not sure I could promise a trip to Alaska. But thank you
(19) for being here.

(20) I will turn it over to Mr. Baron.

(21) Mr. Baron. Thank you, Senator Glenn.

(22) Well, it just noon. I will say good morning, Mr.

(23) Richard. Thank you for being here.

(24) Mr. Richards, I would like very briefly to run through
(25) your background. As I understand it, you are an attorney

(1) presently engaged in private practice?
 (2) Mr. Richards. Yes, sir.
 (3) Mr. Baron. And you served as an employee of the
 (4) Republican National Committee from 1965 through 1968; am I
 (5) correct?
 (6) Mr. Richards. That's correct.
 (7) Mr. Baron. And in 1975 and 1976, you were a member of
 (8) the RNC by virtue of being chairman of the Utah Republican
 (9) Party?
 (10) Mr. Richards. That's correct.
 (11) Mr. Baron. Is that where you reside, in Utah?
 (12) Mr. Richards. Yes.
 (13) Mr. Baron. And from January 1981 through January 1983,
 (14) you were actually chairman of the RNC?
 (15) Mr. Richards. That's correct.
 (16) Mr. Baron. And you now conduct your law practice out
 (17) of Ogden, Utah, and that is where you live?
 (18) Mr. Richards. Yes, sir. Incidentally, I was also a
 (19) member of the Republican National Committee for the years
 (20) 1965, '66, '67, and '68 by virtue of my chairmanship of the
 (21) Republican Party in Utah. I served as party chairman for 6
 (22) years, and that put me on the National Committee. So
 (23) together with the time that I worked for the National
 (24) Committee and my own tenure as chairman, I had 10 years at
 (25) the National Committee.

(1) Mr. Baron. And, also, at some point, and particularly
 (2) in 1991 to the present, you have served as an officer of
 (3) Young Brothers Development (USA); am I correct?
 (4) Mr. Richards. That's correct.
 (5) Mr. Baron. Okay. Do you recall, sir, that in June--
 (6) actually, specifically on June 10th of this year--your
 (7) deposition was taken?
 (8) Mr. Richards. Yes, sir.
 (9) Mr. Baron. And both majority and minority counsel were
 (10) present, and you were under oath; correct?
 (11) Mr. Richards. That's correct.
 (12) Mr. Baron. Do you have a copy of that?
 (13) Mr. Richards. Yes, I do.
 (14) Mr. Baron. All right. First, let me direct your
 (15) attention to page 19 of your deposition. Do you see that?
 (16) Mr. Richards. Yes.
 (17) Mr. Baron. And beginning at line 22--do you see that?
 (18) Mr. Richards. Yes.
 (19) Mr. Baron. Okay. You were being asked about a
 (20) telephone conversation that you had with Mr. Haley Barbour
 (21) in the--I guess it would be the summer of 1994. Do you
 (22) recall that?
 (23) Mr. Richards. Yes, I do.
 (24) Mr. Baron. Could you relate for us the content of that
 (25) telephone conversation with Mr. Barbour in the summer of

(1) 1994?
 (2) Mr. Richards. Okay. I'm not certain, Mr. Baron,
 (3) whether I knew in advance that Chairman Barbour was going to
 (4) call me. I might have been advised of that fact by Fred
 (5) Volcansek, or it might have been a cold call. I'm not
 (6) certain.
 (7) But, anyway, Chairman Barbour spoke to me on the phone
 (8) and told me that he felt like the Republican Party had an
 (9) opportunity to gain control of the House of Representatives
 (10) for the first time in decades, and public opinion surveys
 (11) showed him that that was a realistic goal. Frankly, I never
 (12) thought I would see the time in my lifetime that Republicans
 (13) won the House majority. But he told me that was the case
 (14) and said: We have a problem; we at the National Committee
 (15) have loaned the forum \$3 million, \$3.3 million, some amount
 (16) in excess of \$3 million, of money that we can use in the
 (17) campaign, but we have got a problem; we need to be able to
 (18) take it out of the forum for our purposes, and we can't take
 (19) it out unless we replace it with something because the forum
 (20) has overhead and other expenses. And I understand you
 (21) represent a well-to-do Chinese fellow in Hong Kong who has
 (22) previously been a beneficiary to the Republican Party.
 (23) Would you be willing to talk to him about loaning us \$3
 (24) million for that purpose?
 (25) Mr. Baron. And what was your response?

(1) Mr. Richards. I responded that I would certainly be
 (2) glad to hear any of the details of his proposal and meet
 (3) with him or someone of his choosing, get further
 (4) information, and then I would look at the possibility of
 (5) reviewing that with Mr. Young.
 (6) Mr. Baron. Let me--you have your deposition transcript
 (7) in front of you, do you not?
 (8) Mr. Richards. Yes.
 (9) Mr. Baron. Let me direct your attention to your
 (10) testimony beginning at line 25 on page 19 and then carrying
 (11) over onto page 20. And you are responding to my question,
 (12) in which I was asking you then to describe the conversation.
 (13) Here is your answer, and I'm quoting: "Here, again, it
 (14) would be in July, August, September, sometime in that
 (15) period, I received a telephone call from Haley Barbour to my
 (16) office in Ogden, Utah. Chairman Barbour identified himself
 (17) and said, we have taken some political surveys, public
 (18) opinion polls and it appears that we have an opportunity to
 (19) pick up as many as 60 seats in the House of Representatives
 (20) that we did not anticipate months back. We need money to do
 (21) that. And we find ourselves in the position where we at the
 (22) RNC have loaned the National Policy Forum \$3 million of hard
 (23) money that we could use in those campaigns; but if we pull
 (24) that money away from the Policy Forum, they won't be able to
 (25) pay their overhead and other things and, therefore, we need

(1) to borrow money for the forum so that we can free up our
 (2) hard dollars. We need to put some soft dollars in the Forum
 (3) so we can free up hard dollars."
 (4) I read that accurately, I take it?
 (5) Mr. Richards. Yes, sir, and that--
 (6) Mr. Baron. Is that your accurate--your recollection of
 (7) the content of that telephone conversation?
 (8) Mr. Richards. That is as close to verbatim as I can
 (9) recall.
 (10) Mr. Baron. Now, subsequent to that telephone
 (11) conversation, which you put in the summer of 1994, I think
 (12) the evidence is clear that the loan which ultimately was
 (13) guaranteed through YBD (USA) was consummated on October 13,
 (14) 1994. My question is: Between the time of this
 (15) conversation and the time--October 13 when the loan was
 (16) consummated, did you have any discussions with Mr. Barbour
 (17) as to the source of the money that would be used to
 (18) collateralize what ultimately was a loan guarantee?
 (19) Mr. Richards. I don't think we had a discussion as to
 (20) the source of the funds until Mr. Young agreed to do it, and
 (21) at that time I told him how the transaction would be
 (22) handled.
 (23) Mr. Baron. Mr. Young agreed to do it, that is, to
 (24) guarantee the loan?
 (25) Mr. Richards. Yes.

(1) Mr. Baron. And you say you told him. Who is "him"?
 (2) Mr. Richards. I told Haley.
 (3) Mr. Baron. And can you recount that conversation?
 (4) Mr. Richards. Let me clarify something here. When I
 (5) discussed with Chairman Barbour the loan, it was to be a
 (6) loan, and I always characterized it as a loan. However, at
 (7) some later time it became a loan guarantee. So as I talk
 (8) about the loan, that was the designation of the transaction
 (9) prior to the actual funding of the money.
 (10) But after Mr. Young agreed to be helpful--and he did
 (11) not agree to the \$3.3 million but agreed to \$2.1 million--I
 (12) notified Chairman Barbour that Mr. Young had agreed to it.
 (13) Mr. Young's son, Stephen Young, also came to the United
 (14) States and was present at an activity and told Chairman
 (15) Barbour that Mr. Young had agreed to it.
 (16) At that time I told him that the transaction would be
 (17) handled through Young Brothers (USA), which was a
 (18) corporation organized in the State of Florida; I was the
 (19) chairman of the corporation; Mr. Benton Becker was the
 (20) secretary-treasurer, and he was also our legal counsel; and
 (21) that the transaction would be handled by Mr. Becker, that he
 (22) would first have to do his due diligence. He would have to
 (23) make sure that the loan was legal and ethical and do all of
 (24) the preliminary work so that we could assure Mr. Young of
 (25) two things: number one, that it was a legal transaction,

(1) and, two, he was secure and would not lose his funds.
(2) Mr. Baron. Did you advise Mr. Barbour at this time in
(3) the course of describing the transaction where the ultimate
(4) source of the money would come from that would be posted as
(5) collateral with the bank?

(6) Mr. Richards. Well, the only thing I told him is the
(7) money would be transferred from Young Brothers (Hong Kong)
(8) to Young Brothers (USA) for that purpose.

(9) Mr. Baron. This was after Mr. Young had agreed that he
(10) would support what was being asked of him, at least to the
(11) tune of \$2.1 million; correct?

(12) Mr. Richards. That's correct.

(13) Mr. Baron. And this is in 1994, prior to the
(14) consummation of all the paperwork it would take to carry out
(15) the loan arrangement?

(16) Mr. Richards. That is correct.

(17) Mr. Baron. Now, at that time--there has been testimony
(18) from Mr. Barbour to the effect that sometime prior to the
(19) consummation of the loan arrangement, he was advised, I
(20) believe he said from Steve Young, Mr. Ambrous Young's son,
(21) that a forgiveness or either all or part of the loan was
(22) contemplated at some point.

(23) Let me first ask you this: Did you ever hear of that
(24) based on--you know, in your relationship with Mr. Steve
(25) Young, with Mr. Ambrous Young? Was that ever brought to

(1) your attention at that time?

(2) Mr. Richards. No. No, it was not.

(3) Mr. Baron. I also want to go back for a moment. Am I
(4) correct that Young Brothers (USA), while it was an existing
(5) legal entity incorporated in Florida, to your knowledge, did
(6) it have major assets or major revenues at this time?

(7) Mr. Richards. At that time we had only one asset. It
(8) was a condominium in Georgetown Park.

(9) Mr. Baron. Was it owned by YBD (USA)?

(10) Mr. Richards. I don't know if I presume it was. I'm
(11) not certain, but I presume it was.

(12) Mr. Baron. Okay. How about its revenues in a year, if
(13) you can approximate?

(14) Mr. Richards. There were no revenues with the
(15) exception of the rent from the unit, and--however, at one
(16) time, during the conversations a few years earlier with Mr.
(17) Courtelis, \$2 or \$2.5 million was transferred to that
(18) account to make a down payment on a strip mall someplace in
(19) Florida. But Mr. Young backed away from the transaction,
(20) and the monies were returned to Hong Kong.

(21) Mr. Baron. I think the evidence earlier is that that
(22) was in 1991.

(23) Mr. Richards. Yes, sir.

(24) Mr. Baron. Now, you've said that you were not aware of
(25) any conversations concerning possible forgiveness of this

(1) loan around the time or prior to the time that it was made.
(2) Did there come a time when you first were advised that some
(3) effort was made to get Mr. Young to forgive all or part of
(4) the loan arrangement subsequent to when the loan arrangement
(5) had been consummated?

(6) Mr. Richards. Yes. I received a telephone call from
(7) Mr. Fred Volcansek--I don't recall the date--and he told me
(8) that Chairman Barbour was going to Hong Kong, he was going
(9) to visit with Mr. Young, and at that time he was going to
(10) ask Mr. Young to forgive the loan.

(11) I told him, Don't do that, that would be offensive to
(12) the Chair--to Mr. Young and, frankly, I'm offended by it
(13) myself. You haven't even made any payments on it yet.

(14) Mr. Baron. Do you know whether Mr. Barbour
(15) nevertheless went to Hong Kong to meet with Mr. Young and
(16) whether that topic was--arose?

(17) Mr. Richards. Yes. I called Mr. Young to give him a
(18) heads-up that this may occur, and he called me after he met
(19) with Chairman Barbour and told me that Chairman Barbour had
(20) indeed asked him to forgive the loan.

(21) Mr. Baron. Do you recall his reaction to the fact that
(22) he had been asked?

(23) Mr. Richards. He told me that he couldn't do that. He
(24) told me that he explained to Mr. Barbour that he couldn't do
(25) that, and--but he wanted to be helpful to the Republican

(1) Party, and that he would give some thought to how he might
(2) be helpful to the party, but he could not forgive the loan.

(3) Mr. Baron. Mr. Richards, let me direct your attention
(4) to a letter that you sent to Mr. Haley Barbour on September
(5) 17th. Your letter is dated September 17, 1996. I believe
(6) it is Exhibit 349. Do you have that in front of you?

(7) Mr. Richards. Yes, sir.

(8) Mr. Baron. On the first page, the paragraph beginning,
(9) "Just prior..." do you see that?

(10) Mr. Richards. Yes.

(11) Mr. Baron. Is it fair to say that the letter was your
(12) effort to recount the history of the transaction to Mr.
(13) Barbour as you understood it?

(14) Mr. Richards. Yes, sir. That was the purpose of the
(15) letter.

(16) Mr. Baron. Okay. Let me read into the record that
(17) paragraph I just alluded to. "Just prior to the elections
(18) of 1994, I was asked by Fred Volcansek to help facilitate a
(19) loan in excess of \$2 million to assist you"--in this
(20) instance, you're writing to Mr. Barbour; correct?

(21) Mr. Richards. Yes.

(22) Mr. Baron. "...to assist you in replacing hard money
(23) at the forum with soft money so that the hard dollars could
(24) be used to help pick up 60 targeted House seats."

(25) Am I correct that that statement relates back to and

(1) refers to the conversation you had with Mr. Barbour sometime
(2) in the summer of 1994?

(3) Mr. Richards. Yes. What I indicated earlier, Mr.
(4) Baron, is I'm not certain that Haley called me first or
(5) Volcansek called me first. If I had to guess, I would guess
(6) that Mr. Volcansek called me first because he obviously is
(7) the one that told Mr. Barbour about my client. I had not
(8) had a discussion with him, and I would surmise that Mr.
(9) Volcansek called me and told me that Haley would in turn be
(10) in touch with me. But that's--I'm not positive about that,
(11) but that's my best guess.

(12) Mr. Baron. I understand that.

(13) Could you look at Exhibit 350, please? And could we
(14) put Slide 350A up, however that is done?

(15) Mr. Richards. Yes.

(16) Mr. Baron. Do you see that? In the first sentence of
(17) your letter--this is a letter dated October 16, 1996, from
(18) you to Mr. Barbour; is that correct?

(19) Mr. Richards. That's correct.

(20) Mr. Baron. In the first sentence of it, you say, "I am
(21) a little surprised"--I think you left a "d" off--and
(22) somewhat disappointed that you haven't seen fit to respond
(23) to my letter of September 17, 1996." That was 349?

(24) Mr. Richards. Yes.

(25) Mr. Baron. Okay. And have you ever gotten a response

(1) to that letter?

(2) Mr. Richards. No.

(3) Mr. Baron. Did you ever get a response to this letter,
(4) that is, the one of October 16th?

(5) Mr. Richards. No. Mr. Baron, let me explain a little
(6) bit what preceded this letter to Chairman Barbour.

(7) Mr. Baron. Please.

(8) Mr. Richards. You'll note that this is after the 1994
(9) election, the election for which we provided the funds. I
(10) had heard that Chairman Barbour had told someone that he was
(11) not going to repay the loan, that I had told him he didn't
(12) have to pay the loan, and I wanted to correct that. And
(13) that was the purpose of the 17th letter to recapitulate the
(14) entire transaction. And I tried to call Chairman Barbour
(15) and was able to get a hold of him on one occasion, and he
(16) said to me, Dick, I am not going to pay a soft money loan
(17) with hard money. And I said, Mr. Chairman, I don't care
(18) what you pay it with, we simply want you to pay the loan.

(19) And then I heard--and I don't recall the source of it,
(20) but obviously it came from someone at the forum--that
(21) Chairman Barbour had indicated to him that I said go ahead
(22) and default, we won't do anything about it. And I wanted to
(23) make sure that that was not the case.

(24) And then Chairman Barbour had previously written a
(25) letter to Mr. Benton Becker and said in the event the loan

(1) is not repaid by the forum, I will go before the Republican
(2) National Committee budget committee and get permission to
(3) borrow the money to pay the loan so it'll be paid off before
(4) I leave my chairmanship.

(5) And by this time, I had found out that he did not go
(6) before the budget committee and someone else went before the
(7) budget committee, and they tabled the concept. And so now
(8) it appeared that the loan was not going to be repaid, and I
(9) was quite disappointed in that.

(10) Frankly, it's my opinion that Mr. Young would not have
(11) made this loan had I not personally told him. Look, the
(12) National Committee is a reliable committee, I've had 10
(13) years dealing with them, I've never known them to default,
(14) Chairman Barbour's an honorable guy, he's given us his word
(15) that the money would be repaid, you have no risk. You know.
(16) And now I'm seeing that we do have a risk, and I was-I was
(17) quite concerned about it.

(18) Mr. Baron. That was the prelude to the September and
(19) October letters, I take it?

(20) Mr. Richards. Yes. And, frankly, I was reading in the
(21) press about Chairman Barbour and Senator Dole criticizing
(22) the Democrats for their Indonesia money, and I wrote to him,
(23) as you see here, "I believe it's significant that Bob Dole
(24) and the Republican Party are now challenging contributions
(25) made to the Clinton campaign by Indonesian citizens through

(1) an American contact. Obviously there are some differences
(2) between that situation and ours. However, I think we stand
(3) the same risk of some very adverse publicity if the loan
(4) were forgiven and it therefore became a gift. This is
(5) something you ought to consider." And he did not respond to
(6) that.

(7) Mr. Baron. Mr. Richards, some time ago you were quoted
(8) in the newspaper--well, let me back up. Ultimately the
(9) matter was settled, was it not?

(10) Mr. Richards. Yes, but--some hard feelings, but it was
(11) settled.

(12) Mr. Baron. And I believe the evidence is that Young
(13) Brothers (USA) received a check in the amount of
(14) approximately \$750,000. I could be off by a little bit, but
(15) that's about right?

(16) Mr. Richards. Yes. The balance on the loan was
(17) roughly a million and a half, and it was sort of divided
(18) down the middle.

(19) Mr. Baron. Right. You were quoted in, I believe, the
(20) Boston press, after the story broke, that in your opinion
(21) the RNC should give--at that point, I believe you used the
(22) number \$500,000, but I think you were referring to the
(23) amount of money that Young Brothers had lost, that it ought
(24) to be given back. Do you recall that?

(25) Mr. Richards. Yes.

(1) Mr. Baron. And did you make that statement to the
(2) press?

(3) Mr. Richards. Yes. I still think they ought to give
(4) it back.

(5) Mr. Baron. Let me direct your attention in your
(6) deposition--that's Volume I. Would you look at page 82,
(7) please?

(8) Mr. Richards. Of what?

(9) Mr. Baron. I'm sorry. Volume I of your deposition on
(10) June 10, 1997.

(11) Mr. Richards. 82, yes, sir.

(12) Mr. Baron. Okay. Actually, I really want to give the
(13) whole context, so I wonder if you could--well, let me read
(14) it and then you follow along to make sure I'm reading it
(15) accurately. I don't want to leave out part of it. I want
(16) to put it in context.

(17) The question to you at line 7 on page 81: "You were
(18) quoted in a news article in the Boston Globe that in your
(19) view the RNC should pay back, I think the figure was used,
(20) the \$500,000 that had been lost as a result. As we now know
(21) it was closer to over 700,000. Was that an accurate quote?"

(22) And your answer was: "Yes. The writer of the story
(23) talked about the 500,000 and I didn't correct him because I
(24) wasn't sure what it was. But the writer called me and told
(25) me, did you know that the RNC has now paid back \$120,000 to

(1) Ambrous Young? I said, what was that for? Well, that was
(2) for some prior and I guess they are referring to these
(3) contributions, and I said, well, hell, if they are going to
(4) pay that, why don't they pay back the rest."

(5) Question: "Is it your view they should pay back that
(6) other money?"

(7) Answer: "It is my view that they shouldn't have paid
(8) back the 120,000."

(9) Question: "Why is that?"

(10) Answer: "Because it was a perfectly legitimate gift to
(11) the state of Florida and to the State Election Fund
(12) Committee, nonfederal campaign committee. They can take any
(13) kind of money."

(14) Question: "Then why did you make the statement
(15) apparently you did make, they ought to pay back the rest"--I
(16) think it's supposed to be "of--the \$500,000?"

(17) Answer: "They owe us this. I mean there is nothing
(18) wrong with this. There is nothing wrong with us if we gave
(19) them a gift. That's the peculiar thing. I think legally we
(20) had a right to give them a gift. Legally we had a right to
(21) make them a loan. There is absolutely nothing illegal about
(22) this transaction, but if they think there is something wrong
(23) with the note and they are going to give back the money, the
(24) only thing wrong with this one is they stiffed us."

(25) Mr. Becker interjects: "What is this one and that

(1) one?"

(2) Question: "By 'this one,' I take it you meant the 500,
(3) i.e., 700,000, the money Young Brothers was out?"

(4) Answer: "The one that is the subject of this dispute.
(5) The reason they ought to give this back is because they
(6) promised they would."

(7) Mr. Becker: "Who is 'they' we are talking about?"

(8) Your next statement: "Haley. The chairman promised
(9) this money would be repaid. If they want to be honorable,
(10) pay it."

(11) Now, did I read that accurately?

(12) Mr. Richards. Yes.

(13) Mr. Baron. Is that still--

(14) Mr. Richards. But I think, Mr. Baron, some members of
(15) the Committee are going to be confused about the \$120,000
(16) that happened before. This was a--this was a contribution
(17) to the Team 100 solicited from Mr. Young by Mr. Alec
(18) Courtelis clear back in 1991 or some--1991 or 1992. And he
(19) asked Mr. Young to join the Team 100, which he did, and
(20) because the money came from a corporation, he couldn't put
(21) that in an election fund, and so they put it in the
(22) Republican National Committee State Election Fund and the
(23) State Florida account. Courtelis lived in Florida, so he
(24) got a little bit for his folks out of that contribution.
(25) Mr. Baron. Right. I appreciate your adding that. I

(1) think the Committee has heard evidence about those earlier
(2) contributions.

(3) And is it still your position that the honorable thing
(4) to do--and I will tell you, since you were still on your way
(5) back from Alaska, that Chairman Thompson also raised the
(6) very same issue--that the honorable thing to do would be to
(7) pay the money?

(8) Mr. Richards. I think--I think so. We never forgave,
(9) we never intended to forgive. This was a business
(10) transaction. And to tell you the truth, we spent a lot of
(11) time and effort to do two things: make sure that the
(12) transaction was legal and ethical, and, two, to make sure
(13) that they had the capacity to pay it back. And the chairman
(14) even made some representations to us as to source of funds
(15) back to the forum after the fact. So we were--we were
(16) certain that the money would be repaid.

(17) I did not think there was any risk in this loan.
(18) Mr. Baron. Did you understand at the time this loan
(19) guarantee was made that the National Policy Forum, that
(20) their status for those purposes was a 501(c)(4)-

(21) Mr. Richards. Yes.

(22) Mr. Baron. --entity under the tax laws?

(23) Mr. Richards. Yes.

(24) Mr. Baron. Okay. Mr. Chairman, Senator Glenn, I have
(25) no further questions.

(1) Chairman Thompson. Thank you, Mr. Richards. I am not
(2) going to belabor the payback point. I made my feelings
(3) clear yesterday with Mr. Barbour when he was here, and I
(4) regret that he is not here to address specific comments that
(5) you or anybody else might make. I think it would have
(6) probably been better to have him last so he could address
(7) anything in fairness to him.
(8) But, basically, my position was if it wasn't felt that
(9) there was an obligation, they shouldn't have paid back half
(10) of it. And if it was felt that there was an obligation,
(11) they should have paid all of it.
(12) Mr. Madigan?
(13) Mr. Madigan. Good afternoon, Mr. Richards. I think
(14) unfortunately we are now into the afternoon.
(15) You and I have never met before this morning; is that
(16) right?
(17) Mr. Richards. That's correct.
(18) Mr. Madigan. I appreciate your being here as well.
(19) Let me see if I can just understand what this
(20) transaction was and wasn't one more time at the risk of
(21) beating a dead horse, as we say.
(22) The discussion with Mr. Baron about it being a loan
(23) that you had--these discussions you had with Mr. Barbour
(24) early on, the transaction that ultimately occurred was not a
(25) loan of any kind. Am I right about that?

(1) Mr. Richards. It was a loan guarantee.
(2) Mr. Madigan. And let's talk a bit just for a few
(3) minutes about the Young Brothers (USA). That was a company
(4) that was set up back in 1991.
(5) Mr. Richards. That's correct.
(6) Mr. Madigan. And it's an American subsidiary; is that
(7) right?
(8) Mr. Richards. Yes.
(9) Mr. Madigan. And you became the president?
(10) Mr. Richards. Yes.
(11) Mr. Madigan. And it was in existence for a number of
(12) years prior to 1994?
(13) Mr. Richards. Three years.
(14) Mr. Madigan. And as I understood from what Mr. Baron
(15) asked you, in the early days, I believe in 1991, the YBD
(16) (USA), as it is called, became a Team 100 member and made
(17) these contributions?
(18) Mr. Richards. That's correct.
(19) Mr. Madigan. And we've heard a bit of testimony about
(20) that over the last several days. You were involved in that
(21) as well; is that right?
(22) Mr. Richards. I was involved after Mr. Courtelis had
(23) sole Mr. Young a Team 100 membership because the money had
(24) to be transferred from Hong Kong to us, and then Mr. Becker
(25) and I had to sign the check that paid the money over to the

(1) National Committee. And that's the point at which I became
(2) involved.
(3) Mr. Madigan. And you understood at the time that it
(4) was perfectly legal?
(5) Mr. Richards. Yes, sir.
(6) Mr. Madigan. And that's your position today?
(7) Mr. Richards. Yes, sir.
(8) Mr. Madigan. And that's why you told Mr. Baron that
(9) you didn't understand why it was returned?
(10) Mr. Richards. That's correct.
(11) Mr. Madigan. All right. Let's talk a bit about the
(12) loan guarantee. As I understand it from the various
(13) witnesses, it was a business transaction, not a
(14) contribution; right?
(15) Mr. Richards. That's correct.
(16) Mr. Madigan. And the business transaction was that YBD
(17) (USA) agreed to guarantee the loan that was going to be made
(18) by the Signet Bank here in Washington, D.C., for the amount
(19) of \$2.1 million.
(20) Mr. Richards. Yes.
(21) Mr. Madigan. And that loan was to be made to the NPF.
(22) Mr. Richards. That's correct.
(23) Mr. Madigan. And as I understand it from reading your
(24) deposition and from listening to you today, it was your
(25) expectation, and from listening to Mr. Becker's testimony,

(1) it was your expectation that this loan guarantee would never
(2) be drawn upon?
(3) Mr. Richards. That's correct.
(4) Mr. Madigan. You didn't intend somehow to make some
(5) sort of secret contribution to anybody?
(6) Mr. Richards. No. No, we did not.
(7) Mr. Madigan. And your expectation was that the NPF
(8) would ultimately fully pay off the loan to the Signet Bank
(9) and that the collateral that you put up would ultimately be
(10) returned to Young Brothers?
(11) Mr. Richards. That's right. Our collateral was
(12) earning interest in the bank. We were losing nothing. We
(13) were taking no risk as long as NPF made their quarterly
(14) payments.
(15) Mr. Madigan. And Mr. Becker I think told me it was
(16) making about 8 percent interest or something during the
(17) period of the loan; is that right?
(18) Mr. Richards. That's correct.
(19) Mr. Madigan. And so you fully expected to make the 8
(20) percent interest during the loan period, and then when the
(21) loan was paid off, you get the CDs back and go on about your
(22) business?
(23) Mr. Richards. That's correct.
(24) Mr. Madigan. Now, it has been stated a number of times
(25) that the YBD (USA) was a shell corporation set up for the

(1) purpose of funneling illegal foreign money into the
(2) Republican National Committee. Is that true?
(3) Mr. Richards. No, no, no. YBD (USA) was set up
(4) initially after Mr. Courtelis had contacted Mr. Young to
(5) invest with him in the mall down in Florida. And so Mr.
(6) Young wanted to set up an American corporation for those
(7) purposes, and they transferred some \$2.5 million to the
(8) American corporation and set upon looking at properties to
(9) purchase in America. We looked at properties in California,
(10) Texas, and Florida and in Washington, D.C. And Mr. Young
(11) and Young Brothers were going to buy American real estate.
(12) That was the purpose of the corporation.
(13) Mr. Madigan. I believe that you testified in your
(14) deposition and Mr. Young himself testified that the company
(15) would--was intended to operate as a business in the United
(16) States and retain its U.S. earnings here in this country; is
(17) that right?
(18) Mr. Richards. That's correct.
(19) Mr. Madigan. Let me ask you a bit about some other
(20) testimony that we have heard about whether there was any
(21) kind of quid pro quo suggested or discussed at any time.
(22) Was there ever anything that was promised to Mr. Young in
(23) return for his making this loan guarantee that you're aware
(24) of?
(25) Mr. Richards. No, I--

(1) Mr. Madigan. Other than that he would get his money
(2) back.
(3) Mr. Richards. There was discussion with Mr. Young that
(4) we would like to him make a--write an article for
(5) Commonsense and so on, things of that nature, but there was
(6) no quid pro quo. And, unfortunately, Mr. Madigan, my letter
(7) of September 17th was written in such a way that it may
(8) appear that there was a quid pro quo, particularly with
(9) Chairman Barbour, and that's not true. We did not ask
(10) Chairman Barbour to do anything to generate business, to
(11) talk business, or do anything. That is--and when Chairman
(12) Barbour says that's true, I mean, he's a hundred percent
(13) correct. We did not ask anything of him.
(14) Mr. Madigan. And I was going to ask you a bit about
(15) the letter. You were very agitated and understandably upset
(16) at the time you wrote it. I believe you testified in your
(17) deposition that there were a number of things in there that,
(18) upon reflection, were not--
(19) Mr. Richards. It's not a very good letter. I mean,
(20) and when you write a letter and you're mad and you send it
(21) off before you have time to really contemplate it, you say
(22) some things maybe you wish you hadn't said. And it wasn't
(23) very artfully written. But it's true.
(24) Mr. Madigan. But there are parts of it that are not
(25) true, for example, the reference to seeking any business in

(1) Hong Kong and all that, that's not accurate, right?
 (2) Mr. Richards. That would be Mr. Young's interest but
 (3) not Mr. Barbour's interest, and no request was made of him.
 (4) Mr. Madigan. Right. Now, I saw marked as an exhibit
 (5) an affidavit that I think is—I'm not sure exactly what
 (6) number it is. Is that some affidavit that you had executed
 (7) at some point in time? No. 402, I think it is.
 (8) Mr. Richards. Yes, it was probably a couple of weeks
 (9) ago. The attorneys that represent the Republican National
 (10) Committee asked if they could see me, and they flew out to
 (11) Ogden, Utah, where I live and presented me with an affidavit
 (12) that they had previously prepared consistent with some
 (13) telephone conversations I had with them. We went over the
 (14) affidavit. There were some things that I felt were not
 (15) accurate. We made the changes. I signed the affidavit and
 (16) it appears here today.
 (17) Mr. Madigan. And you didn't discuss that with me, I
 (18) take it?
 (19) Mr. Richards. No, I—in fact, unfortunately, I didn't
 (20) discuss it with Mr. Becker, and he didn't like it either.
 (21) Mr. Madigan. Well, perhaps you should have done that.
 (22) But, in any event, you've now looked at this No. 401, and
 (23) does it accurately reflect the facts as far as you know
 (24) them?
 (25) Mr. Richards. I think so. I don't know of anything

(1) that is not true.
 (2) Mr. Madigan. Now, the loan guarantee transaction,
 (3) going back to that, as president of YBD (USA), did you take
 (4) steps to ensure that this transaction was completely legal
 (5) in all respects?
 (6) Mr. Richards. Yes, sir. As a matter of fact, when Mr.
 (7) Young agreed to do it, he said, Dick, you've got to protect
 (8) me. And I said I will get Mr. Benton Becker to represent us
 (9) and do that, and Mr. Becker has been around a long time,
 (10) knows a lot about politics and law, and very meticulous, and
 (11) so I called Mr. Becker and told him that we wanted him to
 (12) look into the transaction, make sure it was legal, and not
 (13) only that, to make sure it was ethical. We were not simply
 (14) looking to abide by the letter of the law, but we wanted to
 (15) abide by the spirit of the law, and that was one thing; and,
 (16) secondly, to make sure that we were safe, that we were not
 (17) taking a risk here.
 (18) And prior to that time, I honestly always thought this
 (19) was a loan. I mean, loan guarantee was not in my vocabulary
 (20) at that time, and when the lawyers got together and they
 (21) worked out the details, they came out with the guarantee as
 (22) the vehicle to do it.
 (23) Mr. Madigan. I won't belabor that. We have had a lot
 (24) of testimony here about the number of Washington lawyers and
 (25) other lawyers that looked at that transaction. There were

(1) quite a few of them.
 (2) Mr. Baron also asked you a bit about this question of
 (3) where—well, let me back up a bit. When the loan was
 (4) defaulted, what happened apparently, according to the
 (5) testimony we have received—or let me back up even further.
 (6) When the Signet Bank loan was consummated, the testimony we
 (7) have received indicates that the \$2.1 million went to the
 (8) National Policy Forum—
 (9) Mr. Richards. That's correct.
 (10) Mr. Madigan. —and that they had prior debts to the
 (11) RNC and that they had transferred—they then transferred
 (12) about \$1.6 million to the RNC. Is that generally your
 (13) understanding?
 (14) Mr. Richards. I don't know what they did. All I know
 (15) is that we made the loan guarantee, and how they handled the
 (16) money, we don't know.
 (17) Mr. Madigan. And I was going to ask you a bit about
 (18) that. I take it that you can't help us with respect to this
 (19) question of what exactly happened to the money after it got
 (20) over to the RNC?
 (21) Mr. Richards. No. No, I can't.
 (22) Mr. Madigan. And you testified a bit about that in
 (23) your deposition. Let me read you that and see if that is
 (24) right. You were being asked about this—this is page 114 of
 (25) your deposition. You said, "Ambrous Young's money did not

(1) go to a political campaign, where I believe that the money,
 (2) the Indonesian money went to the Presidential campaign and
 (3) to the Democratic Party for campaign purposes. Ours went to
 (4) a think tank. Ours went to the Forum."
 (5) "But I say, notwithstanding the differences, people
 (6) like the press are going to make it look like the same
 (7) thing, and I was trying to caution him. It is going to look
 (8) like the same thing."
 (9) Then you go on. You were talking about the October
 (10) letter I think you sent to Mr. Barbour; is that right?
 (11) Mr. Richards. That's correct.
 (12) Mr. Madigan. So we have asked for the records to try
 (13) to check where the money went, but you can't help us with
 (14) respect to that?
 (15) Mr. Richards. No, sir.
 (16) Mr. Madigan. Whether it went to the campaigns or it
 (17) didn't.
 (18) Mr. Richards. No.
 (19) Mr. Madigan. I will reserve the time.
 (20) Chairman Thompson. All right, sir. Let's recess until
 (21) 1:30.
 (22) [Whereupon, at 12:37 p.m., the Committee recessed, to
 (23) reconvene at 1:30 p.m., this same day.]

(1) AFTERNOON SESSION [1:36 p.m.]
 (2) Chairman Thompson. Let us come to order, please.
 (3) Senator Glenn?
 (4) Senator Glenn. Carl?
 (5) Chairman Thompson. Senator Levin?
 (6) Senator Levin. Thank you, Mr. Chairman.
 (7) Mr. Richards, first, welcome and thank you for coming
 (8) to testify. I would like just to refer to a page in your
 (9) deposition, page 55.
 (10) Mr. Richards. Yes, sir, I have that.
 (11) Senator Levin. All right, and then you are being asked
 (12) a question there by Mr. Baron about a telephone conversation
 (13) that you had with Mr. Barber, and then you are read a
 (14) paragraph from your September 17, 1996, letter, and I am
 (15) going to just pick up from there. So it is really on page
 (16) 56, where you wrote in the letter, "Just prior to the
 (17) elections of 1994, I was asked by Fred Volcansek to help
 (18) facilitate a loan in excess of \$2 million to assist you in
 (19) replacing hard money at the Forum with soft money so that
 (20) the hard dollars could be used to help pick up 60 targeted
 (21) House seats," close quote.
 (22) And then Mr. Baron asks you this question about that
 (23) letter from you to Mr. Barbour. "Is that statement in your
 (24) letter consistent with what you were told by Mr. Barbour in
 (25) your telephone conversation with him that you described

(1) earlier?" And your answer was, "It is precisely the same."
 (2) Did I read that accurately?
 (3) Mr. Richards. Yes, sir.
 (4) Senator Levin. Now, the next question is where I want
 (5) to pick up. Mr. Baron then asks you this question, "My next
 (6) question is you make reference to Fred Volcansek in that
 (7) paragraph. Did Volcansek make that same representation to
 (8) you or was Volcansek simply referring to the money without
 (9) getting into the purpose?" Answer—this is your answer now
 (10) in the deposition, "I think Fred made this same reference to
 (11) the purpose. As we talked, we all knew what the purpose
 (12) was. I mean, that was the foundation of the whole deal."
 (13) Did I read that accurately?
 (14) Mr. Richards. Yes, sir.
 (15) Senator Levin. And was that deposition statement of
 (16) yours accurate?
 (17) Mr. Richards. Yes, sir.
 (18) Senator Levin. That is all I have, Mr. Chairman.
 (19) Thank you.
 (20) Chairman Thompson. All right.
 (21) Senator Cochran?
 (22) Senator Cochran. Mr. Chairman, there was one statement
 (23) made by Mr. Richards that I wanted to be sure I understood.
 (24) When you were talking about Benton Becker's role in
 (25) reviewing this loan guarantee, I think you made a comment to

(1) the effect that you wanted him to conduct the due diligence
(2) that was required to satisfy two goals. One was to
(3) ascertain if the loan guarantee were legal and the other,
(4) secure, number two.

(5) The fact of the matter is there was no security,
(6) though, for the loan guarantee, was there? There was no
(7) written document executed?

(8) Mr. Richards. No, sir.

(9) Senator Cochran. And no one purported to guarantee or
(10) advance something of value to be held as security so they
(11) couldn't suffer any loss on that loan?

(12) Mr. Richards. That's correct. What--what I referred
(13) to there is our best guarantee was the Haley Barbour
(14) statement that he would go before the committee.

(15) Senator Cochran. Right, and it was your assurance--you
(16) really were the one who assured Mr. Young that he had no
(17) risk. I think you used that it was a no-risk loan?

(18) Mr. Richards. Yes, sir. Unfortunately, I'm the guy
(19) that did that.

(20) Senator Cochran. And so everybody could understand
(21) when you said you were angry when you were writing this
(22) letter in September, laying it out as to why you thought
(23) that that loan should be repaid because your reputation and
(24) your statement to your client had been that this loan is no-
(25) risk--

(1) Mr. Richards. Yes, sir.

(2) Senator Cochran. --is a no-risk loan.

(3) Mr. Richards. That's true.

(4) Senator Cochran. I have no other questions, Mr.
(5) Chairman.

(6) Chairman Thompson. Senator Lieberman?

(7) Senator Lieberman. Thank you, Mr. Chairman. Thanks,
(8) Mr. Richards, for your cooperation in this investigation.

(9) Sir, you have testified this morning about the course of
(10) deliberation about what you understood the purpose of the
(11) request for the loan to NPF was and about the effort that
(12) was made to make sure that this was a legal transaction.

(13) I wanted to ask you why so much effort was made to make
(14) sure it was a legal transaction. Let me just put it this
(15) way, and again you have indicated today that you were quite
(16) forthcoming, just as Mr. Volcansek said yesterday and Mr.
(17) Becker the day before, that the money was coming from Hong
(18) Kong, YBD (Hong Kong) to YBD, Young Brothers Development,
(19) USA, and then to the NPF. Why the concern?

(20) I mean, for instance, if we know that it is legal for a
(21) foreign corporation or individual to give money to American
(22) 501(c)(4)--you know, I presume if Mr. Young decided that he
(23) wanted to send money from YBD (Hong Kong) to YBD (USA), and
(24) then YBD (USA) would give a contribution to Georgetown
(25) University, you wouldn't have gone to this extent to create

(1) an assurance on your part and Mr. Young's that it was legal.

(2) So can you help me understand what you were concerned about?

(3) I guess that is the question.

(4) Mr. Richards. That's a fair question. Senator, if it
(5) was me making the loan, I wouldn't gone to all that expense,
(6) all that effort, but this was a client. This is a man who
(7) was very concerned about his reputation, and I didn't want
(8) him offended. I didn't want him to some way be embarrassed,
(9) so it was really a little--a little more than I would do for
(10) myself, but a valuable client--I wanted to do that. I just
(11) wanted him to feel very comfortable.

(12) Senator Lieberman. Okay, I appreciate that. Let me
(13) ask the question, or another part of the question this way.
(14) You have testified this morning that the first inquiry you
(15) had about this, it was pretty clear to you that the purpose
(16) of the money--and, again, I am not alleging any illegality
(17) here--that the need for the loan to the NPF was to free up
(18) the money from NPF to go into the 1994 campaign.

(19) My question is this. Was the extra effort that was
(20) made to guarantee the legality of the transaction at all
(21) because you were concerned about the eventual movement of
(22) money, indirect as it was--I mean, indirect in that Mr.
(23) Young's money was not going directly to the campaign, but to
(24) the NPF then freeing up money for the campaign? Were you
(25) worried about that?

(1) Mr. Richards. No, sir, because I felt the term "free
(2) up" was our protection. This was to free up other money
(3) that could be used in the campaign, rather than substitute.
(4) So "free up" was a critical part of this conversation.

(5) Senator Lieberman. Okay, thank you. I am going to
(6) move on to another part of this. One of the thing that has
(7) intrigued me, and I suppose a lot of people on the Committee
(8) throughout the three weeks that we have had with the
(9) testimony about people like Johnny Chung and Charlie Trie,
(10) Yogesh Gandhi--and I suppose more comparable in a way, and I
(11) don't mean to be judgmental here to the Youngs or the Lippo
(12) family--or the Riady family, but the question is what
(13) motivates people--an interesting question all along the way,
(14) I suppose, is what motivates anybody to give enormous
(15) amounts of money to political campaigns, as is allowed by
(16) the soft money provisions.

(17) But what motivates people who live outside of the
(18) United States who don't have significant or maybe any real
(19) active business interests in the United States, who are not
(20) citizens, although I know Mr. Young's children, at least
(21) some of them, were citizens--what motives them to give these
(22) substantial amounts of money to American political
(23) campaigns?

(24) And I think you said some interesting things in your
(25) deposition which I want to read to you and give you an

(1) opportunity if you want to expand on. At page 59--and I
(2) believe this is the point at which Mr. Baron in the
(3) deposition is reading to you from that letter of September
(4) 17, 1996, but he says, "There is some reference here about
(5) seeing if we could facilitate some business in China that
(6) Mr. Young had in mind. What does that refer to?"

(7) And then you say--and this is not from the letter; this
(8) is your answer. "I'm not sure what Mr. Young had in mind."
(9) He was quite private about his business, but my impression
(10) was that he wanted to bring Chairman Barbour there as a
(11) purpose of showing these people, business people, government
(12) people, that he had connections with the leadership of the
(13) Republican Party in the United States. We did not discuss
(14) any business. He did not in my presence ever ask Haley to
(15) do anything. He didn't ask him to promote business. There
(16) was absolutely no business discussion concerning that trip."

(17) And then the question is, "Is it fair to say that Mr.
(18) Young, regarding his ability to show to high officials in
(19) the People's Republic of China government, that he had what
(20) appeared to be a close relationship with a high official in
(21) the Republican Party of the United States?" And your answer
(22) is "yes."

(23) I take it that represents your views accurately.

(24) Mr. Richards. Yes.

(25) Senator Lieberman. Do you want to expand on that at

(1) all?

(2) Mr. Richards. Well, I kind of think that, Senator, is
(3) like a lot of your constituents and other constituents that
(4) want to meet their Senator, want to have their picture taken
(5) with them, and they hang it in their office, and so on. It--
(6) it feels their ego a little bit, and as Mr. Young
(7) commented, he said "this puts powder on my face."

(8) Senator Lieberman. Right.

(9) Mr. Richards. And that means he looks good to people,
(10) and looking good to other people opens doors and provides
(11) opportunities for you. And it was only that in the general
(12) term.

(13) Senator Lieberman. Understood completely. In that
(14) sense, your translation or description of what it means to
(15) put powder on your face was a good one, but just to make one
(16) look good, and in that sense perhaps to lead to business
(17) opportunities, but increase one's status in the country that
(18) you are visiting?

(19) Mr. Richards. That's correct, and Haley was never
(20) asked to do anything, and as far as I know he never did
(21) anything quid pro quo. He never tried to promote Mr. Young
(22) or anything else. This was a kind of a social visit to
(23) China.

(24) Senator Lieberman. Right, okay, interesting and I
(25) think helpful. Let me ask about another part of this, and

(1) this goes to your September 17th letter and I will read in
(2) this case from the letter, if I may, bottom paragraph on the
(3) first page. Again, you say, "Funds were transferred from
(4) Hong Kong Young Brothers USA, a Florida corporation of which
(5) I am president." This was when you were restating to Haley
(6) Barbour your recollection of the transaction and your-
(7) Mr. Richards. Senator, where are you reading?
(8) Senator Lieberman. Sorry. In the letter of September-

(9) Mr. Richards. On page 1?
(10) Senator Lieberman. Page 1 at the bottom.
(11) Mr. Richards. Yes, sir, okay. Thank you.
(12) Senator Lieberman. "Shortly after the loan was made,
(13) you journey to Hong Kong, approach Mr. Young for the first
(14) time about the question of forgiveness of the loan." I am
(15) getting to forgiveness here. "Mr. Young called me and told
(16) me of the discussion and informed me that he wanted to be as
(17) helpful to you as he could and he would take the request of
(18) forgiveness under advisement."
(19) Next paragraph, "Mr. Young began discussions with you
(20) about a trip to China. One was scheduled, then canceled. A
(21) second trip scheduled in which you, Mr. Young, and I were
(22) all to go to China for the purpose of seeing if we could
(23) facilitate some business in China that Mr. Young had in
(24) mind."

(1) I take that to be a reference to the conversation you
(2) and I have just had.
(3) Mr. Richards. Yes, sir, that's correct.
(4) Senator Lieberman. That it was not specific business;
(5) it was more in the nature of looking good, building status.
(6) Mr. Richards. I did a poor job of writing parts of
(7) that letter.
(8) Senator Lieberman. Not bad, really. It is the next
(9) part that I am really getting to. "It was during those
(10) discussions that the question of forgiveness became
(11) seriously considered, and Mr. Young indicated to both you
(12) and me, and you and I also discussed the possibility of
(13) forgiveness if Mr. Young could get some business
(14) opportunities that would justify forgiveness of such a large
(15) indebtedness. Forgiveness was always, always underlined,
(16) contingent upon Mr. Young getting something in return that
(17) would justify this kind of generous gift."
(18) And, of course, this is consistent with what you and,
(19) in fact, Mr. Becker have described this as an investment or,
(20) in a sense, a commercial transaction. Would you want to
(21) amplify that at all? I may have missed it, but I had not
(22) understood that the discussions between Mr. Barbour and Mr.
(23) Young did involve an understanding here that this would be
(24) more than a kind of charitable contribution.
(25) Mr. Richards. I was-I was not privy to a conversation

(1) between them that said that. I was privy to conversations
(2) with Mr. Young and concluded that that might have been
(3) discussed between him and Chairman Barbour, but I was not
(4) there when Chairman Barbour and Mr. Young discussed that
(5) specifically.
(6) Senator Lieberman. But it was your understanding that
(7) Mr. Young felt that forgiveness-forgiveness was such a
(8) substantial gesture by him, with grave financial
(9) consequences that presumably-
(10) Senator Glenn. Do you want two minutes?
(11) Senator Lieberman. Just two minutes, thanks; three
(12) minutes is fine.
(13) That he would expect something in return
(14) Mr. Richards. Well, here again, Mr. Young didn't think
(15) he was going to lose his money either.
(16) Senator Lieberman. Absolutely.
(17) Mr. Richards. He thought this was a loan and so I
(18) don't know what Mr. Young had in mind, to be honest with
(19) you, but I do know that having worked with him over the
(20) years that this opportunity to present himself with Chairman
(21) Barbour was important to him.
(22) Senator Lieberman. Right.
(23) Mr. Richards. It would make him look important.
(24) Senator Lieberman. Right.
(25) Mr. Richards. And it would be beneficial to him in the

(1) general sense.
(2) Senator Lieberman. Okay. My time is up. Thanks very
(3) much, Mr. Richards. You have helped us understand the
(4) transaction.
(5) Chairman Thompson. Senator Cochran, do you have
(6) anything else?
(7) Senator Cochran. No.
(8) Chairman Thompson. Senator Durbin, did you have
(9) anything?
(10) Senator Durbin. Yes, I do. Thank you, Mr. Chairman.
(11) Mr. Richards, thank you for joining us today. I want
(12) to try to clarify one thing about this loan guarantee and
(13) Mr. Barbour's contacts with you and any of your principals.
(14) I take it that it was in August of 1994 that the initial
(15) contact was made?
(16) Mr. Richards. It was about that time, July, August,
(17) September, right in that period. I pinpointed it as close
(18) to August as I could. It might have varied a month or so.
(19) Senator Durbin. And your involvement started with a
(20) conversation with Mr. Barbour about this possibility?
(21) Mr. Richards. Yes, sir.
(22) Senator Durbin. Can you tell me whether Mr. Barbour
(23) expressed to you any sense of importance that this loan
(24) guarantee take place sooner rather than later?
(25) Mr. Richards. It was an urgent thing.

(1) Senator Durbin. Did he elaborate as to why this was an
(2) urgent matter?
(3) Mr. Richards. Yes, that he needed to withdraw monies,
(4) RNC monies from the Forum to be used in the campaign. So,
(5) obviously, it had to take place before the election or have
(6) some assurance it was going to be available shortly
(7) thereafter.
(8) Senator Durbin. You have been in this business a long,
(9) long time, and you have heard a lot of people raising money,
(10) particularly toward the end of the campaign, expressing a
(11) sense of urgency that this needs to be done sooner rather
(12) than later.
(13) Did Mr. Barbour elaborate as to why it was particularly
(14) urgent at that time or in and around August of 1994 for this
(15) loan guarantee to go forward?
(16) Mr. Richards. Well, he said the purpose was to assist
(17) in the election of 60 potential new congressman, and
(18) obviously, I assume that means you got 60 days or something
(19) like that to do it.
(20) Senator Durbin. Did he say anything to you, as you
(21) discussed it, that there was information that had been
(22) derived from polling data or other sources that suggested
(23) that 1994 might turn out to be a good year for the
(24) Republican Party?
(25) Mr. Richards. Yes. Yes, he did.

(1) Senator Durbin. All right. So he came to you and he
(2) said, "We need the loan guarantee so we can free up this
(3) money out of the National Policy Forum and put it into
(4) campaigns. 1994 looks promising. Some 60 races may be
(5) winnable in the house." Is that a fair summary as to his
(6) presentation to you?
(7) Mr. Richards. Yes, sir.
(8) Senator Durbin. Then, after that initial conversation,
(9) did you have follow-up conversations with Mr. Barbour or
(10) people at the RNC where that plea was made again?
(11) Mr. Richards. Not many because after the initial
(12) discussion, we started talking with Fred Volcansek and other
(13) people rather than directly with the chairman.
(14) Senator Durbin. But Mr. Volcansek, did he follow
(15) through on the same theme?
(16) Mr. Richards. Yes.
(17) Senator Durbin. If it looked like things were bogging
(18) down in the negotiations, that, "We have to get this done.
(19) We have to move on it before the election?"
(20) Mr. Richards. Not that particularly, but Mr. Volcansek
(21) seemed to have the duty to shepherd this thing through to a
(22) conclusion, but he was not pressing us too hard, you know.
(23) Senator Durbin. But did you feel they needed this
(24) before the election?
(25) Mr. Richards. Oh, yes. Yes, obviously.

(1) Senator Durbin. Mr. Richards, the reason, obviously,
(2) that I raise this is, after Mr. Barbour's testimony
(3) yesterday, he virtually dismissed this money and said it was
(4) not necessary, we were flushing our account in terms of soft
(5) money, and people who were suggesting that we were hurrying
(6) this through to have money to pass through to State
(7) organizations, soft money contributions have exaggerated
(8) this.

(9) What you have told us today suggests a different
(10) approach for Mr. Barbour.

(11) Mr. Richards. If we thought they were flush with
(12) money, we probably would not have entered into the
(13) discussion.

(14) Senator Durbin. I see. Well, as we have analyzed the
(15) balances in these accounts, particularly this one Republican
(16) account, soft money account that went into State election
(17) campaigns, it turns out that their actual cash balance was
(18) in the \$713,000 range, and with this loan guarantee, freeing
(19) up money from the National Policy Forum, they were able to
(20) distribute close to \$2 million to various State
(21) organizations. That part did come through.

(22) Can I ask you to elaborate a little bit? You mentioned
(23) earlier about your concern about the refund from the
(24) Republican National Committee to Young Brothers (USA) of
(25) money contributed, I believe, in 1991 and 1992.

(1) It is my understanding that Young Brothers (USA) was
(2) created for the purpose of building a shopping mall. That
(3) never occurred, though, did it?

(4) Mr. Richards. No.

(5) Senator Durbin. And the money that was invested by
(6) Young Brothers (Hong Kong) into this effort was ultimately
(7) refunded back to Hong Kong?

(8) Mr. Richards. Yes. However, Senator, as a matter of
(9) fact, the money was transferred to Hong Kong—from Hong Kong
(10) to the USA office for the specific purpose of closing the
(11) transaction, and we were meeting with Mr. Courtelis in his
(12) office when our independent appraisal came in and it was
(13) significantly under his, and we backed away from it at the
(14) closing table. So, I mean, we were ready—

(15) Senator Durbin. As close as you could get.

(16) Mr. Richards. —to do the transaction.

(17) Senator Durbin. You were as close as you could get.
(18) So the money was sent back to Hong Kong, but one of the
(19) biggest elements that was not sent back was the money
(20) contributed to the Republican National Committee—

(21) Mr. Richards. Yes.

(22) Senator Durbin. —in various forms.

(23) Do you take issue with the decision of the Republican
(24) National Committee to refund this money?

(25) Mr. Richards. I am surprised they did. You know,

(1) there was \$120,000, I think, total, and most of it—I take
(2) it back. It was \$100,000 in one check, and \$75,000 went to
(3) the Republican National Committee State Election Fund. Now,
(4) that is non-Federal funds. We could give all the money we
(5) wanted to that fund.

(6) Senator Durbin. Even foreign money?

(7) Mr. Richards. Sure. That is a State election, and if
(8) there is a State law that prohibits it, maybe, but there is
(9) certainly no Federal law that does so.

(10) So I saw nothing wrong with that, and then Courtelis,
(11) being a good Floridian, said, well, look, let's take 25 of
(12) that and give it to the State party in Florida. So that was
(13) given to the State party, and there is nothing wrong with
(14) that, and when the Committee looked at this and said, oh,
(15) gee, we took some Hong Kong money, and if we knew this was
(16) Hong Kong, we would not have taken it, so let's give it
(17) back, they turned around and gave it back to us. I say,
(18) well, if they are going to do that, then what about this
(19) other Hong Kong money that you know, if this is tainted
(20) over here, then is this not tainted or doesn't it give you
(21) the same discomfort, therefore give it all back?

(22) But all of this money, Senator, I don't think we gave
(23) any money to anybody illegally. I don't think that even
(24) what we did was unethical. I mean, we did—we did our due
(25) diligence to make sure these things were done properly.

(1) Senator Durbin. Clearly, someone at the Republican
(2) National Committee thought otherwise.

(3) Mr. Richards. They got spooked and probably by the
(4) press and said, hey, let's do it.

(5) There have been hundreds of members of Congress and
(6) Senators that have given back money that came from a source
(7) that they were spooked a little bit about. If you are
(8) spooked, give it back.

(9) Senator Durbin. You think it may be more because of
(10) appearance—

(11) Mr. Richards. Absolutely, appearance.

(12) Senator Durbin. —than actual illegality?

(13) Mr. Richards. I don't think many of those
(14) contributions were illegal, but appearance is not good.

(15) Senator Durbin. Can we speak to this issue of
(16) appearance? And I think in Mr. Barbour's words yesterday,
(17) he said, "In politics, perception is reality," and I have
(18) heard that said many times.

(19) We have asked many questions about Mr. Young's
(20) citizenship and the fact that he apparently was a dual
(21) citizen of Taiwan and the United States, in December 1993,
(22) renounced his United States citizenship. Suggestions were
(23) made in memos at the Republican National Committee that he
(24) did it for tax purposes, and that after it was disclosed in
(25) a memo, suggestions were made about how his sons, who are

(1) U.S. citizens, as well as his wife, could continue to become
(2) active contributors, direct contributors to the Republican
(3) National Party.

(4) Did you ever have a conversation with Mr. Barbour about
(5) the fact that Mr. Young had renounced his U.S. citizenship?

(6) Mr. Richards. No, no. I did not.

(7) Senator Durbin. It never came up?

(8) Mr. Richards. No.

(9) Senator Durbin. Any conversations with anyone else at
(10) the Republican National Committee about that?

(11) Mr. Richards. No.

(12) Senator Durbin. You were fully aware of that fact,
(13) were you not?

(14) Mr. Richards. I was aware of it. To say "renounce,"
(15) am not sure that is the correct word, but he quit coming to
(16) the United States. He was doing more business in Asia. His
(17) home was in Asia. His wife was in Asia. His business was
(18) in Asia, and he said, hey, I might as well stay here.

(19) And his interest at the time appeared to me to be
(20) unification, a reunification of China and the People's
(21) Republic. That was an idea of importance in his mind, and
(22) so he was there with the Chinese, more so than here.

(23) Senator Durbin. So it is not misunderstood that I am
(24) in any way characterizing what he did with his citizenship,
(25) I believe the record would illustrate that renunciation is

(1) the term used by the State Department.

(2) Mr. Richards. I don't quarrel about that.

(3) Senator Durbin. All right. Let me speak to you for a
(4) moment about this whole question concerning Mr. Young's
(5) interest in the Republican Party. It has been characterized
(6) in various ways, and maybe you can help us understand it.

(7) At one point, Mr. Becker, who was one of the first
(8) witnesses, said that he was a fierce champion—I think I
(9) paraphrase this correctly—fierce champion of capitalism,
(10) but he went on to say that all this talk about publishing an
(11) article in Commonsense and the like really was not his idea
(12) and really was not something that he was that enthused
(13) about. Do you have another opinion on this?

(14) This would be my last question, Mr. Chairman.

(15) Do you have another opinion on this?

(16) Mr. Richards. Well, I think at the luncheon or the
(17) dinner that we had here, someone from the Forum suggested to
(18) him, would you not like to write something about this, put
(19) it in Commonsense, and he liked the idea and agreed to do
(20) that.

(21) Senator Durbin. So it really was not a burning desire
(22) on his part?

(23) Mr. Richards. No. I think it was an offer to him. I
(24) thought—I regarded it as an effort to ingratiate the Forum
(25) with him, more so than anything else.

(1) Senator Durbin. Well, I thank you, and I think what
 (2) you have added today suggests that Mr. Barbour's testimony
 (3) yesterday, that this money was not that important, at least
 (4) we have seen that in a little different light, and the
 (5) suggestion that Mr. Young was dying to get in print on his
 (6) theories on China, both you and Mr. Becker have discounted
 (7) that rather dramatically.
 (8) Thank you very much.
 (9) Chairman Thompson. Senator Bennett?
 (10) Senator Bennett. Thank you, Mr. Chairman.
 (11) I now know as much about the National Policy Forum as I
 (12) ever want to know, and probably a little more. I will not
 (13) repeat my summary of what I think it was and is, at least
 (14) not here. Maybe over the weekend when Senator Durbin and I
 (15) are back again on television, I will have occasion to repeat
 (16) that.
 (17) I have only one issue I would like to clear up with Mr.
 (18) Richards, and by the way, Dick, I am delighted to see you.
 (19) As I have told some of my colleagues, you and I began our
 (20) serious political careers together in the 1962 Bennett for
 (21) Senate campaign, and lest people think that I am really old,
 (22) that was my father's campaign.
 (23) We must have done fairly well, because Dad trailed in
 (24) every single poll taken throughout that campaign, except the
 (25) last one, and we pulled out a victory. So we go back a long

(1) way.
 (2) You have said that Haley said to you his concern was he
 (3) had to get hard dollars out of the NPF and get them replaced
 (4) with soft dollars, and Senator Durbin has raised that,
 (5) appropriately.
 (6) Haley said yesterday that the dollars that went in the
 (7) first instance to the NPF were, in fact, soft dollars. They
 (8) came out of soft dollars, and they went into a soft dollar
 (9) fund. So that is an area of conflict between the two of
 (10) you.
 (11) Are you in any position to clear that up and get it
 (12) resolved for us, one way or the other?
 (13) Mr. Richards. No, sir, I am not.
 (14) Senator Bennett. You do not know where the funds came
 (15) from that went to NPF?
 (16) Mr. Richards. As a matter of fact, I did not even know
 (17) about the NPF until Haley Barbour called me on the telephone
 (18) and told me of the circumstance. So that was my first
 (19) introduction to the Policy Forum.
 (20) Senator Bennett. And the dollars that went back from
 (21) the NPF to the RNC as a result of the loan guarantee, you do
 (22) not know the account into which they went?
 (23) Mr. Richards. I do not know. However, I heard that
 (24) the Republican National Committee gave money to the Forum,
 (25) and the Forum in turn paid it to the bank on the few

(1) installments that were made. I do not know whether that is
 (2) true or not.
 (3) Senator Bennett. Yes, but in terms of the money that
 (4) was released as a result of the loan guarantee coming back
 (5) to the RNC, you have no personal knowledge as to the account
 (6) into which it went?
 (7) Mr. Richards. No, sir. No, sir, I don't.
 (8) Senator Bennett. So you are not in a position to
 (9) dispute Mr. Barbour's statement that it went to State
 (10) campaigns and soft dollar area rather than to congressional
 (11) campaigns?
 (12) Mr. Richards. No, I am not. No.
 (13) Senator Bennett. Thank you.
 (14) You have no reason to believe that Mr. Barbour
 (15) committed perjury when he said under oath that that was the
 (16) case?
 (17) Mr. Richards. No, no.
 (18) Senator Bennett. I see. I have no reason to believe
 (19) that either.
 (20) Thank you, Mr. Chairman.
 (21) Chairman Thompson. Senator Levin?
 (22) Senator Levin. I just have one question.
 (23) Mr. Richards, I read Mr. Young's deposition, and I find
 (24) it easy to follow. I am just wondering, is his English
 (25) pretty easy to understand?

(1) Mr. Richards. Oh, yes. He is a bright man. He is a
 (2) very articulate fellow. He has some Chinese idioms that he
 (3) uses and all, but he is a bright man, and I do not have any
 (4) difficulty conversing with him.
 (5) Senator Levin. Or understanding his English?
 (6) Mr. Richards. Yes, sir.
 (7) Senator Levin. Thank you.
 (8) Chairman Thompson. Senator Glenn?
 (9) Senator Glenn. Thank you, Mr. Chairman.
 (10) Mr. Chairman, I sort of wanted to sum up the last
 (11) couple of days here, the last 3 days. We have had now five
 (12) people under oath who have given their statements. Mr.
 (13) Volcansek told us that Mr. Barbour—he told Mr. Barbour that
 (14) the money was of Hong Kong origin, and that was prior to the
 (15) time when the loan was consummated.
 (16) We have Mr. Young's deposition which says he talked to
 (17) Mr. Barbour on two occasions about it being Hong Kong money
 (18) that would be used, once at dinner here in Washington in
 (19) August of 1994 and then the summer of 1995 in Hong Kong on
 (20) the boat when Mr. Barbour asked forgiveness for the money
 (21) and Mr. Young said no because it was Hong Kong money and
 (22) subject to Hong Kong law.
 (23) Mr. Richards has testified today here about his
 (24) knowledge of the funds being transferred, and I will not
 (25) reiterate all of that once again.

(1) Mr. Becker said that he told the RNC general counsel it
 (2) was Hong Kong money, even though it was coming through the
 (3) Ambrous Young corporation here, Ambrous Young Development
 (4) here.
 (5) Mr. Barbour, all the way through, has said it does not
 (6) make any difference whether it was or not. It was academic
 (7) because these are 501(c)(4)—it was a 501(c)(4)
 (8) organization, and he emphasized that over and over again
 (9) yesterday, but it is difficult to buy that, I must say,
 (10) because Mr. Baroody, who was the president of the NPF,
 (11) served a year in that position and resigned as president
 (12) because of the lack of separation between the NPF and the
 (13) RNC. He said it was a fiction of separation, and he said
 (14) that Mr. Barbour, in his words, said it was a fascination
 (15) with foreign money and said that the NPF and the RNC—the
 (16) employees felt it was run like a division of RNC. That was
 (17) shared by staff, according to him.
 (18) The Baroody concerns that he resigned over was because,
 (19) in effect, he said, they were not operating in accordance
 (20) with the law, in accordance with the 501(c)(4) charter that
 (21) he thought they should be operating under, and he felt so
 (22) strongly about it, that the violations were so great, that
 (23) he wrote a letter, and he resigned and gave that as his
 (24) major reason for resigning.
 (25) Now, that was not just all fictitious because the

(1) 501(c)(4) that had been applied for was being considered
 (2) along, as these things drag out sometimes with the IRS and
 (3) being considered. The organization could operate as a
 (4) 501(c)(4), but what Mr. Baroody resigned over was it was not
 (5) being operated as a 501(c)(4). It was violating it even if
 (6) they had had that the actual designation. They would have
 (7) been violating at the time, and the IRS came along, albeit
 (8) much later, and said their analysis of this whole time
 (9) period was that it was not being operated as a 501(c)(4).
 (10) So it seems to me they said it was being operated as a
 (11) partisan political organization.
 (12) It was stressed all day yesterday that this was nothing
 (13) but a think tank and it was completely separate and all of
 (14) that, but first, the president of the organization resigns,
 (15) and then the IRS comes along and says he was absolutely
 (16) right, and they do this in a 13-paged analysis, very, very
 (17) thorough, and I have read that whole thing, and they said
 (18) that he was not operating in a 501(c)-type operation.
 (19) Now, it seems to me it is obvious there were a lot of
 (20) other things going on, even though they were claiming all
 (21) the while that it was a 501(c)(4), but not operating as a
 (22) 501(c)(4) organization.
 (23) Mr. Baroody referred to the separation as a "fiction of
 (24) separation," to use his words. What we have been looking
 (25) into the last couple of days are all the difficulties of

(1) getting foreign money or having foreign money brought into
(2) the American political system, and what we have run into in
(3) the testimony, it seems to me, can be summarized out of what
(4) I have just recounted here, the fact that there were two
(5) very basic inconsistencies.

(6) First, the one that Mr. Barbour did not know that it
(7) was Hong Kong money until last year, we have five different
(8) people here who testified that at one time or another they
(9) told him, he met in Hong Kong with the people, and to say
(10) that after all that, there just was no recall of it-I
(11) forget things, too, as we all do, but with five different
(12) people and all of these different occasions, it is just very
(13) difficult to reconcile that kind of an inconsistency.

(14) The purpose of the money, it was testified yesterday
(15) with charts and all the-I think we had slides, we had
(16) charts, we had the whole presentation here yesterday to
(17) justify that the money was not needed. Yet, Mr. Richards
(18) has testified in his deposition-and I am reading just in
(19) part from this, but reading the whole statement would not
(20) change anything. So I am not taking something out of
(21) context and proving something I should not, but it says in
(22) one part-this is Mr. Richards' recounting of what he was
(23) told by Mr. Barbour, "...we have an opportunity to pick up
(24) as many as 60 seats in the House of Representatives that we
(25) did not anticipate months back. We need money to do that."

(1) He goes on and says some other things, and then the
(2) last sentence in that paragraph says, "We need to put some
(3) soft dollars in the Forum so we can free up hard dollars."

(4) Now, whether that ever occurred or not, it was already
(5) questioned here. If it did not occur, it certainly was the
(6) intent to do that or he would not have said that.

(7) So that leaves us, then, with another inconsistency, I
(8) guess, on the purpose of the money and who knew what and
(9) when they knew it, I guess, but when Mr. Barbour calls and
(10) specifically says he needs the money to try and pick up 60
(11) House seats and we need it because we need it to put some
(12) soft dollars in the Forum so we can free up hard dollars,
(13) that is another inconsistency from all the testimony that I
(14) find difficult to reconcile.

(15) I think anybody that is reporting on this or the
(16) American public that is reading about it or watching it on
(17) TV or portions of it on TV will look at it, perhaps out of
(18) the testimony of the last 3 weeks, the couple of weeks that
(19) the Chairman controlled and this week that I basically
(20) controlled with who the witnesses were going to be, that, I
(21) think to use the Chairman's words, most of the public will
(22) probably look at this, oh, they are just squabbling again,
(23) they are in Washington, and the public may look at it that
(24) way, but one thing is very, very clear. All the polling
(25) indicates the American people are very, very interested in

(1) campaign finance reform.

(2) For the last 3 weeks now, we have dealt in one forum or
(3) another with campaign finance reform in the area of foreign
(4) money that worked its way back into the campaign, and we can
(5) say there are technicalities or whatever, and at least up to
(6) now, I do not think anybody is going to go to jail over any
(7) of these inconsistencies or even be fined or anything else,
(8) but these are inconsistencies, and I think we are beginning
(9) to show the difficulties in our whole political system of
(10) the pernicious influence of foreign money, and whether it
(11) was considered legal or illegal or whatever, there was
(12) foreign money that came back into the system, and I am sure
(13) we are going to be getting more in subsequent weeks here
(14) about foreign money that may have come back in on the
(15) Democratic side. I do not know what the testimony is going
(16) to bring out here, but I know one thing. I know that we
(17) have got to not only look into the foreign money. We have
(18) to look into the tax-exempt situation. We have to look into
(19) the third-party transfer of money, which we covered this
(20) morning, to some extent, with what happened in the Fireman
(21) case. So we are already covering a couple of these areas,
(22) and then the soft money, the soft money that we have not
(23) gotten into yet that probably was the biggest, the fastest-
(24) growing exponential growth in that area in this last
(25) election, and one that we really do have to get into

(1) sometime.

(2) I hope at the end of the day we will not have just
(3) dealt with illegalities, and I repeat what I said last
(4) night, being challenged on this, that the illegalities do
(5) have to be dealt with, whether we do it on this Committee or
(6) whether other law enforcement. We are not a law enforcement
(7) agency, but whether other law enforcement agencies of
(8) Government do this, we have to deal with the illegalities.
(9) Otherwise, it just makes a mockery out of the law, but I
(10) hope that in this year, the rest of this year that we are
(11) going to be on this, that we can really get into all of
(12) these different areas of abuses of campaign finance reform
(13) and come up with some good advice, maybe even out of this
(14) Committee, come up with a good campaign reform law.

(15) I am hoping we can pass the McCain-Feingold, but I
(16) think that will be just the start-I yield to myself another
(17) couple of minutes-so that we can really deal with some of
(18) these things and make a substantial contribution toward
(19) really curing the ills that we see in our political system,
(20) and going through all this and all the unpleasantness we
(21) experience going through all this, if we can do that at the
(22) end of this year, then we will have done a great service for
(23) this country. If we do not do that and we spend the whole
(24) year just looking at the illegalities-and I repeat again, I
(25) want to deal with those, but I would hate very much to see

(1) us just at the end of the year to have dealt with those and
(2) not having corrected the system that will only sit there to
(3) spawn more illegalities in the future if we do not deal with
(4) it. That is the big opportunity we have this year, and that
(5) is the reason I point out some of these inconsistencies and
(6) some of the things that we have learned over the last three
(7) days.

(8) Thank you, Mr. Chairman.

(9) Chairman Thompson. Thank you, Senator Glenn.

(10) I would hope that as we proceed over these next few
(11) months that we could avoid taking our so-called witnesses
(12) and giving them the benefit of every doubt and seeing no
(13) problem with anything, no matter how blaring the abuse, and
(14) then take their witnesses and find everything wrong, after
(15) every possible inference that you can, possibly against
(16) everything that they say, and point out any and all
(17) inconsistencies.

(18) The fact of the matter is there are pros and cons that
(19) can be pointed out with regard to any of these witnesses,
(20) and it makes a sham, I think, of our attempts for
(21) bipartisanship when we view everything, every day, in those
(22) lights, and I do not think it gives any credibility to our
(23) efforts, and it does not give any credibility to call for
(24) campaign finance reform when things are looked in such
(25) partisan terms on everything occasion.

(1) We have looked over these last 3 days essentially at
(2) one transaction-there have been a couple of others-and
(3) properly so. The majority issues the subpoena for Mr.
(4) Fireman, in the first batch that we looked at, but Mr.
(5) Fireman was not a victim of the system. It was not our
(6) current campaign finance system that caused Mr. Fireman to
(7) decide to launder several thousand dollars of money into
(8) these various campaigns.

(9) We know that we can never devise a system or pass a
(10) bill. We are always passing legislation up here that is
(11) going to cure all the world's ills, and they never do, but
(12) we do the best we can. I, for one, think we can do much
(13) better in campaign finance reform.

(14) The McCain-Feingold bill is the McCain-Feingold-
(15) Thompson bill. I feel like that is a good first step, but I
(16) hope we are not to the point that we can give short shrift
(17) to some of these things that we are seeing and that we get
(18) to a point where we equate some old Dole campaign violation
(19) that everybody has known about forever with such massive
(20) wholesale systematic efforts to pour in illegal money by the
(21) millions of dollars. Millions have already been returned.

(22) With regard to not some private individual, like Haley
(23) Barbour is or Mr. Richards or Mr. Fireman or somebody like
(24) that, but with regard to our Government, that is what we are
(25) dealing with here, our Government.

(1) Now, we have had to deal with our Government in times
(2) past when Republicans were our Government, and it does not
(3) matter whose party happens to be in control of the executive
(4) branch. These are very, very serious matters of serious
(5) criminal allegations that go to the basic integrity of our
(6) Government.

(7) So I join with Senator Glenn in saying that, hopefully,
(8) at the end of the day, we can look at a systematic
(9) resolution of this thing and understand that these serious
(10) matters are a part of a system that at the end of the day I
(11) think needs to be scrutinized again, but, number one, if we
(12) in any way give short shrift to our major focus here in the
(13) first phase of this inquiry, then, of course, it is going to
(14) ironically wind up defeating calls for campaign finance
(15) reform because it will only be looked at as a partisan cry
(16) and will never rally anyone else around it besides the
(17) relatively few, quite frankly, that are rallying around it
(18) right now. We need to expand our numbers. We need to reach
(19) out to each other across the aisle and not try to drive the
(20) wedge even deeper.

(21) I have my own problems with some of the things with Mr.
(22) Barbour, who I think did a great job as chairman of the
(23) party, but we have got some differences on a couple of
(24) things. For those who are concerned about someone being
(25) tried in absentia, I do not know anybody who was tried in

(1) absentia more than Haley Barbour, and now he was called
(2) Thursday instead of Friday and we have another witness and
(3) we have a summation against Mr. Barbour, and he is not here
(4) to defend himself. So I am cast in the role here of
(5) pointing out these things that someone has got to point out.

(6) Senator Glenn makes, I think, some very valid points in
(7) terms of inconsistencies in terms of the testimony, but it
(8) must also be said that Mr. Scott Reed, who was on our
(9) witness list, who was not called, says--in some detail
(10) points out--his characterization would be that the monies
(11) that were paid back to the RNSEC, RNC account, did not go
(12) into campaigns. That is a big issue here. I do not know
(13) why he was called, but in all fairness, he sent us a
(14) statement, and when his statement arrived, he was not
(15) called.

(16) I think, in all fairness, it should be pointed out
(17) again that Mr. Denning in his deposition said that his
(18) recollection was not the same as Mr. Volcansek; that is,
(19) that he did not remember a conversation about Hong Kong
(20) being the origin of the funds, and that is what Mr. Barbour
(21) said.

(22) So we can have these things back and forth and back and
(23) forth. What concerns me is our attitude towards one
(24) another. We had a rather acrimonious session yesterday, and
(25) that is regrettable, but I would hope as we go forward that

(1) we could try to do it together and not try to put the worst
(2) possible cast on the other party's witness and justify
(3) anything and everything that our own party's witnesses come
(4) up with, and just try to call them as we see them, as we go
(5) along, and then, at the end of the day, the mood will be
(6) such that, hopefully, we can together agree to have some
(7) reforms, but if we are at each other all the time, we will
(8) never find out the facts and we will never have any reforms.

(9) That is all I have.

(10) Senator Glenn. Mr. Chairman?

(11) Chairman Thompson. Senator Glenn?

(12) Senator Glenn. Mr. Chairman, just a comment. We were
(13) allocated 3 days for the hearings, and we have certainly
(14) filled up our 3 days with witnesses. We did not have time
(15) to put everybody on. There was no deceitful purpose in not
(16) bringing some of the witnesses on that we had thought we
(17) might be able to use, but we filled up our 3 days.

(18) I just wondered what our schedule is for next week and
(19) what the subject will be and who our witnesses may be so we
(20) can prepare for it.

(21) Chairman Thompson. Well, Senator Glenn, we did not
(22) know, until about 30 minutes before our hearing today,
(23) exactly who was going to be called here. We will get that
(24) to you in a timely fashion, but it will not be right at this
(25) moment, and we will come back at 10 o'clock, next Tuesday.

(1) Senator Glenn. Okay, fine.
(2) Chairman Thompson. Thank you very much.
(3) Mr. Richards, thank you very much for being here.
(4) We will recess. Our next public session will be at 10
(5) o'clock on Tuesday.
(6) [Whereupon, at 2:25 p.m., the Committee was recessed,
(7) to reconvene at 10:00 a.m., Tuesday, July 29, 1997.]

\$

\$1 5:12
\$1,000 4:4; 14:11; 21:9;
19; 26:25; 29:10; 52:15;
59:12, 23
\$1.8 93:12
\$100,000 4:24; 6:9;
59:24; 111:2
\$120,000 4:15; 6:9;
19:16, 16; 45:12; 81:25;
83:15; 111:1
\$2 74:17; 76:19; 95:18;
109:20
\$2.1 72:11; 73:11; 87:19;
93:7
\$2.5 74:17; 89:7
\$200,000 59:24
\$21,000 10:3, 16
\$24,000 10:7, 17; 21:19
\$25,000 4:5
\$3 69:15, 16, 23; 70:22
\$3.3 69:15; 72:11
\$4,000 4:25; 21:20
\$40,000 15:10
\$5 5:15
\$500,000 80:22; 81:20;
82:16
\$6,000 10:11, 17
\$69,000 10:15, 18
\$7,500 5:14
\$713,000 109:18
\$75,000 111:2
\$750,000 80:14

1

1 2:1; 5:11, 14; 19:12;
103:10, 11
10 18:8, 15, 22; 67:24;
79:12; 81:10; 129:25
10--rather 18:22
10-day 28:17, 20, 21
100 83:17, 19; 86:16, 23
100-percent 13:8
10:11 1:8
10th 68:6
114 93:24
11th 16:13
12 26:8
120 10:20
120,000 82:8
120-to-123 10:21
12:37 94:22
13 71:13, 15
13-paged 120:16
15 13:11
16 77:17
16th 78:4
17 76:5; 77:23; 95:14;
101:4

17th 76:5; 78:13; 90:7;
103:1
18 28:11
19 68:15; 70:10
1962 115:20
1965 67:4, 20
1968 67:4
1975 67:7
1976 67:7
1981 67:13
1983 67:13
1985 8:19, 20; 63:1, 2, 3
1987 62:18
1988 62:18
1991 4:14; 8:9, 22, 22;
68:2; 74:22; 83:18; 86:4,
15; 109:25
1991-1992 10:3
1992 10:6; 21:19; 83:18;
109:25
1993 10:10; 112:21
1994 68:21; 69:1; 71:11,
14; 73:13; 76:18; 77:2;
78:8; 86:12; 95:17; 99:18;
106:14; 107:14, 23; 108:4;
118:19
1995 4:14; 8:9, 22; 10:15,
18; 118:19
1996 1:2; 2:5, 23; 5:23;
12:4, 5; 15:1; 24:5; 27:18;
31:14; 76:5; 77:17, 23;
95:14; 101:4
1997 1:4; 81:10
1:30 94:21, 23
1:36 95:1

2

2 15:11; 18:4
20 70:11
21 27:18
21st 30:7, 12
22--do 68:17
2255 23:1, 10
23 31:14
25 1:4; 70:10; 111:11
25th 28:13

3

3 2:1; 28:16, 19; 30:7;
31:18; 51:9; 118:11;
122:18; 123:2; 126:1;
129:13, 14, 17
30 7:22; 129:22
349 76:6; 77:23
350 77:13
350A 77:14
398 11:16

4

4 5:13, 16; 12:5, 18; 17:6
40 11:4, 10, 23, 25; 15:9
400 19:10; 62:12
401 14:24; 27:17; 91:22
402 91:7

5

5 45:12
5-year 20:24
500 83:2
500,000 81:23
501(c)(4) 84:20; 119:7, 20;
120:1, 4, 5, 9, 21, 22
501(c)(4)--it 119:7
501(c)(4)--you 98:22
501(c)-type 120:18
55 95:9
56 95:16
59--and 101:1

6

6 5:11; 15:15; 67:21
6-month 16:14
60 70:19; 76:24; 95:20;
107:17, 18; 108:4; 121:24;
122:10
66 67:20
67 67:20
68 67:20
69 26:14; 28:3; 30:9

7

7 18:1; 81:17
70 26:13; 27:14; 28:3;
30:9; 51:8
700,000 81:21; 83:3

8

8 88:16, 19
81 81:17
82 81:6, 11
85 13:10

9

92 4:17; 5:5

A

a--this 83:16
a--write 90:4
a.m 1:8

abide 92:14, 15
abilities 45:19
ability 101:18
able 15:14, 16, 25; 17:3,
4, 22; 20:9, 13, 15, 16;
39:24; 49:22; 50:5; 51:9;
56:10; 69:17; 70:24;
78:15; 109:19; 129:17
about--I'll 48:12
abroad 12:25
absentia 127:25; 128:1
absolutely 2:19; 6:4;
29:15; 54:23; 82:21;
101:16; 105:16; 112:11;
120:15
absolutely--that's 51:13
abuse 125:13
abuses 2:21; 124:12
academic 119:6
accept 12:13; 46:1
acceptance 12:16
access 35:23
accomplished 15:16
accordance 119:19, 20
according 93:4; 119:17
account 4:20; 18:18;
19:18; 33:9; 38:6; 74:18;
83:23; 109:4, 16, 16;
116:22; 117:5; 128:11
accounted 6:9
accounts 31:11; 57:13;
109:15
accuracy 12:2
accurate 11:20; 12:2;
14:18; 40:17; 81:21; 91:1,
15; 96:16
accurate--your 71:6
accurately 55:5; 71:4;
81:15; 83:11; 91:23; 96:2,
13; 101:23
accusing 54:6
acknowledge 16:5
acrimonious 128:24
across 55:23; 57:24;
127:19
action 22:24; 28:22;
57:18
active 47:4; 49:3; 59:4;
100:19; 113:2
ACTIVITIES 1:1; 4:12
activity 5:22; 60:18; 61:9,
12; 72:14
actual 72:9; 109:17;
112:12; 120:6
actually 10:5; 12:15;
14:5; 15:4; 20:25; 38:11,
18; 52:11; 62:4; 67:14;
68:6; 81:12
add 11:1; 53:21; 55:14
added 115:2
adding 56:4; 58:10; 83:25
addition 2:17; 5:12;
50:24; 56:9
additional 5:19

address 85:4, 6
adequate 57:5
administration 36:11
admitting 28:3
advance 69:3; 97:10
adverse 80:3
advice 124:13
advise 73:2
advised 38:3; 69:4;
73:19; 75:2
advisement 103:19
Affairs 1:6
affidavit 91:5, 6, 11, 14,
15
afternoon 85:13, 14; 95:1
afterwards 53:1
Again 6:3; 8:23; 9:9;
11:24; 13:1; 19:24; 20:6,
17; 29:18; 34:2; 48:7, 18;
51:2; 59:24; 70:13; 98:15;
99:16; 103:3; 105:14;
108:10; 115:15; 118:25;
119:8; 122:22; 124:24;
127:11; 128:17
against 2:6, 8, 15; 35:7;
46:25; 125:15; 128:3
agencies 124:7
agency 124:7
agent 34:21; 40:22
agents 9:1
agitated 90:15
ago 27:16; 80:7; 91:9
agree 46:19; 58:18;
72:11; 129:6
agreed 40:24; 71:20, 23;
72:10, 11, 12, 15; 73:9;
87:17; 92:7; 114:19
agreement 23:4, 5, 8
agreements 5:9; 12:8;
53:14
ahead 78:21
aisle 127:19
Akaka 43:4, 5; 46:25;
58:13, 15; 59:2, 16
Alaska 66:11, 16, 18;
84:5
albeit 16:25; 47:14; 120:7
Alec 83:17
allegation 30:22
allegations 33:4; 127:5
alleged 2:20; 36:9
alleging 99:16
allocated 129:13
allowed 100:15
alluded 46:9; 55:22;
76:17
along 81:14; 100:13;
120:2, 7, 15; 129:5
already 7:11, 19; 17:13;
53:22; 59:25; 122:4;
123:21; 126:21
altering 39:22
although 8:20; 12:3;
32:24; 100:20

always 72:6; 92:18;
104:15, 15; 126:10
ambassadorship 36:6,
13; 37:10; 42:14, 17
Ambrous 73:20, 25;
82:1; 93:25; 119:3, 3
amending 46:11
America 89:9
American 17:18, 18;
37:9; 44:25; 80:1; 86:6;
89:6, 8, 11; 98:21; 100:22;
121:2; 122:16, 25
among 2:17; 25:19
amount 21:10, 17; 22:12;
36:5; 37:11; 38:12; 69:15;
80:13, 23; 87:18
amounts 9:22; 21:8, 16,
19; 22:9; 37:20; 100:15, 22
amplify 104:21
an-when 38:10
analogies 30:17
analogous 56:15, 17
analogy 28:7
analysis 120:8, 16
analyzed 109:14
and-but 75:25
and-however 74:15
and-I 66:12
angry 97:21
announced 5:23; 53:13
annual 4:6; 19:15
Answer-this 96:9
anticipate 70:20; 121:25
anticipating 65:12
any-and 55:4
anybody 11:5; 59:20;
85:5; 88:5; 100:14;
111:23; 122:15; 123:6;
127:25
anyone 44:16; 113:9;
127:16
anyway 69:7
apart 37:23
apologized 45:21
apparent 15:24
apparently 27:22; 50:5;
51:14; 82:15; 93:4; 112:20
appear 26:12, 13; 90:8
appearance 28:11;
112:10, 11, 14, 16
appeared 30:6; 79:8;
101:20; 113:19
appears 15:6; 44:23;
45:10; 70:18; 91:16
applied 33:2; 120:1
applies 44:9
appointed 23:16, 25
appraisal 110:12
appreciate 7:14, 20;
35:25; 58:11; 66:14;
83:25; 85:18; 99:12
appreciation 66:11
approach 103:14;

109:10
appropriate 34:17; 42:7;
47:20
appropriately 116:5
approximate 74:13
approximated 10:15
approximately 9:6;
10:19; 18:19; 80:14
approximation 9:25
April 15:1, 5; 27:18; 30:7,
12
Aqua-Asia 19:6, 13, 14,
15, 20; 20:14
Aqua-Leisure 2:7, 24;
4:7, 11, 14, 23; 5:15; 9:12,
21; 13:7; 14:10; 16:2, 3;
19:6, 12
Aqua-Leisure's 15:8
are-these 48:9
are-you 24:13
area 7:9, 15, 18; 116:9;
117:10; 123:3, 24
areas 56:8, 24; 123:21;
124:12
around 30:1; 37:18;
57:11; 75:1; 92:9; 107:14;
111:17; 127:16, 17
arranged 35:14
arrangement 73:15, 19;
75:4, 4
arrived 128:14
artfully 90:23
article 14:7, 9, 15, 16, 18;
15:2, 7, 8, 11, 14; 27:16,
24, 24; 30:6; 52:8, 11;
60:23; 81:18; 90:4; 114:11
articulate 118:2
ascertain 97:3
ascertained 24:10
ascertaining 24:9
Asia 113:16, 17, 17, 18
aside 22:5
ask-thank 43:18
aspects 39:9
asset 74:7
assets 74:6
assist 76:19, 22; 95:18;
107:16
assistance 50:16
assistant 4:10, 19; 27:5
assume 28:19; 51:24;
107:18
assuming 33:19
assurance 23:9; 99:1;
107:6
assurance-you 97:15
assure 72:24
assured 97:16
attempts 125:20
attention 62:16; 68:15;
70:9; 74:1; 76:3; 81:5
attitude 128:23
Attorney 1:15; 2:1;

28:10, 17; 29:2; 38:15, 16,
22; 39:11, 15; 47:10;
49:11; 51:18, 21; 60:20;
66:25
Attorney's 2:6; 5:8; 47:5
attorneys 39:14, 19; 91:9
attribution 61:21
August 70:14; 106:14,
16, 18; 107:14; 118:19
authority 45:23; 51:18
authorized 39:16
automatically 58:1
availability 57:13
available 2:13; 11:18;
14:20, 22; 57:10; 107:6
avoid 125:11
Avon 2:25
aware 5:21; 14:6; 52:7;
61:8; 74:24; 89:23;
113:12, 14
aware-I 52:7
away 70:24; 74:19;
110:13

B

back 8:17; 11:1, 6, 9;
17:3; 27:15, 17; 56:21;
57:21; 65:16; 66:13, 14;
70:20; 74:3; 76:25; 80:8,
24; 81:4, 19, 25; 82:4, 5, 8,
15, 23; 83:3, 18; 84:5, 13,
15; 85:9; 86:4; 88:21; 90:2;
92:3; 93:3, 5; 110:7, 18,
19; 111:2, 17, 17, 21;
112:6, 8; 115:15, 25;
116:20; 117:4; 121:25;
123:4, 12, 14; 128:11, 22,
22; 129:25
backed 58:5; 74:19;
110:13
background 7:7; 14:4, 5;
23:14; 57:21; 58:11; 66:25
bad 104:8
badly 38:2
balance 6:10; 80:16;
109:17
balances 109:15
bank 4:20; 8:24; 16:24;
18:17; 19:17; 23:25; 24:2;
44:11, 11; 57:13; 59:6;
73:5; 87:18; 88:8, 12; 93:6;
116:25
banning 39:22
Barber 95:13
Barbour 68:20, 25; 69:3,
7; 70:15, 16; 71:16; 72:5,
12, 15; 73:2, 18; 75:8, 14,
19, 19, 24; 76:4, 13, 20;
77:1, 7, 18; 78:6, 10, 14,
21, 24; 79:21; 85:3, 23;
90:9, 10, 12; 94:10; 95:23,
24; 97:13; 101:10; 103:6;
104:22; 105:3, 4, 21;
106:20, 22; 107:13; 108:9;
109:10; 113:4; 116:17;

117:14; 118:13; 119:20;
119:5, 14; 121:6, 23;
122:9; 126:23; 127:22;
128:1, 3, 20
Barbour's 79:14; 91:3;
106:13; 109:2; 112:16;
115:2; 117:9
Barbour-he 118:13
bargain 33:1
Baron 66:20, 21; 67:3, 7,
11, 13, 16; 68:1, 5, 9, 12,
14, 17, 19, 24; 69:2, 25;
70:6, 9; 71:6, 10, 23; 72:1,
3; 73:2, 9, 13, 17; 74:3, 9,
12, 21, 24; 75:14, 21; 76:3,
8, 11, 16, 22; 77:4, 12, 16,
20, 25; 78:3, 5, 7; 79:18;
80:7, 12, 19; 81:1, 5, 9, 12;
83:13, 14, 25; 84:18, 22,
24; 85:22; 86:14; 87:8;
93:2; 95:12, 22; 96:5;
101:2
Baroody 119:10, 18;
120:4, 23
base 51:22; 57:17
based 8:12; 29:21; 38:13;
39:6; 51:21, 22; 73:24
basic 121:5; 127:5
basically 8:17; 13:6;
26:20, 21; 29:11, 13; 85:8;
122:19
basically-or 41:18
basis 51:24
batch 126:4
be-they 44:21
beating 85:21
became 14:6; 15:24;
52:7, 7; 72:7; 80:4; 86:9,
16; 87:1; 104:10
Becker 66:5, 11; 72:19,
21; 78:25; 82:25; 83:7;
86:24; 88:15; 91:20; 92:8,
9, 11; 98:17; 104:19;
114:7; 115:6; 119:1
Becker's 87:25; 96:24
become 113:1
becomes 48:14; 61:8, 9
beg 20:9
began 5:9; 30:21; 33:17;
38:21; 103:20; 115:19
begin 8:21
beginning 59:1; 68:17;
70:10; 76:8; 123:8
belabor 30:17; 51:17;
85:2; 92:23
believe 9:16; 10:6, 12;
11:1, 13; 12:9, 24; 13:7, 9;
15:3; 18:14, 24; 21:19;
22:15; 23:19, 21; 52:12,
17; 55:18; 65:2; 73:20;
76:5; 79:23; 80:12, 19, 21;
86:15; 89:13; 90:16; 94:1;
101:2; 109:25; 113:25;
117:14, 18
beneficial 105:25
beneficiary 61:12; 69:22

benefit 63:6; 125:12
Bennett 1:12; 60:9, 10,
21; 61:6, 20; 115:9, 10, 20;
116:14, 20; 117:3, 8, 13,
18
Benton 66:5; 72:19;
78:25; 92:8; 96:24
besides 127:16
best 11:4, 25; 20:20;
65:11; 77:11; 97:13;
126:12
better 85:6; 126:13
beyond 17:24; 36:20;
47:25; 58:9; 59:15; 63:7
big 16:10; 32:25; 37:13;
57:10; 125:4; 128:12
biggest 110:19; 123:23
bill 126:10, 14, 15
bipartisan 55:4
bipartisanship 125:21
bit 40:4; 78:6; 80:14;
83:24; 86:2, 19; 87:11;
89:19; 90:14; 93:2, 3, 17,
22; 102:6; 109:22; 112:7
blaring 125:13
blood 25:17
Board 23:22
boat 66:11, 13; 118:20
Bob 79:23
bogging 108:17
borrow 71:1; 79:3
Boston 8:25; 22:24;
23:12; 41:17; 59:6; 61:2, 3;
80:20; 81:18
both 5:4; 15:25; 16:4;
22:21; 24:20; 33:2, 10;
38:11; 39:18; 40:13;
55:15; 60:7; 68:9; 104:11;
115:6
bother 66:6
bottom 103:2, 11
bought 42:14
bragged 45:19
branch 127:4
branches 49:24
break 24:7; 65:12
breeds 56:23
brief 1:24; 6:12; 59:18
briefly 2:8; 39:5; 40:4;
66:24
bright 118:1, 3
bring 42:5; 45:12; 66:13;
101:10; 123:16
bringing 129:16
broadly 37:11
broke 80:20
broken 46:1
BROTHERS 66:2; 68:3;
72:17; 73:7, 8; 74:4; 80:13,
23; 83:3; 86:3; 88:10;
89:11; 98:18; 103:4;
109:24; 110:1, 6
brought 12:6; 30:3, 7, 13;
41:21, 22; 42:1, 5; 50:25;

53:17, 19; 54:6; 58:24;
59:2; 73:25; 121:1
Buddhist 32:23; 40:13;
56:16
budding 61:17, 20
budget 79:2, 6, 7
build 35:7
Building 1:9; 7:7; 57:17;
104:5; 110:2
bulk 16:1
burning 114:21
Bush 10:17; 21:2; 22:6;
23:19, 25
Bush-Quayle 4:17; 5:5;
10:2; 33:11
business 41:24; 46:2;
84:9; 87:13, 16; 88:22;
89:15; 90:10, 11, 25;
100:19; 101:5, 9, 11, 14,
15, 16; 102:16; 103:24;
104:4, 13; 107:8; 113:16,
17
businessman 2:24;
17:18
but--some 80:10
buy 37:9; 43:1; 89:11;
119:9

C

C 63:6, 7
calculus 50:18
calibrate 34:23
California 28:7; 89:9
call 54:7; 66:9; 69:4, 5;
70:15; 75:6; 78:14;
125:23; 129:4
called 9:13; 10:9; 19:6,
13, 14; 41:8; 54:20; 75:17,
18; 77:4, 5, 6, 9; 81:24;
86:16; 92:11; 103:16;
116:17; 128:1, 9, 13, 15;
129:23
calls 122:9; 127:14
came 16:23, 25; 21:4;
24:4; 27:1; 33:7, 9; 44:18;
49:8; 52:3, 18; 72:13;
78:20; 83:20; 92:21;
108:1; 110:12; 112:6;
113:7; 116:8, 14; 120:7;
123:12
CAMPAIGN 1:2; 2:20;
4:2, 9; 5:21; 6:1, 6; 7:8;
8:21; 10:17, 18, 18; 11:8,
12; 15:9; 17:10; 21:1, 9,
23; 24:5, 8, 13; 25:7; 29:7;
30:23, 25; 31:2, 4, 7, 17,
22, 25; 32:4, 5, 6; 36:17;
37:16; 38:9, 24; 42:17, 23;
44:8; 54:9; 56:3; 57:6, 18;
58:3, 5; 61:8, 10; 69:17;
79:25; 82:12; 94:1, 2, 3;
99:18, 23, 24; 100:3;
107:4, 10; 115:21, 22, 24;
123:1, 3, 4; 124:12, 14;
125:24; 126:6, 13, 18;

127:14
campaigns 4:5, 17, 24;
5:5, 7; 8:10, 14; 9:6, 20,
23; 17:7; 20:21; 22:6, 7;
24:22, 23; 25:1, 4; 32:4;
37:12; 54:24, 25; 55:22;
56:14, 18; 57:7, 7, 9;
70:23; 94:16; 100:15, 23;
108:4; 109:17; 117:10, 11;
126:8; 128:12
can 5:18; 6:13; 7:12, 17;
8:5; 11:17; 13:22; 14:1, 3;
15:15, 17, 23; 16:20;
17:15; 24:7, 14; 25:17;
27:16; 28:10, 22, 24;
31:15; 33:25; 34:6; 36:2;
41:3; 42:9; 43:1; 44:17, 21,
21; 46:1; 47:10, 25; 48:7;
50:16; 54:21, 22; 58:7;
60:3; 69:16; 71:1, 3, 8;
72:3; 74:13; 82:12; 85:19;
99:2; 106:22; 108:2;
109:22; 112:15; 114:6;
121:3; 122:3, 12; 123:4;
124:11, 15, 17, 21; 125:15,
19; 126:9, 12, 12, 16;
127:8; 128:22; 129:6, 20
can't--I 61:19
can--you 60:22
canceled 103:21
candidate 45:1
candidates 17:11; 22:11;
45:13
capacity 23:23; 84:13
capitalism 114:9
care 56:2; 78:17
careers 115:20
careful 9:9; 48:17; 60:8
Carl 95:4
Carol 2:7; 4:10, 19; 9:1,
13; 12:4, 5; 46:22; 47:3;
48:8; 49:17; 58:19, 24;
59:2; 63:12
carried 27:8
carry 73:14
carrying 70:10
Carter 23:18
case 5:18; 7:11; 8:2, 14;
14:3; 15:15, 20; 20:25;
21:25; 24:4; 25:25; 29:9;
31:16; 32:22, 25; 33:3, 6,
8, 19; 35:5, 7, 20; 36:22;
37:16; 40:14, 14; 42:7, 17;
43:19; 44:3, 4, 6, 14, 23,
24; 45:11; 46:18, 23; 48:2,
4, 11, 14; 49:16, 19; 50:10,
11; 52:2; 53:12, 25; 56:5,
12; 60:5; 62:1; 63:25;
69:13; 78:23; 103:2;
117:16; 123:21
case--I 38:23
cases 11:2; 22:17, 20;
23:6; 24:14, 15; 29:6;
33:10; 36:1; 38:14; 39:7,
21; 41:25; 43:24; 44:2, 9;
45:25; 49:13; 51:8, 23;
52:13; 56:20; 59:6; 60:23,

24
cash 4:21; 8:25; 9:9, 18;
16:19; 26:18, 19; 27:9, 13,
20, 22; 32:9; 33:21; 51:16;
59:6, 7; 109:17
cast 128:4; 129:2
catch 59:19, 23; 60:4
category 46:22
caused 5:1, 3, 6; 6:10;
18:2, 17; 25:1, 3, 7, 8;
126:6
causing 4:2
caution 94:7
CDs 88:21
ceiling 4:6
certain 2:11; 51:4; 52:20;
63:5; 69:2, 6; 74:11; 77:4;
84:16
Certainly 2:1; 11:24;
13:10; 14:20, 21; 15:6;
17:1; 29:1, 9; 33:10; 39:16;
42:11; 50:19; 70:1; 111:9;
122:5; 129:13
certainly--the 24:2
cetera 39:23, 23
chair 21:1
Chair--to 75:12
Chairman 1:10, 13, 22,
24; 2:1, 3; 5:17; 6:12; 7:1,
4; 21:3; 25:14, 15; 26:8,
12, 16, 22, 25; 27:4, 9, 12;
28:1, 25; 29:12, 19, 22, 24;
30:2, 6, 9, 16, 20; 31:21;
32:17, 19, 20, 21; 38:18;
39:5; 40:3, 17, 21; 41:4, 6;
42:9, 11, 21; 43:3, 5, 6, 7,
8, 10, 14, 16, 19; 45:16;
48:18; 50:3, 4, 9; 51:8, 11,
14; 52:1; 54:1, 2, 3; 59:16,
17; 60:10; 61:22, 23, 24;
63:16, 17, 18, 19, 20; 64:4,
6, 8, 9; 65:1, 5, 10, 16;
66:2, 8, 10; 67:8, 14, 21,
24; 69:3, 7; 70:16; 72:5,
12, 14, 19; 75:8, 19, 19;
78:6, 10, 14, 17, 21, 24;
79:14, 21; 83:8; 84:5, 13,
24; 85:1; 90:9, 10, 11;
94:20; 95:2, 5, 6; 96:18,
20, 22; 98:5, 6, 7; 101:10;
105:3, 4, 20; 106:5, 8, 10;
108:13; 114:14; 115:9, 10;
117:20, 21; 118:8, 9, 10;
122:19; 125:8, 9; 127:22;
129:10, 11, 12, 21
Chairman's 1:25; 122:21
chairmanship 67:20;
79:4
chairs 11:12
challenge 22:18; 23:7
challenged 124:4
challenges 24:20
challenging 23:2; 79:24
champion 114:9
champion--I 114:8
change 12:1; 57:5;
121:20

changed 57:3; 59:22
changes 39:8; 57:12, 12;
91:15
characterization 128:10
characterized 72:6;
114:5
characterizing 113:24
charge 6:3; 17:19; 22:3;
25:11; 42:6; 62:25; 63:1
charged 2:25; 4:7, 11;
5:25; 13:23; 14:2; 17:10
charged--excuse 13:18
charges 2:8; 5:23; 6:8;
12:6; 17:19; 30:3, 7, 13;
36:8; 41:19, 20, 22
charging 2:14; 13:4
charitable 104:24
Charlie 35:19; 40:14;
100:9
chart 11:16, 17, 20; 12:2,
17; 21:22
charter 119:20
charts 121:15, 16
cheap 38:4
cheat 63:15, 15
check 26:20; 80:13;
86:25; 94:13; 111:2
checks 4:24; 9:4, 7;
15:10; 21:4, 5, 7; 29:10;
33:5, 21; 35:15; 46:3
chief 55:18
children 100:20
China 101:5, 19; 102:23;
103:21, 23, 24; 113:20;
115:6
Chinese 69:21; 113:22;
118:2
choice 34:23
chooses 24:6
choosing 70:3
chronological 10:1
Chung 100:9
circumstance 61:7;
116:18
citizen 17:18; 44:25;
112:21
Citizens 4:16; 10:9;
32:10; 79:25; 100:20;
113:1
citizens--what 100:21
citizenship 112:20, 22;
113:5, 24
City 14:7, 8; 15:2; 27:18;
52:8; 54:14; 60:17; 61:2
civil 22:24
claimed 6:4
claiming 120:20
clarify 72:4; 106:12
clear 2:18; 5:22; 6:3;
8:19; 28:2, 22; 34:4; 36:14;
42:22, 24; 47:16; 71:12;
83:18; 85:3; 99:15;
115:17; 116:11; 122:24
clearer 19:21

clearly 17:4, 13; 112:1
client 77:7; 97:24; 99:6
client--I 99:10
Clinton 79:25
close 43:20; 52:24; 53:5;
55:16; 65:14; 71:8; 95:21;
101:20; 106:17; 109:20;
110:15, 17
closer 57:7; 81:21
closing 110:10, 14
Cochran 1:11; 30:19, 20;
31:2, 6, 12, 20, 24; 32:2, 8,
13, 17; 42:9, 11, 12, 20;
96:21, 22; 97:9, 15, 20;
98:2, 4; 106:5, 7
coercive 53:19
cold 69:5
collar 44:9
collateral 23:7; 73:5;
88:9, 11
collateralize 71:18
colleague 63:21
colleagues 49:15;
115:19
Collins 1:11; 61:23, 24;
62:15; 63:2, 4, 11, 21
comfortable 34:20;
99:11
coming 22:13; 38:10;
41:7; 54:11; 56:6; 60:6;
66:14; 95:7; 98:17;
113:15; 117:4; 119:2
commence 14:18
comment 7:5; 24:11;
38:9; 42:13; 59:18; 60:13;
96:25; 129:12
commented 102:7
comments 2:12; 53:21;
85:4
commercial 104:20
Commission 4:2; 23:22;
25:10
committed 44:10, 12, 17;
51:6; 117:15
Committee 1:6, 8, 10;
2:18; 4:16, 16, 25; 7:20;
8:14; 10:8, 13, 14, 14;
11:12; 13:24; 19:11; 20:1;
21:1; 32:11; 37:18; 39:8,
14, 19; 45:16, 17; 46:10,
21, 24; 47:4, 7; 49:6; 50:1;
58:21; 62:7; 64:1; 66:3, 15,
17; 67:4, 19, 22, 24, 25;
69:14; 79:2, 2, 6, 7, 12, 12;
82:12, 12; 83:15, 22; 84:1;
87:1; 89:2; 91:10; 94:22;
97:14; 100:7; 109:24;
110:20, 24; 111:3, 14;
112:2, 23; 113:10; 116:24;
124:5, 14
Committee's 2:4; 13:25
Committee--that 10:10
committees 5:1, 21;
9:17; 10:2, 12; 21:18;
23:18
commonly 21:22

Commonsense 90:5;
114:11, 19
communicated 36:16
company 2:25; 4:22;
16:5; 17:19; 19:15; 86:3;
89:14
company--and 12:4
comparable 35:11, 16;
40:8, 15; 100:10
compared 11:24
comparison 32:22; 35:9
complain 34:11
completed 22:21, 21
completed--are 22:21
completely 55:3; 92:4;
102:13; 120:13
completeness 64:2
completes 63:24
compliance 10:14, 14
complicated 15:25;
44:17, 22; 45:2
compromise 49:14
conceal 62:21; 63:7
conceive 53:18
concept 79:7
concern 98:19; 109:23;
116:2
concerned 79:17; 99:2,
7, 21; 127:24
concerning 74:25;
101:16; 114:4
concerns 119:18; 128:23
concisely 8:2
concluded 20:20; 33:1;
105:2
conclusion 108:22
condominium 74:8
conduct 8:5; 30:22;
67:16; 97:1
conduit 29:17; 52:21
conduits 4:4, 8; 8:12; 9:2;
11:7; 16:1; 17:8; 26:10, 14,
16, 23; 27:14, 23; 28:3;
29:4, 11, 13, 16; 30:10;
32:10; 33:20, 23, 25; 34:4;
35:6; 50:6; 51:9; 58:23
confident 63:22
confidential 2:16
confirm 20:13, 15, 16;
31:15
conflict 116:9
confused 83:15
confusion 2:17
congratulate 53:22;
61:25
congratulated 30:11
Congress 112:5
congressional 47:7;
48:2, 19; 64:1; 117:10
Congressman 32:14;
107:17
Connecticut 39:1, 2
CONNECTION 1:2; 2:4;
35:13

connections 101:1
cons 125:18
consequence 46:14
consequences 105:9
consider 80:5
consideration 7:21
considered 104:11;
120:1, 3; 123:11
consisted 6:10
consistent 34:24; 91:12;
95:24; 104:18
conspiracies 24:16;
44:7
conspiracy 2:25; 4:12,
18; 5:3; 59:5; 60:19
constituents 102:3, 3
constitutionality 23:2
constraints 2:11
construct 48:3
consummated 71:13,
16; 75:5; 93:6; 118:15
consummation 73:14,
19
contact 80:1; 106:15
contacted 28:13; 89:4
contacts 106:13
contemplate 90:21
contemplated 73:22
content 68:24; 71:7
context 48:14; 81:13, 16;
121:21
contexts 34:10
contingent 104:16
continually 56:8
continue 41:2; 51:23;
113:1
continuing 33:16; 35:2
contours 14:14, 21
contribute 45:2
contributed 21:8, 10;
109:25; 110:20
contribution 8:17; 22:14;
31:17; 41:10; 83:16, 24;
87:14; 88:5; 98:24;
104:24; 124:18
contributions 4:2, 4, 8,
9; 5:4, 6; 6:10; 9:14, 15;
10:4; 14:10, 11; 17:14, 20;
19:22; 20:22; 21:17;
22:11; 25:23; 32:3, 10;
38:10; 41:12; 46:13;
56:14; 57:14; 79:24; 82:3;
84:2; 86:17; 109:7; 112:14
contributor 27:21; 46:5
contributors 113:2, 2
control 69:9; 127:3
controlled 6:8; 8:16, 24;
13:5; 17:1; 41:18; 122:19,
20
controls 2:24
conversation 68:20, 25;
70:12; 71:7, 11, 15; 72:3;
77:1; 95:12, 25; 100:4;
104:1, 25; 106:20; 108:8;

113:4; 128:19
conversations 74:16,
25; 91:13; 105:1; 108:9;
113:9
conversing 118:4
converted 4:21
convicted 26:1
convictions 2:5; 11:15,
21
cookie-cutter 29:20
cooperate 35:6
cooperated 30:23
cooperation 44:19; 49:3;
98:8
cooperative 49:22
copies 11:18
copy 15:1; 68:12
corporation 4:7; 5:15;
11:15; 13:15; 20:15; 27:2;
72:18, 19; 83:20; 88:25;
89:6, 8, 12; 98:21; 103:4;
119:3
corpus 23:2
corrected 125:2
correctly--fierce 114:9
could--well 81:13
couldn't 75:23, 24;
83:20; 97:11
counsel 51:19; 68:9;
72:20; 119:1
counting 28:19
country 30:1; 54:19;
89:16; 102:17; 124:23
couple 23:23; 26:3; 54:3;
91:8; 118:11; 120:25;
122:18; 123:21; 124:17;
126:2; 127:23
coupled 17:5
course 7:19; 26:16;
34:13; 35:17; 44:16; 46:6;
50:9; 51:15; 56:11; 73:3;
98:9; 104:18; 127:13
Court 2:10, 14; 9:10;
12:7, 11, 16; 13:5; 22:24;
23:11
court-granted 48:21
Courts 74:17; 83:18,
23; 86:22; 89:4; 110:11;
111:10
courts 7:11
covered 123:19
covering 54:13; 123:21
create 98:25
created 8:18, 20; 45:3;
110:2
credibility 125:22, 23
credible 50:24
credit 16:4
crime 24:17, 18; 44:12,
15, 17; 51:6
crimes 31:17
criminal 2:5; 4:12; 12:5;
14:15; 15:13; 16:6; 22:20;
29:17; 36:8; 39:8, 23;

41:25; 47:9, 13; 48:22;
50:22; 53:11; 59:13; 127:5
critical 48:10; 100:4
criticizing 79:21
crowd 61:20
cry 127:15
culpability 47:13; 50:22;
59:14
cure 126:11
curing 124:19
curiosity 60:16
curious 37:21; 52:10
current 22:16; 126:6
cute 41:15

D

d 77:21
D.C 1:7; 87:18; 89:10
Dad 115:23
data 107:22
date--and 75:7
dated 31:14; 76:5; 77:17
dates 12:17; 18:16, 19
dates--let 18:8
day 35:20; 43:13; 62:9, 9;
94:23; 98:17; 120:12;
124:2; 125:21; 127:8, 10;
129:5
days 28:16, 19; 58:8;
86:15, 20; 107:18; 118:11,
11; 120:25; 125:7; 126:1;
129:13, 14, 17
dead 85:21
deal 56:22; 96:12; 124:8,
17, 25; 125:3; 127:1
dealing 45:3; 56:8; 59:24,
25; 60:2; 79:13; 126:25
dealt 123:2; 124:3, 5;
125:1
debts 93:10
decades 69:10
deceitful 129:15
December 112:21
decide 17:12; 43:1; 45:1;
51:9; 126:7
decided 12:12; 47:11;
98:22
decision 28:6; 48:22;
50:5; 51:21, 22; 110:23
declaration 22:25; 23:3
deeper 127:20
default 78:22; 79:13
defaulted 93:4
defeating 127:14
defend 128:4
defendant 44:20
defendants 2:9; 5:10;
16:10; 22:21; 44:20
defense 49:6
defer 7:3
definitely 40:12

defraud 4:1, 13
deliberation 98:10
delighted 115:18
Democratic 32:14;
45:15; 94:3; 123:15
Democrats 45:13; 55:15;
79:22
denied 6:3
Denning 128:17
deny 20:17
Department 2:20; 29:12;
39:20; 46:9; 49:7, 11, 21;
58:23; 62:4; 63:23; 114:1
depiction 11:20
deposition 68:7, 15;
70:6; 81:9; 87:24; 89:14;
90:17; 93:23, 25; 95:9;
96:10, 15; 100:25; 101:3;
117:23; 118:16; 128:17
deposition--and 121:18
deposition--that's 81:6
derived 107:22
describe 70:12
described 13:20; 43:19;
95:25; 104:19
describing 73:3
description 102:14
deserve 51:11
design 24:16; 44:10
designated 31:14
designation 72:8; 120:6
desire 114:21
detail 128:9
details 8:4; 25:22; 52:2;
70:2; 92:21
detection 5:13
detention 5:11; 22:22
determination 12:13;
13:25; 14:19; 17:23; 34:13
determine 14:17; 17:11,
16; 41:9; 45:18, 20, 25
determined 41:16
determining 44:15
DEVELOPMENT 66:2;
68:3; 98:18; 119:3
devise 126:9
dialogue 35:2
dicey 48:10
Dick 78:16; 92:7; 115:18
did--we 111:24
difference 16:10; 32:25;
119:6
differences 80:1; 94:5;
127:23
different 8:10; 17:7;
34:10, 22; 40:5, 9, 12;
50:11; 109:9; 115:4;
121:7, 11, 12; 124:12
difficult 24:15; 34:3;
43:24; 48:5, 6; 119:9;
121:13; 122:14
difficulties 120:25; 123:9
difficulty 24:8; 43:25;
118:4

diligence 72:22; 97:1; 111:25
dinner 114:17; 118:18
dip 37:4
direct 28:2; 62:16; 68:14; 70:9; 76:3; 81:5; 113:2
direction 14:22
directly 20:9; 63:8; 99:23; 108:13
director 23:24; 24:3
disagree 40:6; 41:1
disappointed 77:22; 79:9
disclose 20:8; 21:25
disclosed 5:20; 43:11, 15; 112:24
disclosing 2:16
disclosure 46:4, 11
discomfort 111:21
discounted 115:6
discovered 54:12; 55:6; 62:20
discovers 61:11
discuss 91:17, 20; 101:13
discussed 72:5; 89:21; 104:12; 105:3, 4; 107:21
discussion 33:17; 71:19; 77:8; 85:22; 90:3; 101:16; 103:17; 108:12; 109:13
discussions 16:7; 71:16; 85:23; 103:20; 104:10, 22
disguised 5:6; 56:14
dismissed 109:3
disposal 46:3
dispute 28:9; 83:4; 117:9
distribute 109:20
distributed 9:2; 13:14; 16:19
distribution 9:4; 13:19
District 1:15; 2:2; 12:10
divided 80:17
division 119:16
do-and 84:4
document 2:14; 13:4; 97:7
documents 14:23
Dole 4:17; 5:5; 6:1, 5; 10:12, 13, 14, 18; 11:8, 12; 15:9; 21:1, 2; 22:6; 30:23; 31:2, 4, 6; 33:11; 36:17, 17; 42:16, 23; 61:11, 14; 79:21, 23; 126:18
Dole's 24:5
doled 27:12
dollar 116:8; 117:10
dollars 21:16; 62:10; 71:2, 2, 3; 76:23; 95:20; 116:3, 4, 6, 7, 8, 20; 122:3, 3, 12, 12; 126:7, 21
domestic 13:15
Donald 1:14; 2:1
donation 59:21, 23
done 10:21; 21:24; 24:13;

25:25; 29:25; 38:3, 14, 15; 39:6; 54:23; 57:1; 77:14; 91:21; 107:11; 108:18; 111:25; 115:23; 124:22
donor 9:18, 20; 22:1; 54:11
donors 8:13; 9:18, 19; 52:6, 21; 59:8; 60:25, 25
door 61:1
doors 102:10
double-counting 11:9
doubt 125:12
down 16:24; 18:11; 50:20; 55:8; 62:10; 74:18; 80:18; 89:5; 108:18
drag 120:2
dramatically 115:7
draw 49:9; 50:12; 61:7
drawn 88:2
drive 127:19
driving 45:14
drove 16:8
dual 112:20
due 13:2; 17:15; 19:25; 34:13; 72:22; 97:1; 111:24
Durbin 1:12; 43:6, 7, 11, 15, 17; 44:23; 45:6; 47:16, 21, 24; 48:24; 49:5; 58:18; 106:8, 10, 19, 22; 107:1, 8, 20; 108:1, 8, 14, 17, 23; 109:1, 14; 110:5, 15, 17, 22; 111:6; 112:1, 9, 12, 15; 113:7, 9, 12, 23; 114:3, 21; 115:1, 14; 116:4
During 4:18; 13:9; 18:24; 19:4; 31:18; 74:16; 88:16, 20; 104:9
duty 108:21
dying 115:5

E

each 9:23; 14:17; 21:20; 44:3, 4; 54:6; 127:19; 129:7
earlier 8:19; 16:22; 21:2; 33:17; 35:3; 57:15; 74:16, 21; 77:3; 84:1; 96:1; 109:23
early 12:6, 11; 16:4, 6; 85:24; 86:15
earned 12:25
earning 88:12
earnings 89:16
easy 117:24, 25
effect 42:15; 53:19; 73:18; 97:1; 119:19
effort 75:3; 76:12; 84:11; 98:11, 13; 99:6, 19; 110:6; 114:24
efforts 45:17; 125:23; 126:20
ego 102:6
either 9:10, 20; 13:5; 16:2; 33:11; 36:16; 48:20;

53:3; 57:5; 73:21; 91:20; 105:15; 117:19
elaborate 16:16, 20; 45:11; 107:1, 13; 109:22
ELECTION 1:2; 4:2; 23:3; 25:10; 38:13; 39:9; 78:9, 9; 82:11; 83:21, 22; 107:5, 17; 108:19, 24; 109:16; 111:3, 7; 123:25
elections 76:17; 95:17
elements 110:19
elements-foreign 56:13
eliminate 11:9
else 16:7; 59:24; 79:6; 85:5; 102:22; 106:6; 113:9; 114:25; 123:7; 127:16
embarrassed 99:8
embezzled 38:24
emphasize 36:10
emphasized 119:8
employee 67:3
employees 4:22; 9:12; 14:11; 15:9; 16:19; 52:18; 53:4, 17; 119:16
employer's 53:20
employment 31:3
encourage 49:3
end 7:21; 12:10; 22:23; 57:19; 107:10; 124:2, 22; 125:1; 127:8, 10; 129:5
enforce 56:2; 58:1
enforcement 24:20; 34:9; 124:6, 6, 7
engaged 8:6; 67:1
English 117:24; 118:5
enormous 38:10; 100:14
enough 49:8; 55:13
ensure 92:4
entered 5:9; 109:12
enterprising 54:13; 60:15, 17
enthused 114:12
entire 78:14
entities 17:21
entity 18:2, 12; 74:5; 84:22
equal 64:2
equate 126:18
especially 27:20
essentially 8:10; 23:1; 48:21; 53:17; 59:7; 63:14; 126:1
establish 16:1
established 22:10; 62:18; 63:1
estate 54:20; 62:19; 89:11
et 39:23, 23
ethical 72:23; 84:12; 92:13
evaluate 58:2
eve 38:25; 39:2
even 20:24, 25; 21:24;

37:23; 40:23; 43:2; 45:13; 46:5; 51:14; 59:9; 60:8; 75:13; 84:14; 93:5; 111:6, 23; 116:16; 119:2; 120:5, 20; 123:7; 124:13; 127:20
event 20:3; 78:25; 91:22
eventual 99:21
eventually 41:16
every 48:11; 50:11; 115:24; 125:12, 15, 21
everybody 27:10, 12; 57:23; 97:20; 126:19; 129:15
everything 125:14, 16, 21, 25; 129:3
evidence 5:20; 6:4; 33:23; 34:1; 36:15; 41:11, 25; 42:4, 16; 55:6; 71:12; 74:21; 80:12; 84:1
evil 37:19
exactly 35:11; 37:14; 40:15; 91:5; 93:19; 129:23
exaggerated 109:7
examined 60:12
example 2:13; 59:11; 90:25
examples 7:10; 55:16
exceeded 21:23
exceeding 22:3
except 115:24
exception 43:22; 74:15
excess 4:5; 32:3; 69:16; 76:19; 95:18
Excuse 42:21
excused 64:9
executed 7:13; 91:6; 97:7
executive 127:3
exhibit 11:14, 16; 14:24; 19:10; 27:15, 17; 31:15; 52:12; 62:12; 76:6; 77:13; 91:4
existed 17:6
existence 86:11
existing 55:25; 57:25; 74:4
expand 101:1, 25; 127:18
expect 38:9; 105:13
expectation 87:25; 88:1, 7
expected 88:19
expeditious 62:1
expenditures 57:14; 63:6
expense 99:5
expenses 69:20
experience 44:2; 61:19; 62:7; 124:21
expert 46:19
explain 78:5
explained 75:24
explicit 2:11
explore 43:23
exponential 123:24
Export-Import 23:25

exposed 61:10
express 66:10
expressed 106:23
expresses 66:5
expressing 107:10
extended 8:8, 22; 59:15
extent 13:24; 98:25; 123:20
extra 99:19
extraordinary 45:23
exuberance 44:25

F

face 32:24; 53:19; 102:7, 15
faced 47:9
facilitate 76:18; 95:18; 101:5; 103:24
fact 8:13, 15; 9:18; 14:17; 17:5; 21:4, 21; 35:25; 40:6; 42:16; 45:2, 10; 46:2; 47:25; 50:22; 56:6; 61:8; 69:4; 75:21; 84:15; 91:19; 92:6; 97:5; 104:19; 110:9; 112:20; 113:5, 12; 116:7, 16; 121:4; 125:18
factors 58:24; 59:2
facts 19:19; 20:4; 29:21; 30:24; 34:25; 40:7, 9; 44:3; 48:13; 91:23; 129:8
factual 41:22; 50:13
factually 41:1
fair 24:23; 42:2; 55:13; 76:11; 99:4; 101:17; 108:5
fairly 15:15; 25:23; 43:20, 21; 44:19; 115:23
fairness 85:7; 128:13, 16
falls 46:21
false 5:1, 7; 9:16; 25:2, 3, 3, 9; 56:15
families 15:9
family 14:11; 59:13; 100:12
family-or 100:12
far 8:20; 58:9; 91:23; 102:20
fascination 119:14
fashion 49:22; 129:24
fastest 123:23
father's 115:22
fear 35:7; 37:14
fearful 61:9
FEC 4:13; 5:1, 7; 8:13; 9:17; 14:22, 23; 56:15; 57:12
FEDERAL 1:2, 4; 2; 12:10; 22:2, 24; 23:1, 3, 11, 15; 25:8, 10; 32:4; 48:20; 53:11; 111:9
fee 19:15, 16
feel 7:23; 99:11; 108:23; 126:15
feeling 35:4, 4

feelings 47:2; 80:10; 85:2
feels 102:6
Feingold 58:7
fellow 69:21; 118:2
felt 49:6, 11, 12; 69:8;
85:8, 10; 91:14; 100:1;
105:7; 119:16, 21
ferret 57:8
few 56:11; 74:16; 86:2;
93:1; 116:25; 125:10;
127:17
fiction 119:13; 120:23
fictitious 119:25
field 39:25
fierce 114:8
fifth 27:19
figure 81:19
figures 10:16
file 5:1; 22:25; 25:2, 9
filed 2:8; 5:7; 12:7; 22:23;
25:2; 56:14
files 23:10
filing 23:1; 25:6, 6
filings 8:13; 9:10, 17;
54:10
filings-in 2:14
filled 129:14, 17
final 23:6; 38:13
finally 6:7; 24:9
finance 2:21; 7:8; 11:12;
21:1; 24:14; 29:7; 44:8;
56:3; 57:18; 58:3, 6; 123:1,
3; 124:12; 125:24; 126:6,
13; 127:14
financial 62:21; 105:8
find 28:20, 21; 36:15;
42:16; 44:16; 50:23;
56:17, 19; 70:21; 117:23;
122:14; 125:14; 129:8
find-and 36:14
fine 55:19; 105:12
fined 5:12, 14, 15; 123:7
Fireman 2:6, 23; 4:12, 14,
18; 5:3, 6, 10, 25; 6:2, 5, 8;
8:5, 16, 24; 9:1, 7, 20;
10:24; 11:11; 12:3; 13:6, 8,
10; 16:4, 15, 16; 17:1, 9,
17, 20; 18:2, 16; 19:17;
20:25; 22:23; 23:9; 24:25;
25:19; 26:18; 27:1; 31:8;
32:9; 33:2, 22; 35:18;
36:20, 23; 37:16, 19; 38:1;
41:17, 18; 45:4, 11; 46:22;
47:14; 53:3, 6; 62:17; 63:6,
7, 14; 123:20; 126:4, 5, 6,
23
Fireman's 4:10, 22; 8:11;
13:6; 16:8; 23:14; 36:2, 4;
42:25
first 1:14; 2:12; 5:20; 8:8;
14:6; 15:4, 19; 24:4; 25:20;
30:12; 37:9; 42:13; 44:1,
14, 15; 45:7; 55:1; 56:21;
61:25; 62:20, 22; 68:14;
69:10; 72:22; 73:23; 75:2;
76:8; 77:4, 5, 6, 16, 20;

95:7; 99:14; 103:3, 14,
114:7; 116:7, 18; 120:14;
121:6; 126:4, 15; 127:13
fit 7:16; 77:22
fits 55:21
five 19:1, 2; 38:17; 43:13;
49:13; 118:11; 121:7, 11
flesh 8:3
flew 91:10
Florida 62:19; 72:18;
74:5, 19; 82:11; 83:23, 23;
89:5, 10; 103:4; 111:12
Floridian 111:11
flush 109:11
flushing 109:4
fly 62:10
focus 127:12
focused 37:18; 39:13
folks 39:20; 83:24
follow 60:4; 81:14;
108:14; 117:24
follow-up 108:9
following 30:13
follows 6:14
force 2:20
foreign 7:9, 10, 15; 13:21;
17:10, 11, 12, 20; 19:6, 13,
21; 20:14; 41:9, 12; 45:9;
56:6, 25; 89:1; 98:21;
111:6; 119:15; 121:1, 1;
123:3, 10, 12, 14, 17
forever 126:19
forgave 84:8
forget 47:25; 121:11
forgive 75:3, 10, 20; 76:2;
84:9
forgiven 80:4
forgiveness 73:21;
74:25; 103:15, 16, 19;
104:10, 13, 14, 15; 118:20
forgiveness-
forgiveness 105:7
forgoing 50:15
formal 12:16
formed 18:3, 9, 12
former 45:16; 66:2
forms 46:11; 110:22
forth 14:9; 128:22, 23
forthcoming 49:21;
98:16
forum 69:15, 18, 19;
70:22, 24; 71:1, 2; 76:23;
79:1; 84:15, 19; 93:8; 94:4;
95:19; 107:4; 108:3;
109:19; 114:17, 24;
115:11; 116:19, 24, 25;
122:3, 12; 123:2
forum-that 78:20
forward 107:15; 128:25
found 30:12; 44:2; 79:5
foundation 96:12
four 8:10; 9:23; 10:16;
17:7; 18:25; 19:1; 38:17;
54:24, 25; 55:21; 56:10, 24

fourth 54:20
frankly 41:19; 44:8;
69:11; 75:12; 79:10, 20;
127:17
Fred 1:9; 69:4; 75:7;
76:18; 95:17; 96:6, 10;
108:12
free 61:21; 71:1, 3; 99:17;
100:1, 2, 4; 108:2; 122:3,
12
freeing 99:24; 109:18
frequent 18:20
FRIDAY 1:4; 128:2
friend 55:17; 63:21
friends 55:16
front 70:7; 76:6
fruitless 50:11
frustration 49:6
full 12:14; 48:14
fully 88:8, 19; 113:12
functioning 25:10
Fund 82:11; 83:21, 22;
111:3, 5; 116:9
fund-raiser 37:2, 2
fund-raising 31:21;
38:18; 55:18
funding 72:9
Funds 4:21; 6:8; 8:25;
10:5; 17:10, 11, 12, 17, 24;
18:17; 19:21; 24:19; 33:6;
38:24; 45:6, 18; 46:6;
71:20; 73:1; 78:9; 84:14;
103:3; 111:4; 116:14;
118:24; 128:20
funnel 6:1
funneled 4:15; 8:11
funneling 89:1
funneling 32:9
further 5:7; 56:14; 63:17;
64:4; 70:3; 84:25; 93:5
future 36:11, 24; 47:8;
125:3
fuzzy 19:1; 23:20

G

gain 35:23; 69:9
Gainsay 49:15
Gandhi-and 100:10
garden-variety 44:24
gave 27:20; 35:10, 20;
38:12; 40:14; 82:18;
111:17, 22; 116:24;
119:23
gee 111:15
general 14:14; 15:17;
24:21; 28:11, 17; 29:15,
16; 39:11, 15; 44:10;
49:11; 50:14; 51:18;
57:22, 24; 102:11; 106:1;
119:1
General's 51:21
generally 34:7; 35:21;
39:20; 48:9; 93:12

generate 90:10
generous 104:17
genesis 52:4
Georgetown 74:8; 98:24
gesture 105:8
gets 61:16
gift 80:4; 82:10, 19, 20;
104:17
give-at 80:21
given 26:18, 19; 28:18;
37:20; 38:5, 8; 48:4; 52:15;
79:14; 80:24; 111:13;
112:6; 118:12
gives 48:21; 125:22
giving 17:11; 36:4;
125:12
glad 28:14; 70:2
Glenn 1:12; 7:3, 4; 28:10;
54:2, 3, 17; 55:3, 7, 12;
60:13, 20; 65:4; 66:9, 10,
17, 21; 84:24; 95:3, 4;
105:10; 118:8, 9; 125:9;
127:7; 128:6; 129:10, 11,
12, 21
Globe 61:2; 81:18
goal 5:25; 36:9, 16, 16;
69:11
goals 97:2
God 1:20; 65:8
goes 44:11; 103:1; 122:1
good 9:24; 30:14, 16;
45:21; 66:22; 85:13;
90:19; 102:9, 10, 15, 16;
104:5; 107:23; 111:11;
112:14; 124:13, 14;
126:15
Government 6:2; 23:14,
15; 36:24; 41:11; 49:25;
63:15; 101:11, 19; 124:8;
126:24, 25; 127:1, 2, 6
Governmental 1:6
Governor 32:6
grabs 28:8
grand 2:16; 20:7, 12, 17;
34:20; 63:9
grant 47:11
grant-the 48:12
granted 43:12; 47:22;
49:17, 18; 50:23; 58:21
granting 47:7; 48:13;
49:13
grave 105:8
Grayland 19:14, 15, 20
great 119:22; 124:22;
127:22
greedy 38:4
Grisham 61:6
growing 123:24
grows 37:12
growth 123:24
guarantee 34:4; 71:18,
24; 72:7; 84:19; 86:1;
87:12, 17; 88:1; 89:23;
92:2, 19, 21; 93:15; 96:25;
97:3, 6, 9, 13; 99:20;

106:12, 24; 107:15; 108:2;
109:18; 116:21; 117:4
guaranteed 71:13
guess 12:2; 15:23; 35:4,
5; 39:18; 41:14; 54:20;
68:21; 77:5, 5, 11; 82:2;
99:3; 122:8, 9
guideline 29:13
guilty 2:9; 5:10; 12:3, 5;
16:12; 44:21; 53:6, 9;
59:14
guy 79:14; 97:18

H

habeas 23:1
had-these 85:23
hadn't 90:22
Haig 31:24; 32:5
Haley 68:20; 70:15; 72:2;
76:4; 77:4, 9; 83:8; 97:13;
101:14; 102:19; 103:5;
116:2, 6, 17; 126:22; 128:1
half 80:17; 85:9
hand 1:17; 50:15, 17;
65:6
handed 59:7
handled 27:9; 53:25;
71:22; 72:17, 21; 93:15
hang 102:5
happen 26:2
happened 7:12; 15:22;
28:14; 33:22; 56:5; 83:16;
93:4, 19; 123:20
happening 8:11
happens 7:10; 127:3
happy 6:13; 39:11
hard 21:12, 16; 59:19;
70:22; 71:2, 3; 76:22, 23;
78:17; 80:10; 95:19, 20;
108:22; 116:3; 122:3, 12
Hart 1:9
hasn't 59:20
hate 124:25
haven't 39:12; 47:9;
75:13; 77:22
hawk 54:9
he-that 63:1
head 18:11
heads-up 75:18
hear 70:2; 73:23
heard 78:10; 84:1; 86:19;
89:20; 107:9; 112:18;
116:23
heard-and 78:19
hearing 12:9; 16:8;
18:25; 36:22; 45:8; 46:14;
58:17; 129:22
hearings 5:24; 9:11;
37:18; 129:13
heart 24:18
heels 14:16
held 13:11; 97:10

hell 82:3
help 1:20; 7:18; 39:24;
50:16; 60:12; 61:13; 65:8;
76:18, 24; 93:18; 94:13;
95:17, 20; 99:2; 114:6
helped 106:3
helpful 35:18; 46:10;
47:6; 50:20; 75:25; 76:2;
102:25; 103:18
helpful-and 72:10
helping 8:1; 35:6
helps 44:20
Herald 61:3
here-and 49:6
here-that 99:17
here-what 28:13
herself 59:8, 11
hey 112:4; 113:18
hidden 54:21
high 101:18, 20
himself 38:5, 7; 53:4;
70:16; 89:14; 105:20;
128:4
hindsight 41:20
his-it 27:4
historic 60:16
history 8:2; 22:19; 37:9;
76:12
hold 78:15
home 5:11, 13; 22:22;
113:17
Hon 1:9
honest 48:12; 105:18
honestly 92:18
Hong 4:20; 8:18, 23;
12:22; 13:13, 19; 16:18;
17:1; 18:3, 4, 9, 12, 17;
33:9; 38:6; 41:17; 45:3;
62:18, 21; 69:21; 73:7;
74:20; 75:8, 15; 86:24;
91:1; 98:17, 18, 23; 103:4,
14; 110:6, 7, 9, 9, 18;
111:15, 16, 19; 118:14, 17,
19, 21, 22; 119:2; 121:7, 9;
128:19
honorable 79:14; 83:9;
84:3, 6
honorary 23:17
hope 7:8; 20:9; 36:5;
43:21, 21; 46:14; 56:3, 10;
57:16; 124:2, 10; 125:10;
126:16; 128:25
hopefully 127:7; 129:6
hoping 19:25; 47:18;
58:7; 124:15
horse 85:21
House 69:9, 13; 70:19;
76:24; 95:21; 108:5;
121:24; 122:11
Hsi 32:23; 33:6, 14; 35:12
Hsia 35:13
Huang 35:13
hundred 90:12
hundreds 112:5

hurrying 109:5

I

I-in 91:19
I-you'd 52:19
I.e 83:3
idea 56:20; 113:21;
114:11, 19
identified 70:16
identify 50:13; 52:13
identity 46:4
idioms 118:2
if-at 39:13
if-I 74:10
ILLEGAL 1:1; 4:9; 5:4,
22; 10:3; 17:13; 19:22;
20:8, 22; 21:5; 22:13;
27:20; 28:4; 30:22; 41:9,
11; 51:15; 53:7; 54:23;
56:1; 61:12; 82:21; 89:1;
112:14; 123:11; 126:20;
illegalities 56:22, 23;
124:3, 4, 8; 125:3
illegalities-and 124:24
illegality 24:9; 99:16;
112:12
illegally 21:24; 32:3;
45:9; 111:23
ills 124:19; 126:11
illustrate 113:25
imagination 53:18
immunities 28:18
immunity 33:17; 34:17;
35:3, 10, 20; 40:7, 15, 23;
43:12; 46:16, 24; 47:3, 8,
11, 22; 48:2, 4, 13, 17, 19,
20, 21; 49:2, 13, 16, 16,
18; 50:23; 58:21
immunity-I 48:25
immunity-type 50:12
immunized 46:21
impact 47:2, 8; 48:19
impair 25:9
impede 25:9
impeding 4:1
implement 8:6
implemented 8:7
implicit 35:5
imply 42:22
Import-Export 23:22;
24:2
importance 54:18;
106:23; 113:21
important 33:16; 34:14;
39:24; 48:10, 15; 55:25;
57:20; 105:21, 23; 115:3
imposed 2:9
impression 101:9
IMPROPER 1:1; 20:8;
59:21
improperly 45:9
improprieties 25:12

In-in 63:1
inadvertently 59:20 #
Inc 2:7
Incidentally 67:18
included 16:18; 31:20;
32:4
including 14:11
income 38:8
inconsistencies 121:5;
123:7, 8; 125:5, 17; 128:7
Inconsistency 121:13;
122:7, 13
Incorporated 74:5
increase 102:17
incredible 53:2
Incredulous 52:24
incumbent 60:7
indebtedness 104:15
Indeed 75:20
independent 51:19;
110:12
indicated 16:5; 20:19;
77:3; 78:21; 98:15; 104:11
indicates 93:7; 122:25
indication 26:2
indications 36:19
indictment 18:2, 5, 8, 9;
21:21; 24:24; 26:5, 9
indictment-do 26:5
indirect 99:22, 22
indispensable 59:5
individual 4:5; 5:4; 6:11;
11:7, 7; 15:10; 22:11;
47:13; 50:10; 51:24;
53:16; 59:25; 98:21;
126:22
individualized 29:4
individually 29:21
individuals 4:23; 10:23;
11:4, 15; 21:8, 20; 26:17;
32:9; 43:12; 52:20; 58:20
Indonesia 79:22
Indonesian 79:25; 94:2
Industries 2:7, 24
inference 125:15
influence 35:24; 123:10
information 2:13, 22;
7:7; 11:1; 20:6, 12, 18, 20;
25:6; 30:21; 49:8, 12, 20,
24; 53:13; 57:17; 58:11;
62:5; 63:9, 13; 70:4;
107:21
informed 103:17
ingratiate 114:24
initial 106:14; 108:8, 11
initially 14:21; 16:25;
17:2; 23:18; 89:4
innocent 55:3
inquire 46:5
inquiry 41:8; 99:14;
127:13
insidious 54:22; 55:13
insist 51:3

Installments 117:1
instance 14:15; 21:9;
76:20; 98:20; 116:7
instances 22:9; 59:10
instead 61:14; 128:2
Integrity 63:23; 127:5
intend 2:12; 88:4
intended 21:16; 23:6;
24:16; 44:10; 84:9; 89:15
intent 122:6
intention 42:23; 55:23
intentionally 53:11
Interest 88:12, 16, 20;
91:2, 3; 113:19; 114:5
interested 122:25
interested-hope 36:24
interesting 25:22; 26:4;
32:22; 100:13, 24; 102:24
interests 100:19
interjects 82:25
Internal 57:9
Interview 19:11, 12; 20:5;
63:12
interviewed 34:3
interviews 34:21
into 4:21; 5:9; 7:10, 16;
8:5; 9:13; 10:16; 20:2, 12;
37:4; 44:11; 45:9; 46:22;
49:9; 53:19; 54:14; 56:11,
24; 76:16; 85:14; 89:1;
92:12; 96:9; 99:18; 108:3;
109:12, 16; 110:6; 116:8,
22; 117:6; 120:25; 121:1,
2; 123:4, 12, 17, 18, 18,
23, 25; 124:11; 126:7;
128:12
Intrigued 100:7
intrigues 37:15
introduction 116:19
invest 89:5
invested 110:5
investigate 24:15; 43:25
investigated 31:9
investigating 30:22;
37:11; 44:14; 46:15; 63:25
INVESTIGATION 1:1;
2:19; 5:8, 21; 14:16, 18;
15:13, 22; 19:8; 25:21;
29:8; 30:24; 33:3; 34:24;
47:4; 60:2; 98:8
Investigations 17:3
investment 104:19
involve 104:23
involved 6:7; 8:10; 9:5;
12:21; 17:6, 7; 41:10;
52:23; 54:25; 86:20, 22;
87:2
involvement 2:19; 45:9;
58:19; 106:19
involving 30:9
ironically 127:14
IRS 120:2, 7, 15
is-and 90:11
is-I'm 91:5

is-you 11:5; 58:22
issue 17:13; 20:2;
110:23; 112:15; 115:17;
128:12
issue-that 84:6
issued 25:20
issues 17:2; 29:2; 126:3
it'll 79:3
It-I 111:1; 121:10
item 55:14
itself 52:11

J

jail 123:6
January 67:13, 13
job 51:19, 20, 21, 23;
57:1; 104:6; 127:22
Joe 4:16; 10:8, 9, 17;
32:10, 13; 33:11; 36:21
John 35:13; 61:6
Johnny 100:9
join 46:23; 83:19; 127:7
joining 106:11
Joseph 22:7
Journey 103:14
judge 5:10; 12:10, 12
judgment 14:1; 29:9;
34:17; 47:13; 48:18, 23
judgment-and 59:14
judgmental 100:11
Judgments 29:3, 4, 5, 20;
48:9, 10, 10, 11
JULY 1:4; 2:23; 5:23;
12:6, 10, 10, 11, 15; 16:13;
28:11; 30:4, 13; 70:14;
106:16
June 68:5, 6; 81:10
jurisdiction 38:15
jury 2:16; 20:7, 12, 18;
34:20; 50:21, 21, 22; 51:5,
6; 63:10
Just-I 47:9
Justice 2:20; 25:25;
29:12; 39:20; 46:9; 49:7,
12, 21; 51:1; 58:23; 62:4;
63:23
justify 104:14, 17;
121:17; 129:2

K

K 1:14; 2:1
Kansas 14:7, 8; 15:1;
27:18; 52:8; 54:14; 60:17;
61:2, 14
keep 16:17; 57:20
Kennedy 4:16; 10:8, 10,
17; 21:3; 22:7; 32:11, 13;
33:12
Keshi 35:19
keyed 36:12
kind 24:9; 27:21; 28:8;

29:5; 44:14; 55:10; 58:3;
59:21; 82:13; 85:25;
89:21; 102:2, 22; 104:17,
24; 121:13
knew 21:4; 27:20; 28:4;
33:12; 51:15; 54:25; 69:3;
96:11; 111:15; 122:8, 9
knocked 61:1
knowing 53:7
knowingly 53:10
knowledge 28:2; 55:20;
74:5; 117:5; 118:24
known 6:5; 16:2; 18:2;
25:19; 79:13; 126:19
knows 92:10
Kong 4:20; 8:18, 23;
12:22; 13:13, 19; 16:18;
17:1; 18:3, 4, 9, 13, 17;
33:9; 38:6; 41:17; 45:3;
62:18, 21; 69:21; 73:7;
74:20; 75:8, 15; 86:24;
91:1; 98:18, 18, 23; 103:4,
14; 110:6, 7, 9, 18; 111:15,
16, 19; 118:14, 17, 19, 21,
22; 119:2; 121:7, 9; 128:19
Kong—from 110:9

L

lack 119:12
Lai 32:23; 33:6, 14; 35:13
language 25:8
large 9:8; 36:5; 37:20;
60:6; 104:14
larger 29:2; 38:11
last 15:4; 31:18; 62:17;
85:6; 86:20; 114:14;
115:25; 118:10, 11;
120:25; 121:7; 122:2, 18;
123:2, 24; 124:3; 125:6;
126:1
later 72:7; 106:24;
107:12; 120:8
laundry 126:7
laundered 33:15
laundering 43:21, 22;
44:24
law 18:13; 22:2; 23:3;
24:7, 20; 34:9; 35:24;
38:13; 39:23; 45:25;
53:11; 55:25; 56:2; 67:16;
92:10, 14, 15; 111:8, 9;
118:22; 119:20; 124:6, 6,
7, 9, 14
lawful 25:10
laws 39:9; 57:4, 25; 84:22
lawyer 16:8
lawyers 92:20, 24, 25
laying 97:22
lays 8:2
lead 7:8; 55:7; 102:16
leadership 101:12
league 61:18
learned 20:7; 31:8; 125:6
least 9:11; 12:19; 17:2;

28:3; 33:4; 35:5, 10; 39:
10, 16; 44:19; 45:2; 46:12;
58:20; 59:10; 73:10;
100:20; 115:3, 13; 123:5
leave 13:23; 63:21; 79:4;
81:15
leaves 122:7
left 77:21
legal 2:15; 14:1; 19:25;
21:8, 10, 16; 45:18; 72:20,
23, 25; 74:5; 84:12; 87:4;
92:4, 12; 97:3; 98:12, 14,
20; 99:1; 123:11
legality 45:20; 99:20
legally 37:17, 20; 38:4, 7;
82:19, 20
legislating 46:15
legislation 126:10
legitimate 82:10
lengths 16:16, 20
lest 115:21
letter 28:12; 48:20; 76:4,
5, 11, 15; 77:17, 23; 78:1,
3, 6, 13, 25; 90:6, 15, 19,
20; 92:14; 94:10; 95:14,
16, 23, 24; 97:22; 101:3, 7;
103:1, 2, 8; 104:7; 119:23
letter—this 77:17
letters 79:19
level 57:6, 6; 58:19
Levin 1:12; 7:6, 22, 24;
9:3, 22; 10:16, 23; 11:11,
14; 12:18, 21, 24; 13:13,
17; 14:3, 9, 24; 15:8, 13;
16:13; 17:9, 22; 18:1, 7,
12, 15, 23; 19:3, 5, 9; 20:2,
11, 19, 24; 21:7, 12, 15;
22:5, 9, 16; 23:13, 24;
24:4, 22, 24; 25:11, 14;
27:15; 95:5, 6, 11; 96:4,
15, 18; 117:21, 22; 118:5,
7
Lieberman 1:12; 32:19,
20; 34:2, 8, 18; 35:1;
36:18, 25; 37:3, 6, 8, 25;
38:20, 23; 39:2, 17; 40:3,
4, 12, 20; 41:2; 42:12, 21;
46:9, 20, 25; 63:18, 19, 20;
98:6, 7; 99:12; 100:5;
101:25; 102:8, 13, 24;
103:8, 11, 13; 104:4, 8;
105:6, 11, 16, 22, 24;
106:2
lies 43:25
life 48:5
lifetime 69:12
light 24:4; 115:4
lights 125:22
like—if 50:21
liked 114:19
likely 35:6
limit 4:5; 21:23; 22:4
limits 22:10
line 55:8; 68:17; 70:10;
81:17
lines 55:23

lingo 21:13
Lippo 100:11
list 11:7; 26:10; 54:11;
128:9
listening 87:24, 25
litigation 22:17
little 9:3; 19:1; 22:20;
23:20; 66:12; 77:21; 78:5;
80:14; 83:24; 99:9; 102:6;
109:22; 112:7; 115:4, 12
little—a 99:9
live 67:17; 91:11; 100:17
lived 83:23
loan 71:12, 15, 18, 24;
72:5, 6, 6, 7, 8, 23; 73:15,
19, 21; 75:1, 4, 4, 10, 20,
76:2, 19; 78:11, 12, 16, 18,
25; 79:3, 8, 11; 80:3, 16;
82:21; 84:17, 18; 85:22,
25; 86:1; 87:12, 17, 21;
88:1, 8, 17, 20, 21; 89:23;
92:2, 19, 19; 93:3, 6, 15;
95:18; 96:25; 97:3, 6, 11,
17, 23, 24; 98:2, 11; 99:5,
17; 103:13, 15; 105:17;
106:12, 23; 107:15; 108:2;
109:18; 116:21; 117:4;
118:15
loaned 69:15; 70:22
loaning 69:23
local 57:6; 61:3
long 65:13; 88:13; 92:9;
107:8, 9; 115:25
look 11:6, 17; 70:4; 77:13;
79:11; 81:6; 92:12; 94:6, 7;
102:16; 105:23; 111:11;
122:17, 22, 23; 123:17, 18,
18; 127:8
looked 89:9; 91:22;
92:25; 108:17; 111:14;
125:24; 126:1, 4; 127:15
looking 7:10; 56:23; 89:8;
92:14; 102:10; 104:5;
120:24; 124:24
looks 102:9; 108:4
lose 73:1; 105:15
losing 88:12
loss 97:11
lost 80:23; 81:20
lot 7:12; 44:20; 56:1;
61:13; 84:10; 92:10, 23;
100:7; 102:3; 107:9;
120:19
lousy 37:1, 2
Ltd 18:10; 62:18
Ltd!...to 18:3
luncheon 114:16

M

mad 90:20
made—he 42:13
Madigan 85:12, 13, 18;
86:2, 6, 9, 11, 14, 19; 87:3,
6, 8, 11, 16, 21, 23; 88:4, 7,

15, 19, 24; 89:19; 90:1,
6, 14, 24; 91:4, 17, 21;
92:2, 23; 93:10, 17, 22;
94:12, 16, 19
mainly 45:13
major 7:18; 74:6, 6;
119:24; 127:12
majority 25:20; 46:23;
68:9; 69:13; 126:3
makes 16:10; 52:21;
124:9; 125:20; 128:6
making 4:4, 7, 9; 32:3;
88:16; 89:23; 99:5
mall 74:18; 89:5; 110:2
man 37:19; 55:19; 99:6;
118:1, 3
manager 14:12
manifest 49:25
many 9:5; 10:23; 17:7, 8;
18:7, 19; 21:4; 38:14;
45:19, 24; 49:7; 50:12;
53:2; 55:17; 70:19;
108:11; 112:13, 18, 19;
121:24
Maria 35:13
marked 91:4
Massachusetts 1:16;
2:2, 6, 23, 25; 9:12; 29:3;
31:17; 32:14; 60:18; 61:8,
10, 15
massive 126:19
material 2:16; 36:3
math 10:21
matter 2:22; 23:11;
41:22; 46:5; 80:9; 92:6;
97:5; 107:2; 110:8;
116:16; 125:13, 18; 127:3
matters 127:4, 10
may 7:23; 21:21; 22:23;
28:2; 34:2; 35:8; 38:1;
39:5, 21, 24; 43:8; 44:11;
47:17; 50:21, 22, 23; 59:9,
11; 60:22; 75:18; 90:7;
103:2; 104:21; 108:4;
112:9; 122:23; 123:14;
129:19
maybe 26:14; 41:21;
46:8, 10; 52:23; 53:4;
57:17; 90:22; 100:18;
111:8; 114:6; 115:14;
124:13
maybe—I 59:9
McCain 58:6
McCain-Faingold
124:15; 126:14, 14
me—whether 13:18
me—you 70:6
mean 23:17; 35:1; 40:18;
41:15; 42:22; 44:3; 52:5;
53:4; 66:12, 15; 82:17;
90:12, 19; 92:19; 96:12;
98:20; 99:22; 100:11;
110:14; 111:24
meaningful 57:18
means 54:8; 62:19;
102:9, 14; 107:18

meant 10:25; 16:21; 83:2
media 53:1
meet 70:2; 75:15; 102:4
meeting 110:11
member 23:21; 67:7, 19;
86:16
members 2:18; 11:18;
14:11; 39:18; 49:7; 59:13;
83:14; 112:5
membership 86:23
memo 112:25
memory 11:4, 25; 19:1;
23:16; 52:3
memos 112:23
mentioned 54:24; 109:22
menu 34:21
mere 58:23
met 1:8; 75:18; 85:15;
121:9
meticulous 92:10
mid-1995 18:16
middle 29:2; 80:18
might 18:19; 36:20; 39:8;
44:25; 46:12; 49:4; 55:14;
57:13; 60:25; 61:10; 69:4,
5; 76:1; 85:5; 105:2;
106:18; 107:23; 113:18;
129:17
million 5:12, 14, 15;
69:15, 15, 16, 24; 70:22;
72:11; 73:11; 74:17;
76:19; 80:17; 87:19; 89:7;
93:7, 12; 95:18; 109:20
million—I 72:11
millions 126:21, 21
mind 17:5; 19:21; 42:25;
46:7; 101:6, 8; 103:25;
105:18; 113:21
minds 57:21, 22
minority 62:8; 68:9
minute 7:5; 27:16; 50:4
minutes 7:22; 86:3;
105:10, 11, 12; 129:22
minutes—so 124:17
miss 62:9
missed 59:1; 104:21
misunderstood 113:23
misuse 56:9, 10
mockery 124:9
moment 22:20; 46:16;
47:25; 55:9; 74:3; 114:4;
129:25
momentarily 65:2, 12
money 4:19; 5:2; 6:1, 7;
7:9, 10, 15, 16, 16; 8:11,
15, 15, 18, 23; 9:22; 12:21,
24; 13:5, 6, 13, 19, 21;
15:25; 16:18, 23, 25; 17:3;
19:19; 21:12, 13, 22, 25;
22:6, 13; 33:14; 35:22;
36:5; 37:11, 13, 19; 38:6,
8, 11, 24; 39:23; 41:16;
42:25; 45:1, 9; 54:11; 56:6,
7, 9, 13, 24, 25; 59:6, 22;
60:6, 6; 69:16; 70:20, 23,

24; 71:1, 17; 72:9; 73:4, 7;
76:22, 23; 78:16, 17; 79:3,
15, 22; 80:23; 82:6, 13, 23;
83:3, 9, 20; 84:7, 16;
86:23, 25; 89:1; 90:1;
93:16, 19, 25; 94:1, 2, 13;
95:19, 19; 96:8; 98:17, 21,
23; 99:18, 22, 23, 24;
100:2, 15, 16, 22; 105:15;
107:9; 108:3; 109:3, 5, 6,
7, 12, 16, 19, 25; 110:5, 9,
18, 19, 24; 111:4, 6, 15,
19, 22, 23; 112:6; 115:3;
116:24; 117:3; 118:14, 17,
20, 21; 119:2, 15; 121:1, 1,
7, 14, 17, 25; 122:8, 10;
123:4, 10, 12, 14, 17, 19,
22, 22; 126:7, 20
money-and 99:16
monies 74:20; 107:3, 4;
128:10
monitor 57:13; 62:12
monitoring 57:7
month 106:18
months 5:11, 13; 15:15;
30:7; 38:19; 50:6; 51:9;
56:11; 58:3; 70:20;
121:25; 125:11
mood 129:5
more 4:15; 9:3; 11:2;
16:7, 21; 25:17, 21; 27:5;
34:7; 35:6, 20; 37:10, 11,
12, 14; 42:25; 43:1; 48:5,
6, 9; 49:12, 22; 50:24;
51:22; 55:5; 57:10, 14;
60:5, 8; 61:4; 85:20; 99:9;
100:10; 104:5, 24; 112:9;
113:16, 22; 114:25;
115:12; 123:13; 125:3;
128:1
morning 1:14; 10:25;
52:12; 58:12; 66:22;
85:15; 98:9; 99:14; 123:20
Most 21:18; 51:18; 111:1;
122:21
motion 25:5
motivated 37:22
motivates 100:13, 14, 17
motivation 36:2, 4, 19
motivations 35:23
motives 100:21
move 100:6; 108:19
movement 99:21
much 1:22; 7:2; 8:18, 19;
9:25; 10:19; 12:1; 24:7;
25:17; 27:7; 37:17; 38:11;
40:1; 51:16; 53:11, 18;
58:11, 15; 59:17; 60:12;
62:6; 64:7; 65:10; 66:14;
98:13; 106:3; 115:8, 11;
120:8; 124:25; 126:12
multiple 14:10
must 115:23; 119:9;
128:8
myself 61:5; 75:13;
99:10; 124:16

N

name 4:3, 8; 11:8, 24, 24;
17:14; 25:24; 45:2; 52:13,
20; 60:23, 24
names 26:17; 40:24;
43:11
National 4:15, 25; 31:21;
38:18; 45:16, 17; 66:3;
67:4, 19, 22, 23, 25; 69:14;
70:22; 79:2, 12; 83:22;
84:19; 87:1; 89:2; 91:9;
93:8; 108:3; 109:19, 24;
110:20, 24; 111:3; 112:2,
23; 113:3, 10; 115:11;
116:24
nature 24:17; 90:5; 104:5
necessary 15:21; 109:4
need 34:12; 48:17; 56:3;
57:3, 5, 6, 9, 12; 58:4, 9;
69:17; 70:20, 25; 71:2;
99:17; 108:2; 121:25;
122:2, 11, 11; 127:18, 18
needed 28:23; 57:2;
107:3; 108:23; 121:17
needs 7:23; 57:3; 60:12;
107:11; 122:10; 127:11
negotiations 108:18
neighborhood 16:23
neither 21:2
Nelson 24:5
nevertheless 75:15
New 16:13; 107:17
news 31:13; 81:18
newspaper 14:7, 16;
27:16; 30:6; 31:10; 52:5
newspaper-well 80:8
next 56:11; 58:2; 65:2;
83:8; 96:4, 5; 103:20;
104:8; 125:10; 129:18, 25
Nichols 2:7; 4:10, 19;
5:13; 9:1, 13; 12:5; 18:16;
19:5, 7, 11; 26:19; 27:6;
33:3, 22; 35:11, 16, 17;
40:8, 16; 46:22; 47:3, 11,
19; 48:4, 8; 49:17; 53:10;
58:20, 24; 59:2; 63:12
Nichols-as 12:4
Nichols-that 36:4
night 15:4; 124:4
no-risk 97:17; 98:2
nobody 43:2
Nodding 18:11
nominal 9:19
non-Federal 111:4
none 20:21; 33:10; 42:19;
54:23, 25
nonfederal 82:12
noon 66:22
nor 20:21; 21:2, 3
note 78:8; 82:23
nothing 1:19; 16:21;
22:3; 29:6; 65:8; 82:17, 18,
21; 88:12; 111:10, 13;

120:12
notice 1:8
notice-and 31:15
noticed 26:5
notified 72:12
notwithstanding 94:5
novel 62:7
novelist 61:7
novelists 61:17, 20
November 12:5; 30:14
NPF 87:21; 88:7, 13;
98:11, 19; 99:17, 18, 24;
116:3, 7, 15, 17, 21;
119:10, 12, 15
number 24:13; 50:9;
58:5; 72:25; 80:22; 86:11;
88:24; 90:17; 91:6; 92:24;
97:4; 127:11
numbers 127:18
nuns 28:7, 18; 32:23;
35:14

O

o'clock 129:25
oath 45:24; 48:1; 68:10;
117:15; 118:12
object 28:18
objective 6:4, 5; 36:9, 12
obligation 85:9, 10
observations 15:18
obstructing 4:1
obtain 6:2; 36:10
obtained 2:5; 9:5
obvious 30:17; 53:4, 5;
120:19
obviously 14:19; 16:10;
23:9; 34:15; 37:10; 47:12;
56:21; 77:6; 78:20; 80:1;
107:5, 18; 108:25; 109:1
occasion 78:15; 115:15;
125:25
occasions 118:17;
121:12
occupation 46:4
occur 12:17; 75:18; 122:5
occurred 10:10; 85:24;
110:3; 122:4
occurrence 18:20
occurs 37:14
October 12:4; 30:14;
31:14; 71:13; 77:17; 78:4;
79:19; 94:9
of-"the 82:16
of-of-of 51:2
off 15:19; 20:9; 44:1;
61:16; 66:13; 79:3; 80:14;
88:8, 21; 90:21
off-"and 77:21
offended 75:12; 99:8
offensive 75:11
offer 19:25; 114:23
Office 1:9; 2:6; 5:8; 9:13;

30:10, 23; 31:3, 9, 12, 17;
32:2, 8; 34:23; 47:5; 50:5;
53:20; 70:16; 102:5;
110:10, 12
officer 68:2
official 31:3; 101:20
officially 23:22
officials 21:3; 101:18
often 61:4
Ogden 67:17; 70:16;
91:11
old 115:21; 126:18
on-you 73:24
once 8:17; 11:3; 14:18;
15:23; 118:18, 25
one 5:25; 7:4, 8, 15, 18;
9:11; 11:11, 22; 13:11;
20:25; 24:14; 27:20, 22;
28:3, 14, 24; 31:16; 35:8,
10, 12; 36:23, 23; 37:15;
38:2, 2, 17; 39:3; 41:24;
44:18; 46:17, 20, 24;
49:16; 50:9, 13, 15; 51:14;
52:2, 5, 9; 55:14, 16, 16,
24; 56:12; 57:10; 58:7, 20;
59:5, 10, 12, 18, 22; 60:11,
18; 62:11; 72:25; 74:7, 15;
77:7; 78:4, 15; 82:24, 25;
83:1, 2, 4; 85:20; 92:15;
96:22; 97:2, 9, 16; 100:6;
102:15, 15; 103:21;
106:12; 109:15; 110:18;
111:2; 114:7, 7; 115:17,
25; 116:12; 117:22; 121:6,
8, 22; 122:24; 123:2, 16,
25; 126:2, 12; 127:11;
128:23
one's 102:17
ongoing 2:19; 22:17;
33:3
only 20:7, 16; 29:16;
34:16; 48:16; 63:9; 73:6;
74:7; 82:24; 92:13;
102:11; 115:17; 123:17;
125:2; 127:15
onto 70:11
opening 8:1; 36:15; 66:4
opens 102:10
operate 54:19; 89:15;
120:3
operated 26:21; 120:5, 9,
10
operating 119:19, 21;
120:18, 21
operation 120:18
operative 32:4, 5
opinion 20:1; 55:20;
69:10; 70:18; 79:10;
80:20; 114:13, 15
opinion-the 49:1
opportunities 102:11,
17; 104:14
opportunity 69:9; 70:18;
101:1; 105:20; 121:23;
125:4
opposition 54:8; 60:14

optimism 63:22
orchestrate 27:7
orchestrated 27:6; 40:21
order 1:13; 8:6; 10:1;
65:16; 95:2
organization 119:8;
120:3, 11, 14, 22
organizations 109:7, 21
organized 72:18
origin 118:14; 128:20
other-and 12:1
others 4:3, 8, 23; 13:23;
32:2; 38:14
others-and 126:2
otherwise 112:2; 124:9
ought 41:1, 19, 21; 80:5,
23; 81:3; 82:15; 83:5
ours 80:2; 94:3, 4
ourselves 70:21
out 4:24; 7:22; 8:2, 3;
25:8, 17; 26:3, 20; 27:8,
12; 28:7, 8, 19, 21; 30:12;
35:14; 40:10, 25; 44:16;
52:3, 4; 54:17; 55:13; 56:4,
17, 19; 57:8; 58:3; 59:7;
61:18; 63:12; 67:16;
69:18, 19; 73:14; 79:5;
81:15; 83:3, 24; 91:10;
92:21, 21; 97:22; 107:23;
108:3; 109:17; 115:25;
116:3, 8; 120:2; 121:3, 20;
122:17; 123:16; 124:9, 13;
125:5, 16, 19; 127:19;
128:5, 5, 16; 129:8
out-his 128:10
outline 2:8; 5:17
outlines 15:23
outside 9:9; 13:2; 57:7;
100:17
over 4:4; 7:5; 8:8; 17:6;
26:12; 28:23; 45:12;
54:10; 56:11; 66:20;
70:11; 81:21; 86:20, 25;
91:13; 93:20; 105:19;
111:20; 115:14; 119:8, 8,
18; 120:4; 123:6; 125:6,
10; 126:1
overcome 17:4
overhead 69:20; 70:25
overseas 45:6
owe 82:17
owes 66:15, 17
own 14:1, 19, 19; 16:11;
33:8; 37:4; 44:3; 67:24;
127:21; 129:3
owned 8:16; 13:5, 8, 10,
15; 41:17; 74:9
ownership 17:16, 17;
41:16

P

p.m 94:22, 23; 95:1
page 18:1, 4, 8, 15, 22;
19:12; 26:8; 68:15; 70:10,

11; 76:8; 81:6; 17; 93:24;
95:8, 9, 15; 101:1; 103:3,
10, 11
pages 26:13
paid 8:16; 19:15; 21:20;
47:17, 17, 19; 79:3; 81:25;
82:7; 85:9, 11; 86:25;
88:21; 116:25; 128:11
pans 40:10
paperwork 73:14
paragraph 15:11; 18:21;
20:5; 27:19; 62:17; 76:8,
17; 95:14; 96:7; 103:2, 20;
122:2
parallel 49:17; 50:12
parallels 32:24, 24
paraphrase 114:9
parcel 53:9
parent 20:14
Park 74:8
part 2:14; 4:11; 5:3, 20;
7:8; 16:16; 19:7; 36:6, 8,
10; 37:10; 44:19; 49:9;
50:18; 53:7, 9, 16; 59:5,
11; 62:9; 73:21; 75:3;
81:15; 99:1, 13; 100:4, 6;
102:25; 104:9; 109:21;
114:22; 121:19; 127:10
part-and 36:10
part-at 36:10
part-this 121:22
partial 36:16
participating 4:11; 16:19
participation 4:19
particular 13:24; 14:17;
15:19; 20:4; 25:18; 29:9;
37:22; 44:5, 5; 46:24; 48:8
particularly 39:3; 68:1;
90:8; 107:10, 13; 108:20;
109:15
parties 38:11; 39:18;
60:7
partisan 120:11; 125:25;
127:15
parts 90:24; 104:6
party 55:23, 24; 67:9, 21,
21; 69:8, 22; 76:1, 2;
79:24; 94:3; 101:13, 21;
107:24; 111:12, 13; 113:3;
114:5; 127:3, 23
party's 129:2, 3
pass 48:21; 109:6;
124:15; 126:9
passing 126:10
passthroughs 29:11
past 36:12; 127:2
pattern 7:17; 14:10
Paul 55:17, 19
pay 19:21; 37:7; 38:8;
70:25; 78:12, 16, 18;
79:3; 81:19; 82:4, 4, 5, 15;
83:10; 84:7, 13; 88:8
payback 85:2
paying 51:7
payment 59:12; 74:18

payments 59:7; 79:15;
88:14
peculiar 44:8; 82:19
peculiarities 44:4
penalties 57:3
pending 23:11
people 9:5, 5; 11:2; 16:2;
25:25; 26:1; 27:21; 29:10,
16; 33:5, 21; 34:9, 12, 16,
19, 20; 35:10, 12, 22, 23;
37:13; 43:1; 44:13; 52:10,
13, 25; 53:2, 19; 56:1;
59:8; 60:24; 63:24; 94:5;
100:7, 9, 17; 101:11, 11,
12; 102:9, 10; 107:9;
108:10, 13; 109:5; 115:21;
118:12; 121:8, 9, 12;
122:25
People's 101:19; 113:20
people-an 100:13
percent 13:10, 11; 88:16;
20; 90:12
perception 112:17
perfectly 82:10; 87:4
perhaps 13:9; 16:22;
34:7; 39:22; 46:9; 48:8;
59:12, 13; 91:21; 102:16;
122:17
period 8:9; 10:3; 13:9;
19:4; 28:17, 20, 22; 70:15;
88:17, 20; 106:17; 120:9
perjury 117:15
permission 1:25; 34:6;
62:25; 79:2
pernicious 123:10
person 11:8; 24:6; 32:9;
35:12; 40:8, 15, 21; 45:1;
50:21, 25
person's 54:9, 11
personal 117:5
personally 39:17; 46:10;
79:11
persons 46:20
pertinent 54:4
petition 23:2
phase 45:8; 127:13
phone 69:7
phrase 18:10
pick 70:19; 76:24; 95:15,
20; 96:5; 121:23; 122:10
picture 102:4
pinpointed 106:17
place 9:4; 28:23; 53:16;
106:24; 107:5
placed 5:14, 16
plate 16:11
play 39:24
played 35:16
plea 5:9; 12:7; 16:6; 23:4,
5, 8; 33:1; 53:9, 13; 108:10
pled 16:12; 44:21
pleaded 5:10
pleas 2:9; 12:11, 13, 15;
30:14

please 1:13, 18; 65:6;
77:13; 78:7; 81:7; 95:2
pled 12:3, 5; 53:6; 59:14
pocket 37:5
poignant 45:10
point 13:9; 18:24; 20:1;
23:7, 21; 28:1; 39:14;
45:22; 47:24; 49:5; 50:2;
51:17; 54:4; 55:23; 56:20,
21; 59:18; 63:12; 68:1;
73:22; 80:21; 85:2; 87:1;
91:7; 101:2; 114:7; 125:5,
16; 126:16, 18; 128:5
point-1 23:20
pointed 14:21; 125:19;
128:16
pointing 55:13; 56:4;
128:5
points 5:19; 54:17, 21;
55:21; 56:10; 128:6, 10
Policy 70:22, 24; 84:19;
93:8; 108:3; 109:19;
115:11; 116:19
political 37:12; 46:2;
54:6; 57:14, 22, 24; 70:17;
94:1; 100:15, 22; 115:20;
120:11; 121:2; 123:9;
124:19
politicians 54:5
politics 52:24; 92:10;
112:17
poll 115:24
polling 107:22; 122:24
polls 70:18
poor 104:6
portions 122:17
position 6:2; 23:5, 15;
36:11, 24; 70:21; 84:3;
85:8; 87:6; 116:11; 117:8;
119:11
positions 23:17
positive 77:10
possibilities 34:22;
36:23; 38:2
possibility 36:13; 37:1;
48:24; 49:1; 70:4; 104:12;
106:20
possible 74:25; 125:15;
129:2
possibly 125:15
posted 73:4
potential 47:8; 107:17
pour 126:20
powder 102:7, 15
PR 31:13
practice 47:10; 67:1, 16
preceded 38:18; 78:6
preceding 37:18
precise 9:3
precisely 96:1
preliminary 1:23; 72:24
prelude 79:18
premature 48:13
prepare 129:20

prepared 6:14; 12:14;
16:11; 66:7; 91:12
presence 101:14
Present 1:11; 24:20;
68:2, 10; 72:14; 105:20
presentation 108:6;
121:16
presented 17:2; 91:11
presentence 12:14
presently 67:1
President 5:5; 10:13;
23:18, 19, 19, 25; 31:22,
25; 38:18; 66:1; 86:9; 92:3;
103:5; 119:10, 11; 120:14
Presidential 4:17; 94:2
presiding 1:10
press 24:5; 54:18; 57:10;
79:21; 80:20; 81:2; 94:6;
112:4
press-where 38:24
pressing 108:22
pressure 35:22
pressures 54:6
presumably 35:18; 38:7;
105:9
presume 33:12; 34:3;
74:10, 11; 98:22
pretty 9:25; 28:15; 30:10;
66:5; 99:15; 117:25
previously 69:22; 78:24;
91:12
price 47:17, 20
primary 39:1, 3; 40:22
principally 9:1
principals 35:7; 106:13
print 115:5
prior 38:21; 47:4; 72:9;
73:13, 18; 75:1; 76:9, 17;
82:2; 86:12; 92:18; 93:10;
95:16; 118:14
prison 16:14
private 41:3; 47:10; 67:1;
101:9; 126:22
privy 104:25; 105:1
pro 89:21; 90:6, 8; 102:21
probably 15:5; 16:7;
18:25; 20:8; 25:7; 38:16;
42:2; 52:24; 53:14; 54:20;
59:20; 61:3; 62:8; 85:6;
91:8; 109:12; 112:3;
115:12; 122:22; 123:23
probably-1 10:9
probation 5:12, 14, 16;
12:14; 22:22
problem 42:25; 57:22,
24; 69:14, 17; 125:13
problems 17:2; 127:21
procedural 22:19
procedures 57:12
proceed 43:8; 125:10
proceedings 50:1
proceeds 29:8
process 7:9; 45:10;
54:22

progress 57:8
prohibition 2:15; 13:20
prohibits 111:8
prolong 60:11
prominent 55:16
promise 35:15; 66:18
promised 83:6, 8; 89:22
promising 108:4
promote 101:15; 102:21
prompt 12:9; 15:21;
53:24
prompted 15:14
promptly 5:9; 15:15
proper 22:1; 28:6
property 111:25; 126:3
properties 89:8, 9
proposal 70:2
proposed 58:6
proposition 50:14
pros 125:18
prosecute 29:13; 35:8;
43:25; 50:6; 51:4; 58:23
prosecuted 26:1, 23;
27:1, 2, 4, 14; 28:4, 5;
31:3, 4; 32:2, 8; 34:5;
35:17, 25; 39:21; 47:12,
15; 55:15, 18; 56:5
prosecuting 35:18; 39:7;
41:24; 51:17
prosecution 31:20;
41:11, 12; 42:1, 5; 47:3, 4;
48:3, 22; 49:14; 50:15;
51:12; 54:5; 58:25; 59:3;
62:1; 63:24
prosecutions 31:13, 16;
42:1; 47:9
prosecutor 24:20; 35:8;
36:21; 48:6, 20; 49:2;
55:11
prosecutor's 45:23
prosecutors 29:5; 39:15
prospect 48:24; 49:1
protect 92:7
protection 100:2
proven 60:1
provide 2:4, 21; 33:23;
34:1
provided 4:22; 25:21;
58:9; 62:13; 78:9
provides 102:10
providing 30:24
proving 121:21
provisions 100:16
public 2:13; 9:10; 12:7;
13:3; 17:24; 24:17, 19;
40:24; 44:13; 63:22;
69:10; 70:17; 122:16, 21,
23
publicity 61:11; 80:3
publicly 5:22; 14:9, 22;
36:12; 43:11
published 15:6; 54:14
publishing 114:10
pull 70:23

pulled 115:25
punishment 33:2
purchase 62:19; 89:9
pure 29:11, 16
purported 8:12; 97:9
purpose 13:15; 41:7, 8;
63:4, 5; 69:24; 73:8; 76:14;
78:13; 89:1, 12; 96:9, 11,
11; 98:10; 99:15; 101:11;
103:23; 107:16; 110:2, 10;
121:14; 122:8; 129:15
purposes 8:21; 69:18;
84:20; 89:7; 94:3; 112:24
pursuant 1:8
pursue 17:12
pursued 41:13
put 14:24; 15:21; 19:9;
25:5; 27:17; 40:22; 62:12;
67:22; 71:2, 11; 77:14;
81:16; 83:20, 21; 88:9;
98:14; 102:15; 108:3;
114:18; 122:2, 11; 129:1,
15
puts 102:7
Putting 22:5
puzzled 37:15; 38:12

Q

qualification 11:22
quarrel 114:2
quarterly 88:13
Quayle 21:2
quest 35:22
question-if 39:5
questioned 122:5
questioning 7:3; 55:8
quick 28:22
quickly 44:19
quid 89:21; 90:6, 8;
102:21
quit 113:15
quite 33:4; 79:9, 17; 93:1;
98:15; 101:9; 127:17
quo 89:21; 90:6, 8;
102:21
quote 27:19; 43:20, 20;
81:21; 95:21
quoted 24:6; 51:15; 80:7,
19; 81:18
quotes 52:20; 60:23
quoting 16:15; 70:13

R

races 108:4
raise 1:17; 43:1; 46:12;
65:6; 109:2
raised 33:14; 46:13; 84:5;
116:4
raises 46:8
raising 107:9
rally 127:16

rallying 127:17
range 10:11, 20, 22; 11:4;
109:18
rapid 28:15; 30:10
rather 13:14; 25:3; 43:22;
61:2; 63:15; 65:11; 100:3;
106:24; 107:11; 108:13;
115:7; 117:10; 128:24
re-read 15:4
reach 127:18
reaches 28:8
reaction 75:21
read 1:25; 15:3; 27:24,
24; 62:25; 66:4; 71:4;
76:16; 81:13; 83:11;
93:23; 95:13; 96:2, 13;
100:25; 103:1; 117:23;
120:17
reading 79:20; 81:14;
87:23; 101:3; 103:7;
121:18, 19; 122:16
ready 110:14
Reagan 23:19
real 7:8; 57:18; 62:19;
89:11; 100:18
realistic 69:11
reality 112:17
really 16:21; 17:5; 24:12;
27:5; 29:4; 39:12; 45:7;
46:21; 50:11; 61:13;
81:12; 90:21; 95:15;
97:16; 99:9; 104:8, 9;
114:11, 12, 21; 115:21;
123:25; 124:11, 17, 19
reason 17:22; 83:5;
109:1; 117:14, 18; 119:24;
125:5
recall 14:20; 36:7; 68:5,
22; 71:9; 75:7, 21; 78:19;
80:24; 121:10
recapitulate 78:13
receive 36:6; 46:3
received 22:10; 47:3;
70:15; 75:6; 80:13; 93:7
received-or 93:5
receiving 45:18
Recess 65:15; 94:20
recessed 94:22
recipients 33:11, 14
recollection 10:6; 21:21;
71:6; 103:6; 128:18
recommend 39:8
reconcile 121:13; 122:14
reconvene 94:23
record 7:20; 9:10; 13:3;
17:24; 35:10; 36:6; 37:21,
24; 41:1; 42:24; 76:16;
113:25
record-for 2:13
records 94:12
recount 72:3; 76:12
recounted 121:4
recounting 121:22
Reed 128:8
refer 18:8; 26:8; 27:15;

29:11; 30:18; 48:8; 95:8;
101:6
reference 14:20; 18:21,
25; 36:23; 52:21; 90:25;
96:6, 10; 101:4; 104:1
referred 16:20; 18:4;
21:22; 23:1; 27:16; 97:12;
120:23
referring 24:8; 27:22;
48:18; 80:22; 82:2; 96:8
refers 77:1
reflect 41:1; 60:13; 91:23
reflected 12:17
reflection 90:18
reform 7:8; 56:3; 57:19;
58:4, 6; 123:1, 3; 124:12,
14; 125:24; 126:13;
127:15
reforms 129:7, 8
refresh 52:3
refreshing 62:2
refund 109:23; 110:24
refunded 110:7
regard 30:17; 125:19;
126:22, 24
regarded 114:24
regarding 101:18
regret 85:4
regrettable 128:25
reimbursed 9:6, 8, 14;
33:5, 21; 35:15; 52:16
reimbursement 59:7
reiterate 118:25
relate 68:24
related 17:20
relates 76:25
relationship 31:7; 73:24;
101:20
relative 17:23; 22:17
relatively 14:5; 127:17
released 117:4
relevant 13:25
reliable 79:12
reluctant 49:23
rely 20:6, 17
relying 34:21; 63:8
remark 58:15
remarks 43:19
remember 14:12, 14;
38:23; 39:3; 52:2; 59:9;
128:19
renounce 113:14
renounced 112:22;
113:5
rent 74:15
renunciation 113:25
repaid 79:1, 8, 15; 83:9;
84:16; 97:23
repay 78:11
repeat 17:16; 41:15;
115:13, 15; 124:3, 24
repeated 5:24
repeatedly 24:25

replace 69:19
replaced 116:3
replacing 76:22; 95:19
report 12:14; 52:5; 60:17
reported 16:14; 62:7
Reporter 52:14, 19, 20;
54:13; 60:15; 61:1
reporter's 53:15
reporters 61:4
reporting 57:5, 9, 14;
122:15
reports 5:1, 7; 25:2, 2, 6,
9; 56:15
represent 69:21; 91:9;
92:8
representation 96:7
representations 84:14
representatives 45:15;
69:9; 70:19; 121:24
represents 101:23
Republic 101:19; 113:21
Republican 4:15, 25;
45:13, 17; 66:3; 67:4, 8,
19, 21; 69:8, 22; 75:25;
79:1, 24; 83:22; 89:2; 91:9;
101:13, 21; 107:24;
109:15, 24; 110:20, 23;
111:3; 112:1, 23; 113:2,
10; 114:5; 116:24
Republicans 55:15;
69:12; 127:2
reputation 97:23; 99:7
request 2:4; 46:24; 91:3;
98:11; 103:18
requested 30:24
requesting 28:11
requests 27:8
require 20:6
required 97:2
research 54:8; 60:14
reserve 66:8; 94:19
reside 67:11
resigned 119:11, 18, 23;
120:4
resigning 119:24
resigns 120:14
resolution 23:6; 127:9
resolved 116:12
resource-intense 44:18
resources 15:21; 33:8;
46:3
respect 13:2; 17:16;
18:21; 19:25; 47:7; 59:12;
93:18; 94:14
respectful 35:2
respectfully 40:6
respective 12:7
respects 15:24; 92:5
respond 20:4; 63:8; 66:7;
77:22; 80:5
responded 70:1
responding 5:18; 20:9;
70:11

response 13:22; 53:14;
64:5; 69:25; 77:25; 78:3
responsibility 16:6, 12;
29:17
responsive 28:22
rest 30:18; 58:13; 82:4;
124:10
rest--182:15
restating 103:5
restrict 2:12
result 2:21; 9:16; 14:6;
46:14; 52:8; 54:5; 60:14;
81:20; 116:21; 117:4
resume 65:13
retain 89:16
return 65:13; 89:23;
104:16; 105:13
returned 74:20; 87:9;
88:10; 126:21
reunification 113:20
revealed 5:2
revenues 74:6, 12, 14
reviewing 70:5; 96:25
Riady 100:12
RICHARD 66:1, 23
Richards 65:5, 9, 17;
66:1, 4, 12, 15, 24; 67:2, 6,
10, 12, 15, 18; 68:4, 8, 11,
13, 16, 18, 23; 69:2; 70:1,
8; 71:5, 8, 19, 25; 72:2, 4;
73:6, 12, 16; 74:2, 7, 10,
14, 23; 75:6, 17, 23; 76:3,
7, 10, 14, 21; 77:3, 15, 19,
24; 78:2, 5, 8; 79:20; 80:7,
10, 16, 25; 81:3, 8, 11;
83:12, 14; 84:8, 21, 23;
85:1, 13, 17; 86:1, 5, 8, 10,
13, 18, 22; 87:5, 7, 10, 15,
20, 22; 88:3, 6, 11, 18, 23;
89:3; 90:18; 91:3, 19;
91:2, 8, 19, 25; 92:6; 93:9,
14, 21; 94:11, 15, 18; 95:7,
10; 96:3, 14, 17, 23; 97:8,
12, 18; 98:1, 3, 8; 99:4;
100:1; 101:24; 102:2, 9,
19; 103:7, 10, 12; 104:3, 6,
25; 105:14, 17, 23, 25;
106:3, 11, 16, 21, 25;
107:3, 16, 25; 108:7, 11,
16, 20, 25; 109:1, 11;
110:4, 8, 16, 21, 25; 111:7;
112:3, 11, 13; 113:6, 8, 11,
14; 114:2, 16, 23; 115:18;
116:13, 16, 23; 117:7, 12,
17, 23; 118:1, 6, 23;
121:17, 22; 126:23
Rickwood 18:3, 10, 18;
19:17, 20; 62:18
right 1:17; 7:1; 10:23;
11:10, 23, 25; 15:12; 18:1;
19:3, 9; 20:11, 19; 21:7,
15; 22:5, 15; 23:10, 10;
24:2; 25:8; 26:15; 27:11,
23; 32:19; 34:18; 36:18,
25; 37:6; 38:25; 41:4; 43:3;
46:21; 51:8; 52:17; 55:7,
12; 65:6, 17; 66:8; 68:14;
80:15, 19; 82:20, 20;

83:25; 85:16, 25; 86:7, 21;
87:11, 14; 88:11, 17;
89:17; 91:1, 4; 93:24;
94:10, 20; 95:11; 96:20;
97:15; 102:8, 24; 105:22,
24; 106:17; 108:1; 114:3;
120:16; 127:18; 129:24
risk 79:15, 16; 80:3;
84:17; 85:20; 88:13;
92:17; 97:17, 25
RNC 8:14; 10:5, 6, 17;
20:21; 21:3, 3, 19; 22:5;
25:1; 67:8, 14; 70:22;
80:21; 81:19, 25; 93:11,
12, 20; 107:4; 108:10;
116:21; 117:5; 119:1, 13,
16; 128:11
RNC—the 119:15
ANSEC 128:11
road 50:21
robbed 44:11
role 35:16; 39:24; 45:23;
46:19; 54:18; 96:24; 128:4
Room 1:9
roughly 80:17
rule 29:15, 16; 43:22
run 66:24; 119:16; 121:2

S

safe 92:16
safely 33:25
said—perhaps 36:3
same 15:6; 27:25; 32:8;
35:19; 46:22; 80:3; 84:6;
94:6, 8, 23; 96:1, 7, 10;
108:15; 111:21; 128:18
sat 8:18
satisfy 97:2
Savage 36:21
saw 91:4; 111:10
say—and 101:7
saying 16:14; 24:6;
47:21; 51:15; 127:7
says—in 128:9
scant 46:4
scars 39:3
scenario 9:12
schedule 129:18
scheduled 103:21, 22
scheme 4:25; 6:1; 8:6;
10:24; 12:18; 14:21;
15:23; 16:17; 17:6; 20:25;
25:24; 27:2; 30:9, 12;
45:11
schemes 7:13
Scott 125:8
screen 14:25; 27:17
scrutinized 127:11
seats 70:19; 76:24;
95:21; 121:24; 122:11
second 38:4; 62:16;
103:22
Secondly 5:25; 16:4;

50:11; 92:16
secret 18:4; 24:16; 44:10;
88:5
secretaries 14:12
secretary 24:5
secretary-treasurer
72:20
Section 63:23
secure 73:1; 97:4
security 97:5, 10
seeing 79:16; 101:5;
103:23; 125:12; 126:17
seek 40:7, 23
seeking 22:24; 90:25
seemed 108:21
seems 25:23; 53:2;
120:10, 19; 121:3
sell 42:17
selling 43:2
Senate 1:5, 9; 48:1;
115:21
Senator 7:3, 4, 6, 22, 24;
9:3, 22, 25; 10:16, 21, 23;
11:11, 14; 12:18, 21, 24;
13:13, 16, 17, 22; 14:3, 9,
24; 15:3, 8, 12, 13; 16:13,
22; 17:9, 15, 22, 25; 18:1,
6, 7, 12, 15, 23; 19:3, 5, 9,
24; 20:2, 10, 11, 19, 24;
21:7, 12, 14, 15; 22:5, 9,
16; 23:13, 16, 24; 24:4, 5,
12, 22, 24; 25:11, 14; 26:7;
27:15, 25; 28:10, 24; 29:5;
30:19, 20; 31:2, 6, 11, 12,
20, 24; 32:2, 8, 13, 17, 19,
20; 33:11; 34:2, 6, 8, 18;
35:1, 1; 36:17, 18, 25;
37:3, 6, 8, 23, 25; 38:20,
23; 39:2, 13, 17; 40:2, 3, 4,
12, 18, 20; 41:2, 5, 6, 14,
23; 42:4, 8, 9, 11, 12, 12,
20, 21; 43:4, 5, 6, 7, 11, 15,
17; 44:23; 45:6; 46:8, 20,
25, 25; 47:16, 21, 24;
48:24; 49:5; 51:25; 52:1, 9,
15, 18, 23; 53:8, 21, 23,
24; 54:2, 3, 17; 55:3, 7, 12,
17; 58:6, 6, 13, 15, 17;
59:2, 9, 16; 60:9, 10, 13,
20, 21; 61:6, 11, 14, 18,
20, 23, 24; 62:15, 24; 63:2,
4, 11, 18, 19, 20, 21; 65:4;
66:9, 10, 17, 21; 79:21;
84:24; 95:3, 4, 5, 6, 11;
96:4, 15, 18, 21, 22; 97:9,
15, 20; 98:2, 4, 6, 7; 99:4,
12; 100:5; 101:25; 102:2,
4, 8, 13, 24; 103:7, 8, 11,
13; 104:4, 8; 105:6, 10, 11,
16, 22, 24; 106:2, 5, 7, 8,
10, 19, 22; 107:1, 8, 20;
108:1, 8, 14, 17, 23; 109:1,
14; 110:5, 8, 15, 17, 22;
111:6, 22; 112:1, 9, 12, 15;
113:7, 9, 12, 23; 114:3, 21;
115:1, 9, 10, 14; 116:4, 14,
20; 117:3, 8, 13, 18, 21,
22; 118:5, 7, 8, 9; 125:9;

127:7; 128:6; 129:10, 11,
12, 21
Senators 1:11; 112:6
send 90:20; 98:23
sending 15:9
sense 33:16; 35:1;
102:14, 16; 104:20; 106:1,
23; 107:11
sent 76:4; 94:10; 110:18,
19; 128:13
sentence 51:5; 62:17;
77:16, 20; 122:2
sentenced 5:11, 13
sentences 2:9
sentencing 5:24; 9:11;
12:16; 16:8; 18:25; 36:22
separate 10:5; 17:2, 7;
19:2; 22:24; 120:13
separation 119:12, 13;
120:23, 24
September 70:14; 76:4,
5; 77:23; 79:18; 90:7;
95:14; 97:22; 101:3;
103:1, 8; 106:17
series 31:13, 16, 20
serious 47:14; 48:22, 23;
50:22; 115:20; 127:4, 4, 9
seriously 104:11
served 23:22; 59:10;
67:3, 21; 68:2; 119:11
service 124:22
SESSION 95:1; 128:24
set 14:9; 45:11; 62:20;
63:14, 14; 86:4; 88:25;
89:3, 6, 8
settled 80:9, 11
several 23:17; 26:13;
38:19; 86:20; 126:7
SH-216 1:9
shall 65:2
sham 125:20
share 49:23; 62:5
shared 49:12; 119:17
shell 88:25
shepherd 108:21
shield 24:17, 18
shielding 24:25
shopping 110:2
short 126:16; 127:12
Shortly 103:13; 107:6
shouldn't 65:13; 82:7;
85:9
show 7:12; 40:7; 101:18;
123:9
showed 69:11
showing 7:18; 101:11
shows 35:21; 37:21
shrift 126:16; 127:12
sic 5:14
side 123:15
sign 86:25
signed 91:15
Signet 87:18; 88:8; 93:6

significant 23; 100:18
significantly 110:13
Silber 32:5
similar 33:4; 56:20
similarities 58:19
Simon 2:6, 23; 63:6, 6
simple 41:24
simply 66:6; 78:18;
92:13; 96:8
single 115:24
sit 45:15, 22; 125:2
situation 29:14; 49:18;
50:13; 56:16; 59:22; 60:7;
80:2; 123:18
situations 50:19; 51:2,
19
six 21:20; 58:2
skirt 35:24
Slide 77:14
slides 121:15
Smith 1:12; 51:25; 52:1,
9, 15, 18, 23; 53:8, 21, 24
so-called 33:20; 125:11
social 102:22
soft 7:16; 21:12, 22, 25;
37:19; 38:8, 11; 39:22;
56:9, 24; 59:22; 60:6; 71:2;
76:23; 78:16; 95:19;
100:16; 109:4, 7, 16;
116:4, 7, 8, 8; 117:10;
122:3, 12; 123:22, 22
sole 86:23
solemnly 1:18; 65:6
solicited 83:17
some—1991 83:18
somebody 36:3; 37:9;
57:6; 61:16; 126:23
somehow 61:16; 88:4
someone 32:5; 40:23;
44:11; 48:21; 61:7; 62:3;
70:3; 78:10, 20; 79:6;
112:1; 114:17; 127:24;
128:5
someplace 74:18
something 25:18; 34:11;
40:6; 43:2; 44:24; 46:7;
52:6; 53:2; 59:23; 66:17;
69:19; 72:4; 80:5; 82:22;
88:16; 97:10; 104:16;
105:13; 107:18; 114:12,
18; 121:20, 21
sometime 12:9; 70:14;
73:18; 77:1; 124:1
Sometimes 34:10, 12;
120:2
somewhat 77:22
somewhere 36:3
son 72:13; 73:20
sons 13:12; 112:25
soon 15:5; 65:13
sooner 106:24; 107:11
sorry 59:1; 66:13; 81:9;
103:8
sort 27:13; 44:3; 80:17;

88:5; 118:10
sounds 24:2; 27:4
source 5:2; 17:23; 21:17;
24:19; 33:5, 8, 12; 46:6;
71:17, 20; 73:4; 78:19;
84:14; 112:6
source—the 17:17
sources 107:22
spawn 125:3
speak 34:9, 19; 50:10;
51:1; 112:15; 114:3
special 4:10
specific 85:4; 104:4;
110:10
specifically 68:6; 105:5;
122:10
Specter 1:11; 41:5, 6, 23;
42:4, 8
spectrum 57:24
speculate 60:25
speculating 41:20
spend 62:9; 124:23
spent 37:12; 84:10
spirit 92:15
spoke 69:7
spooked 112:3, 7, 8
squabbling 122:22
squeeze 25:17
staff 63:12; 119:17
stand 1:17; 80:2
stands 44:3
Star 14:8; 15:2; 27:18;
52:8; 54:14; 60:17; 61:2
start 26:10; 58:8, 8
start—I 124:16
started 25:20; 35:3;
65:11; 106:19; 108:12
State 32:3; 34:24; 60:18;
72:18; 82:11, 11; 83:22,
23; 109:6, 16, 20; 111:3, 7,
8, 12, 13; 114:1; 117:9
stated 40:5; 58:22; 88:24
statement 1:23, 24; 5:24;
6:14; 8:1; 19:22; 42:3;
43:24; 54:24; 65:18; 66:4;
76:25; 81:1; 82:14; 83:8;
95:23; 96:15, 22; 97:14,
24; 117:9; 121:19; 128:14,
14
statement—we 36:15
statements 9:10; 118:12
States 1:5, 15; 4:1, 21;
29:2; 41:10; 45:7; 72:14;
89:16; 100:18, 19; 101:13,
21; 112:21, 22; 113:16
status 22:16; 84:20;
102:17; 104:5
statute 25:8
statutory 4:4, 6
stay 65:14; 113:18
step 16:11; 126:15
Stephen 72:13
steps 16:17; 92:4
Stern 1:15, 17, 21, 23, 24;

2:1, 3; 6:14; 7:2, 25; 8:8;
9:8, 24; 10:20, 25; 11:13,
22; 12:20, 23; 13:1, 16, 22;
14:5, 14; 15:3, 12, 17;
16:21; 17:15, 25; 18:6, 11,
14, 21, 24; 19:4, 7, 24;
20:4, 16, 23; 21:6, 11, 14,
18; 22:8, 15, 19; 23:16;
24:1, 12, 23; 25:5, 13, 16;
26:7, 11, 15, 21, 24; 27:3,
7, 11, 24; 28:24; 29:1, 15,
20, 23, 25; 30:5, 8, 15, 21;
31:1, 5, 10, 19, 23; 32:1, 7,
12, 16, 21; 33:25; 34:6, 9,
19; 36:8, 21; 37:1, 4, 7, 23;
38:16, 21, 25; 39:10; 40:1,
2; 41:7, 9, 14, 23; 42:2, 6,
19; 43:18, 24; 44:1; 45:5;
47:6, 19, 23; 48:7; 49:4;
50:8, 18; 51:10, 13; 52:3,
7, 11, 17, 19; 53:6, 9, 23;
54:16; 55:2, 5, 10; 58:16,
22; 59:1, 4; 60:22; 61:18,
25; 62:13, 14, 24; 63:3, 5,
25; 64:6, 8
Steve 73:20, 24
stick 13:11
stiffed 82:24
still 39:23; 81:3; 83:13;
84:3, 4
stop 24:7; 57:4
story 15:1; 31:14; 80:20;
81:22
straightforward 14:6
straw 21:24; 52:6, 21;
59:8, 10, 12; 60:24
straws 8:12; 16:1; 22:4
street 16:24
stressed 56:8; 120:12
strip 74:18
strongly 58:5; 119:22
struggle 45:25; 46:17
subject 61:10; 83:4;
118:22; 129:19
subpoena 126:3
subpoenas 25:20
subsequent 71:10; 75:4;
123:13
subsidiary 19:6, 13, 14;
20:14; 86:6
substantial 100:22;
105:8; 124:18
substitute 100:3
successful 54:5; 62:1
successfully 33:1;
35:17, 25; 56:5; 63:23
suffer 97:11
suggest 38:2
suggest-and 37:25
suggested 16:22; 42:12;
89:21; 107:22; 114:17
suggesting 46:11; 109:5
suggestion 115:5
suggestions 39:7, 15;
112:22, 25
suggests 109:9; 115:2

sum 118:10
summarized 121:3
summarizes 11:14
summary 6:12; 108:5;
115:13
summation 128:3
summer 68:21, 25;
71:11; 77:2; 118:19
sums 60:6
supply 39:12
support 44:25; 73:10
suppose 11:5; 13:24;
15:17; 50:13; 100:7, 10, 14
supposed 26:2; 45:8;
82:16
sure 24:1; 33:6, 13; 34:8;
44:1, 5; 56:17; 66:18;
72:23; 78:23; 81:14, 24;
84:11, 12; 91:5; 92:12, 13,
16; 96:23; 98:12, 14;
101:8; 111:7, 25; 113:15;
123:12
surmise 77:8
surprise"-1 77:21
surprised 110:25
surprising 62:3
surveys 69:10; 70:17
suspicion 46:12
suspicious 46:7
swear 1:18; 65:2, 6
sworn 65:17
system 37:10; 55:14;
56:23; 121:2; 123:9, 12;
124:19; 125:2; 126:5, 6, 9;
127:10
systematic 126:20;
127:8

T

table 15:19; 45:15;
110:14
tabled 79:7
tainted 33:12; 111:19, 20
Taiwan 112:21
talk 34:11, 12, 16; 40:24;
45:17; 46:16; 48:16; 53:1;
69:23; 72:7; 86:2; 87:11;
90:11; 114:10
talked 52:10; 81:23;
96:11; 118:16
talking 39:22; 48:1; 83:7;
94:9; 96:24; 108:12
talks 15:8
tank 94:4; 120:13
targeted 76:24; 95:20
task 2:20; 14:17; 44:14
tax 38:8; 84:22; 112:24
tax-exempt 56:9; 123:18
Tax-exempts 7:15; 56:24
taxpayers 62:9
Team 83:17, 19; 86:16, 23
technicalities 123:5

technically 10:8
telephone 68:20, 25; #
70:15; 71:7, 10; 75:6;
91:13; 95:12, 25; 116:17
television 115:15
telling 34:14
tells 63:13
Temple 32:23; 33:6, 14;
35:13; 40:13; 56:16
temple's 33:7
temptation 37:13
tendered 12:11, 15
tension 49:24
tenure 67:24
term 16:14; 24:24; 100:1;
102:12; 114:1
terminated 31:7
terms 21:17; 43:20;
50:16; 109:4; 117:3;
125:25; 128:7, 7
testified 89:13, 14; 90:16;
93:22; 98:9; 99:14;
118:23; 121:8, 14, 18
testify 19:5, 7; 34:19;
50:20; 64:2; 95:8
testifying 50:24, 25
testimony 1:18; 2:1, 4,
11; 7:17; 33:10, 20; 37:17;
50:17, 24; 58:2; 65:7; 66:1;
70:10; 73:17; 86:19;
87:25; 89:20; 92:24; 93:5,
6; 100:9; 109:2; 115:2;
121:3; 122:13, 18; 123:15;
128:7
Texas 89:10
texture 48:14
Thanks 32:20, 21; 40:1;
98:7; 105:11; 106:2
that's-I'm 77:10
That's-that's 50:18;
51:10, 13; 54:16
that-and 51:7
that-you 60:23; 111:19
the-at 35:12
the-I 68:21; 121:15
the-in 36:11
the-not 38:25
the-when 53:12
them-I 58:1
theme 108:15
themselves 12:6; 20:21;
34:5; 50:25; 52:13; 60:1;
61:4
theories 115:6
theorist 60:19
there-in 41:20
thereafter 107:7
therefore 25:9; 70:25;
80:4; 111:21
they're 44:17
think-I 47:19, 19; 84:8
thinking 57:16
Third 6:7
third-party 7:15; 56:7,

13, 25; 123:19
this-presented 36:22
this-this 93:24
Thompson 1:10, 11, 13,
22; 2:1; 7:1; 25:15; 26:8,
12, 16, 22, 25; 27:4, 9, 12;
28:1, 25; 29:12, 19, 22, 24;
30:2, 6, 9, 16; 32:19; 35:2;
40:3, 17, 21; 41:4; 42:11;
43:3, 6, 10, 14, 16; 50:4, 9;
51:8, 11, 14; 54:2; 59:17;
61:23; 63:17, 19; 64:4, 6,
9; 65:1, 5, 10, 16; 66:8;
84:5; 85:1; 94:20; 95:2, 5;
96:20; 98:6; 106:5, 8;
115:9; 117:21; 118:8;
125:9; 126:15; 129:11, 21
thorough 15:21; 120:17
though 20:24, 25; 33:12;
51:14; 97:6; 110:3; 119:2;
120:20
thought 39:10; 49:16;
53:15; 69:12; 76:1; 92:18;
97:22; 105:17; 109:11;
112:2; 119:21; 129:16
thought-I 114:24
thoughts 39:12
thousand 126:7
three 5:9, 19; 22:6, 9;
25:1; 50:6; 86:13; 100:8;
105:11; 125:6
three-probably 38:17
throughout 100:8;
115:24
thumb-nail 5:17
Thursday 128:2
time-October 71:15
time-there 73:17
time-consuming 24:15
timely 53:24; 129:24
Times 16:13; 29:7; 45:19,
20, 24; 51:3; 88:24;
112:18; 127:1
timing 15:20; 16:9
tipped 61:16
title 24:1
to-if 38:5
to-Senator 13:1
to-that 63:14
toa 23:1
today 2:3; 7:6, 17, 25;
25:16; 28:13; 45:24;
46:18; 87:6, 24; 91:16;
98:15; 106:11; 109:9;
115:2; 118:23; 129:22
together 40:22; 44:18;
67:23; 92:20; 115:20;
129:1, 6
told 9:14; 27:13; 52:16;
69:8, 13; 71:21; 72:1, 2,
14, 16; 73:6; 75:7, 11, 19,
23, 24; 77:7, 9; 78:10, 11;
79:11; 81:24; 87:8; 88:15;
92:11; 95:24; 103:16;
109:9; 115:19; 116:18;
118:13, 13; 119:1; 121:9,

23
took 9:4; 28:12; 53:16;
111:15
tools 14:19
top 27:5
topic 75:16
total 10:18; 26:13; 38:12;
111:1
totaled 10:7
totalling 15:10
totally 42:24
touch 77:10
tough 60:4
tougher 57:3
toward 107:10; 124:18
towards 128:23
trace 15:25; 17:3
traced 16:17
trade 54:7
Trading 19:14
trailed 115:23
transaction 25:19;
71:21; 72:8, 16, 21, 25;
73:3; 74:19; 76:12; 78:14;
82:22; 84:10, 12; 85:20,
24; 87:13, 16; 92:2, 4, 12,
25; 98:12, 14; 99:20;
103:6; 104:20; 106:4;
110:11, 16
transaction-there
126:2
transactions 62:21
transcript 70:6
transfer 12:21; 13:18;
19:17; 123:19
transferred 38:6; 73:7;
74:17; 86:24; 89:7; 93:11;
103:3; 110:9; 118:24
transferred-they 93:11
transfers 7:16; 19:2;
45:6; 56:7, 13, 25
translation 102:14
traveled 28:13
treasurer 31:24
treated 15:20
tremendously 60:6
Tried 35:19; 40:14; 100:9
Trie 36:14; 37:9; 42:14;
78:14; 102:21; 127:25, 25
tries-to 34:23
trip 66:16, 18; 101:16;
103:21, 22
troubling 53:15
true 5:2; 8:13; 9:18, 18,
20; 11:13; 19:19, 22;
24:19; 33:13; 35:19;
50:14; 89:2; 90:9, 12, 23,
25; 92:1; 98:3; 117:2
true-that 31:16
trust 4:20; 8:18, 20, 23,
23; 12:22; 13:11; 16:25;
18:4, 9; 29:25; 45:3
truth 1:19, 19, 20; 34:14;
65:7, 8, 8; 84:10

truthfully 50:20
try 11:9; 35:23; 37:13;
57:8; 59:23; 94:12;
106:12; 122:10; 127:19;
129:1, 1, 4
try-I 34:23
trying 42:17; 45:22;
47:24; 48:3; 50:12; 57:23;
94:7
Tsongas 31:21; 32:4;
38:17; 55:17, 19
Tuesday 35:11; 40:14;
129:25
tune 73:11
turn 7:3, 5; 19:14; 25:7;
26:19; 66:20; 77:9;
107:23; 116:25
turnaround 28:15
turned 60:14; 111:17
turnip 25:18
turns 44:4; 109:17
TV 122:17, 17
twists 44:4
two 10:5; 11:15; 15:17;
36:23; 38:2, 17; 49:24;
56:7, 12; 59:10; 72:25;
73:1; 84:11, 12; 97:2, 4;
105:10, 11; 116:9; 118:17;
121:4
type 48:2; 49:2
typical 25:23; 43:20, 21;
44:2
typically 8:25; 24:17;
44:8

U

U.S. 2:1, 5; 5:8; 6:2; 20:14;
23:25; 38:15, 16, 21;
39:14, 19; 47:5, 10; 60:20;
89:16; 113:1, 5
uh 55:11
uh-and 53:13
ultimate 73:3
ultimately 71:12, 18;
80:8; 85:24; 88:8, 9; 110:6
um 51:3; 52:12, 21
unable 2:21
uncovered 14:3; 60:18;
61:14; 63:13
under 18:12; 35:22;
38:21; 45:24; 48:1; 55:25;
68:10; 84:22; 103:19;
110:13; 117:15; 118:12;
119:21
underlined 104:15
understandably 90:15
understood 47:16;
76:13; 86:14; 87:3; 96:23;
98:10; 102:13; 104:22
undertaken 31:12
unethical 111:24
unfair 38:1
unfavorable 61:11

unfortunately 62:5;
85:14; 90:6; 91:19; 97:18
unification 113:20
unit 74:15
United 1:5, 15; 4:1, 21;
29:2; 41:10; 45:7; 72:13;
89:15; 100:18, 19; 101:13,
21; 112:21, 22; 113:16
University 98:25
unknowingly 9:16; 56:15
unless 46:6; 69:19
unnamed 52:22
unpleasantness 124:20
untrustworthy 60:1
unusual 22:20
up 11:2, 16; 15:14; 16:11,
11; 18:11; 27:1, 17; 45:11;
54:21; 56:19; 59:19; 60:4,
14; 62:21; 63:14, 14;
70:19; 71:1, 3; 76:24;
77:14; 80:8; 86:4; 88:9, 25;
89:3, 6; 93:3, 5; 95:15, 20;
96:5; 99:17, 24; 100:2, 2,
4; 106:2; 108:2; 109:19;
113:7; 115:17; 116:11;
118:10; 121:23; 122:3, 10,
12; 123:5; 124:13, 14;
126:10; 127:14; 129:4, 14,
17
upon 8:12; 20:6, 17;
29:21; 34:21; 51:21, 22;
63:9; 66:9; 88:2; 89:8;
90:18; 104:16
upset 90:15
urgency 107:11
urgent 106:25; 107:2, 14
USA 66:2; 68:3; 71:13;
72:17; 73:8; 74:4, 9; 80:13;
86:3, 16; 87:17; 88:25;
89:3; 92:3; 98:19, 23, 24;
103:4; 109:24; 110:1, 10
use 8:21; 13:20; 17:10;
22:4; 24:24; 61:21; 69:16;
70:23; 120:24; 122:21;
129:17
used 10:24; 11:2; 19:21;
26:17, 17; 49:2; 60:5;
71:17; 76:24; 80:21;
81:19; 95:20; 97:17;
100:3; 107:4; 114:1;
118:18
uses 18:10; 118:3
using 13:14
Utah 67:8, 11, 17, 21;
70:16; 91:11

V

vacation 66:12
vacuum 54:19
valid 128:6
valuable 99:10
value 97:10
varied 106:18
variety 34:10; 45:12; 51:2

various 4:24; 9:11, 19;
18:16; 21:18; 23:17; 29:7;
87:12; 109:20; 110:22;
114:6; 126:8
vehicle 92:22
verbatim 71:8
versed 21:14
vice 11:12; 21:1
victim 126:5
victory 115:25
view 24:18, 19; 40:5, 9,
11, 13, 18; 81:19; 82:5, 7;
125:21
views 101:23
violate 2:15; 23:4, 8
violated 53:11
violates 13:20
violating 120:5, 7
violation 22:2; 126:18
violations 44:9; 119:22
virtual 49:17
virtually 48:11; 109:3
virtue 63:9; 67:8, 20
visit 75:9; 102:22
visiting 102:18
vocabulary 92:19
Volcansek 69:5; 76:18;
77:5, 6, 9; 95:17; 96:6, 7,
8; 98:16; 108:12, 14, 20;
118:13; 128:18
Volcansek-I 75:7
Volume 81:6, 9
vote 58:7; 65:1, 12
voted 46:25; 49:15

W

wait 40:10, 18
waiting 28:16
waive 28:17, 21
walk 16:24
waned 92:14
wants 23:3, 9; 39:11
warehouse 14:12
Warfield 24:6
warrant 41:25
warranted 16:15
was-arose 75:16
was-I 35:4; 79:16; 99:22;
104:25
wash 40:25
Washington 1:7; 39:21;
55:20; 87:18; 89:10;
92:24; 118:18; 122:23
watching 54:8; 122:16
way 11:11; 13:19; 20:16,
17; 22:12; 26:1, 22; 27:25;
37:22; 45:11; 53:24; 84:4;
90:7; 98:15; 99:8, 13;
100:10, 13; 113:24;
115:18; 116:1, 12; 119:5;
122:24; 123:4; 127:12
ways 46:11; 114:6

we'll-we 51:5
we-we 55:5
wealthy 37:19
wedge 127:20
week 28:14; 33:17; 35:3;
46:21; 49:25; 58:21;
122:19; 129:18
weekend 115:14
weeks 91:8; 100:8;
122:18, 18; 123:2, 13
weigh 50:14; 51:23
welcome 39:17; 95:7
well-to-do 69:21
were-we 84:15
weren't 45:21
What-what 97:12
whatsoever 42:19; 55:23
where-well 93:3
Wherein 43:25
Whereupon 94:22
whether-to 20:13
white 44:9
whole 1:19; 7:16; 54:22;
55:8, 14; 57:24; 59:22;
61:13; 65:8; 81:13; 96:12;
114:4; 120:8, 17; 121:16,
19; 123:9; 124:23
wholesale 126:20
wholly 13:14
whose 26:17; 29:16;
127:3
widely 62:6
wife 62:20, 22; 63:15;
113:1, 17
willing 44:21; 62:4; 69:23
willingness 16:5
wind 56:19; 127:14
winnable 108:5
wire 19:2; 31:13
wire-transferred 18:17
wire-transferred 4:20;
8:24
wired 13:13; 41:17
wiring 16:18
wish 90:22
wished 63:7
withdraw 107:3
withdrawal 16:24
withdrawn 8:25
withdrew 59:6
within 22:10; 28:14, 20;
30:7; 33:7; 50:5; 51:9
without 35:9; 61:21; 96:8
witness 1:14; 11:19;
48:4, 16; 49:3; 50:16, 20,
23; 65:2; 128:2, 9; 129:2
witnesses 87:13; 114:8;
122:20; 125:11, 14, 19;
129:3, 14, 16, 19
won 69:13
wonder 19:9; 81:13
wondered 129:18
wondering 11:17;

117:24
word 79:14; 113:15
words 4:3; 21:9; 33:23;
42:14; 62:20; 112:16;
119:14; 120:24; 122:21
work 7:13, 19; 19:16;
30:14, 16, 22; 39:6; 49:10,
22; 62:9; 72:24
worked 26:3; 67:23;
92:21; 105:19; 123:4
working 16:2
workplace 53:16
works 26:22
world's 126:11
worried 99:25
worry 48:12
worst 129:1
worth 62:8
would-I'd 63:8
would-was 89:15
wrap 15:14
write 4:24; 35:14; 90:20;
114:18
writer 81:22, 24
writing 29:10; 33:5;
76:20; 97:21; 104:6
written 78:24; 90:7, 23;
97:7
wrong 52:25; 53:3; 54:10;
82:18, 18, 22, 24; 111:10,
13; 125:14
wrongdoing 31:8; 33:24;
47:18; 54:10
wrongdoings 25:12
wrote 26:19; 28:10;
33:21; 79:22; 90:16;
95:16; 119:23

X

x 51:5

Y

YBD 71:13; 74:9; 86:15;
87:16; 88:25; 89:3; 92:3;
98:18, 18, 23, 23, 24
year 5:11; 7:21; 57:17,
19; 74:12; 107:23; 119:11;
121:7; 124:10, 10, 22, 24;
125:1, 4
year-your 68:6
years 5:16; 8:9; 12:19;
17:6; 23:23; 31:18; 45:12;
67:19, 22, 24; 74:16;
79:13; 86:12, 13; 105:20
years-as 23:20
yesterday 45:16; 85:3;
98:16; 109:3; 112:16;
115:3; 116:6; 119:9;
120:12; 121:14, 16;
128:24
yield 7:22; 43:5; 58:13;
124:16

Yogesh 100:10
York 16:13
you"-in 76:19
you-the 48:12
Young 12:10, 12; 66:1;
68:3; 70:5; 71:20, 23;
72:10, 12, 13, 15, 17, 24;
73:7, 8, 9, 20, 25, 25; 74:4,
19; 75:3, 9, 10, 12, 15, 17;
79:10; 80:12, 23; 82:1;
83:3, 17, 19; 86:3, 23;
88:10; 89:4, 6, 10, 11, 14,
22; 90:3; 92:7; 97:16;
98:18, 22; 101:6, 8, 18;
102:6, 21; 103:4, 14, 16,
20, 22, 24; 104:11, 13, 16,
23; 105:2, 4, 7, 14, 18;
109:24; 110:1, 6; 113:5;
115:5; 118:21; 119:3, 3
Young's 72:13; 73:20;
91:2; 93:25; 99:1, 23;
100:20; 112:19; 114:4;
117:23; 118:16
Youngs 100:11
yours 96:16

Z

Zhan 35:19

NATIONAL POLICY FORUM

A Republican Center for the Exchange of Ideas

HALEY BARBOUR
Chairman

October 13, 1994

Mr. Kevin Killoren
Signet Bank
Tax-Exempt Banking
8330 Boone Boulevard
Vienna, VA 22182

VIA FAX

Dear Kevin:

Following is a disbursement plan for our \$2,100,000 loan.

- 1) As agreed, we will be using \$500,000 to pay all our outstanding bills and retain the difference for working capital purposes. Our checking account number is 667-0065025.
- 2) The remaining \$1,600,000 will be used to retire loans from the RNC. However, they would like to receive payment on October 20, 1994. We would like to hold those funds in our savings account until the 20th. Our savings account number is

If you would prefer to transfer whole \$2,100,000 to our checking account, we will make the transfer to savings ourselves. Please do not hesitate to call if you have any questions.

Exhibit

299

Sincerely,


Steven S. Walker, Jr.
Comptroller

NPF 00031

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

National Policy Forum
229 1/2 Pennsylvania Ave., S.E.
Washington, D.C. 20003

Person to Contact:

Michael Seto

Telephone Number:

(202) 622-6477

Refer Reply to:

CP:E:EO:T:3

Date:

FEB 21 1997

Employer Identification Number: 52-1827887

Key District: Southeast (Baltimore, MD)

Dear Applicant:

We have considered your application for recognition of exemption from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(4). Based on the information submitted, we have concluded that you do not qualify for exemption under that section. The basis for our conclusion is set forth below.

The information submitted indicates that you were incorporated on May 24, 1993 under the non-profit corporation laws of the District of Columbia. In your Articles of Incorporation, you describe your purposes as follows:

{to encourage the involvement of citizens in free and open debate, the public exchange and development of ideas, discussions, dialogues, conferences, and discourses, to promote public forums, seminars and colloquia and information dissemination to the general populace, to develop a national Republican policy agenda and to serve as a clearinghouse for the collection and review of research and ideas on issues affecting foreign affairs, national security, economy, environment, energy, government lands, commerce, labor, federal budget, . . . and other issues of concern to or affecting the citizens of the United States of America [emphasis added].

As stated in your newsletter, Ideas Matter (May 1995 Issue), you are "[a] Republican Center for the Exchange of Ideas." "That exchange will be open and inclusive -- not exclusively for Republicans but an exchange that invites serious commentary from Democrats, Independents, and the heretofore apolitical as well[,]" according to your publication, Common Sense (Volume 1, Winter 1994, Number 1). You were founded, according to your brochure and prospectus, on three premises, 1) "that fundamentally, ideas make the difference in politics," 2) "that traditionally, ideas that make a difference have been associated

NPF 003375

National Policy Forum

with political parties," 3) "that currently, workable ideas are more likely to be found at the grassroots than in Washington."

Your organization, as described in your news release of December 8, 1993, "is composed of civic, community and business leaders, Republican elected officials, former office-holders, and other prominent Americans from all walks of life." You are not a membership organization, but your bylaws permit the board of directors to create classes of "membership" - contributing membership and honorary membership. These memberships do not carry voting rights or other organizational rights.

Your bylaws provide that a board of directors governs and directs your operations. The board of directors is invested with the power to appoint or remove board members. The initial board of directors included Mr. Haley Barbour, the former chairman of the Republican National Committee, the political arm of the Republican Party. The information in our administrative files shows that your board members include Mr. Barbour and other prominent Republican Party members, including Senator Nickles of Oklahoma, former Republican Minority House Leader Bob Michel, former Secretary of Labor and former Maryland Senatorial candidate William E. Brock, Governor George V. Voinovich of Ohio, John Bolton, United States Representative John Boehner, former Republican gubernatorial candidate Jeb Bush and Teresa Lubbers (a member of an organization called Republican Professional Women's Roundtable). Mr. Bolton also serves as president of your organization.

One major activity you conduct in furtherance of the above described purposes is policy councils. The purpose of the policy councils is to "search for ideas by holding public and intensely participatory grassroots forums across the country." Each council has two co-chairs and members that include Congressional members, state legislators, and individuals from the private sectors. Each council addresses a specific policy area such as "Reforming Health Care," "Improving Schools and Education," "Reducing the Size and Scope of Government," or "Reforming the Legal and Regulatory Systems" (see page 5 of your prospectus). Each policy council holds public grassroots forums that address issues relating to that council's public policy area.

Your policy councils thus far have held several forums on topics such as education reform (December 7, 1993), violent crimes (December 8, 1993), and federal land use (December 15, 1993). The forums featured three panels, a panel of your representatives, a panel of expert witnesses and a panel of Congressmen -- whose purpose was to listen to viewpoints of other panelists and audience and provide their perspective. The forums

National Policy Forum

were conducted in question and answer format and were hosted by your officers. The forums began with opening remarks by your president and chairman, followed by testimony of your expert witnesses, and other guests and participants. Discussion with the general audience then followed. Each policy council then reported its findings and policy recommendations to your board of directors.

Many prominent Republican Party politicians served as speakers or panelists at your forums. For example, Republican Senator Hank Brown, former Republican Senator Malcolm Wallop (also served as a chairman of a policy council), Republican House of Representatives members Dan Schaefer, Joel Hefley, Wayne Allard, and former House Representative Craig Thomas participated at your February 14, 1994 forum (see NPF news release of February 8, 1994). The participants in your December 11, 1993 forum included Republican Senator Orrin Hatch, former Republican Senator Malcolm Wallop, former Commodity Futures Trading Commission Chairwoman Wendy Gramm, and Republican Congressman James Hansen (see December 7, 1993 News Media Advisory release). The panelists in your September 19, 1995 forum included Republican Senators Kay Bailey Hutchinson, Thad Cochran, Ted Stevens, Rod Grams and Republican House of Representatives member Mark Souder, Jennifer Dunn and Sue Myrick, and other individuals from private industries. The keynote speaker at this forum was former Republican House Representative and vice-presidential candidate Jack Kemp. Other forums you have had also featured prominent Republican Party politicians such as Governor Todd Whitman of New Jersey, Governor William Weld of Massachusetts (see April 12, 1994 NPF news release), House Speaker Newt Gingrich (see October 18, 1995 news release), House Majority Whip Tom DeLay (see July 24, 1995 NPF news release), Marilyn Tucker Quayle (see April 26, 1994 news media advisory release) and other well known Republican Party politicians or persons affiliated with the Republican Party.

You produce a monthly televised policy-oriented program called "Listening to America: A Neighborhood Meeting." The purpose of this program is to communicate ideas and to allow the public to participate in policy discussion. Many prominent Republican Party politicians were speakers at these monthly programs (such as Republican Senators Hank Bown and Malcolm Wallop, see February 10, 1994 news media advisory release).

You hold "mega-conferences" whose purpose is to focus on long-range policy issues (i.e. Trade and the Economy, Health Care) and to allow interested members of the public to participate in the discussion of these policy issues. Many prominent Republican Party politicians were speakers at your

National Policy Forum

mega-conferences, and they included Republican Senators Richard Lugar, Charles Grassley, Kaye Bailey Hutchinson and Republican Governor Terry Branstad of Iowa.

You publish quarterly a journal called Common Sense, and the purpose of this journal, as stated in your pamphlet, is to enhance "the policy debate by providing a source for provocative thinking and lively debate about the parties, politics, and public policy." The cover of Volume 1 Winter 1994 Number 1 of Common Sense stated that it was "a Republican Journal of Thought and Opinion." The journal was distributed to forum participants, elected officials and policy makers and all other interested persons. The authors of the articles in each edition of the journal were selected by your board of directors. The authors included politicians (e.g. Mike Leavitt, Republican Governor of Utah; Tommy G. Thompson, Republican Governor of Wisconsin), academicians (e.g. Andrew E. Busch, assistant professor, University of Denver) and individuals in the private sector (e.g. Charles J. Cooper, a law firm partner; Linda DiVall, vice-president of a survey research firm). The topics of the articles included foreign policy (e.g. "The United States and Greater China", "Nato and U.S. Interests") and domestic policy (e.g. "Unfunded Federal Mandates And The Need For a New Federalism", "Remembering The Question or, A Brief History of the Republican Party").

You have been operating with funds supplied by contributors -- and the Republican National Committee. The Republican National Committee, from May of 1993 to December of 1995, provided you thirty seven loans totalling \$2,595,000. The interest rate on these loans ranged from 7.5 percent to 10.5 percent. There were no indications that the terms of the loans were negotiated at arms length. You have used services provided by the Republican National Committee. These services included duplicating and printing materials, office furniture, moving services, etc. You stated that you were billed for these services at fair market value. You have raised \$690,000 in contributions from sources other than the Republican National Committee.

Section 501(c)(4) of the Internal Revenue Code (hereinafter "Code") provides for the exemption from federal income tax of organizations not organized for profit but operated exclusively for the promotion of social welfare.

Section 1.501(c)(4)-1(a)(2)(i) of the Income Tax Regulations (hereinafter "Regulations") provides that an organization is operated exclusively for the promotion of social welfare if it is primarily engaged in promoting in some way the common good and general welfare of the people of the community.

National Policy Forum

Section 1.501(c)(4)-1(a)(2)(ii) of the Regulations provides that the promotion of social welfare does not include direct or indirect participation or intervention in political campaigns on behalf of or in opposition to any candidate for public office.

Rev. Rul. 60-193, 1960-1 C.B. 195, concludes that an organization created to encourage greater participation in governmental and political affairs qualifies for recognition of exemption under section 501(c)(4) of the Code. Activities of the organization included seminars and workshops held on campuses of colleges and universities. The subject matter of these seminars relates to the American political system. All lecturers, including academic political scientists and political leaders from the local and national levels, were required to maintain certain technical standards and were not allowed to advocate for any particular political group. Seminars and workshops were moderated by permanent staff personnel of the organization in order to prevent the program from becoming partisan in character.

Rev. Rul. 73-306, 1973-2 C.B. 179, provides that an organization formed for the purpose of promoting the common interest of tenants who reside in an apartment complex did not qualify for exemption under section 501(c)(4) of the Code. Any person regularly living in the complex is eligible for membership. The organization represented its member-tenants in negotiations with the management of the complex in order to secure better maintenance and services, and reasonable rentals. This revenue ruling concludes that this organization was operated to benefit its members and was not primarily engaged in activities that promote the common good and general welfare of the community.

In contrast, Rev. Rul. 80-206, 1980-2 C.B. 185, provides that an organization formed to promote the legal rights of all tenants in a community qualifies for exemption under section 501(c)(4) of the Code.

Rev. Rul. 73-349, 1973-2 C.B. 179, holds that an organization formed to purchase groceries for its members at the lowest possible prices on a cooperative basis is not exempt under section 501(c)(4) of the Code. Each member paid for the cost of food ordered plus a monthly service charge which defrayed the organization's expenses. The organization was a cooperative enterprise for the economic benefit or convenience of its members. This revenue ruling states that the organization was operated primarily for the benefit of members and not to promote the common good and general welfare of the community.

National Policy Forum

Rev. Rul. 75-286, 1975-2 C.B. 210, describes an organization that was formed by the residents of a city block to preserve and beautify that block, to improve all public facilities within the block, and to prevent physical deterioration of the block. Its activities consisted of paying the city government to plant trees on public property within the block, organizing residents to pick up litter and refuse in the public streets and on public sidewalks within the block, and encouraging residents to take an active part in beautifying the block by placing shrubbery in public areas. Much of the public area improved by the organization was part of the public roadway lying between the sidewalk and the street in front of private property owned by members of the organization. Membership in the organization was restricted to residents of the block and those owning property or operating businesses there.

This revenue ruling concludes that the organization did not qualify for exemption under section 501(c)(3) of the Code but did qualify for exemption under section 501(c)(4). It states that because the activities enhanced the value of the members' property rights, the organization served the private interests of its members and did not qualify for exemption under section 501(c)(3). It states also states that while the organization's activities were benefiting its members there was sufficient benefit conferred upon the community as a whole. Although private benefit did exist to the members, the primary benefit was to the community. Therefore, the organization was not operated primarily for the benefit of members, but primarily to promote social welfare.

In Commissioner v. Lake Forest, Inc., 305 F.2d 814 (4th Cir. 1962), a corporation was organized for the purpose of purchasing a government housing project and converting it to a cooperative, nonprofit housing for its members. Membership in the corporation was established by the purchase of a corporate share which entitled the purchaser to an apartment unit. The court held that the organization was not described in section 501(c)(4) of the Code because the operation was a private self help enterprise with only incidental benefit to the community.

In Contracting Plumbers Cooperative Restoration Corp. v. United States, 488 F.2d 684 (2d Cir. 1973), cert. denied, 419 U.S. 827 (1974), plumbers working in New York City were responsible for the cuts they made in the city streets. Prior to the organization's existence, the city had repaired the cuts and billed the plumbers individually. This system proved to be highly inefficient. The organization was formed as a cooperative in order to restore the city streets. - It only repaired cuts made by its members. The joint effort of the plumbers reduced their

National Policy Forum

liability and their expenses. While the court found the program to be highly beneficial, it concluded that the organization principally served the private economic interests of its members and, thus, could not be considered exempt under section 501(c)(4) of the Code.

Rev. Rul. 66-256, 1966-2 C.B. 210, describes an organization that was formed to bring about a fair and openminded consideration of social, political, and international questions by the promotion and sponsorship of a public forum at which debates and lectures were conducted. The organization invited prominent individuals to discuss varying political and social matters of national and community interest. The speakers, in addition to delivering their prepared text, answered questions of those attending. The other part of the organization's program involved the sponsorship of debates. Individuals representing opposing viewpoints were invited to debate particular topics. The debates were conducted in accordance with carefully drawn rules. Frequently, the persons invited to lecture or debate were controversial and occasionally there was opposition to their appearance. None of the programs or activities of the organization involved the participation or intervention in any political campaigns of candidates for public office.

The revenue ruling states that the presentation of public lectures, forums, or debates was a recognized method of educating the public. The fact that the presence of the invited speaker or his opinions may precipitate controversy within the community did not adversely affect the status of an organization whose primary purpose was to provide a forum for speakers. Consequently, the organization qualified for exemption under section 501(c)(3).

Rev. Rul. 76-456, 1976-2 C.B. 151, describes an organization that was formed for the purpose of elevating the standards of ethics and morality that prevail in the conduct of campaigns for election to public office at the national, state, and local levels. On a nonpartisan basis the organization collected, collated, and disseminated information concerning general campaign practices through the press, radio, television, mail, and public speeches. In addition, the organization furnished 'teaching aids' to political science and civics teachers to help stress the need for ethical conduct in political campaigns. The organization proposed a Code of fair campaign practices. Although need for the Code was extensively publicized, the organization did not solicit the signing or endorsement of the code by candidates for political office.

The revenue ruling states that the organization was instructing the public on subjects useful to the individual and

National Policy Forum

beneficial to the community within the meaning of section 1.501(c)(3)-1(d)(3) of the regulations by encouraging voters to concern themselves with fair as well as unfair practices encountered in political campaigns. This was done, on a nonpartisan basis, so that citizens could increase their knowledge and understanding of our election processes and participate more effectively in their selection of government officials. Consequently, the organization was operated exclusively for educational purposes and thus qualified for exemption under section 501(c)(3) of the Code.

Rev. Rul. 80-282, 1980-2 C.B. 178, describes an organization whose activities included the publication of Congressional incumbents' voting records on selected issues in a non-partisan newsletter. The revenue ruling observes that the format and content of the publication were not neutral because the publication reported each incumbent's votes and his/her views on selected legislative issues and indicated whether that incumbent supported or opposed the organization's view. However, the voting records of all incumbents were presented and candidates for reelection were not identified. No comment was made on an individual's overall qualifications for public office, no statements expressly or impliedly endorsed or rejected any incumbent as a candidate for public office, and no comparison of incumbents with other candidates were made. The organizations noted the inherent limitations of judging the qualifications of an incumbent on the basis of certain selected votes by stating the need to consider such unrecorded matters as performance on subcommittees and constituent services. Furthermore, the organization did not widely distribute its compilation of incumbents' voting records. The publication was distributed to the organization's normal readership, numbering only a few thousand nationwide. This resulted in a very small distribution in any particular state or Congressional district. No attempt was made to target the publication toward particular areas in which elections are occurring nor to time the date of publication to coincide with an election. The revenue ruling concludes that the organization was not engaged in prohibited political campaign activity.

In American Campaign Academy v. Commissioner, 92 T.C. 1053 (1989), an organization was formed for charitable and educational purposes. The organization's primary activity was to operate a school. The school trained individuals for careers as political campaign professionals. The school maintained a regularly scheduled curriculum, a regular faculty and a full-time enrolled student body. Prior to the formation of the organization, the National Republican Congressional Committee (NRCC) sponsored programs designed to train candidates and to train and

National Policy Forum

subsequently place campaign professionals in Republican campaigns. The organization stated that it was an outgrowth of the programs operated by the NRCC. NRCC contributed the physical assets, such as furniture and computer hardware, to the organization. Two of the organization's six full-time faculty were previously involved in the NRCC's training program. One of the organization's three initial directors was the executive director of the NRCC. The organization did not train candidates or participate in, or intervene in, any political campaign on behalf of any candidate. Neither did the organization engage in any activities tending to influence legislation. Applicants were required to provide the organization with professional references. While applicants were not required to formally declare their political affiliation to attend the organization's school, such affiliation could be deduced from the campaign experiences and political references contained in the applications. Graduates of the school were employed by various Republican organizations. No graduate was known to have affiliated with any domestic political party other than the Republican Party.

The Court concluded that the organization's activities benefited the private interests of Republican entities and candidates more than incidentally. The organization, thus, served a substantial nonexempt purpose. Although the school had a legitimate educational program, the Court held that the school conducted its educational activities with the partisan objective of benefiting the interests of the Republican Party as evidenced by:

- 1) the composition of the school's board of directors
- 2) the failure of the school to counterbalance the Republican party focus of its curriculum with comparable studies of the Democratic or other political parties,
- 3) the incorporation of the school by the General Counsel of the National Republican Congressional Committee, an unincorporated association comprised of Republican members of the House of Representatives; and,
- 4) a lack of showing by the school that its graduates served in Congressional and Senatorial campaigns of candidates from both major political parties in substantial numbers.

National Policy Forum

ANALYSIS

A. Promoting Social Welfare

In order to qualify for recognition of exemption under section 501(c)(4) of the Code, an organization must be primarily engaged in activities that promote social welfare. The promotion of social welfare may include activities that educate the public or lobby public officials or both. Exemption is not dependent on the point of view of the educational material or the issue being lobbied. In contrast to lobbying and educational activities, partisan political activity does not promote social welfare as defined in section 501(c)(4). Such activity promotes the interests of one political faction. An organization engaging in such activity is engaged not merely in the clash of ideas, but in a contest for power.

Based on the information you submitted, it appears that you are a partisan issues-oriented organization. Specifically, your activities are designed to promote the Republican Party and politicians affiliated with the Republican Party. This partisanship is exhibited in the key officers and personnel that founded and operate your organization. For example, an initial board member was Mr. Haley Barbour, the former chairman of the Republican National Committee. Most members of your current board of directors are affiliated or identified with the Republican Party. These members include Mr. Barbour, Republican Senator Don Nickles, former Republican Congressman Bob Michel, former Republican senatorial candidate William Brock, and Republican Governor George C. Voinovich. Although you have members -- honorary and contributing members -- they do not have an organizational voice (or voting rights) in your operations.

This partisanship is also exhibited in your operation. The speakers or participants that you invited to your forums usually were identified or affiliated with the Republican Party. For example, the speakers or participants at your February 14, 1994 and December 15, 1993 forums are former or current Republican Party public office holders (i.e. Senator Orrin Hatch, Senator Hank Brown, Wendy Gramm, Congressman James Hansen, Congressman Dan Schaefer, Congressman Joel Hefley, Congressman Wayne Allard, and so forth). Other speakers include Governor Weld of Massachusetts and Governor Whitman of New Jersey. You have not indicated whether you have invited to your forums speakers or panelists who are affiliated or identified with other political parties.

Your publications reflect a political partisanship toward the Republican Party. For example, the word "Republican" is used

National Policy Forum

in your press releases, journals and newsletters. You have published speeches of prominent Republican Party politicians such as Newt Gingrich (Speaker of the House), Richard Lugar (Republican senator), Casper Weinberger (former cabinet member in the Reagan administration), Pete du Pont and former Republican Party presidential nomination candidate Malcolm "Steve" Forbes. You also have published articles about the Republican Party (e.g. "Remembering The Question or, a Brief History of the Republican Party", Common Sense, Volume 1 Winter 1984 Number 1).

Your financial support also reflects this Republican Party partisanship. You have received substantial financial support from the Republican National Committee. The Republican National Committee lent you more than 2.5 million dollars since your formation. You also purchased supplies and services from the Republican National Committee. Although the financial support was in the form of loans, there was no indication that the terms of the loans reflect commercial market rates.

You claim to be a nonpartisan issues-oriented organization, and we acknowledge that you are issues-oriented. However, your activities are no less partisan as demonstrated by the manner in which you operate your organization and conduct your activities. Unlike the organization described in Rev. Rul. 60-193, supra, which encouraged participation in the political process by explaining the process on a nonpartisan basis, you were created for the partisan objective of promoting a particular political party. Based on the above facts and circumstances, we conclude that, because of your partisan nature, you are not engaged in activities that promote social welfare.

B. Operating Exclusively to Benefit the Whole Community

An organization exempt under section 501(c)(4) of the Code must be promoting the common good and general welfare of the whole community. Benefitting select individuals or groups, instead of the community as a whole, is contrary to this requirement. See Rev. Rul. 75-286, supra. For example, the tenants' organization described in Rev. Rul. 73-306, supra, is distinguishable from the one described in Rev. Rul. 80-206, supra, in that its activities are directed primarily toward benefitting its member-tenants rather than all tenants in the community. See e.g. Rev. Rul. 73-349; Lake Forest, Inc.; and Contracting Plumbers Cooperative; Restoration Corp., supra. Therefore, a sufficient amount of benefit to select individuals will preclude an organization that would otherwise qualify for exemption from being described in section 501(c)(4).

National Policy Forum

This private benefit standard is also demonstrated in the American Campaign Academy, supra, and is relevant here. In that case, the court held that an organization created to serve a particular faction in the political spectrum was not exempt under section 501(c)(3) of the Code because its activities benefited the private interest of that particular faction. The private benefit standard used in American Campaign Academy is similar under section 501(c)(4). The difference is in the weighing of the private benefits (i.e. the amount of private benefits), not the standard. See e.g. Rev. Rul. 75-286, supra.

The information you submitted clearly indicates that you, like the organization described in American Campaign Academy, are operated primarily for the benefit of a select group. This select group consists of the Republican Party and politicians affiliated with the Republican Party. Specifically, your activities benefited the Republican party and its affiliated politicians by enhancing the electoral and political fortunes of the aforementioned. These activities generated public support and enthusiasm for your policies and positions. In turn, the public support and enthusiasm could enhance the election or reelection prospects of Republican politicians (i.e. their political careers) and, thereby, the fortunes of the Republican Party. Also, political identification with the Republican Party was strengthened when individuals participated in your forums and mega-conferences. Your publications, the journals and newsletters, also served to enhance the electoral prospect of Republican politicians because they could generate party identification with and political support for the Republican Party and politicians.

This conclusion is supported by your orientation toward the Republican Party, which is demonstrated in the history, creation, control, and operation of your organization. As illustrated in your press releases, journal, newsletters, and prospectus, the word "Republican" is used throughout these publications. The speakers or participants that you invited to your forums usually were identified or affiliated with the Republican Party. For example, many speakers or participants (Senator Orrin Hatch, Senator Hank Brown, Wendy Gramm, Congressman James Hansen, Congressman Dan Schaefer, Congressman Joel Hefley, Congressman Wayne Allard, and so forth) at your forums were former or current Republican Party office holders. You have not indicated whether individuals affiliated with other political parties were invited to be speakers at your forums. Control of your organization resides with individuals who are members of or affiliated with the Republican Party.

National Policy Forum

CONCLUSION

In summary, we conclude that you are not operated primarily to promote social welfare because you are a partisan issues-oriented organization and your activities are partisan. In addition, we conclude that your activities also substantially benefitted the Republican Party and politicians affiliated with the Republican Party. Accordingly, you do not qualify for recognition of exemption under section 501(c)(4) of the Code, and you must file federal income tax returns.

You have the right to protest this ruling if you believe it is incorrect. To protest, you should submit a statement of your views, with a full explanation of your reasoning. This statement, signed by one of your officers, must be submitted within 30 days from the date of this letter. You also have a right to a conference in this office after your statement is submitted. You must request the conference, if you want one, when you file your protest statement. If you are to be represented by someone who is not one of your officers, that person will need to file a proper power of attorney and otherwise qualify under our Conference and Practices Requirements.

If we do not hear from you within 30 days, this ruling will become final and copies will be forwarded to your key district office. Thereafter, any questions about your federal income tax status should be addressed to that office.

When sending additional letters to us with respect to this case, you will expedite their receipt by using the following address:

Internal Revenue Service
Attn: CP:E:EO:T:3, Room 6137
1111 Constitution Ave, N.W.
Washington, D.C. 20224

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely,

~~Edward K. Karcher~~

Edward K. Karcher
Chief, Exempt Organizations
Technical Branch 3