

**Statement of Amy Moritz Ridenour**  
**At the Hearing before the United States Senate**  
**Committee on Indian Affairs on Lobbying practices**  
**Involving Indian Tribes**  
**June 22, 2005**

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Thank you for inviting me to appear before the committee and for giving me the opportunity to discuss the funds the National Center for Public Policy Research received from the Mississippi Band of Choctaw Indians. Specifically, I wish to discuss the large sums we received during the period of October 2002 through June 2003. I intend to share what I believed were the reasons why the National Center received these funds and how and why we dispersed these funds to for-profit entities we subsequently learned were associated with or owned by Jack Abramoff.

Before addressing these particular points, I believe that it will be helpful to the committee if I share some background on the National Center.

The National Center is a conservative/free market non-profit public charity that opened in February 1982. I have had the privilege to be the first and only chief executive officer of the National Center and have made it my life's work.

The National Center's focus during approximately its first decade was on issues related to the Soviet Union. However, with the fall of the Iron Curtain, the National Center's focus turned to other conservative programs and issues.

One such program is Project 21, which highlights the views of conservative and moderate African-Americans by helping them get op-eds published in newspapers, arranging interviews on talk radio and other media, and issuing press releases based on information provided by this previously under-represented group. Since Project 21's inception in 1992, the news media has quoted its members approximately ten thousand times.

Researching environmental issues and educating the public regarding them is another National Center program. One research project includes the publication of several editions of a book that highlights one hundred personal stories of Americans, who are neither wealthy nor powerful, who have been harmed by regulations that are excessive or improperly applied. In addition, the National Center has begun to examine the extent to which low-income and minority populations disproportionately bear the cost of some government regulations.

As the years went on, in an effort to make the National Center a better non-profit organization, we implemented several changes, including, in 1997, an increase of the number of board members from three to seven to improve oversight. When we began our search, we decided to bring in individuals who we believed would improve the National Center. One of the individuals we chose was Jack Abramoff. At that time, I had known

Jack for nearly 17 years, he was a dedicated free-market conservative, a successful lobbyist and businessman, he had connections to corporate America and his managerial skills; it seemed to me at the time, exceeded my own. We believed we could learn from his experience. He seemed like the perfect choice. Consequently, we extended an offer to him and, in October 1997, he joined the National Center's board of directors.

Our desire to improve the National Center did not stop in 1997 and over the years we made additional policy changes. In 2000, the National Center adopted a formal conflict of interest policy. This policy requires standing directors to reveal to the board all direct or indirect financial interests in any entity with which The National Center is negotiating a transaction or arrangement. We required every member of the board to sign the resolution so that no one could later claim that they were unaware of the policy. Every director, including Jack, did so.

It was through Jack Abramoff that I first had the honor of meeting Chief Philip Martin of the Mississippi Band of Choctaw Indians. In February 1997, I participated in a trip to the reservation where I saw first-hand the benefits that casino gambling had for the Mississippi Choctaw Tribe.

Through Chief Martin, I learned that the Mississippi Choctaw had once relied substantially on government handouts and that, in the past, members of the tribe typically had to leave the reservation in order to be financially successful. Thanks in significant part to the capital inflow made possible by their Silver Star casino, they were able to revitalize the tribe and better convince their young members that they did not need to move away in order to pursue and enjoy challenging and satisfying careers.

Chief Martin struck me as one of the most impressive people I have met in my life. After I returned from that trip, I recall telling my husband that had Chief Martin not dedicated his life and his career to his tribe, he might well have become famous as a CEO of a top Fortune 500 corporation.

Approximately one month after my trip to the Choctaw Indian Reservation, the National Center received a \$2,500 donation from the tribe. This donation was unsolicited and the National Center used this money for general support.

In 1999, the National Center began soliciting funds for a program, which included a study commissioned from an econometrics firm, to determine the impact of so-called "smart growth" policies on minority home ownership rates. The National Center undertook this study in furtherance of our burgeoning interest in the economic prosperity of minorities in the United States.

The program was to cost \$50,000. We found ourselves \$5,000 short. I turned to Jack for help. He told me he would get us a donation, and even offered to get a donation in excess of \$5,000, if we needed it. We told him we only needed \$5,000. Soon thereafter, we received a contribution for that amount from the Mississippi Band of Choctaw Indians and were able to fund the program.

In 2000, we received a total of \$65,000 in contributions from the Mississippi Choctaws. These contributions were not solicited by me or The National Center's staff, but were arranged by Jack Abramoff. I understood them to be general support contributions. We recorded them accordingly and, as part of the independent annual audit we have had conducted every year of our operation, confirmed this understanding with the Mississippi Choctaws through an audit letter.

I am, of course, aware of news media coverage connecting part of these contributions to a trip we sponsored in 2000 for a Member of Congress. At the time I extended an invitation to this Member of Congress, through his chief of staff, I did not know we would be receiving contributions from the Mississippi Choctaws that year. At no time did I convey to the Congressman or his staff that we had received these contributions, and I was never told, nor I was I under the impression, that the Mississippi Choctaws even knew we had sponsored a Congressional trip to Britain.

In October 2002, the Mississippi Band of Choctaw Indians donated one million dollars to the National Center. At that time, I believed that the Choctaws gave the National Center this donation to support an educational project related to the Mississippi Band of Choctaw Indians and casinos. In particular, to educate the public on the positive impact casino gaming had for the Mississippi Choctaws, both economically and culturally. In order to tell the story fully, however, some background information is necessary.

Approximately four months before we received this donation, my husband, who is vice president of The National Center, and I had lunch with Jack Abramoff. The lunch was social but, as was our habit when meeting with members of the board of directors, we briefed him on information pertinent to members of the board, including such mundane things as the fact that we were current in meeting our payroll tax and other financial obligations and the status of projects undertaken by the National Center. I also described the negative financial impact of 9-11 and stock market contractions on the philanthropic community. I told him that new donors would be especially valued that year, as would the opportunity to sponsor projects consistent with our mission for which funding was available.

Once our report was over, Jack shared with us details of his professional career. I remember him telling us that he was doing "a new kind of lobbying." He said he and his colleagues, working with the Mississippi Choctaws, had noted that for-profit, non-Indian gaming establishments were pushing to establish themselves in areas of the country not noted for their admiration of gaming. They believed that a public backlash against gaming was brewing and that before things came to a head, perhaps 4-5 years down the road, they would protect the Choctaw by educating the public in the surrounding states about the benefits of Casino gaming for the Mississippi Choctaws. To educate the public, they relied on phone banks and other tools to tell the Choctaw success story.

I was very interested in what I was hearing. Although my visit to the Choctaw reservation had been more than five years earlier, I retained my enthusiasm for what the

tribe had been able to accomplish. I noted that this "new kind of lobbying" was not lobbying at all, but educational work and I expressed an interest in the National Center sponsoring it. Jack seemed mildly agreeable but noncommittal. I did not press the matter, assuming the Choctaws were financing the project and would have to approve our involvement.

Approximately four months later, Jack contacted me to see if the National Center was still interested in the project. We were because it was consistent with our longstanding interest in promoting minority economic opportunity and was especially welcome because we had postponed the launch of a Hispanic counterpart to Project 21 because of a lack of funding. There were also other benefits, including an expansion of our program expenditures and the opportunity to gain experience with educational tools, such as telephone campaigns, with which I had no experience.

There was also one particular opportunity that I was excited about on a personal level. I was excited by the prospect of working with Jack on a large project because I admired him for what I believed to be his amazing managerial skills. At that time, he not only had a lobbying practice successful enough to earn rave reviews in the mainstream press, but he was opening restaurants and starting a school. I believed that he could only accomplish these feats with a superb ability to delegate authority and manage people, and I hoped to make myself a better manager by seeing him in action.

Jack seemed enthusiastic about having The National Center on board with the project, and instructed me to send a \$1 million invoice to the Mississippi Choctaws, which I did. When the funds arrived, he told me how they should be disbursed: \$450,000 to the Capital Athletic Foundation, \$500,000 to Capital Campaign Strategies and \$50,000 to a company called Nurnberger and Associates, run by a Mr. Ralph Nurnberger. I believed Capital Campaign Strategies was to be paid for educational program services, such as polling, telephone calls and printing brochures and petitions while Mr. Nurnberger was going to help coordinate the project. In an email, Jack referred to his receiving "instructions" for the disbursements, which I took to mean recommendations from the donor. This was consistent with my belief that the Mississippi Choctaws were actively involved in the project.

Believing I was joining a project-in-progress, knowing that Jack was the legal representative of the Mississippi Choctaw, was part of a major law firm and, as a member of The National Center's board, had a fiduciary responsibility to the welfare of The National Center, I disbursed the funds in accordance with Jack's instructions. As excited as I was, I still had some concerns about inadvertently violating 501(c)(3) regulations governing organizations such as The National Center. Consequently, I reviewed the laws governing charities with Jack, including restrictions on lobbying for or against legislation and those banning expenditures relating to elections. I received Jack's repeated assurances, both by email and verbally, that he, in assuming managerial authority for the project on The National Center's behalf, would adhere to them. In addition, prior to transferring funds to the Capital Athletic Foundation as a grant in accordance with what I believed was the donor's recommendation, I reviewed with Jack the laws governing

grants between 501(c)(3) organizations, and told him that if the test could not be met we would simply return the money to the donor. The proposed grant, however, seemed to be appropriate and, as such, I made the grant.

It was about this time that a staff member at Greenberg Traurig, other than Jack, sent the National Center a fax of three invoices matching Jack's instructions. It all seemed very official. My only concern at that time was the possibility that Jack, being a lobbyist, would forget to strictly adhere to the laws governing tax-exempt charities. Nevertheless, as nearly half of the funds were being sent to the tax-exempt Capital Athletic Foundation as a grant, the remainder was to be used for a program for which there was no related legislation, and because I had received repeated assurances from Jack that he took the tax laws seriously, I believed everything was legitimate and legal.

At the time, I expected that I would personally become involved with the project. That did not happen. Various explanations, all of which seemed reasonable at the time, occurred to me. In addition, in the few months following our involvement in the program my time and attention were diverted to other unrelated, business and personal events that prevented me from aggressively injecting myself into the management of a project I believed was in good hands.

I often requested from Jack that he provide documentation about the educational activities we were supporting. He always said it would be no problem, and I believed him; so much so, that I agreed to continue the program in May and June of 2003, when Greenberg Traurig sent 1.5 million dollars to the National Center. At that time, Jack told me this money was part of the program, which I believed was the educational program about the progress being made by the Choctaw Tribe.

Jack told me \$250,000 had been designated for the Capital Athletic Foundation as a grant and \$1,250,000 was to be paid to Kaygold, a company I believed was owned by Mike Scanlon. It was not until 2004 that I learned that this money did not come from the Choctaw, but rather from an Internet gambling company apparently unrelated to the Choctaw Tribe.

As these events were transpiring, I resolved that if I did not promptly receive sufficient proof of good solid work performance, I would withdraw the National Center from the project. I discussed the matter with the CPA firm we used and, at far greater length, with our tax attorney. I then requested specific pieces of documentation from Jack related to these transactions. When I did not get them, I told Jack, in July 2003, that we would cease participation and he did not object. I did not, however, stop asking him for documentation for work performed for the payments we already had made.

I always trusted Jack and believed that we would ultimately receive the documentation that we requested. Of the various theories I had in my mind as to why we were not receiving the documentation, such as Jack was simply too busy, none of them involved a suspicion of the misuse of funds. I completely trusted Jack. So much so, that I still trusted him after the negative press stories appeared in 2004. For months after

the stories appeared, I continued to believe him. It was not until September 2004, when the Washington Post published that Jack owned Kaygold, that I knew in my heart that something was seriously wrong.

You see, the entire time these transactions were going on I believed that Mike Scanlon owned Kaygold. I know that Jack knew I believed this because I made statements pertaining to this issue and he did not dispute them. I would have never issued any money to Kaygold if I had known that Jack was the owner because this was a clear violation of the National Center's conflict of interest policy, which Jack had signed.

I also will note that as I was absorbing the news that Jack owned Kaygold I read the emails written by Jack that this Committee published last September. These emails revealed a side of Jack I did not recognize as the friend and associate I had known for almost a quarter century.

It has been over two years since we received the \$1 million and began what I believed was an educational project to tell the American people what I still believe is the very impressive story of the Mississippi Band of Choctaw Indians. We have continuously requested documentation about the work done on the project and have never received any proof that work was completed or even started.

As for Jack Abramoff, I telephoned the rest of our board and we agreed on the strength of the violation of the conflict of interest policy alone that we had no choice but to accept his offer to resign that he had made in March of 2004 and then again in October of that same year. Consequently, in October 2004, I accepted Jack's resignation from the board and I have not spoken with him since.