

**“GIMME FIVE”— INVESTIGATION OF TRIBAL LOBBYING MATTERS**

## CONTENTS

<table>
<thead>
<tr>
<th>Table of Contents</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>TABLE OF NAMES</td>
<td>vi</td>
</tr>
<tr>
<td>TABLE OF ENTITIES</td>
<td>ix</td>
</tr>
<tr>
<td>INVESTIGATION HEARINGS</td>
<td>xii</td>
</tr>
<tr>
<td>INVESTIGATION STAFF LIST</td>
<td>xv</td>
</tr>
<tr>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>EXECUTIVE SUMMARY AND FINDINGS</td>
<td>9</td>
</tr>
</tbody>
</table>

### Part One - Fact Summary by Tribe

#### I. MISSISSIPPI BAND OF CHOCTAW INDIANS

A. Introduction  
B. Background on Tribe  
C. Background on Abramoff and the Tribe’s Relationship  
D. Substantial Fees and Conduit Organizations  
E. Abramoff Brings Scanlon to the Choctaw  
F. Abramoff Directs Choctaw to Make Contributions  
   1. 2000 Scotland Golf Trip  
   2. Sports Suites  
   3. Liberty Consulting Services  
G. Conclusion

#### II. COUSHATTA TRIBE OF LOUISIANA

A. Introduction  
B. Background on Tribe  
C. Abramoff and Scanlon Get the Coushatta’s Business  
D. Scanlon’s Grassroots Projects for the Tribe  
E. Conclusion

#### III. SAGINAW CHIPPEWA TRIBE OF MICHIGAN

A. Introduction  
B. Background on Tribe
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. Background on Tribe</td>
<td>183</td>
</tr>
<tr>
<td>C. The Search for a New Lobbyist</td>
<td>185</td>
</tr>
<tr>
<td>D. Implementing the Plan</td>
<td>188</td>
</tr>
<tr>
<td>E. The Database</td>
<td>190</td>
</tr>
<tr>
<td>F. Happy Ending in Spite of ...</td>
<td>193</td>
</tr>
<tr>
<td>Part Two - “Gimme Five” - Analysis by Entity</td>
<td></td>
</tr>
<tr>
<td><strong>INTRODUCTION</strong></td>
<td>195</td>
</tr>
<tr>
<td>I. CAPITOL CAMPAIGN STRATEGIES</td>
<td>202</td>
</tr>
<tr>
<td>A. Background</td>
<td>202</td>
</tr>
<tr>
<td>B. Abramoff Conceals His Financial Relationship with Scanlon</td>
<td>204</td>
</tr>
<tr>
<td>C. Abramoff Induces the Tribes Into Hiring and Paying Scanlon</td>
<td>207</td>
</tr>
<tr>
<td>D. What Happened to the Money that the Tribes Paid Scanlon?</td>
<td>213</td>
</tr>
<tr>
<td>1. Snapshots of CCS’ Representation of the Tribes</td>
<td>213</td>
</tr>
<tr>
<td>a. Transaction #1 (Miscellaneous) – Huge Profit Margins</td>
<td>214</td>
</tr>
<tr>
<td>b. Transaction #2 (August 2002) – Louisiana Coushatta and Agua Caliente Pay CCS a Total of $5,000,000</td>
<td>216</td>
</tr>
<tr>
<td>c. Transaction #3 (October 2001 - January 2002) – Louisiana Coushatta Pays CCS $2,170,000</td>
<td>218</td>
</tr>
<tr>
<td>d. Transaction #4 (January - April 2002) – Several Tribes Pay CCS over $22,000,000</td>
<td>224</td>
</tr>
<tr>
<td>e. Transaction #5 (October 16, 2002) – Louisiana Coushatta Pays CCS $950,000 and the Agua Caliente Pays CCS $1,745,000 to CCS</td>
<td>230</td>
</tr>
<tr>
<td>f. Transaction #6 (January - March 2003) – Louisiana Coushatta Pays CCS $5,000,000</td>
<td>232</td>
</tr>
<tr>
<td>2. The “Database”</td>
<td>235</td>
</tr>
<tr>
<td>a. The Pitch</td>
<td>236</td>
</tr>
<tr>
<td>b. The Facts</td>
<td>244</td>
</tr>
<tr>
<td>3. CCS’ Use of Fictitious Grassroots Organizations</td>
<td>248</td>
</tr>
<tr>
<td>E. Conclusion</td>
<td>253</td>
</tr>
<tr>
<td>II. AMERICAN INTERNATIONAL CENTER</td>
<td>255</td>
</tr>
<tr>
<td>A. Introduction</td>
<td>255</td>
</tr>
<tr>
<td>B. A Day at the Beach—How the AIC was started</td>
<td>256</td>
</tr>
<tr>
<td>C. Making It Look Real—Abramoff Has the AIC Post a Website</td>
<td>262</td>
</tr>
<tr>
<td>D. How Abramoff and Scanlon Used Conduits to Represent the Tribes</td>
<td>268</td>
</tr>
<tr>
<td>E. AIC as a “Gimme Five” Entity</td>
<td>273</td>
</tr>
<tr>
<td>F. Conclusion</td>
<td>277</td>
</tr>
<tr>
<td>III. CAPITOL ATHLETIC FOUNDATION</td>
<td>278</td>
</tr>
<tr>
<td>A. Introduction</td>
<td>278</td>
</tr>
<tr>
<td>B. General Background on CAF</td>
<td>279</td>
</tr>
<tr>
<td>C. Abramoff Attempts to Secure Federal Funding for the CAF, and Fails</td>
<td>281</td>
</tr>
</tbody>
</table>
D. Abramoff and Scanlon Misappropriate Tribal Funds for CAF Seed Money in 2001 ........................................................ 282
  1. Abramoff and Scanlon Divert Coushatta Money to CAF .......... 282
  2. Abramoff’s Misuse of CAF Money in 2001 ............................. 287
E. In 2002, Abramoff and Scanlon Scam Other Tribes Into Paying CAF .......... 289
  1. Abramoff Deceives the Saginaw Chippewa into Partially Funding a Golf Trip to Scotland – June through November 2002 .......... 290
  2. Abramoff and Scanlon Deceive the Choctaw Into Sending $1 Million to CAF – January and August 2002 ......................... 295
  3. Abramoff and Scanlon Misappropriate Another $1 Million from the Choctaw – October 2002 ........................................ 299
  4. Abramoff’s Misuse of CAF Funds in 2002 ............................... 305
F. In 2003 Abramoff Funnels Tribal Money Through Conduits to CAF ....... 314
  1. Kaygold Sends Tribal Funds to CAF ...................................... 315
  2. Abramoff and Scanlon Use ARA as a Conduit to Funnel Coushatta Money to CAF ......................................................... 315
  3. Abramoff’s Misuse of CAF Money in 2003 ............................. 319
G. Conclusion .................................................................................. 321

Part Three - Other

I. COUNCIL OF REPUBLICANS FOR ENVIRONMENTAL ADVOCACY ................. 322
   A. Background .............................................................................. 322
      1. Abramoff Has His Tribal Clients Pay CREA .......................... 324
      2. Federici Promises to Help Abramoff in Exchange for, or Because of, CREA Contributions ................................. 328
   B. Abramoff and Federici Start Working Together ...................... 329
   C. Contributions in Exchange for Access? ............................... 333
   D. What Did Federici Do For Abramoff’s Clients at Interior? ......... 338
   E. What, If Anything, Griles Did for Abramoff’s Clients Is Unclear ...... 342
   F. Conclusion .............................................................................. 350

Part Four - Recommendations

A. Introduction .................................................................................. 352
B. Contracting for Legal, Lobbying and Other Professional Services .......... 352
   1. No New or Revised Federal Legislation Needed ...................... 352
   2. Best Practices Recommendations ......................................... 353
      a. Contracting for legal, lobbying and other services should follow a specific, open and competitive process ............. 353
      b. Contracting rules should be structured to prevent conflicts of interest ............................................................. 353
c. Contracting and conflicts of interest rules should include appropriate sanctions ................................................................. 354
d. Tribes should consider working with tribal organizations or with universities, colleges and law schools to develop model codes and education programs addressing contracting and conflicts of interest rules ......................................................... 354

C. Integrity of Tribal Elections ................................................................. 354
D. Tribal Political Contributions ................................................................. 355
E. Referrals to Other Committees ............................................................... 357
   1. Possible Misuse of Tax Exempt Organizations ...................................... 357
# TABLE OF NAMES

<table>
<thead>
<tr>
<th>Name</th>
<th>Position and Additional Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abramoff, Jack</td>
<td>former lobbyist, Greenberg Traurig; Preston Gates Ellis &amp; Rouvelas Meeds</td>
</tr>
<tr>
<td>Baggett, Fred</td>
<td>Chair, National Governmental Affairs Practice, Greenberg Traurig</td>
</tr>
<tr>
<td>Ben Zvi, Shmuel</td>
<td>former high-school friend of Abramoff</td>
</tr>
<tr>
<td>Benn, Charlie</td>
<td>Director of Administration, Office of the Chief, Mississippi Band of Choctaw Indians</td>
</tr>
<tr>
<td>Biederman, Amy</td>
<td>former associate, Capitol Campaign Strategies</td>
</tr>
<tr>
<td>Boulanger, Todd</td>
<td>former associate, Greenberg Traurig</td>
</tr>
<tr>
<td>Bozniak, Allison</td>
<td>former assistant to Abramoff, Greenberg Traurig</td>
</tr>
<tr>
<td>Cathcart, Christopher</td>
<td>former associate, Capitol Campaign Strategies</td>
</tr>
<tr>
<td>Chapman, Michael</td>
<td>former business associate of Abramoff and Scanlon</td>
</tr>
<tr>
<td>Doolittle, Julie</td>
<td>President, Sierra Dominion Financial Solutions</td>
</tr>
<tr>
<td>Federici, Italia</td>
<td>President, Council of Republicans for Environmental Advocacy</td>
</tr>
<tr>
<td>Griles, J. Steven</td>
<td>former Deputy Secretary, U.S. Department of the Interior</td>
</tr>
<tr>
<td>Grosh, David</td>
<td>former director, American International Center</td>
</tr>
<tr>
<td>Halpern, Gail</td>
<td>former tax advisor to Abramoff</td>
</tr>
<tr>
<td>Hisa, Carlos</td>
<td>Lieutenant Governor, Ysleta del Sur, Pueblo of Texas</td>
</tr>
<tr>
<td>Kahgegab, Maynard</td>
<td>former Chief, Saginaw Chippewa Indian Tribe</td>
</tr>
<tr>
<td>Kilgore, Donald</td>
<td>Attorney General, Mississippi Band of Choctaw Indians</td>
</tr>
<tr>
<td>Kuhn, Jennifer</td>
<td>Vice-President, Finance and Development, Americans for Tax Reform</td>
</tr>
<tr>
<td>Lane, Rodney</td>
<td>former assistant to Abramoff, Greenberg Traurig; former business associate of Abramoff</td>
</tr>
<tr>
<td>Lapin, Rabbi Daniel</td>
<td>President, Toward Tradition</td>
</tr>
</tbody>
</table>
Lippy, Laura
assistant to Abramoff

Mann, Brian
former director, American International Center

Martin, Phillip
Chief, Mississippi Band of Choctaw Indians

Martin, Terry
Governmental Affairs/Administrative Liaison, Chitimacha Tribe of Louisiana

McConnon, B.R.
President, Democracy Data & Communications

Mielke, David
outside counsel, Pueblo of Sandia

Milanovich, Richard
Chairman, Agua Caliente Band of Cahuilla Indians

Norquist, Grover
President, Americans for Tax Reform

Norton, Gale
former Secretary, U.S. Department of the Interior

Otto, David
former Sub-Chief, Saginaw Chippewa Indian Tribe

Paisano, Stuwart
former Governor, Pueblo of Sandia

Pego, Robert
former council member, Saginaw Chippewa Indian Tribe

Petras, Christopher
former legislative director, Saginaw Chippewa Indian Tribe

Patencio, Candace
former council member, Agua Caliente Band of Cahuilla Indians

Reed, Ralph
President, Century Strategies

Ridenour, Amy
President, National Center for Public Policy Research

Ring, Kevin
former associate, Greenberg Traurig

Rogers, Nell
planner, Mississippi Band of Choctaw Indians

Rossetti, Michael
former Counselor to the Secretary, U.S. Department of the Interior

Scanlon, Michael
President, Capitol Campaign Strategies; Scanlon Public Affairs; Scanlon Gould Public Affairs; American International Center; Principal, Atlantic Research & Analysis

Schwartz, Marc
President, Partners Group Consultants; former spokesperson, Ysleta del Sur Pueblo of Texas

Short, Stephanie Leger
former associate, Greenberg Traurig
Sickey, David
   Council member, Coushatta Tribe of Louisiana

Sickey, Kevin
   Chairman, Coushatta Tribe of Louisiana

Siva, Virginia
   Tribal Council Member, Agua Caliente Band of Cahuilla Indians

Smith, Michael
   former associate, Greenberg Traurig

Sprague, Bernie
   Sub-Chief, Saginaw Chippewa Indian Tribe

Stetter, Aaron
   former associate, Capitol Campaign Strategies

Van Hoof, Kathryn
   former outside counsel, Coushatta Tribe of Louisiana

van Horne, Jon
   former associate, Greenberg Traurig

Vasell, Shawn
   former associate, Greenberg Traurig

Volz, Neil
   former associate, Greenberg Traurig; former chief of staff, U.S. Congressman Bob Ney

Worfel, William
   former vice-chairman, Coushatta Tribe of Louisiana
# TABLE OF ENTITIES

## ENTITIES OWNED OR CONTROLLED BY ABRAMOFF

<table>
<thead>
<tr>
<th>Entity Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aeneas Enterprises</td>
<td>a consulting firm that received payments from another Abramoff controlled entity called Grassroots Interactive, which did business with, among others, Tyco International and International Interactive Alliance</td>
</tr>
<tr>
<td>Archives</td>
<td>a company that owned Stacks, formerly a kosher deli located in Washington, D.C.</td>
</tr>
<tr>
<td>Beis Avrohom Chaim</td>
<td>a company used to acquire real estate</td>
</tr>
<tr>
<td>Capital Athletic Foundation (“CAF”)</td>
<td>a charitable foundation used to fund Abramoff’s private Jewish boys’ school, called the Eshkol Academy, and other projects with which he was in some way associated</td>
</tr>
<tr>
<td>Eshkol Academy</td>
<td>See Capital Athletic Foundation, supra.</td>
</tr>
<tr>
<td>Grassroots Interactive (“GRI”)</td>
<td>See Aeneas Enterprises, supra.</td>
</tr>
<tr>
<td>Kaygold</td>
<td>a company used to collect “consulting fees” from entities owned or controlled by Scanlon</td>
</tr>
<tr>
<td>Lexington Group</td>
<td>a company that performed lobbying-type services</td>
</tr>
<tr>
<td>Livsar Enterprises</td>
<td>a company that owned Signatures, formerly a restaurant-bar located in Washington, D.C.</td>
</tr>
<tr>
<td>Sports Suites</td>
<td>a company that owned, with money provided by some of Abramoff’s Tribal clients, sky boxes at sports and concert venues in Washington, D.C. and Baltimore, Maryland</td>
</tr>
</tbody>
</table>
ENTITIES OWNED OR CONTROLLED BY SCANLON

American International Center ("AIC")
   a supposed think tank used as to
   collect money for services performed
   by others and to secretly pay money to
   Abramoff

Atlantic Research and Analysis ("ARA")
   a company used to secretly pay money
   to Abramoff

Capitol Campaign Strategies ("CCS")
   a grassroots/political consulting firm
   that secretly paid money to Abramoff

Christian Action Network
   a fictitious grassroots organization

Christian Research Network
   a fictitious grassroots organization

Concerned Citizens Against Gaming Expansion ("CCAGE")
   a fictitious grassroots organization

Global Christian Outreach Network ("GCON")
   a fictitious grassroots organization

Scanlon Capitol Management, LLC
   a company used to invest money

Scanlon Gould Public Affairs
   a grassroots/political consulting firm
   that secretly paid money to Abramoff

Scanlon Venture Capital
   a company used to invest money
Alexander Strategies Group (“ASG”)  
a consulting firm owned or controlled by former Congressman Tom DeLay’s chief of staff Ed Buckham to or through which Abramoff or Scanlon directed their Tribal clients to pay money

Americans for Tax Reform (“ATR”)  
an anti-tax non-profit organization headed by conservative activist Grover Norquist to or through which Abramoff or Scanlon directed their Tribal clients to pay money

Capitol Media  
a grassroots/political consulting firm owned or controlled by former Christian Coalition Executive Director Ralph Reed

Century Strategies  
a grassroots/political consulting firm owned or controlled by former Christian Coalition Executive Director Ralph Reed

Council of Republicans for Environmental Advocacy (“CREA”)  
an environmental non-profit organization to or through which Abramoff or Scanlon directed their Tribal clients to pay money

Democracy Data and Communications (“DDC”)  
a firm that built, operated and maintained political databases for Scanlon and his Tribal clients

Greenberg Traurig (“GT”)  
a lobbying firm with which Abramoff was associated during the relevant period

Kollel Ohel Tiferet  
an entity used to enable the CAF to distribute money to a sniper workshop in Israel

Liberty Consulting  
a consulting firm owned or controlled by former Congressman Tom DeLay’s deputy chief of staff Tony Rudy to or through which Abramoff or Scanlon directed some of their Tribal clients to pay money

National Center for Public Policy Research (“NCPPR”)  
a non-profit educational foundation on whose board Abramoff sat, to or through which he or Scanlon directed some of their Tribal clients to pay money
INVESTIGATION HEARINGS

FIRST HEARING
Oversight Hearing on In Re Tribal Lobbying Matters, et al.
Wednesday, September 29, 2004, 9:30am
Room 216 of the Hart Senate Office Building

Panel One
Mr. Jack Abramoff
Mr. Michael Scanlon, President, Capitol Campaign Strategies, LLC
   Mr. Scanlon was invited, but did not appear before the Committee on this date.

Panel Two
The Honorable Richard Milanovich, Chairman, Agua Caliente Band of Cahuilla Indians
The Honorable Bernie Sprague, SubChief, Saginaw Chippewa Indian Tribe of Michigan

Panel Three
Dr. Christopher Petras, Former legislative director, Saginaw Chippewa Indian Tribe of Michigan

SECOND HEARING
Oversight Hearing on In Re Tribal Lobbying Matters, et al.
Wednesday, November 17, 2004, 3:00pm
Room 216 of the Hart Senate Office Building

Panel One
Mr. Marc Schwartz, President, Marc Schwartz Partners, Inc.
The Honorable Carlos Hisa, Lieutenant Governor, Yselta del Sur Pueblo

Panel Two
Mr. Michael Scanlon, President, Capitol Campaign Strategies, LLC
THIRD HEARING
Overseight Hearing on In Re Tribal Lobbying Matters, et al.
Wednesday, June 22, 2005, 9:30am
Room 216 of the Hart Senate Office Building

Panel One
Mr. Charlie Benn, Director of Administration, Office of the Chief, Mississippi Band of Choctaw Indians
Donald Kilgore, Esq., Attorney General, Mississippi Band of Choctaw Indians
Ms. Nell Rogers, Planner, Mississippi Band of Choctaw Indians

Panel Two
Mr. Kevin Ring, Former Abramoff associate
Mr. Shawn Vassell, Former Abramoff associate

Panel Three
Mrs. Amy Ridenour, President, National Center for Public Policy Research
Ms. Gail Halpern, Abramoff’s Former Tax Advisor
Mr. Brian Mann, Former Director, American International Center
Mr. David Grosch, Former Director, American International Center
Mr. Aaron Stetter, Former Scanlon associate, Capitol Campaign Strategies

FOURTH HEARING
Overseight Hearing on In Re Tribal Lobbying Matters, et al.
Wednesday, November 2, 2005, 9:00am
Room 216 of the Hart Senate Office Building

Panel One
The Honorable Kevin Sickey, Chairman, Coushatta Tribe of Louisiana
Mr. David Sickey, Council Member, Coushatta Tribe of Louisiana

Panel Two
Mr. William Worfel, Former Tribal Council Member, Coushatta Tribe of Louisiana
Mrs. Kathryn Van Hoof, Former Outside Counsel, Coushatta Tribe of Louisiana
Mr. Fred Baggett, Managing Shareholder; Chair, National Governmental Affairs Practice, Greenberg Traurig

Panel Three
Mr. B.R. McConnon, President, Democracy Data & Communications
Mr. Christopher Cathcart, Former Associate, Capitol Campaign Strategies
Ms. Gail Halpern, Abramoff’s Former Tax Advisor
Panel Four
Mr. J. Steven Griles, Former Deputy Secretary of the Interior, U.S. Department of the Interior
Mr. Michael Rossetti, Esq., Former Counsel to the Secretary of the Interior, U.S. Department of the Interior
Ms. Italia Federici, President, Council of Republicans for Environmental Advocacy

Ms. Federici was invited, but did not appear before the Committee on this date.

FIFTH HEARING
Oversight Hearing on In Re Tribal Lobbying Matters, et al.
Wednesday, November 17, 2005, 10:00am
Room 216 of the Hart Senate Office Building

Panel One
Ms. Italia Federici, President, Council of Republicans for Environmental Advocacy
INVESTIGATION STAFF

Pablo E. Carrillo, Esq.
Chief Investigative Counsel for the Majority
Bryan D. Parker, Esq.
Deputy Chief Investigative Counsel for the Majority

Jeanne L. Bumpus, Esq.
Staff Director for the Majority
Brandon I. Ashley
Staff Assistant for the Majority
Katherine B. Rossi
Staff Assistant for the Majority

Sara G. Garland
Staff Director for the Minority
David Montes
Professional Staff for the Minority
Eamon P. Walsh
Research Assistant for the Minority
Allison C. Binney
General Counsel for the Minority
Emmett M. O’Keefe
Counsel for the Vice Chairman

A special thanks to the efforts and support of the entire staff of the Senate Committee on Indian Affairs through the course of this investigation.
INTRODUCTION

Etched in the history of our great nation is a long and lamentable chapter about the exploitation of Native Americans. It began with the sale of Manhattan, and has continued ever since. Every kind of charlatan and every type of crook has deceived and exploited America’s native sons and daughters. While these accounts of unscrupulous men are sadly familiar, the tale we hear today is not. What sets this tale apart, what makes it truly extraordinary, is the extent and degree of the apparent exploitation and deceit.

Opening Statement of Committee Chairman John McCain, during the Committee’s September 29, 2004, hearing on the allegations made by Tribes against Jack Abramoff and Michael Scanlon

[It] [n]eeds to have a bit more about how the tribes in the past were left helpless at the whims and good will of non-tribal members. Some reference to the past and how they were always given the [short] end of the stick would be pretty important, I think.

Email from Jack Abramoff to associate Todd Boulanger, “Maynard letter to both Post and McCain,” February 26, 2004 (critiquing draft letter intended for Washington Post and Senate Indian Affairs Committee regarding Committee investigation)

Yes, I did wrong, but I did a hell of a lot right too. Basically, I was the best thing they had going. I knew it, they knew it. My mistake was not informing them (about Scanlon).

Jack Abramoff to contributing editor David Margolick, Vanity Fair, “Washington’s Invisible Man,” April 2006

Factual Background

On the afternoon of June 18, 2001, in Washington, D.C., racquetball was the order of the day.¹ Having brought former congressional communications director Michael Scanlon with him to the lobbying shop at Greenberg Traurig for what ended up as a brief stint, Jack Abramoff wanted to get together with Scanlon for a round.

¹Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG-E000011945) (June 18, 2001).
But, Scanlon, who was now out on his own, wanted to talk shop: “A few weeks ago you mentioned something to me—I took the concept and have put together a plan that will make serious money. We also talked briefly about it in the beginning of the year but I think we can really move it now.”

Scanlon went on to describe “the broad strokes”: “I have been making contacts with some larger Public Affairs companies in town for a few months. I have two solid relationships that will seriously consider acquiring Capitol Campaign Strategies. The problem is that there is not much in CCS right now.”

“However,” he continued, “if we build up Capitol Campaign Strategies enough I can get it acquired by a large firm by the end of next year at 3x [sic] the firm revenue. Bottom line: If you help me get CCS a client base of $3 million a year, I will get the clients served, and the firm acquired at $9 million. We can then split the [sic] up the profits. What do you think?”

Abramoff’s response was brief: “Sounds like a plan, but let’s discuss when we are together.”

This appears to be the genesis of a partnership the two would infamously label later as “gimme five”—their secret plan “to put in $5[million] revenue/yr [in fees from tribes, into] CCS.” Later, the term “gimme five” came to mean kickbacks to Abramoff from payments made by any of Scanlon’s Tribal clients to Scanlon.

By Spring 2003, Abramoff and Scanlon’s secret financial arrangement was apparently straining. The two had failed to get a Tribal client’s casino reopened. And, Scanlon, apparently awash in cash, seemed to have outgrown the partnership and appeared more interested in putting his ill-gotten gains to work.

He offered Abramoff, “I have a few real estate developments in the pipeline—One really big one—and a couple of small ones that I may need to raise outside capital for. I can guarantee

---

2Id.

3Id.

4Id.

5Id.

6Email from Jack Abramoff, Greenberg Traurig, to Rodney Lane (GTG-E000011577) (March 15, 2002).
the returns on rate and time, and if you wanted to do more down the road taking a run at the upside potential you could get into some of the longer term stuff ... (I’m turning a 100% return on a one year project next month).”

Abramoff responded, “OK, let’s chat when we are next together. Meanwhile, let’s get some more fucking money!”

Making money was certainly nothing new to Abramoff. When he left the premier Washington, D.C. offices of the lobbying firm Preston Gates Ellis & Rouvelas Meed in December 2000 for a relatively new Washington lobbying group at Greenberg Traurig, Abramoff brought with him a book of business worth more than $6 million annually, according to Abramoff’s own estimates. This helped Greenberg Traurig generate a 500 percent increase in lobbying fees over the previous year. With that increase, Greenberg Traurig reportedly vaulted into the top ten Washington lobbying firms—jumping from sixteenth place to fourth. While Abramoff’s impact on “K Street” during this period is generally well-known, the precise nature of his relationship with Scanlon has been, until recently, a closely-held secret—concealed, most importantly from Abramoff and Scanlon’s Tribal clients.

By February 5, 2004, time was running out for Abramoff and Scanlon’s secret business

---

7Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000012012) (March 25, 2003). Scanlon might have been referring to his resale of an expensive five-bedroom canal-front home near Rehoboth, Delaware, he had bought in November 2001, apparently with Tribal proceeds, in one of that area’s most prestigious neighborhoods—reportedly for $1,200,000 more that he paid. See Cris Barrish, Abramoff cohort spent millions on Sussex homes—As a Rehoboth lifeguard last year, he made $11.35 an hour, The News Journal, May 14, 2006. Early in 2003, Scanlon also reportedly paid $1,600,000 in cash for a home on Baltimore Avenue (across the street from where he ran his supposed international think tank, the American International Center) where he later opened offices. Id.

8Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG-000012012) (March 25, 2003).


10Id.

11Id.

12“K Street” is a commonly used term for the numerous think tanks, lobbying firms, law firms and associations located on and around this major thoroughfare in Washington, D.C.
arrangement. In a conference room at Greenberg Traurig, Washington Post reporter Susan Schmidt interviewed Abramoff on allegations that he and Scanlon may have bilked several Tribes out of millions of dollars in fees. With Abramoff were Greenberg Traurig spokesperson Jill Perry and associates Todd Boulanger, Kevin Ring, Allen Foster, and Jon van Horne. Things apparently heated-up quickly.

Schmidt began, “As I’m sure you know I’m working on a story about your work with some of these gaming tribes and your relationship with Mike Scanlon and his company and the work that the two of you have done in tandem for some of the tribes and so that’s what I want to talk to you about ... So, I want to ask you, basically what your relationship is with his firm, well he’s got several firms. As I understand it from the tribes that I’ve talked to, you guys work together and you recommend that they hire him.”

Abramoff deftly answered—truthfully but nonresponsively: “In terms of Mike or any other third party, you know the firm does not have any formal relationship, to my knowledge, with any third party vendor used by any of the tribes for some of their activities and so probably best to have you go ahead and check directly with him and if you have specific questions again, we’ll take them and we’ll look at them, but in general I think we feel at liberty to discuss in general our practice, which we’re delighted to do, with the tribes.”

Schmidt pushed: “Okay, but you basically recommend to these tribes that they hire him?”

Once again, Abramoff strained to avoid answering the question, but was quickly running out of wiggle room: “We have recommended that different tribes hire different vendors for different needs that they might have. Again, I’m going to defer in terms of any discussion of Scanlon or his company or any specific third party vendor.”

13See Email from Linsey Crisler, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000010599-614) (February 3, 2004).

14Id.

15Id.

16Id.

17Id.

18Id.
Schmidt pushed more: “Well, do you recommend his company and do you know what they are doing for the tribes and do you endorse what he’s doing?”

Abramoff offered, “Well, again I think that some of this gets into the area of our confidential dealings with our clients so I’m happy, we’ll go back and look at that question.”

Schmidt finally cut to the chase: “Do you have an ownership stake in Capitol Campaign Strategies or Scanlon Gould or any of Mike Scanlon’s other ventures?”

Even a pregnant pause here might be looked on with some suspicion. So, Abramoff had no choice: “No. No, I don’t ....”

As future events would soon reveal, this of course was a lie.

Perhaps mindful of his actual financial arrangement with Scanlon, which he withheld from Schmidt, Abramoff was very concerned about how the interview went. Among others, he wrote to Candace Patencio, an ally at the Agua Caliente Band of Cahuilla Indians. The next race for chairman was the topic of conversation. Abramoff wrote, “I think you are right that we really need Richard [Milanovich] to beat [his opponent]. [His opponent] is poison. She has been feeding the Washington Post a hit piece about Scanlon and me. It’s going to be horrible. It is so obvious it’s her doing this too. Can’t wait to see you on the 23rd.”

A couple of days later, on February 5, 2004, Abramoff’s most senior associate, Todd Boulanger reached out to Abramoff and colleague Kevin Ring: “Someone on the [Saginaw Chippewa Tribal] council trashed us, our work, and [S]canlon .... We are going to get smoked here.” He added, “[Abramoff] should [file suit for slander] .... after what happened a couple of

---

19 Id.
20 Id.
21 Id.
22 Id.
23 Email from Jack Abramoff, Greenberg Traurig, to Candace Patencio, Agua Caliente of Cauhilla Band (GTG-E000057926) (February 3, 2004).
24 Id.
25 Email between Todd Boulanger, Greenberg Traurig, and Jack Abramoff, Greenberg Traurig, and Kevin Ring, Greenberg Traurig (GTG-E000028537) (February 5, 2004).
months ago. We are dead.”

Likely appreciating that the thrust of the pending Post story was true, Abramoff could only offer, “Where are you now?”

Boulanger answered, “Going to bed. I’m really in a terrible mood.”

Abramoff could only reply, “Me too.”

The Conduct of the Investigation and the Report

On February 22, 2004, The Washington Post published Schmidt’s article, entitled “A Jackpot From Indian Gaming Tribes; Lobbying, PR Firms Paid $45 Million Over 3 Years.” Based on the allegations of misconduct made by several Tribes, documented in the Post article, the Senate Committee on Indian Affairs initiated an investigation. Ultimately, the Committee would examine Abramoff and Scanlon’s dealings with six tribes: the Mississippi Band of Choctaw Indians, the Coushatta Tribe of Louisiana, the Saginaw Chippewa Indian Tribe, the Agua Caliente Band of Cahuilla Indians, Ysleta del Sur Pueblo of Texas and the Pueblo of Sandia of New Mexico.

While a Department of Justice task force reportedly began a parallel inquiry into related matters, the Committee sought to answer several questions, including but not limited to the following: (1) are the Tribes’ allegations of misconduct regarding Abramoff and Scanlon true; (2) if so, how much did those Tribes pay Abramoff and Scanlon’s partnership, as well as third-parties at their direction, as a result of that misconduct; and (3) did those Tribes receive the intended benefit of the tens of millions of dollars that they paid Scanlon and Abramoff. With this Report, the Committee attempts to set forth definitive conclusions and the bases for those conclusions regarding each of those areas, and others.

After an intensive two-year investigation—consisting of five hearings, 70 formal requests for documents, including subpoenas, resulting in the production of about 750,000 pages; and

26 Email from Todd Boulanger, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig, and Kevin Ring, Greenberg Traurig (GTG-E000028537) (February 5, 2004) (ellipses in original).

27 Id.

28 Id.

29 Id.
about 60 depositions and witness interviews, the Committee found that, as Scanlon’s secret partner, Abramoff received about half of the profit that Scanlon collected from the $66 million in fees he obtained from six of his Tribal clients from 2001 through 2003.

Principally, this Report focuses on allegations of misconduct made by the Tribes covered in it. Generally, those allegations relate to the activities of entities owned or controlled by Abramoff and/or Scanlon, including Capitol Campaign Strategies, the American International Center and the Capital Athletic Foundation. This Report also addresses payments that those Tribes made at Abramoff or Scanlon’s direction to particular third parties—payments that were apparently used by third parties, like the Council of Republicans for Environmental Advocacy, for purposes unintended by the Tribes. While some of the Tribes have expressed concern about discreet billing anomalies, those Tribes have generally not alleged wrongdoing arising from the federal lobbying activities of Greenberg Traurig, the firm with which Abramoff was associated. Therefore, this Report does not address those activities.

Also beyond the scope of this Report is an in depth discussion of the internal political or organizational conditions within each of the Tribes that may have rendered them susceptible to exploitation by Abramoff and Scanlon. Those are internal Tribal matters.

Part I of this Report, presented in chapters relating to each Tribe, provides the factual background as to how each Tribe came to hire Abramoff and Scanlon and discusses how Abramoff and Scanlon’s representation of those Tribes caused unique harm to each of them. After the these chapters, the Report explicates Abramoff and Scanlon’s “gimme five” arrangement and how it injured the Tribes generally. Each chapter in Part II addresses these issues by focusing on the relevant “gimme five” entity. Part III of this Report discusses ancillary issues that have arisen during the course of the investigation, namely, the Tribes’ payment of money to a non-profit called the Council of Republicans for Environmental Advocacy.

---

30Where witnesses who the Committee interviewed were not put under oath, they were reminded of the applicability of the False Statements Act, 18 U.S.C. sec. 1001, and the federal criminal statute prohibiting the obstruction of congressional investigations, under 18 U.S.C. sec. 1505. Because all witness interviews and depositions were conducted in executive session, the Committee will not release summaries or transcripts of those proceedings in toto unless said release is duly authorized.

In the course of the Committee’s investigation, several witnesses declined to provide the Committee with important information under oath, citing their right against self-incrimination under the Fifth Amendment of the U.S. Constitution, or indicated that they intended to assert their Fifth Amendment right if called to testify. These witnesses include not only Abramoff and Scanlon but also former Abramoff associates Todd Boulanger, Kevin Ring, Shawn Vassell, and Neil Volz as well as former Scanlon associate Chris Cathcart. Cathcart did, however, submit to several informal interviews with staff.
(“CREA”). Finally, Part IV of the Report contains the Committee’s recommendations flowing from its investigation.

Committee Action

On June 12, 2006, the Committee invited Members and any duly designated staff to review a completed draft of the Report in anticipation of a business meeting to be convened for the purpose of voting the Report out of Committee and filing it with the Senate. It also gave Members the opportunity to accept a confidential copy of the draft in their offices on June 20, 2006. On June 22, 2006, the Committee held a business meeting, at which time it voted ____ to ____ to approve this Report and file it with the Senate. Voting with the majority were ____. Voting in the negative were ____. Senators ____ were not present for the vote but did [did not] submit additional views.
EXECUTIVE SUMMARY AND FINDINGS

After (or at the same time when) several Tribes hired Abramoff as their federal lobbyist, Abramoff urged some of them to hire Scanlon to provide grassroots support. Abramoff, however, failed to disclose that he and Scanlon were partners. Evidence obtained over the course of a two-year investigation indicates that Abramoff and Scanlon had agreed to secretly split, between themselves, fees that the Tribes paid Scanlon from 2001 through 2003. Abramoff and Scanlon referred to this arrangement as “gimme five.”

As a general proposition, the scheme involved the following: getting each of the Tribes to hire Scanlon as their grassroots specialist; dramatically overcharging them for grassroots and related activities; setting aside for themselves an unconscionable percentage of what the Tribes paid at a grossly inflated rate—a rate wholly unrelated to the actual cost of services provided; and using the remaining fraction to reimburse scores of vendors that could help them maintain vis-à-vis the Tribes a continuing appearance of competence. One example of this fee-splitting arrangement arises from a payment of $1,900,000 from the Saginaw Chippewa Tribe of Michigan. On or about July 9, 2002, Scanlon assured Abramoff, “800 for you[,] 800 for me[,] 250 for the effort the other 50 went to the plane and misc expenses. We both have an additional 500 coming when they pay the next phasem [sic].” Indeed, on July 12, 2002, after that payment arrived, Scanlon made three payments to Abramoff, including a payment of $800,000.

In some cases, Abramoff and Scanlon obtained lobbying and grassroots contracts by insinuating themselves into Tribal council elections and assisting with the campaigns of candidates who were calculated to support their proposals. In other cases, Abramoff and Scanlon were even more aggressive, for example, helping to shut down the casino of one Tribe, only to pitch their services—for millions of dollars—to help that same, now desperate Tribe reopen its casino.

Typically, the most expensive element of Scanlon’s proposals to the Tribes related to a purportedly elaborate political database. But, in all cases, it appears that the degree to which Scanlon marked-up his actual costs was unconscionable. For example, while Scanlon told the Coushatta Tribe of Louisiana that their “political” database would cost $1,345,000, he ended up paying the vendor that actually developed, operated and maintained that database about $104,560. The dramatic mark-ups were intended to accommodate Scanlon’s secret 50/50 split with Abramoff.

In total, six tribes paid Scanlon’s companies, in particular a company called Capitol Campaign Services (“CCS”) (which also did business as Scanlon Gould Public Affairs and Scanlon Public Affairs), at least $66,000,000 over the three-year period. By the Committee’s reckoning, each Tribe paid CCS as follows: the Mississippi Band of Choctaw Indians
(“Choctaw”), $15,900,000; the Coushatta Tribe of Louisiana (“Louisiana Coushatta”), $26,695,500; the Saginaw Chippewa Tribe of Michigan (“Saginaw Chippewa”), $10,000,000; the Agua Caliente Band of Cahuilla Indians (“Agua Caliente”), $7,200,000; the Ysleta del Sur Pueblo of Texas (“Tigua”), $4,200,000; and the Pueblo of Sandia of New Mexico (“Pueblo of Sandia”), $2,750,000. Of that $66,000,000, Abramoff secretly collected from Scanlon, through (among other entities) an entity called Kaygold, about $21,000,000. This constituted about one-half of Scanlon’s total profit from the Tribes.

The $66,000,000 figure includes only those payments made by the Tribes to Scanlon for grassroots activities. The total cost of doing business with Abramoff and Scanlon was actually much higher. To determine that cost, one must add to the $66,000,000 figure, payments made by the Tribes to the lobbying firms with which Abramoff was associated and payments made by the Tribes directly to other entities owned or controlled by Abramoff, such as the Capital Athletic Foundation (“CAF”), or by Scanlon, such as the American International Center (“AIC”).

Most of the money that the Tribes paid Scanlon appears to have been used by Scanlon and Abramoff for purely personal purposes—purposes unintended by the Tribes. Generally, Abramoff seems to have used his share of the proceeds he received from Scanlon to float his restaurant ventures and, through CAF, operate his Jewish boys’ school in Maryland. Likewise, Scanlon seems to have used his share to purchase real estate and other investments. The Committee, therefore, finds that most of the Tribes received little of the intended benefit for the significant sums they paid to Scanlon and that most of the money paid by the Tribes was used for purposes unintended by the Tribes. Against that backdrop, understanding under what circumstances the Tribes paid Scanlon becomes important.

Probably Abramoff’s most valued Tribal client was the Choctaw. Since 1995, when the Choctaw first hired Abramoff, a history of dramatic victories emerged, with Abramoff successfully advocating the Tribe’s sovereignty and anti-tax interests before Congress. In many instances, Abramoff had the Tribe use conduits to conceal its grassroots activities from the world—activities often conducted by former Christian Coalition Executive Director Ralph Reed. After this history of success, in early 2001, things changed. Following Abramoff’s guidance, the Tribe hired Scanlon. And, to implement its grassroots strategies, the Tribe, at Abramoff and Scanlon’s direction, paid to or through conduits owned or controlled by Abramoff and Scanlon. As an example of how much Scanlon sought from the Choctaw, he had the Tribe pay him $4,500,000 for efforts related to a single program—a grandiose idea Scanlon called “Operation Orange.” During the relevant period, Abramoff manipulated the Tribe into funding, among other things, a much reported golfing trip to Scotland. The Tribe thought that its money, which it paid to a non-profit on whose board Abramoff sat, would be used for anti-tax and other policy work. At the end of the day, having collected about $15,000,000 from the Choctaw during the relevant period, Scanlon secretly kicked back to Abramoff about $6,364,000—about 50 percent of his total profit from the Tribe.
Specifically citing the work he had done for the Choctaw, Abramoff subsequently secured contracts for himself and Scanlon from the Louisiana Coushatta. Regrettably, of all the Tribes that hired Scanlon, the Louisiana Coushatta ended up paying Scanlon the most. Initially, the Tribe hired Scanlon to help with its compact renegotiations with the State of Louisiana. But, after having successfully done so, Scanlon dramatically expanded his scope of work, which ranged from squelching supposedly ubiquitous threats to the Tribal casino’s customer market share to supposedly getting the “right” candidates elected to the Louisiana State Legislature. To its detriment, the Tribe trusted Abramoff and Scanlon’s expertise in Indian gaming and were captured by their lure of making the Coushatta “the Choctaw of Louisiana.” Accordingly, it deferred to Abramoff and Scanlon’s judgment when they recommended that it fund very expensive grassroots campaigns. Ultimately, having collected about $30,000,000 from the Louisiana Coushatta during the relevant period, Scanlon secretly kicked back to Abramoff about $11,450,000—about 50 percent of his total profit from the Tribe. This includes a payment of $1,000,000 that Abramoff and Scanlon manipulated the Tribe into paying to Abramoff’s private charity, the Capital Athletic Foundation (“CAF”).

Abramoff and Scanlon’s efforts to sign on the Saginaw Chippewa and the Agua Caliente as clients are notable. With both Tribes, Abramoff and Scanlon insinuated themselves into Tribal Council elections to maximize their chance of getting hired afterwards. In particular, they provided, among other things, strategic advice and material support to some of the candidates. Those who ran in the Saginaw Chippewa election called themselves the “Slate of 8.” The weight of evidence obtained by the Committee indicates that, in both the Saginaw Chippewa and Agua Caliente cases, those candidates who were elected to the Council with Abramoff and Scanlon’s assistance ultimately supported Abramoff and Scanlon’s contract proposals because of, or in exchange for, the assistance that Abramoff and Scanlon provided them.

Key to Abramoff and Scanlon’s success in getting contracts with the Saginaw Chippewa and the Agua Caliente was the assistance of non-Tribal Members Christopher Petras and Michael Chapman, respectively. In the course of the Tribe’s dealings with Abramoff and Scanlon, Abramoff and Scanlon apparently provided each things of value. Evidence indicates that, over the course of Abramoff and Scanlon’s representation of the Saginaw Chippewa, Abramoff and Scanlon provided Petras with a great deal of attention during his frequent trips to Washington, D.C. (which, with private cars, tickets to sporting events and concerts, meals at posh restaurants, and meetings with prominent personalities, one former Abramoff associate described as a “dog and pony show”) and some favors. Likewise, for the services that Chapman provided Abramoff and Scanlon over the course of the Agua Caliente retainer, Chapman received about $271,482.

From June 2002 through October 2003, the Saginaw Chippewa paid Scanlon about $3,500,000 for among other things “a strategy for making [the Tribe] the most dominant political entity in Michigan” that Scanlon called “Operation Redwing.” Of those proceeds, Scanlon secretly kicked back to Abramoff about $540,000—about 50 percent of his total profit from the Tribe during this period. Similarly, from the Agua Caliente, Scanlon collected about $7,200,000
from the Agua Caliente during the relevant period and appears to have secretly split about 50 percent of his total profit from that Tribe with Abramoff.

How Abramoff and Scanlon had the Tigua hire them was particularly aggressive. In late 2001 through early 2002, (largely with the assistance of Ralph Reed) Abramoff and Scanlon successfully helped Texas authorities shut the Tigua’s casino down, as violating federal law. Despite the fact that the Louisiana Coushatta’s casino was in southwest Louisiana and the Tigua’s was in El Paso, Texas, Abramoff and Scanlon succeeded in persuading the Louisiana Coushatta that the Tigua posed a threat to its customer market share. So, the Louisiana Coushatta largely funded the grassroots effort to help close their casino.

Having succeeded in helping shut down the Tribe’s casino, Abramoff and Scanlon then pitched their services to help reopen it. In pitching their services, Abramoff offered to represent the Tribe on a pro bono basis if it hired Scanlon for millions of dollars to provide grassroots support for his federal lobbying effort. He did so without telling the Tribe of his financial arrangement with Scanlon.

After they signed the Tigua on as a client, Abramoff and Scanlon promised to, among other things, insert language allowing the Tribe to re-open its casino. Cumulatively, Scanlon called this plan “Operation Open Doors.” Abramoff and Scanlon were ultimately unsuccessful, despite that they collected (and split between themselves) millions of dollars from the Tribe. Having collected about $4,200,000 from the Tigua during the relevant period, Scanlon secretly kicked back to Abramoff about $1,850,000—about 50 percent of his total profit from the Tribe.

The Pueblo of Sandia hired Abramoff and Scanlon to help them with the lobbying aspects of a legal dispute related to Sandia Mountain, revered by the Tribe as sacred. Abramoff pitched his and Scanlon’s services as a “package deal,” actually insisting that the Tribe hire Scanlon as its public relations specialist. He even offered to reduce Greenberg Traurig’s retainer in contemplation of the Tribe’s hiring Scanlon, but insisted that Scanlon’s asking price could not be reduced further because his 10 percent profit margin was “locked in.” After having paid Scanlon about $2,750,000 for grassroots work intended to support Abramoff’s federal lobbying effort, the Tribe became dissatisfied with the quality of Scanlon’s effort and ceased the representation. From those proceeds that Scanlon collected from the Pueblo Sandia during the relevant period, on information and belief, Scanlon secretly split about 50 percent of his total profit from the Tribe.

A couple of “gimme five” entities—entities owned or controlled by Abramoff or Scanlon that they used in their kickback scheme—are especially worth noting. One is an “international think tank” called the American International Center (“AIC”). With two of Scanlon’s beach buddies sitting on its board, AIC’s purpose was actually to collect fees associated with activities conducted by others and, in some cases, divert those fees to entities owned or controlled by Scanlon or Abramoff. In other words, AIC was a sham. From 2001 through 2003, the Choctaw
and the Coushatta paid AIC about $6,308,854. While much of this money went to vendors such as Reed, to conduct grassroots activities supportive of the Tribes’ gaming interests, as intended, millions did not.

CAF, Abramoff’s private charity, is a particularly interesting “gimme five” entity. In total, four of the Tribes paid CAF about $2,075,000. The totals for each Tribe is as follows: the Louisiana Coushatta, $1,000,000; the Choctaw, $1,000,000; the Saginaw Chippewa, $25,000; and the Alabama Coushatta, $50,000, which was not even a client. Evidence obtained by the Committee indicates that Abramoff treated CAF as his own personal slush fund, using CAF for a number of activities wholly unrelated to its charitable mission and tax-exempt status. Such activities included, for example, evading taxes, financing lobbying activities and purchasing military-related equipment.

In 2001, the single largest contributor to CAF was the Louisiana Coushatta, supposedly giving CAF $1,000,000. However, the Tribe never intended to make a charitable contribution to CAF. While it thought that its money was going to fund its grassroots activities, the money simply padded the coffers of CAF for Abramoff’s discretionary use.

In 2002, Abramoff and Scanlon manipulated the Choctaw into sending directly and indirectly $2,000,000 to CAF, making the Choctaw CAF’s largest donor that year. However, the Choctaw never intended to contribute to CAF. The Tribe thought that its payments to CAF were going to pass through to grassroots organizations working to oppose the expansion of gaming in the Tribe’s customer market. The Tribe’s money was not used for its intended purpose.

As described above, Abramoff also deceived the Saginaw Chippewa into paying $25,000 to CAF that year. While the Tribe was led to believe that CAF “create[d] programs that teach leadership skills to disadvantaged youth in the D.C.-area in an effort to keep them off the streets and enhance their educational opportunities” and was a charity important to an important Member of Congress, the Tribe’s “donation” was used to partially fund a widely publicized golf trip to Scotland for then-Congressman Tom DeLay and others.

For 2003, CAF’s tax records do not list any Tribe as a donor. However, substantial evidence indicates that a $47,891 contribution to CAF listed as having been made by Abramoff’s corporate alter ego, Kaygold, and a $950,000 contribution from a Scanlon-controlled entity called Atlantic Research & Analysis (“ARA”) were actually funds from some of the Tribes, paid as a result of Abramoff and Scanlon’s manipulation.

Among the third parties that Abramoff had some of his Tribal clients pay money was an environmental organization called the Council of Republicans for Environmental Advocacy (“CREA”). From 2001 through 2003, Abramoff managed to have these Tribes “contribute” at least $250,000 to CREA, sometimes under false pretenses. The Coushatta, for example, paid CREA $25,000 to help the Department of the Interior with a “national park study,” which was
apparently never conducted. Likewise, the Saginaw Chippewa made a $25,000 donation, having been told that former Interior Secretary Gale Norton was “involved” with and supported CREA and that supporting such “a project” that the Secretary was involved with would “look good” for the Tribe. In both cases, the Tribes were deceived.

In any event, with the possible exception of the Choctaw, the Committee found no evidence that those Tribes that gave to CREA did so because of any interest in CREA’s mission. In fact, Abramoff apparently had his clients contribute to CREA, whose president Italia Federici described as a “mom and pop” operation, because he believed that Federici would help him possibly influence tribal issues pending at the Department of the Interior. Ample evidence indicates that she repeatedly told Abramoff that she would talk with a particular senior Interior official to help ensure that the concerns of Abramoff’s clients were addressed. However, what she, or her working contact at Interior, former Deputy Secretary J. Steven Griles, actually did at Interior for the benefit of Abramoff’s tribal clients, remains unclear.
PART I

CHAPTER I

MISSISSIPPI BAND OF CHOCTAW INDIANS

Lets [sic] do this, lets [sic] plan a swing to the big three [Choctaw, Coushatta, and Saginaw] as soon as is convenient to go over existing operations and hit them for new ones - Ill [sic] start working gup [sic] the reports (choctas [sic] is almost done) and the new proposals. We will take two maybe three days and take no prisoners - we are coming home with a bag of cash.

Email from Michael Scanlon to Jack Abramoff, May 31, 2002

You know, it’s the lack of care for people and just the personal greed. And who knows? I don’t understand that point of view.

Nell Rogers on Jack Abramoff and Michael Scanlon, April 29, 2005

A. Introduction

When the Committee first began this investigation in February 2004, many of Jack Abramoff’s and Michael Scanlon’s long-time friends and clients came to their defense. Among them were Chief Phillip Martin and the Mississippi Band of Choctaw Indians (“Choctaw”). Six months into the Committee’s investigation, however, Chief Martin wrote to Senators John McCain and Ben Nighthorse Campbell, who were leading the investigation:

In light of information we have recently obtained from various sources, it now appears that our Tribe may in fact have been the victim of serious wrongdoing by Abramoff and Scanlon. Thus, despite my prior concerns, I appreciate your Committee’s work on this matter.¹

Indeed, of all the Tribes that Abramoff and Scanlon betrayed, their misdeeds were perhaps most painful for the Choctaw, which Abramoff had represented for nearly a decade. Nell Rogers, the Tribal planner who had dealt most closely with Abramoff and Scanlon, gave an impassioned, tearful account during her interview with Committee staff:

STAFF: If Jack Abramoff and Michael Scanlon were sitting in this room today and you had a chance to look them in

¹Letter from Chief Phillip Martin, Mississippi Band of Choctaw Indians, to Chairman Ben Nighthorse Campbell, and Ranking Majority Member John McCain, Committee on Indian Affairs (no Bates number) (August 9, 2004).
the eye, what would you tell them?

**ROGERS:** I would tell them that – there are a lot of things that I could say about being angry or bitter. But I think the worst is that they betrayed the tribe. They betrayed the Chief who had a great deal of confidence in them. They betrayed me ... But I think at the end of the day, it’s the betrayal that’s worse. And I think of the people whose lives they’ve destroyed. I think of all those young kids who worked at Greenberg and Preston Gates with them, who, fairly or unfairly, are going to have to bear that burden.

And I think about the other tribes. I mean, you know, let’s face it. The tribes they dealt with were not the poorest of the poor tribes. Of all those tribes, Choctaw, though, probably has the greatest needs, the biggest tribe, was the poorest tribe. And they used the success they had with Choctaw to gain entree with the other tribes.

You know, not only did they betray Choctaw but they betrayed the tribe’s good name and Chief’s reputation. And, you know, Phillip Martin has spent his life working for not only this tribe but for Indian people. And for him to have to be smeared like this is intolerable. I’ve spent my whole life working. You know, it’s the lack – it’s the lack of care for people and just the personal greed. And who knows? I don’t understand that point of view.²

---

**B. Background on the Tribe**

The Mississippi Band of Choctaw Indians is a federally recognized Indian tribe of nearly 10,000 members, most of whom reside on eight reservation communities located on trust lands.

---

scattered over a five-county area in East-Central Mississippi. The Tribal capital is in Choctaw, Mississippi. The majority of Tribal members are full-blood, Choctaw language speaking.

The Choctaw Indians are the descendants of those Choctaw people who resisted efforts by the Federal Government around 1830-1840 to remove them to Oklahoma, then known as Indian Territory. Although the Choctaw chose to stay in Mississippi, they did not receive their initial reservation lands until 1944 and it was not until the following year that they were federally recognized.

The Tribe has developed a stable governmental structure providing a full panoply of governmental services. These include a school system, police and fire protection services, courts, hospitals, clinics, and housing.

For many years the Choctaw struggled to survive. By 1964, ninety percent of the Tribe’s population lived in poverty. The Choctaw’s situation improved when Chief Phillip Martin began a campaign to bring economic development to the reservation. The Choctaw are unusual in their development because they first gained economic success through their non-gaming business ventures, before opening the Silver Star Hotel and Casino in 1994. In 2000, the Tribe

3“Tribal Lobbying Matters,” *Hearings Before the Committee on Indian Affairs*, 109th Cong. at 52 (June 22, 2005) (prepared statement of Phillip Martin, Chief, Mississippi Band of Choctaw Indians).

4*Id.*

5*Id.*

6*Id.*

7*Id.*

8*Id.*

9*Id.*


11*Id.*

12*Id.*
announced an expansion to include another casino, the Golden Moon, and a shopping complex.\textsuperscript{13}

The Tribe now is the third largest employer in Mississippi, employing nearly 9,200 people in 25 different enterprises including greeting card manufacturing, wiring harness production for the automotive industry, a nursing home, and a world renowned golf course, the Dancing Rabbit.\textsuperscript{14} The annual Tribal payroll is over $1,237,000 and covers many non-member employees.\textsuperscript{15}

C. Background on Abramoff and the Tribe’s Relationship – Building Trust and Confidence

The Choctaw have long enjoyed a government-to-government relationship with the Federal Government, particularly with the United States Congress.\textsuperscript{16} In the beginning, Chief Martin of the Choctaw preferred to lobby Congress himself.\textsuperscript{17}

That changed in 1994. Either through retirement or defeat, many of the Members of Congress who provided the institutional memory on American Indian issues were gone.\textsuperscript{18} At the same time, the opening of the Choctaw’s Silver Star Hotel and Casino in 1994 gave rise to an array of new issues and concerns that required the Tribe to track and address them at the federal level.

\textsuperscript{13}Id.

\textsuperscript{14}“Tribal Lobbying Matters,” \textit{Hearings Before the Committee on Indian Affairs}, 109\textsuperscript{th} Cong. at 52 (June 22, 2005) (testimony of Chief Phillip Martin, Mississippi Band of Choctaw Indians); \textit{Economic Development History How We Got Here} (visited March 21, 2006) <http://www.choctaw.org/economics/tribal_business_overview.htm> (providing an overview of the Choctaw’s economic development).

\textsuperscript{15}\textit{Economic Development History How We Got Here} (visited March 21, 2006) <http://www.choctaw.org/economics/tribal_business_overview.htm> (providing an overview of the Choctaw’s economic development).

\textsuperscript{16}Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).

\textsuperscript{17}Interview of Phillip Martin, Chief, Mississippi Band of Choctaw Indians, in Washington, D.C. (May 17, 2005); Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).

\textsuperscript{18}Id.
Moreover, tribes apparently began to see a slew of proposed legislation they believed were inimical to their interests. One of the first major initiatives came from the U.S. House of Representatives, in a bill seeking to apply the unrelated business income tax (“UBIT”) to Tribal enterprises. Confronted with this legislation and a sea of unknown faces in Congress, the Choctaw decided to hire outside lobbyists.

Coincidentally, around the same time, Nell Rogers, the Tribe’s planner responsible for legislative affairs, was speaking with a friend in California who knew Abramoff’s father. Aware that Abramoff had once been a Republican activist, Rogers’ friend suggested she speak with Abramoff.

Through further due diligence, Chief Martin and Rogers learned that Abramoff worked for Preston Gates Ellis & Rouvelas Meeds (“Preston Gates”), and that Meeds was former Congressman Lloyd Meeds from Washington State. The Choctaw had known and respected Meeds during his tenure in Congress, as a member of at least one House committee that had jurisdiction over Indian issues. The Tribe decided to contact Preston Gates.

After a brief telephone call, Meeds and Abramoff traveled to the Choctaw reservation.

---


20 Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).

21 Id.

22 Id.

23 Id. Rogers’ friend had actually attended a fundraiser that Abramoff’s father had thrown in support of Abramoff’s bid for the Chair of the College Republican National Committee. Id.

24 Id.

25 Id.

26 Id.

27 Id.

28 Id.
There they made a presentation about their firm’s capabilities and connections, and discussed the Tribe’s legislative concerns. Rogers was extremely fascinated by how Abramoff proposed mobilizing other groups to assist the Choctaw in its legislative battle: “I came away thinking this is really different and unusual. It was. It was an unusual approach that you would engage other groups to help you in a campaign to say ‘these are good guys.’”

After the meeting, Chief Martin and Rogers concluded that the Choctaw needed to educate the new members of Congress about Indian Country and the issues it faced. They therefore hired Preston Gates. The issues on which Preston Gates would lobby were not limited to the UBIT. At the time, Rogers recalled, there seemed to be daily issues emerging that adversely affected tribes, a “sea change of proposals” that were “hostile to the tribes.”

To help the Choctaw in its campaign to educate the new Members of Congress, Abramoff mobilized his friends and colleagues at various think tanks and grassroots organizations. The Preston Gates team recast the issue from an Indian issue into a tax issue. Abramoff then enlisted the aid of his long term friend and anti-tax activist Grover Norquist and his organization Americans for Tax Reform (“ATR”), which, according to its website, “opposes all tax increases as a matter of principle” and serves as “a national clearinghouse for the grassroots taxpayers movement.”

According to one document in the Committee’s possession, Abramoff described ATR as “an effective conduit of support for other groups which have provided assistance to Indian gaming’s efforts to fight the tax proposal.” There were a number of anti-tax grassroots groups in various states, and “it was ATR’s job to make contacts with those groups, to assist them in making contacts with members of the Ways and Means Committee or other committee

---

29 Id.
30 Id.
31 Id.
32 Id.
33 Id.
36 Id.
members.” The Choctaw apparently paid ATR a total of $60,000 in 1996 to oppose the UBIT tax.

Abramoff and his colleagues at Preston Gates eventually succeeded in their efforts, and the UBIT tax failed in the Senate.

Three years later, however, the Choctaw were still battling congressional attempts to tax its Tribal revenue. In so doing, in September 1999, the Choctaw paid ATR another $25,000. Rogers believed that the payment was in furtherance of ATR’s opposition to a sales tax issue at the time. According to Rogers: “Well, we did not support the general work of ATR unless we had a tax issue. That’s what I mean by saying general work. We would have expected them to

---

37 Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).

38 Id. This apparently was not the only time that Abramoff and his clients had sought to hire Norquist and ATR. During the UBIT battle for the Choctaw, Abramoff discussed with a colleague the possibility of Brown Forman, a company in the wine and spirits business, retaining Norquist as a lobbyist:

I spoke this evening with Grover. He said that, if they want the taxpayer movement, including him, involved on this issue and anything else which will come up over the course of the year or so, they need to become a major player with ATR. He recommended that they make a $50,000 contribution to ATR. It seems that, on another “sin tax” matter, he is getting a similarly large contribution to get involved. . . . He would prefer donations to ATR.

Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to Mark Ruge, Preston, Gates, Ellis & Rouvelas Meeds (Greenberg Traurig production) (Bates number 883167) (October 22, 1995). Abramoff said that keeping the arrangement with Norquist and ATR secret was important. After all, Abramoff wrote, “[w]e do not want opponents to think that we are trying to buy the tax payer [sic] movement.” Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to Pamela Garvie, Preston, Gates, Ellis & Rouvelas Meeds (Greenberg Traurig production) (Bates no. 883166) (October 24, 1995).

39 Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).

40 Id.

41 Id.
take a position opposing – we did expect them to take a position opposing the sales tax.”

On this issue, Abramoff enlisted other allies. The Choctaw paid Americans for Economic Growth (“AEG”) $45,000 in 1999 for its work opposing the sales tax. The payments were intended for grassroots work and the anti-tax program in 1999. Rogers understood that AEG would be “contacting their supporters, contacting members of Congress” and “staffers that they might have known to talk to them about the tribe – this was after they had been to visit [the Choctaw reservation] – to let them know what the tribe was about. That was our understanding of what they would do.”

The outside groups were not limited to grassroots organizations. Abramoff put together visits to the Choctaw reservation for reporters and public policy groups, with the goal of demonstrating the Tribe’s success in an environment unfettered by unnecessary government regulation. One group that visited the reservation was the National Center for Public Policy Research (“NCPPR”), which was headed by long-time Abramoff friend Amy Ridenour. Ridenour visited the Tribe, “wrote some articles about the tribe, the tribe’s economic development, cultural preservation of the tribal community. And we had made a contribution – had said that we would make a contribution to the National Center.” The Tribe paid NCPPR $5,000 in 1999. Others who attended were representatives from think tanks including Doug Bandow from the Cato Institute.

The Choctaw’s campaign against the sales tax was ultimately successful.

The UBIT and sales tax issues were only two among the many issues on which Abramoff and his team lobbied for the Choctaw. As time passed, and Abramoff and his team repeatedly

42 Id.
43 Id.
44 Id.
45 Id.
46 Id.
47 Id.
48 Id.
49 Id. According to one news article, Bandow resigned from the Cato Institute, after admitting he received money from Abramoff to write between 12 and 24 articles in the mid’90s addressing topics important to Abramoff’s clients. Eamon Javers, Op-Eds for Sale, BusinessWeek Online, December 16, 2005.
succeeded in their lobbying efforts for the Choctaw, the Tribe developed a great deal of trust and confidence in Abramoff and his capabilities.\(^{50}\) Another Abramoff trait that engendered trust with the Choctaw was that he “always presented himself as a deeply religious person ... his conversations were spiked with references to a good cause or working for a good cause. And he talked quite a bit about his religious beliefs and what he could and what he couldn’t do.”\(^{51}\)

It was during the UBIT battle that Abramoff assumed primary responsibility for the Choctaw account.\(^{52}\) In fact, he remained ultimately responsible for the account throughout his tenure at Preston Gates and, later, at Greenberg Traurig.\(^{53}\)

D. Substantial Fees and Conduits – Setting the Stage for Scanlon

As the Tribe’s trust and confidence in Abramoff grew, Rogers would often discuss with Abramoff issues affecting the Tribe, both at a local and national level.\(^{54}\) In 1999, Rogers and Abramoff discussed various legislative proposals in Mississippi and elsewhere that threatened the market share of the Choctaw’s casino operations, and which the Tribe wanted to somehow counter.\(^{55}\) It just so happened that a few months earlier, Ralph Reed, the former executive director of the Christian Coalition and one of Abramoff’s long-time friends, had reached out to Abramoff: “Hey, now that I’m done with electoral politics, I need to start humping in corporate accounts! I’m counting on you to help me with some contacts.”\(^{56}\) Abramoff saw an opportunity: he suggested a grassroots effort and recommended the Choctaw hire Reed to orchestrate an anti-gaming effort.\(^{57}\)

The Tribe agreed to hire Reed to mobilize grassroots opposition to various legislative

\(^{50}\)Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).

\(^{51}\)Id.

\(^{52}\)Id.

\(^{53}\)Id.

\(^{54}\)Id.

\(^{55}\)Id.

\(^{56}\)Email from Ralph Reed, Century Strategies, to Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds (GTG-E000079102) (November 12, 1998).

\(^{57}\)Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).
proposals throughout the Gulf Coast that would have increased gaming, thereby diminishing the Choctaw casino’s market share.\textsuperscript{58} No one from the Choctaw had any direct contact with Reed; rather, Abramoff served as the liaison with Reed and his firm, which eventually became a subcontractor to Preston Gates.\textsuperscript{60}

In March 1999, Abramoff and his associate, Shawn Vasell, spoke with Reed about the Choctaw’s grassroots needs.\textsuperscript{61} According to a draft engagement letter from Reed to Abramoff, Reed was hired to defeat a bill that had passed the Alabama House of Representatives “authorizing dog tracks in the state to install video poker and other casino-style games on their sites.”\textsuperscript{62} Reed promised to “build a strong grassroots network across the state against the extension of video poker and [REDACTION].”\textsuperscript{63} He claimed that no firm had better relationships than his with the grassroots conservatives in Alabama, including the Alabama Christian Coalition, the Alabama Family Alliance, the Alabama Eagle Forum, the Christian Family Association, and “leading evangelical pastors such as Frank Barker of Briarwood Presbyterian Church in Birmingham.”\textsuperscript{64} Reed boasted that “Century Strategies has on file over 3,000 pastors and 90,000 religious conservative households in Alabama that can be accessed in this effort.”\textsuperscript{65}

Reed promised to leverage his contacts for the Tribe:

> Working closely with your existing team at Preston Gates, we can play on [sic] operational role in building a strong anti-video poker grassroots structure that will leverage the considerable contacts and reputation of our principals within Alabama, the conservative faith

\textsuperscript{58} The Committee has seen no evidence that the Choctaw undertook or authorized any work by Abramoff or Scanlon, or anyone else, to oppose gaming in other Southern states, such as Louisiana and Texas.

\textsuperscript{59} \textit{Id.}

\textsuperscript{60} \textit{Id.}

\textsuperscript{61} Email from Ralph Reed, Century Strategies, to Shawn Vasell, Preston, Gates, Ellis & Rouvelas Meeds (GTG-E000111956) (March 26, 1999).

\textsuperscript{62} Ralph Reed document production (Bates numbers 5908-09) (March 26, 1999) (letter from Ralph Reed to Jack Abramoff).

\textsuperscript{63} \textit{Id.}

\textsuperscript{64} \textit{Id.}

\textsuperscript{65} \textit{Id.}
Reed proposed a $20,000 monthly retainer for his services, and ended his letter by writing, “We look forward to bringing about the desired results for you.”

After receiving Reed’s proposed engagement agreement, Abramoff responded, “Ralph, I spoke with Nell this evening. She wants much more specifics. They are not scared of the number, but want to know precisely what you are planning to do for this amount.”

When Reed told Abramoff he was devoting half his staff to the project for two weeks, but needed the green light to begin, Abramoff directed:

Please page me with a page of no more than 90 words ... informing me of your completion of the budget and giving me a total budget figure with category breakdowns. Once I get this, I will call Nell at Choctaw and get it approved.

On April 6, 1999, Abramoff informed Reed that he “spoke with our managing partner [at Preston Gates] and he has approved the subcontractor arrangement” and instructed Reed to “get me invoices as soon as possible so I can get Choctaw to get us checks asap.”

When Abramoff believed he could not get money quickly enough to Reed, Abramoff suggested that the Choctaw pay Reed directly: “Ralph, I am not sure that I can get this wire moving fast enough today. Give me your wire info and I’ll do what I can.” Abramoff then asked, “Any chance that a wire from Choctaw directly would be OK?” Reed’s response is unknown; however, the Committee has seen no evidence that the Choctaw paid Reed or his firms

---

66 Id.
67 Id.
68 Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to Ralph Reed, Century Strategies (GTG-E000111956) (March 29, 1999).
69 Email between Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, and Ralph Reed, Century Strategies (GTG-E000111992) (April 4, 1999).
70 Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to Ralph Reed, Century Strategies (Bates number 7029) (April 6, 1999) (Ralph Reed document production).
71 Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to Ralph Reed, Century Strategies (GTG-E000111977) (April 9, 1999).
72 Id.
By mid-April, things were moving. In an e-mail entitled “Disbursement on behalf of Choctaw Indians,” Abramoff assured Reed that the money was on its way. Using the Choctaw’s money, Reed paid for grassroots activities including, telemarketing (patch-through, tape-recorded messages and call-to-action phone calls), targeted mail, legislative counsel and local management, rallies, petitions, “voter contact, television and radio production, the remainder of phones, the statewide fly-around, the pastor’s and activist rally, the church bulletin inserts, and other items.”

Reed also claimed that he was leveraging his contacts within the Christian community for the Choctaw’s benefit. Reed reported to Abramoff that there would be “a saturation statewide radio buy with a new ad by Jim Dobson that he will record tomorrow.” Reed assured Abramoff, “We are opening the bomb bay doors and holding nothing back. If victory is possible, we will achieve it,” and, one day later, again promised, “All systems are go on our end and nothing is being held back.”

By May 10, 1999, the Choctaw had paid Reed $1,300,000 through Preston Gates, with another $50,000 outstanding. For reasons unclear to the Committee, in late 1999 the Tribe discontinued paying Reed through Preston Gates. Rogers recalled that there came a time when either Reed or Preston Gates (or both) became uneasy about money being passed through Preston Gates to Reed. Abramoff thus searched for another conduit.

Abramoff turned to his long-time friend Norquist to have his group ATR serve as a

73Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to Ralph Reed, Century Strategies (GTG-E000111974) (April 12, 1999).

74Email from Ralph Reed, Century Strategies, to Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds (GTG-E000112006) (April 21, 1999).

75Id.

76Id.

77Email from Ralph Reed, Century Strategies, to Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds (GTG-E000112006) (April 22, 1999).

78Email from [REDACTED] to Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds (GTG-E00018933) (May 10, 1999).

79Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).
conduit for the Choctaw money.\textsuperscript{80} Earlier, on May 20, 1999, Norquist had asked Abramoff, “What is the status of the Choctaw stuff. I have a $75K hole in my budget from last year. ouch [sic].”\textsuperscript{81} Thus, in the fall of 1999, Abramoff reminded himself to “call Ralph re Grover doing pass through.”\textsuperscript{82} When Abramoff suggested the Choctaw start using ATR as a conduit, the Tribe agreed.\textsuperscript{83}

In late 1999, the Choctaw paid ATR $325,000.\textsuperscript{84} In a 2005 interview with The Boston Globe, Norquist said that ATR had sent $300,000 of that $325,000 to Citizens Against Legalized Lottery (“CALL”).\textsuperscript{85} Norquist explained that he sent the money to CALL because the Tribe wanted to block gambling competition in Alabama.\textsuperscript{86}

Out of the Choctaw’s $325,000, ATR apparently kept $25,000 for its services. According to Rogers, Norquist demanded that he receive a management fee for letting ATR be used as a conduit:

\begin{quote}
But I remember when we discussed needing a vehicle for doing the pass-through to Century Strategies that Jack had told me that Grover would want a management fee. And we agreed to that, frankly didn’t know any other way to do it at that time.\textsuperscript{87}
\end{quote}

On a similar project in early 2000, Reed and Abramoff discussed using four groups instead of one as conduits to pay Reed: NCPPR, ATR, Toward Tradition and one unidentified

\textsuperscript{80}See Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to himself (GTG-E000079255) (September 24, 1999).

\textsuperscript{81}Email from Grover Norquist, Americans for Tax Reform, to Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds (GTG-E000114915) (May 20, 1999).

\textsuperscript{82}Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to himself (GTG-E000079255) (September 24, 1999).

\textsuperscript{83}Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).

\textsuperscript{84}Id.

\textsuperscript{85}Michael Kranish, Antitax Activist Says He got $1.5M from Tribes, The Boston Globe, May 13, 2005.

\textsuperscript{86}Id.

\textsuperscript{87}Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).
Abramoff later advised Reed that “Rabbi Lapin [head of Toward Tradition] does not have a c4” and asked Reed for “the name of the c4 you want to use (include address) and we’ll divide it among the three groups.” Within days, Abramoff advised Reed that Amy Ridenour, president of NCPRP, “does not have a c4, only a c3, so we are back to ATR only.” Abramoff asked Reed, “Let me know if it will work just to do this through ATR until we can find another group.”

Though Reed did not respond, on February 2, 2000, Abramoff informed Reed, “We’ll have $300K for Monday and more shortly thereafter.” This project apparently was centered on opposing a video poker initiative. The Choctaw made the first of three $300,000 payments to ATR on February 7, 2000. Abramoff warned Reed, however, that “I need to give Grover something for helping, so the first transfer will be a bit lighter.”

During this time, Abramoff advised Reed that the Choctaw might be limited in the amount of money it could devote to his activities. In response, Reed assured Abramoff that he

---

88 See Email from Ralph Reed, Century Strategies, to Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds (GTG-E000020203) (January 27, 2000) (listing the names of the heads of the groups they contemplated using as conduits).

89 Abramoff’s designation of groups as a c4 or c3 group apparently refers to their tax exempt status under either subsection (c)(3) or (c)(4) of section 501 of the Internal Revenue Code.

90 Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to Ralph Reed, Century Strategies (GTG-E000020287) (January 28, 2000).

91 Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to Ralph Reed, Century Strategies (Bates number 7096) (February 2, 2000) (Ralph Reed document production).

92 Id.

93 Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to Ralph Reed, Century Strategies (GTG-E000020517) (February 3, 2000).

94 See Email from Ralph Reed, Century Strategies, to Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds (GTG-E000020467) (February 17, 2000); see also Michael Kranish, Antitax Activist Says He got $1.5M from Tribes, The Boston Globe, May 13, 2005.

95 Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to Ralph Reed, Century Strategies (GTG-E000020508) (February 7, 2000).

96 See Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to Ralph Reed, Century Strategies (Bates number 7096) (February 2, 2000) (Ralph Reed document production).
was also seeking money from “national anti-gambling groups, Christian CEOs, and national pro-family groups.”

The Tribe was nevertheless able to continue funding Reed’s efforts. On February 17, 2000, Abramoff advised Reed that “ATR will be sending a second $300K today.” This money, too, came from the Choctaw. Norquist kept another $25,000 from the second transfer, which apparently surprised Abramoff.

On March 2, 2000, Abramoff told Rogers he needed “more money asap” for Reed, and requested “a check for $300K for Americans for Tax Reform asap.”

Abramoff’s executive assistant Susan Ralston asked him, “Once ATR gets their check, should the entire $300k be sent to the Alabama Christian Coalition again?”

Abramoff replied, “Yes, but last time they sent $275K, so I want to make sure that before we send it to ATR I speak with Grover to confirm.”

Rogers did not speak with anyone at ATR about using ATR as a conduit. As far as Rogers knew, ATR was not involved and was not considering getting involved in any of the efforts the Choctaw ultimately paid Reed and others to oppose. Based on everything Rogers

\footnote{Id.}

\footnote{Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to Ralph Reed, Century Strategies (GTG-E000020467) (February 17, 2000).}

\footnote{Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).}

\footnote{Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to himself (GTG-E000078903) (February 22, 2000).}

\footnote{Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to Nell Rogers, Mississippi Band of Choctaw Indians (GTG-E000110996) (March 2, 2000).}

\footnote{Email between Susan Ralston, Preston, Gates, Ellis & Rouvelas Meeds, and Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds (GTG-E000110996) (March 3, 2000).}

\footnote{Id.}

\footnote{Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).}

\footnote{Id.}
knew, ATR simply served as a conduit to disguise the source of the Choctaw money ultimately paid to grassroots groups and Reed.\textsuperscript{106} Rogers told Committee staff that she understood from Abramoff that ATR was willing to serve as a conduit, provided it received a fee.\textsuperscript{107}

The Choctaw’s intent and understanding was that the money would pass through ATR and ultimately reach either Reed or a grassroots organization engaging in anti-gaming activities.\textsuperscript{108} It was never intended as a contribution to support ATR’s general anti-tax work.\textsuperscript{109} As far as Rogers was concerned, ATR was serving as a conduit on a project that had nothing to do with taxes and that was designed to oppose gaming.\textsuperscript{110}

At some point, Rogers recalled that Norquist apparently began getting nervous about his role as a pass-through.\textsuperscript{111} Rogers thought that part of Norquist’s discomfort derived from press accounts reporting that ATR was one of the largest contributors to an organization that was fighting against the expansion of gaming.\textsuperscript{112}

The question arises why the Choctaw paid money to Reed through various conduits, such as Preston Gates and ATR, rather than directly. Rogers told Committee staff, “I always assumed it’s because Ralph was more comfortable with that.”\textsuperscript{113} Rogers understood from Abramoff that “Ralph Reed did not want to be paid directly by a tribe with gaming interests. It was our understanding that the structure was recommended by Jack Abramoff to accommodate Mr. Reed’s political concerns.”\textsuperscript{114} Nevertheless, the work Reed and his company Century Strategies performed and for which they were paid through Preston Gates and ATR was on the Tribe’s

\textsuperscript{106}Id. Interview of Phillip Martin, Chief, Mississippi Band of Choctaw Indians, in Washington, D.C. (May 17, 2005)


\textsuperscript{108}Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).

\textsuperscript{109}Id.

\textsuperscript{110}Id.

\textsuperscript{111}Id.

\textsuperscript{112}Id.

\textsuperscript{113}Id.

\textsuperscript{114}Id.
behalf and for its benefit. The Tribe has no complaints about the quality of work Reed undertook on its behalf.

Once ATR ceased serving as a conduit, Abramoff and Reed looked for other conduits for the Tribe to route money to Reed’s Century Strategies. After he left Preston Gates for Greenberg Traurig in 2001, Abramoff suggested the Tribe pay into entities owned or controlled by Michael Scanlon. In 2001, the Choctaw paid money into American International Center (“AIC”), which Abramoff described as vehicle for passing money through to Reed. By the Committee’s accounting, the Tribe paid AIC $1,485,656 in 2001, and $1,170,000 in 2002.

E. Abramoff Brings Scanlon to the Choctaw

In late 2001, the Choctaw were again looking for a grassroots specialist to help with certain state issues. Because of the Tribe’s and Rogers’ relationship with and trust in Abramoff, they asked him to recommend a grassroots specialist. This time, Abramoff did not turn to Reed; he instead introduced the Tribe to Scanlon.

Abramoff and Scanlon traveled together to Mississippi to meet with the Choctaw. Abramoff introduced Scanlon as an independent consultant and an expert in grassroots operations. Abramoff claimed that Scanlon worked with the Christian community in grassroots campaigns, get out the vote campaigns and public relations campaigns. He also said Scanlon was Congressman Tom DeLay’s former staffer and later described him as “DeLay’s

115 Id.
116 Id.
117 Id.
118 Id.
119 Id.
120 Id.
121 Id.
122 Id.
123 Id.
dirty tricks guy.”  

Abramoff recommended that the Tribe hire Scanlon.  

Abramoff did not recommend anyone else.  

Trusting in and relying on Abramoff, the Tribe did so.  

From the outset, the Tribe understood that Scanlon would hire vendors to perform much of the work, and that Scanlon and his company Capitol Campaign Strategies would provide the strategy, hire and coordinate the vendors, and make the contacts.  

Although the Tribe expected Scanlon would take a reasonable fee for his work, it intended that most of its payments to Scanlon would be used for grassroots activities such as polling, surveying, media, and analysis.  

The Choctaw never intended that any of the money it paid Scanlon would go to Abramoff.

The Tribe, and in particular Chief Martin, were always concerned about how high Scanlon’s fees were.  

Rogers sometimes asked Scanlon for a reduced budget.  

To justify Scanlon’s charges, both Abramoff and Scanlon explained that the cost of Scanlon’s work was consistent with the cost of the work Reed had done for the Choctaw.  

They also explained that it was “the cost of operating under the radar.”  

In some instances, Scanlon did reduce his

125 Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).

126 Id.


128 Id. Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).

129 Id.

130 Id.


132 Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).

133 Id.

134 Id.

135 Id.
In addition to combating market threats, Scanlon promised to turn the Choctaw into a political powerhouse at the state level. And so, on October 16, 2001, Abramoff asked Scanlon, “By the way, even with this [project] done, don’t we have a large longer term project to do for them there? Remember we promised when we had dinner with the Chief that we would make them the most powerful folks in the state.”

Scanlon was referring to a grandiose plan he called Operation Orange. The Tribe did not agree to Operation Orange in its entirety, but instead directed Scanlon to pursue discreet parts of it aimed at threats to its casino’s market share. Contemporaneously, the Tribe saw evidence that Scanlon was carrying out parts of Operation Orange it had commissioned. The Tribe paid roughly $4,500,000 over two years for Scanlon’s efforts related to Operation Orange.

Over the same two years, the Tribe also paid Scanlon another $1,000,000 for a separate project. Rogers understood that Scanlon and his companies were conducting polls, performing research, including opposition research, directly lobbying opinion makers, using third parties, and engaging in letter campaigns. Scanlon told the Choctaw he was mobilizing Christian grassroots groups, such as Global Christian Outreach Network and Concerned Citizens Against Gaming Expansion.

In earlier grassroots efforts to protect its market share, the Tribe had grown accustomed to

---

136 Id.
137 Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (1131592) (October 16, 2001).
138 Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).
139 Id.
140 Id.
141 Id.
142 Id.
143 See Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005). Unknown to the Choctaw was that these organizations were bogus. A full explanation about how Scanlon apparently used such bogus organizations as a part of his and Abramoff’s “gimme five” scheme is set forth below in Part 2, Chapter 1, “Capitol Campaign Strategies” section, Page 3, “CCS’ Use of Fictitious Grassroots Organizations.”
sending payments through conduits at Abramoff’s direction. Abramoff and Scanlon continued the practice of directing the Tribe to route money through conduits. Abramoff and Scanlon identified the following as pass-through vehicles for the Choctaw: American International Center, Capital Athletic Foundation, Scanlon-Gould Public Affairs, and, National Center for Public Policy Research. Common among all of them was that they were all entities over which Abramoff or Scanlon exercised considerable control.

Ultimately, the Choctaw paid approximately $16,500,000 to companies owned or controlled by Scanlon. Unknown to the Choctaw, Scanlon secretly kicked back to Abramoff about $6,364,000—about 50% of his total profit from the Tribe. Additionally, at Abramoff and Scanlon’s direction, the Tribe paid another $2,000,000 to non-profit organizations where Abramoff was a director. The payments from the Tribe to Abramoff and Scanlon-related entities is as follows:

**Payments by Choctaw to Abramoff/Scanlon Entities**
*Payments by Tribe to Capitol Campaign Strategies (CCS)*

- 06/29/01 $200,000
- 07/18/01 $43,650
- 07/31/01 $50,000
- 08/29/01 $1,500,000
- 09/27/01 $1,000,000
- 10/18/01 $207,000
- 11/02/01 $1,670,000
- 11/13/01 $2,350,000
- 12/31/01 $250,000
- 02/22/02 $1,600,000
- 10/15/02 $800,000
- 12/11/02 $330,000
- 12/11/02 $600,000
- 09/03/03 $48,333
- 09/03/03 $48,334
- 09/03/03 $48,333
- 09/11/03 $500,000
- 10/16/03 $450,000

---

144 Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).

145 Discussion and analysis of how Abramoff and Scanlon successfully perpetrated their “gimme five” scheme on the Tribe, on an entity-by-entity basis, is contained in Part 2 of the this Report.
• 10/16/03 $300,000  
• 11/18/03 $300,000  
• 11/18/03 $150,000  
• 12/10/03 $300,000  

Total $12,745,650

*Payments by Tribe to Scanlon Gould Public Affairs (SGPA)*

• 04/29/02 $1,000,000  
• 10/15/02 $1,000,000  

Total $2,000,000

*Payments by Tribe to American International Center (AIC)*

• 02/27/01 $200,000  
• 04/09/01 $150,000  
• 05/02/01 $175,000  
• 05/11/01 $960,654  
• 02/22/02 $1,000,000  
• 12/11/02 $170,000  

Total $2,655,654

*Payments by Tribe to Capital Athletic Foundation (CAF)*

• 01/03/02 $500,000  
• 08/05/02 $500,000  

Total $1,000,000

*Payments by Tribe to National Center for Public Policy Research (NCPPR)*

• 10/15/02 $1,000,000  

Total $1,000,000

The Tribe would not discover, until after this Committee started its investigation, the scam that
Abramoff and Scanlon were running on it.

F. Abramoff Has The Choctaw Fund His Pet Projects

1. 2000 Scotland Golf Trip

In 2000, Abramoff had the Choctaw pay twice to the NCPPR: $25,000 on May 19 and $40,000 on June 27.\textsuperscript{146} It has been widely reported that the NCPPR used those funds to finance partially a golf trip to Scotland for Abramoff, Congressman DeLay and his staff, and others.\textsuperscript{147} The Tribe never intended for those funds to be used to finance a trip for any member of Congress; rather, it was intended as a donation for some anti-tax and anti-NACS [National Association of Convenience Stores] work.\textsuperscript{148} Any use of the funds to finance that Scotland trip was done without the Choctaw’s knowledge or authorization.\textsuperscript{149}

2. Sports Suites

For three years, the Choctaw paid into what Abramoff labeled the “Sports Suites” program: $170,374 in 1999, $233,679 in 2000, and $223,679 in 2001.\textsuperscript{150} Rogers understood that “Sports Suites company to be a company basically that was a Jack Abramoff company but that several tribes paid shares into so that the suites could be used for fundraisers or similar kinds of events.”\textsuperscript{151} Abramoff told Rogers that he would represent the tribal participants as the owners of the Sports Suites.\textsuperscript{152} Rogers said she would find it objectionable if Abramoff used the Sports Suites boxes for the benefit of other clients or his family, unless they paid for their use of the Sports Suites.\textsuperscript{153}

\textsuperscript{146}Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).

\textsuperscript{147}Id.

\textsuperscript{148}Id. Interview of Phillip Martin, Chief, Mississippi Band of Choctaw Indians, in Washington, D.C. (May 17, 2005).

\textsuperscript{149}Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).

\textsuperscript{150}Id.

\textsuperscript{151}Id.

\textsuperscript{152}Id.

\textsuperscript{153}Id.
Rogers believed that Choctaw derived benefit from participating in the Sports Suites program:

In some regards I do [believe the Tribe derived a benefit] because the box had copies of the Choctaw Revolution.\textsuperscript{154} It had the tribal profile. It had information about manufacturing opportunities or economic development opportunities on the reservation. And we actually had calls or ran into people who had picked up information about the tribe and who had contacted the tribe because of that. And there were fundraisers held for members of Congress there, including some in our delegation as well as other members who had interest in Indian issues or who had responsibility for Indian issues. So in that regard, I think that the tribe did have some benefit.\textsuperscript{155}

3. **Liberty Consulting Services, LLC**

On January 30, 2002, Abramoff instructed his assistant Illisa Gertner to send an invoice for Liberty Consulting Services (“Liberty”) in the amount of $5,000 for “Consulting Services.”\textsuperscript{156} Abramoff instructed Gertner to include a cover sheet saying, “Per my email about Alexander Strategy Group, attached please find the invoice for Liberty.”\textsuperscript{157} Abramoff told the Tribe that Liberty “was another lobbying group that was going to oppose NACS [National Association of Convenience Stores] ....”\textsuperscript{158} The Choctaw paid Liberty Consulting a total of $25,000 in 2002.\textsuperscript{159}

Unknown to the Choctaw, Liberty was actually a company set up by Tony Rudy, while he


\textsuperscript{155} Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).

\textsuperscript{156} *See* Email from Jack Abramoff, Greenberg Traurig, to Illisa Gertner, Greenberg Traurig (GTG-E000107717-18) (January 30, 2002) (attaching Liberty Consulting Services invoice).

\textsuperscript{157} *Id.*

\textsuperscript{158} Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).

\textsuperscript{159} *Id.*
was serving on Congressman DeLay’s staff, as his Deputy Chief of Staff.\textsuperscript{160} When Rudy pled guilty to committing conspiracy on March 31, 2006, he admitted, among other things, that Liberty performed no services to justify receipt of the payments from the Choctaw:

> From February 2002 through July 2002, Abramoff, with Rudy’s knowledge and consent, arranged for payments totaling $25,000 to be made to Liberty Consulting by one of Firm B’s [Greenberg Traurig] clients, a Native American Tribe in Mississippi [Choctaw]. The payments were made in five monthly installments, which were usually sent by mail. Rudy knew that no additional services were being provided to the client for payments.\textsuperscript{161}

\textbf{G. Conclusion}

All the money that Scanlon and Abramoff bilked from the Choctaw had very significant consequences for the Tribe. During her interview, Rogers identified numerous unmet needs of the Tribe, where the lost money would have been critical: “[s]cholarships; health care, in particular; education; courts; police.”\textsuperscript{162}

Nonetheless, after the first few \textit{The Washington Post} articles ran, Abramoff attempted to have the Choctaw dissuade the Committee from investigating. Rogers said Abramoff “asked me if I would ask the Chief to approach Senator McCain and suggest that each of the tribes, since they had their own police departments and courts, conduct their own internal investigations.”\textsuperscript{163}

Even as details of his and Scanlon’s “gimme five” scheme began to emerge, Abramoff attempted to conceal his and Scanlon’s wrongdoing from the Tribe. In a telephone conversation with Rogers, Abramoff claimed that he used his school as a conduit to pass Choctaw money to grassroots organizations. According to Rogers:

> He [Jack] said that he – he said, ‘Well, Nell, I have to tell you, I took some of the money Mike had’ – yeah. He said, ‘I took some of the


\textsuperscript{161}\textit{Id.}

\textsuperscript{162}Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).

\textsuperscript{163}Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).
money that Mike had and I gave it to the school and they passed the money through. And the people they passed it to will never tell.\textsuperscript{164}

\textsuperscript{164}Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).
CHAPTER II

COUSHATTA TRIBE OF LOUISIANA

ABRAMOFF: Can you let me know how much more (than the current +/- 660K) we would each score should Coushatta come through for this phase, and Choctaw continue to make the transfers. I need to assess where I am at for the school’s sake.

SCANLON: Coushatta is an absolute cake walk. Your cut on the project as proposed is at least 800k ... Total [:] 1.5. mil on top of the 660. For a toal [sic] of 2.1. Not bad :) :) [sic]

ABRAMOFF: How can I say this strongly enough: YOU IZ DA MAN.

SCANLON: Ill [sic] take the man title for now—but not tomorrow, you return to being the man at midnight! Let’s grow that 2.1 to 5!!! We need the true give me five!

ABRAMOFF: Amen!!

Email between Jack Abramoff and Michael Scanlon, September 10, 2001

ABRAMOFF: I’m actually in a bad cash position ... I need [the expected payment from the Agua Caliente] badly. Other than [that Tribe], what next on the money train? [The Choctaw] coming through soon?

SCANLON: The next big money we have coming our way is Coushatta, and that will be in early January—the exact amounts I’m still hammering out.

Email between Jack Abramoff and Michael Scanlon, December 17, 2002

A. Introduction

By February 22, 2004, when The Washington Post published its article entitled, “A Jackpot From Indian Gaming Tribes; Lobbying, PR Firms Paid $45 Million Over 3 Years,” Abramoff and Scanlon’s scheme to defraud several Native American tribes out of tens of millions of dollars was beginning to unravel.

Soon after the article’s publication, former Abramoff associate Kevin Ring emailed a
colleague, “I know more than [the] article and the truth is worse.”\(^1\)

Ring continued, “Now what do you think of my partner Jack? Not too shady, eh?”\(^2\)

Referring to how much the Tribes covered in the article reportedly paid Abramoff and Scanlon, Ring’s colleague could only reply, “that’s a lot of cake.”\(^3\)

Among all of Abramoff’s tribal clients, the Coushatta Tribe of Louisiana (“Louisiana Coushatta”) paid Scanlon the most. Between 2001 and 2003, Abramoff and Scanlon successfully had the Tribe pay them (or entities owned or controlled by them) about $32,000,000: about $27,000,000 to Capitol Campaign Strategies (“CCS”); another $3,600,000 to the American International Center (“AIC”); $1,000,000 to the Capital Athletic Foundation (“CAF”) through a firm of Greenberg Traurig; and another $950,000 through a Scanlon-controlled entity called Atlantic Research & Analysis (“ARA”). Of the $27,000,000 the Tribe paid to CCS, Scanlon appears to have kicked back roughly a third to Abramoff in “referral fees.” This constituted about one-half of Scanlon’s net profit. In addition, of the $3,600,000 the Tribe paid to AIC, Scanlon diverted almost $1,000,000 to an entity called Kaygold, which Abramoff privately described to his tax advisor as “really me.”\(^4\)

In the course of their three-year business relationship with the Tribe, Abramoff and Scanlon were indifferent to the trust that the Louisiana Coushatta put in them as their paid representatives and advocates. At no time did they ever tell the Tribe that Abramoff had a financial interest in CCS or that Abramoff received a hefty percentage of the millions of dollars that the Tribe paid CCS or AIC.\(^5\) Similarly, the Tribe never knew that the cost of services charged by Scanlon was dramatically inflated so that Abramoff could get a big piece of a big pie.\(^6\) The Tribe likewise never knew most of the money it paid Scanlon actually went to finance Scanlon’s private investments and to float Abramoff’s business ventures.\(^7\)

\(^1\)Email from Kevin Ring, Greenberg Traurig, to Matt DeMazza (GTG-E000257509) (February 22, 2004).

\(^2\)Id.

\(^3\)Id.

\(^4\)Email from Jack Abramoff, Greenberg Traurig, to Gail Halpern, May & Barnhard (GTG-E000012336) (December 23, 2001).

\(^5\)See Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

\(^6\)See Id.

\(^7\)See Id.
In addition, at no time was the Tribe ever told that any of the money it paid Scanlon would be diverted to Abramoff’s private charity—for distribution mostly to Abramoff’s Jewish boys’ school.\(^8\) The Tribe was also never told that any of its payments to Scanlon would actually be used to conduct public relations activities for other Tribes, on matters wholly unrelated to the Louisiana Coushatta.\(^9\) Abramoff and Scanlon also concealed from the Tribe their representation of the Ysleta del Sur Pueblo of Texas (“Tigua”), whose interests the Louisiana Coushatta hired Abramoff and Scanlon to oppose.\(^10\) Abramoff or Scanlon also deceived the Tribe into making a sizeable “contribution” to an obscure environmental advocacy group.\(^11\) Regrettably, there was much the Tribe did not know about the activities of Abramoff and Scanlon—its “trusted” advisors.

This Chapter will, drawing from evidence that the Committee has already released to date and new information that the Committee is now releasing in conjunction with this Report, attempt to explicate the foregoing activities.

B. Background on Tribe

The Louisiana Coushatta’s traditional homelands are in Alabama; however, in the late 18\(^{th}\) Century a group of approximately 100 Coushatta led by a tribal leader named Red Shoes moved to Louisiana around the Red River.\(^12\) Since then, its population has grown to over 850 enrolled members.\(^13\) Traditionally, the Louisiana Coushatta belonged to the southern section of the Creek Confederacy, a loose association of Muskogee family tribes occupying and controlling

\(^8\)See Id.

\(^9\)See Id.

\(^10\)See Id.

\(^11\)A fuller discussion of this transaction is contained in Part III, Chapter 1, Section A, entitled, “Council of Republicans for Environmental Advocacy: Background.”


\(^13\)“Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 109\(^{th}\) Cong. at 11 (November 2, 2005).
a vast area across the South. The Tribe is composed of seven large clans and several more smaller clans, which form the foundation of its society. As members of the Creek Confederacy, the Coushatta lived in an agriculturally based economy. It grew corn, peas, beans, squash, potatoes, and rice. Sophisticated trade networks were developed covering thousands of miles.

In 1898, the Federal Government took land into trust for the Tribe. In 1953, during the Termination Era, during which the government terminated its trust relationship with certain tribes, the Bureau of Indian Affairs (“BIA”) ended its trusteeship with, and discontinued its services to, the Louisiana Coushatta. However, after twenty years of struggle, the Louisiana Coushatta’s federal recognition as a tribe was restored in 1973 and it held its first elections in 1985. In 1980, the current reservation near Elton, Louisiana was formally established.

Over the past twenty years, the Tribe has increased its reservation land base from the original 35 acres of land to 154 acres. This land is used for Tribal housing, economic development projects such as crawfish farming and cattle-raising, and to house its numerous

14 Id. at 10.


16 Id.

17 Id.

18 Id.

19 “Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 109th Cong. at 10 (November 2, 2005).

20 Id. at 10-11.

21 Id. at 11.


governmental programs and services. The Louisiana Coushatta have established a Tribal police department; community, health and learning centers; and other social programs. The Tribe has enjoyed economic prosperity largely due to the success of its Grand Casino in Kinder, Louisiana, which opened in 1995. The Louisiana Coushatta currently employs 2,800 people, with a total annual payroll in the range of $80 million. In addition, they contribute approximately $7 million per year to state and local governments.

C. Abramoff and Scanlon Get the Louisiana Coushatta’s Business

By the Spring of 2001, the Louisiana Coushatta was set to renegotiate its gaming compact with the State of Louisiana, which it needed to continue operating its casino in the State legally. Its compact was due to expire later that Summer and the Tribe wanted to get a 25-year compact with the State as the Cherokees had obtained in North Carolina, to avoid having to renegotiate with the Governor’s office every seven years. But, with 2001 being a gubernatorial election year, the Tribe was concerned about its prospects for success with then-Governor Mike Foster. The Tribe was expecting a “very vigorous fight” and had doubts about whether its lobbyists at

---


25 Id.

26 Id.

27 “Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 109th Cong. at 10-11 (November 2, 2005).

28 Id. at 10-11.

29 Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005). See also “Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 109th Cong. at 17 (November 2, 2005) (testimony of William Worfel, former Vice-Chairman).

30 Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

31 Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

32 “Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 109th Cong. at 17 (November 2, 2005) (testimony of William Worfel, former Vice-Chairman).
the time were aggressive enough to get the best deal.\textsuperscript{33}

Sometime during this same period, two members of the Louisiana Coushatta’s Tribal Council, William Worfel and Bertney Langley, called Kathryn Van Hoof, the Louisiana Coushatta’s outside counsel, from a meeting of the United South and Eastern Tribes (”USET”).\textsuperscript{34} They told her that they had just spoken with Terry Martin, a representative of the Chitimacha Tribe of Louisiana (”Chitimacha”).\textsuperscript{35} Martin recommended to Worfel and Langley that they contact a prominent Washington, D.C. lobbyist and a public relations consultant his Tribe had used and with whom they were very satisfied.\textsuperscript{36} Their names: Jack Abramoff and Michael Scanlon.\textsuperscript{37} Martin suggested that they might be able to help with the Tribe’s compact.\textsuperscript{38}

So, Worfel and Langley asked Van Hoof to meet with Martin in Marksville, Louisiana.

\textsuperscript{33}Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

\textsuperscript{34}\textit{Id.}

\textsuperscript{35}Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

\textsuperscript{36}Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005); Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005). Worfel understood that Martin and Abramoff were “tight.” \textit{Id.} He recalls that “[Abramoff and Scanlon] would talk about Terry [Martin] a lot to me” and Martin “promoted [Abramoff and Scanlon] a lot.” \textit{Id. See also} “Tribal Lobbying Matters,” \textit{Hearings before the Committee on Indian Affairs}, 109\textsuperscript{th} Cong. at 17 (November 2, 2005) (testimony of William Worfel, former Vice-Chairman).

\textsuperscript{37}Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005); Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

\textsuperscript{38}Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005); Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).
that day. He also discussed Abramoff’s successful representation of the Mississippi Band of Choctaw Indians (“Choctaw”) on several funding issues and noted how happy that Tribe was with Abramoff’s representation. He told Van Hoof that Abramoff was well-connected and a friend of former Congressman Tom DeLay. Martin discussed the possibility that Abramoff could help the Louisiana Coushatta with its compact renegotiations.

Van Hoof returned to the Louisiana Coushatta Tribal Council, which was then comprised of not only Worfel and Langley but also Chairman Lovelin Poncho and councilmen Leonard Battise and Harold John, and conducted some basic due diligence on Abramoff. She then delivered an oral report to the Tribal Council on her meeting with Martin about Abramoff. Van Hoof described how hiring Abramoff could help the Tribe implement a strategy to convey, in particular to the Governor and the State legislature, that it had political “stroke” in Washington. After Van Hoof’s presentation, the Tribal Council asked Van Hoof to invite Abramoff to meet with the council about possibly representing the Louisiana Coushatta as its lobbyist in Washington, D.C. Van Hoof complied.

In anticipation of his meeting with the Tribal Council, Abramoff spoke with Van Hoof
more fully about the Louisiana Coushatta’s lobbying interests. He was preparing a formal plan and budget proposal for the Tribal Council.

About a week or two after Van Hoof’s presentation to the Tribal Council, probably in March 2001, Abramoff and Scanlon went to Louisiana to meet with the Tribal Council at the Tribe’s administration building. During the meeting, Abramoff described his background, political connections, and capabilities. In particular, he mentioned that he “knew federal Indian law,” “federal legislation,” and “how to get things passed through the legislature.” Referring to appropriations earmarks, Abramoff said that his team could get “line items” for the Tribe.

He also mentioned that he “worked with people” in the Department of Interior and with Members of Congress. Abramoff specifically mentioned his relationship with Congressman DeLay and former DeLay associate Scanlon. Abramoff described how Scanlon’s background as a media consultant and in public relations could help make it appear that the Louisiana Coushatta had connections in Washington.

---

49Id.

50Id.; Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

51Id.; Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005) (recalling only Abramoff’s attendance). Also present was administrative assistant, Michelle “Missy” Litteral. Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005). At this meeting, it was suggested that Abramoff and Scanlon would talk more openly if the council turned off its recorder. See Id.

52Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005); Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

53Id.

54Id. Worfel testified that “[he] heard [reference to earmarks] so much.” Id.

55Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

56Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

57Id.; See also Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005) (Worfel describing how Scanlon said
Abramoff also cited his success with the Choctaw.\textsuperscript{58} That impressed Worfel and the Tribal Council; the Tribe had been trying to model itself and its casino operations on the economic development strategy that Chief Phillip Martin used to make the Choctaw among the most respected tribes in Indian Country.\textsuperscript{59}

Abramoff proposed a plan for establishing relationships with Members of Congress and participating in various campaign-related activities and events to help the Tribe convey to others that it had influence in Washington, D.C.\textsuperscript{60} For example, Abramoff provided the Tribe with information about a DeLay golf tournament, saying that participating would convey the impression that it had some real “stroke” in Washington and would also build some good will with DeLay.\textsuperscript{61} Participation in events such as these and payments on “lists of suggested contributions” would, Abramoff suggested, provide name recognition and access.\textsuperscript{62}

In pitching himself to the Tribal Council, Scanlon represented that CCS could organize direct mail and telephone campaigns that would urge public officials to support issues important to CCS’ clients.\textsuperscript{63} At the council meeting, Scanlon described himself as a “bulldog”—“the one who puts fires out” and “[who] did the groundwork, like on the ads, the radio blitz, the phone

\begin{itemize}
\item he could do “media blitzes,” “phone calls,” “phone banks,” “advertising on television,” etc.);
\item “Tribal Lobbying Matters,” \textit{Hearings before the Committee on Indian Affairs}, 109\textsuperscript{th} Cong. at 17 (November 2, 2005) (testimony of William Worfel, former Vice-Chairman).
\item Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).
\item Id. Months later, Abramoff and Scanlon would cite their association with the Choctaw in furtherance of their scheme to defraud the Tribe: when Abramoff pitched Scanlon in connection with a plan to elect Louisiana officials calculated to be supportive of the Tribe’s gaming interests, called the “Louisiana Political Program,” Abramoff told Worfel that Chief Phillip Martin had spent $13 million “to get the governor of Alabama elected to keep gaming out of Alabama so it wouldn’t hurt ... his market in Mississippi.” \textit{Id.}
\item Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).
\item \textit{Id.}
\item \textit{Id.}; Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).
\end{itemize}
banks, and all that.” Scanlon represented that CCS “could provide effective advice about strategies focusing on specific public officials in order to obtain official support for, or neutralize opposition to, the interests of CCS’ clients.”

The main operational feature of Scanlon’s proposal was an elaborate political database. To support that database, Scanlon said that he would provide a range of “electronic-related services.” Polling would identify the likes and dislikes of those who may be inclined to support the Louisiana Coushatta’s casino. He would also “need to [get] a list of [the Tribe’s] vendors and ... associates, ... tribal members, everybody that does business with the casino and the tribe, and try to get them to start making phone calls, letter-writing campaigns ....” Having identified the universe of individuals whose preferences were consistent with the interests of the Tribe, Scanlon promised to use this “customized” database to mobilize them. Scanlon said that this would, for example, “have them flood the offices of policy makers with calls.”

Based on representations Abramoff and Scanlon made to the Tribal Council at this

---

64Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).


66Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).


68Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

69Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

70Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

71*Id.* There were at least two other meetings between the Tribal Council and Abramoff and Scanlon—another one in the Spring of 2001 (about two or three weeks after the first) and one in February 2004. Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005) (during which compact renegotiation, Texas threats, Delta Downs and Pinnacle were discussed). Worfel and Poncho met with Abramoff at least one other time early in 2004 at Abramoff’s office in Greenberg Traurig. *Id.*
meeting, Van Hoof understood that Scanlon had “vast experience” in public relations and that Scanlon was “part of the package” with Abramoff’s representation of the Louisiana Coushatta.\textsuperscript{72} Worfel came to believe that Scanlon’s company was a branch of Greenberg Traurig.\textsuperscript{73} When Abramoff first met with the Tribal Council, Abramoff said that Scanlon worked for him, and Van Hoof always referred to “Jack and his guys.”\textsuperscript{74} But, Van Hoof and Worfel agree, Abramoff never told the Council that he would personally collect a share of those proceeds that the Tribe paid Scanlon.\textsuperscript{75}

Impressed with their proposals, the Tribal Council hired Abramoff and Scanlon as their federal lobbyist and grassroots political/media consultant, respectively.\textsuperscript{76}

Their tasks were to “assist [the Tribe] with the renewal of its compact with the State of Louisiana, regional gaming issues, and obtaining its public policy goals in Washington, D.C.”\textsuperscript{77} Under an agreement executed on March 20, 2001, the Tribe was to pay Greenberg Traurig, the firm with which Abramoff was associated, $125,000 per month plus reasonable expenses.\textsuperscript{78} The Tribe was willing to pay this high retainer because it reflected, according to Van Hoof, “a concentrated effort within a short period of time” or “a short-term blitz” while the Tribe was renegotiating its compact.\textsuperscript{79} Van Hoof assumed that the retainer amount would decrease after the

\textsuperscript{72}Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

\textsuperscript{73}Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

\textsuperscript{74}Id.

\textsuperscript{75}Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

\textsuperscript{76}Id.; Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

\textsuperscript{77}Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005); Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

\textsuperscript{78}Letter from Jack Abramoff, Greenberg Traurig, to Kathryn Van Hoof, Coushatta Tribe of Louisiana (COUSH-MiscKVH-0001189-91) (March 16, 2001).

\textsuperscript{79}Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).
In fact, she was surprised to learn, after she was no longer with the Tribe, that the Tribe had continued to pay Greenberg Traurig a retainer at the original amount.\textsuperscript{81}

Separately, the Tribe was to pay CCS, Scanlon’s company, for grassroots activities related to the compact renegotiations—“the ground effort.”\textsuperscript{82} Referring to this ground effort, on April 12, 2001, Abramoff told Van Hoof that “Mike [Scanlon] believes we can’t wait any longer for [it].”\textsuperscript{83} The asking price, $534,500.\textsuperscript{84}

With those agreements, the Tribe placed their trust in Abramoff and Scanlon. As Worfel testified, “You trust them because they worked for Greenberg. It’s supposed to be one of the most prestigious law firms in D.C. and America, and these people worked for these guys.”\textsuperscript{85} Worfel trusted Abramoff, in particular, because it had been reported that he was one of the best lobbyists in Washington, D.C.; the Tribe was paying him a lot of money to represent its interests.

\textsuperscript{80} Id.

\textsuperscript{81} Id. Despite a provision in its agreement with Greenberg Traurig to the contrary, the Firm’s expenses (which were not itemized in its bills to the Tribe) were deducted from the retainer. \textit{Id.} Van Hoof could not explain why the Tribe agreed to this arrangement. While Van Hoof served as outside counsel to the Louisiana Coushatta, she was never advised of what expenses Abramoff and his team at the firm incurred. \textit{Id.} Typically, those expenses amounted to about $15,000 to $18,000 per month. Interview of Stephanie Leger Short, former associate, Greenberg Traurig, in Washington, D.C. (August 18, 2005). Occasionally, Leger questioned some of those expenses, including an anomalous charge for the charter of a helicopter. \textit{See id.}

But, inevitably the response would be “That’s the way Jack wants it to be.” \textit{Id.} Also, according to Short, two of Abramoff’s associates, Shana Tesler and Samuel Hook, did not work all those hours for which Greenberg Traurig billed its clients. \textit{See id.} She recalled, “[T]owards the end, [Tesler] and Sam [Hook] were not at Greenberg, physically, often at all.” \textit{Id.} “It was common knowledge within our group that they weren’t there, but hours were on our bills.” \textit{Id.} However, where the Louisiana Coushatta and other Tribes who were so charged for these hours paid a retainer, \textit{i.e.}, were not billed hourly, they were not injured by those billings.

\textsuperscript{82} Email from Jack Abramoff, Greenberg Traurig, to Kathryn Van Hoof, Coushatta Tribe of Louisiana (COUSH-MiscKVH-0001632-33) (April 12, 2001).

\textsuperscript{83} Email from Jack Abramoff, Greenberg Traurig, to Kathryn Van Hoof, Coushatta Tribe of Louisiana (COUSH-MiscKVH-0001632-33) (April 12, 2001).

\textsuperscript{84} Id.

\textsuperscript{85} Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).
in D.C. and in the states; and (as described below) he and Scanlon originally “got good results.”

In her interview, Short recalled that Worfel told her that the Tribe wanted to be the “Choctaw of Louisiana.” According to Short, the Louisiana Coushatta were “in awe of the Mississippi Choctaw ... because Chief Martin has done an amazing job with his tribe ....” And so I think,” Leger continued, “Chief Martin trusted Jack, and had Jack doing all these things for them. I think that gave him automatic credibility with William [Worfel]. And then meeting with him, I think, just sealed the deal.”

After the Tribe hired Abramoff and Scanlon, the Tribal Council asked Van Hoof to liaise between the Tribe, on the one hand, and Abramoff and Scanlon, on the other. From the Spring through the Fall of 2001, she did so. During the Fall of 2001 onward, Worfel replaced Van Hoof as the Tribe’s point of contact with Abramoff and Scanlon.

D. Scanlon’s Grassroots Projects for the Tribe

As described above, initially Scanlon was hired to help the Tribe on its renegotiations with the State of Louisiana regarding its gaming compact. Scanlon promised to develop and implement a media blitz, a letter writing campaign to the governor and local officials, phone banks, and opposition research. That would be accomplished by Scanlon’s “political

---

86 Id.

87 Interview of Stephanie Leger Short, former associate, Greenberg Traurig, in Washington, D.C. (August 18, 2005).

88 Id.

89 Id.

90 Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

91 Id.

92 Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

93 Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).
A draft of a program budget outlines what Scanlon proposed to do for the Tribe regarding the compact renegotiations. Using language very similar to what he used with other Tribes, Scanlon proposed a five-point plan focused around the development and use of an elaborate political database.

Apparently, Abramoff and Scanlon split the fees that the Louisiana Coushatta paid for CCS’ work on the compact renegotiations: on April 12, 2001, and April 18, 2001, Abramoff and Scanlon each urged Van Hoof that the Tribe come up with $200,000 for an “organizational phase” of this political program. On or about April 26, 2001, the Tribe paid CCS $200,000, as requested. Soon thereafter, on or about April 30, 2001, CCS paid Abramoff $75,000—itemized in CCS’ accounting ledger as a “referral expense.”

Worfel did see evidence that Scanlon’s strategy was implemented. In July 2001, Governor Foster signed the compact. Most of the Tribal Council, and Van Hoof, were satisfied

---

94 Memorandum from Michael Scanlon, Capitol Campaign Strategies, to Kathryn Van Hoof, Coushatta Tribe of Louisiana, “Louisiana Political Budget Outline” (October 23, 2001) (“we need to modify your political database into a statewide format”).

95 Louisiana Coushatta document production (no Bates number) (June 26, 2001) (“‘The Coushatta Political Program,’ by Michael Scanlon”).

96 See Email from Jack Abramoff, Greenberg Traurig, to Kathryn Van Hoof, Coushatta Tribe of Louisiana (COUSH-MiscKVH-0001632-33) (April 12, 2001) (“I still do not have the budget for the complete effort, but Mike believes we cannot wait any longer for the on ground effort, so I need to get this to you for approval .... Please let me know if I can give Mike the go ahead.”); Email from Michael Scanlon, Capitol Campaign Strategies, to Kathryn Van Hoof, Coushatta Tribe of Louisiana, “Re: Political Program funding” (COUSH-MiscFin-0000368) (April 18, 2001) (“The total for the program is $539,000. In order to get started the tribe will need to pay $200k up front to cover the organizational program .... If thre [sic] is any way to get the initial money out today it would be great!”).

97 Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies).

98 Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

99 Id.
with the work that Scanlon conducted on the compact renegotiations. Soon afterwards, the scope of work dramatically increased. Soon after his first meeting with the Tribal Council, Abramoff raised with the Tribe the idea of fighting the expansion of gaming in Texas and dockside gaming projects elsewhere in Louisiana.

Indeed, Abramoff and Scanlon, on whom the Tribe relied as experts, persuaded the Tribal council that threats to the Tribe’s gaming interests were everywhere—state-sponsored gambling, slot machines at horse tracks, the possibility of Texas’ legalizing gaming, and competing casinos possibly being built by other tribes. According to Worfel, “It was always one crisis after another. There were real threats and some not so real, looking back with hindsight.”

Worfel continued:

Texas gaming was one of those oversold threats. In 2001, we were told by Abramoff that Texas was one vote away from allowing casino gambling. I have since learned that legalized casino gambling was far from being approved by the Texas Legislature. In addition, we have learned that Jack and Mike were working for other tribes in Texas that were trying to get gaming, when they were supposed to be watching out for us.

Worfel asked rhetorically:

What should you spend to save a $300-million a year business when the lawyers who work for you tell you that it could all be gone if we do not act now? Our tribe has one and only one business. We made

---

100 Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

101 Id.

102 Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

103 See Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005). See also “Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 109th Cong. at 17 (November 2, 2005) (testimony of William Worfel, former Vice-Chairman).

104 Id.

105 Id.
tough decisions and we acted always in the best interests of our tribe.\textsuperscript{106}

Thus, the Tribe hired Scanlon to implement a number of grassroots activities on behalf of the Louisiana Coushatta to battle the numerous threats—both real and imagined—that the Tribe faced. Over the following three years, separate from its payments to Greenberg Traurig, the Louisiana Coushatta paid entities owned or controlled by Abramoff or Scanlon about $32,000,000. Those payments are set forth below.

**Payments by Louisiana Coushatta to Abramoff/Scanlon Entities**
*Payments by Tribe to Capitol Campaign Strategies (CCS)*

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/26/01</td>
<td>$200,000</td>
</tr>
<tr>
<td>5/30/01</td>
<td>$283,500</td>
</tr>
<tr>
<td>6/29/01</td>
<td>$850,000</td>
</tr>
<tr>
<td>7/13/01</td>
<td>$200,000</td>
</tr>
<tr>
<td>7/26/01</td>
<td>$102,000</td>
</tr>
<tr>
<td>7/26/01</td>
<td>$292,500</td>
</tr>
<tr>
<td>7/26/01</td>
<td>$97,500</td>
</tr>
<tr>
<td>10/5/01</td>
<td>$940,000</td>
</tr>
<tr>
<td>10/31/01</td>
<td>$700,000</td>
</tr>
<tr>
<td>10/31/01</td>
<td>$2,170,000</td>
</tr>
<tr>
<td>1/18/02</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>1/18/02</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>1/18/02</td>
<td>$1,505,000</td>
</tr>
<tr>
<td>1/24/02</td>
<td>$800,000</td>
</tr>
<tr>
<td>2/6/02</td>
<td>$1,200,000</td>
</tr>
<tr>
<td>3/15/02</td>
<td>$3,405,000</td>
</tr>
<tr>
<td>4/3/02</td>
<td>$2,100,000</td>
</tr>
<tr>
<td>8/2/02</td>
<td>$2,100,000</td>
</tr>
<tr>
<td>10/16/02</td>
<td>$950,000</td>
</tr>
<tr>
<td>2/14/03</td>
<td>$5,000,000</td>
</tr>
</tbody>
</table>
| 4/22/03  | Coushatta/AIC $1,300,000  

Total $26,695,500

*Payments by Tribe to American International Center (AIC)*

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/16/01</td>
<td>Southern Underwriters $400,000</td>
</tr>
<tr>
<td>3/21/01</td>
<td>$258,000</td>
</tr>
<tr>
<td>3/30/01</td>
<td>$298,000</td>
</tr>
<tr>
<td>4/27/01</td>
<td>$397,200</td>
</tr>
</tbody>
</table>

\textsuperscript{106}Id.
Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000252622) (June 2, 2002).

Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

Id.

Id.

Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005). From 2001 through 2004, most, if not all, of the Louisiana Coushatta’s revenue came from its casino profits. Id. See also Id. (“[Reed’s name could not be mentioned,] I guess because he would be judged as a hypocrite.”).

- 4/9/03 $2,300,000
- 11/13/01 Greenberg Traurig $1,000,000
- 5/8/03 Atlantic Research & Analysis $950,000

Total $3,653,200

Payments by Tribe to Capital Athletic Foundation (CAF)

<table>
<thead>
<tr>
<th>Date</th>
<th>Firm</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/9/03</td>
<td></td>
<td>$2,300,000</td>
</tr>
<tr>
<td>11/13/01</td>
<td>Greenberg Traurig</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>5/8/03</td>
<td>Atlantic Research &amp; Analysis</td>
<td>$950,000</td>
</tr>
</tbody>
</table>

Total $1,950,000

GRAND TOTAL $32,298,700

As the foregoing indicates, during the first quarter of 2002 alone, the Tribe made continuous payments to Abramoff and Scanlon, totaling over $9,000,000. But, on June 2, 2002, Abramoff wrote Scanlon, “[The Louisiana Coushatta] are ripe for more pickings. We have to figure out how.”

In furtherance of the grassroots strategy devised for the Tribe, Abramoff and Scanlon persuaded the Tribal Council to financially support other groups opposed to gaming expansion, namely Christian evangelical conservatives, to help the Tribe protect its share of the regional gaming market. Abramoff specifically proposed that the Tribe work with former Christian Coalition Executive Director Ralph Reed. According to Van Hoof, Abramoff understood that gaming opponents, like Christian conservatives, would of course eschew direct contributions from the Tribe. Worfel recalled that Van Hoof “came back and told us that [sic] a guy named Ralph Reed. She was real careful about a Ralph Reed person. It can’t get out. He’s Christian Coalition. It wouldn’t look good if they’re receiving money from a casino-operating tribe to oppose gaming. It would be kind of like hypocritical.”

---

107 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000252622) (June 2, 2002).

108 Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

109 Id.

110 Id.

111 Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005). From 2001 through 2004, most, if not all, of the Louisiana Coushatta’s revenue came from its casino profits. Id. See also Id. (“[Reed’s name could not be mentioned,] I guess because he would be judged as a hypocrite.”).
Worfel testified that, on the Tribe’s behalf, Abramoff hired Reed to help prevent the expansion of gaming in Louisiana. In that capacity, Worfel understood, Reed was supposed to mobilize “the Christian Coalition” to engage on several legislative initiatives relating to gaming, including, opposing bills providing for dockside gaming and supporting an amendment that raised taxes on the river boats. Furthermore, Worfel recalled, Van Hoof told him that Reed would “supposedly get a lot of pastors or preachers or ministers ... together.” But, once again, Worfel recalled Van Hoof cautioning him that Reed “did not want his name being revealed.”

Against that backdrop, Abramoff asked whether the Tribe had any business through which payments to Reed could be made. In a meeting that included Louisiana businessman Aubrey Temple, Temple volunteered the use of one of his businesses as a conduit. It was an apparently moribund insurance company called Southern Underwriters. So, on or about March 16, 2001, the Tribe paid $400,000 to AIC., a Scanlon-controlled entity, through Southern Underwriters. From Abramoff, Van Hoof understood that AIC was an entity that supported anti-gaming efforts, which the Tribe could support. She also understood that the Tribe’s money that went through AIC was to go to Reed, for coalition-building against gaming initiatives that would have competed with the Tribe. She also understood that, by paying Reed through AIC, the Tribe’s identity as the original source of those funds would be disguised.

---

112 Id.
113 Id.
114 Id.
115 Id.
116 Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).
117 Id.
118 Id.
119 Id.
120 Id.
121 Id.; Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).
122 Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).
Tribe paid AIC in March 2001, it did not know that Abramoff and Scanlon would later extract secretly millions in “gimme five” proceeds from tribal payments routed through that entity. How Abramoff and Scanlon did so is fully explained in Part 2, Chapter 2, Section E, of this Report, entitled, “American International Center: AIC as a “Gimme Five Entity.”

E. Conclusion

Specifically citing the work he had done for the Choctaw, Abramoff subsequently secured contracts for himself and Scanlon from the Louisiana Coushatta. Of all the Tribes that hired Scanlon, the Louisiana Coushatta ended up paying Scanlon the most. Initially, the Tribe hired Scanlon to help with its compact renegotiations with the State of Louisiana. But, after having successfully assisted the Tribe, Scanlon dramatically expanded his scope of work, which ranged from squelching supposedly ubiquitous threats to the Tribal casino’s customer market share, to supposedly getting the “right” candidates elected to the Louisiana State Legislature.

To its detriment, the Tribe trusted Abramoff and Scanlon’s expertise in Indian gaming and were captured by their lure of making the Louisiana Coushatta “the Choctaw of Louisiana.” Accordingly, it deferred to Abramoff and Scanlon’s judgment when they recommended that it fund very expensive grassroots campaigns.

Ultimately, having collected about $30,000,000 from the Louisiana Coushatta during the relevant period, Scanlon secretly kicked back to Abramoff about $11,450,000—about 50 percent of his total profit from the Tribe. This includes a payment of $1,000,000 that Abramoff and Scanlon manipulated the Tribe into paying to CAF, Abramoff’s private charity.

Discussion and analysis of how Abramoff and Scanlon successfully perpetrated their “gimme five” scheme on the Tribe, on an entity-by-entity basis, is contained below in Part 2 of the this Report.
CHAPTER III
SAGINAW CHIPPEWA TRIBE OF MICHIGAN

Don’t forget to get to [Saginaw Chippewa sub-chief David] Otto and set up a meeting asap. We need that moolah. We have to hit $50M this year (our cut!).

Email from Jack Abramoff to Michael Scanlon, January 16, 2002

Understanding tribal politics, and keeping our people in power, is the priority of client management.¹

E-mail from Jack Abramoff to associate Todd Boulanger, May 30, 2002

We do a recall, election and take over. Let’s discuss.²

E-mail from Jack Abramoff to associate Jon van Horne, February 14, 2002

A. Introduction

Among the documents obtained by the Committee is an email, dated February 9, 2004, in which Abramoff authorized his associate, Shana Tesler, to pay the legislative director of the Saginaw Chippewa Indian Tribe (“Saginaw Chippewa”), Christopher Petras, $2500 of Abramoff’s own money to help the former chief of that Tribe with a recall effort there.³ This exchange reflects the end of Abramoff and Scanlon’s aggressive campaign to keep the Saginaw Chippewa as a client.

Their approach was to insinuate themselves into internal tribal matters by influencing tribal elections to secure lucrative contracts from the Tribe—a strategy that most observers who have discussed the matter with the Committee agree is egregious.⁴

¹Email from Jack Abramoff, Greenberg Traurig, to Todd Boulanger, Greenberg Traurig (GTG-E000026398) (May 30, 2002).

²Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000010917) (February 14, 2002).

³Email from Jack Abramoff, Greenberg Traurig, to Shana Tesler, Greenberg Traurig (GTG-E000028361) (February 9, 2004).

⁴See, e.g., “Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 108th Cong. at 23 (September 29, 2004) (testimony of Tribal Sub-Chief Bernie Sprague).
Abramoff and Scanlon successfully secured tribal business in this way from not only the Saginaw Chippewa but also the Agua Caliente Band of Cahuilla Indians ("Agua Caliente").

There are also fragments of information that suggest that they might have done so with the Coushatta Tribe of Louisiana ("Louisiana Coushatta"). But, Abramoff and Scanlon’s representation of the Saginaw Chippewa presents what may be the most compelling case of how they did so to further their "gimme five" scheme.

B. Background on Tribe

The Saginaw Chippewa’s traditional homelands comprise all of Michigan and parts of Canada. Their current reservation, Isabella Reservation, was established under the Treaty of October 18, 1864, and is adjacent to the city of Mt. Pleasant, Michigan. The Saginaw Chippewa Indian Tribe traces its roots to three bands of Ojibwa Anishnabek known as the Saginaw, Swan Creek, and Black River Bands of Chippewa Indians. According to the 2000 census, the tribal

---

5 A full discussion as to how Abramoff and Scanlon did so with regard to the Agua Caliente is contained infra in Part 1, Chapter 4, “Agua Caliente Band of Cahuilla Indians.”

6 See e.g., Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (no Bates number) (April 17, 2001) (produced by Capitol Campaign Strategies). Here, Abramoff advises Scanlon, "It is critical that you run the [Louisiana Coushatta] chairman’s campaign, and that he wins! We’re charging these guys up the wazoo, so this will be the key deliverable. Make sure you bill your hours like a demon. Almost no one else is billing this client yet, so there is plenty of room. You should be able to qualify for a hefty bonus just on this one ....” Id. And, Scanlon replies, “I will bill away! I need that bonus to buy [sic] me a brand new cadillac!” Id.


population is 3,102.¹⁰

The Chippewa are a classical Woodlands culture and their language stems from the Algonquian family; therefore, they were hunter-gathers and practice horticulture. Traditionally, they grew rice and made sugar, hunted and fished, and later became adept fur traders.¹¹ There are approximately fifteen to twenty clans traced through paternal lineage that make up the tribal social network.¹² Although the Saginaw Chippewa share a common dialect, culture, tradition, and spiritual practices with other Michigan Chippewa, they are a distinct social group.¹³

In 1937, the Tribe, reorganized under the Indian Reorganization Act, created the current tribal government.¹⁴ The Tribal Council consists of twelve members elected from three electoral districts and includes the chief, sub-chief, treasurer, and secretary.¹⁵ In 1993, the Tribe signed a gaming compact with the State of Michigan.¹⁶ Soon thereafter, it opened the Soaring Eagle Resort and Casino.¹⁷ The Tribe added and opened its 512 room hotel and entertainment complex


¹¹Id.

¹²Id.


¹⁶Id.

in 1997.\textsuperscript{18} The Soaring Eagle Resort and Casino is one of the biggest Indian casinos in the nation with estimated revenue of approximately $400 million per year.\textsuperscript{19} The Tribe currently employs over 4,000 people.\textsuperscript{20}

C. Christopher Petras—Abramoff and Scanlon’s access to the Tribe

Sometime during 1998, Christopher Petras was approached at a concert at the Soaring Eagle Resort about submitting an application to the Tribe’s newly created Legislative Affairs Department.\textsuperscript{21} At the time, Petras, who is not a tribal member, “had been teaching political science and was familiar with Government processes to some extent.”\textsuperscript{22} In December 1999, Petras was hired by the Tribe as a policy research analyst for five years and later served as the Tribe’s director of legislative affairs.\textsuperscript{23} According to Petras, his responsibilities were “[t]o __________________________

\begin{flushright}
(discussing the success of the Soaring Eagle Casino).
\end{flushright}


\textsuperscript{21}“Tribal Lobbying Matters” Hearings before the Committee on Indian Affairs, 108\textsuperscript{th} Cong. at 39 (September 29, 2004) (testimony of Christopher Petras, former legislative director, Saginaw Chippewa Indian Tribe).

\textsuperscript{22}\textit{Id.}

\textsuperscript{23}\textit{Id.} at 38.
basically work with the tribal council on policy issues [and] conduct research.”

Whereas tribal legislative assistant Kim Sawmick covered state issues for the Tribe, Petras focused on federal legislative matters.

According to Petras, in 2000, Sawmick told him that the Tribal council was interested in looking for representation in Washington, D.C. to work with its other lobbyist Larry Rosenthal, who was then one of Abramoff’s keenest competitors. In 1999, the Tribe had hired Rosenthal to serve as its Democratic lobbyist; the Tribe was now looking for a new Republican counterpart.

Petras went on the Internet and typed in “cue words, basically ‘tribes’ and ‘lobbyist.’” Of the names that came up, he contacted three firms and traveled with Sawmick to D.C. to meet with them. Around May 2000, they met Abramoff, who was then at Preston Gates Ellis & Rouvelas Meeds. During that meeting, Abramoff brought in Scanlon. In his interview with staff, then-Sub-Chief David Otto recalled that Abramoff gave an “impressive” presentation to the Tribal Council. According to Petras, after that meeting, Sawmick recommended that the Tribe bring Abramoff in for an interview, which led to a decision by the Tribal Council to hire Abramoff.

But, Otto and current Tribal Sub-Chief Bernie Sprague recalled differently. Otto

24 Id. at 47.

25 See id. at 39.

26 See id.

27 Id.

28 Id.

29 Id.

30 Email from Steven Braga, Esq., Baker Botts, to Saginaw Chippewa Indian Tribe (March 30, 2006) (conveying responses from Scanlon to questions posed by Tribe).


32 “Tribal Lobbying Matters” Hearings before the Committee on Indian Affairs, 108th Cong. at 39 (September 29, 2004) (testimony of Christopher Petras, former legislative director, Saginaw Chippewa Indian Tribe).
remembered that Petras actually recommended Abramoff as his choice for the job. And, Sprague told staff, in his interview, that Petras “brought in” Abramoff.

By January 2001, with the Tribe having already hired Abramoff, members of the Tribal Council discussed retaining Rosenthal as its Washington representative. Abramoff complained to his colleagues at Greenberg Traurig, “I had a discussion with [the Tribe’s legislative director] Christopher Petras today. [Competitor] Larry Rosenthal has been bad mouthing us non-stop and it is getting increasingly difficult for Chris to maintain our position. Larry is going to be hired and he offered me a chance for us to bid on getting them money for a school.”

Abramoff continued: “I told him we were not interested in this arrangement, that we have serious tribal clients who understand the value of our efforts and that if members of his council are insisting that they plight their trough [sic] with Larry, he should do so and I wish him luck.”

However, Abramoff predicted that the Tribe would be back: “Frankly, given the animus of our Hill and new Administration friends ... we need not get anywhere near this problem. After the Saginaws are told by our friends how dead they are, and after their appropriations are zeroed out, they’ll be back.”

With that, the Tribe discontinued using Abramoff as its lobbyist. Likely having realized that the only way he could resume representing the Tribe (and getting the Tribe to hire Scanlon) was through a change in Tribal leadership, Abramoff came up with an idea.

---


34 Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (September 13, 2004). Sprague also recalled that sometime after June 2002 Petras told him that Abramoff “was working with [then-House Whip] Tom DeLay”; “was good friends with Tom DeLay”; and “had good relations with Tom DeLay.” Id.

35 Email from Jack Abramoff, Greenberg Traurig, to Ronald Platt and Shawn Vasell, Greenberg Traurig (GTG-E000027597) (January 22, 2001).

36 Id.

37 Id.

38 Id.
D. The “Slate of Eight”—Abramoff and Scanlon’s Trojan Horse

On or about October 4, 2001, Abramoff had a meeting with Petras, during which they discussed the Tribe’s upcoming election. Later that night, Abramoff brought Scanlon up-to-speed: “I had dinner tonight with Chris Petras of Sag Chip. He was salivating at the $4-5 million program I described to him (is that enough? Probably not).”

Abramoff laid out his plan: “They have their primary for tribal council on Tuesday, which should determine if they are going to take over (general elections in November). I told him that you are the greatest campaign expert since . . . (actually, I told him that there was no one like you in history!). He is going to come in after the primary with the guy who will be chief if they win (a big fan of ours already) and we are going to help him win.”

Using a phrase the two coined to describe their financial relationship, Abramoff concluded, “If he wins, they take over in January, and we have millions. I told him that you are already in national demand and we need to secure you for them. He is very excited. GIMME FIVE lives.”

Scanlon replied enthusiastically, “THE PRICE HAS JUST GONE UP TO 10 MIL! Sounds good on the strategy – We should be wrapped up with the other campagns [sic] soon, so I could run his general election to make sure we get or [sic] give me five!”

Apparently resolved to help Abramoff and Scanlon oust the incumbent tribal council, Petras recommended to a group (comprised of, among others, Maynard Kahgegab and Robert Pego) that they meet with Scanlon about their election campaign. That group became known as the “Slate of Eight.” Otto believes that Petras came up with the “Slate of Eight” concept and

---

39 Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000028079) (October 4, 2001).

40 See id.

41 Id.

42 Id.

43 Id.


45 See Interview of David Otto, former Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (August 27, 2004); see also Capitol Campaign Strategies document production
remembers Petras’ telling him that this was how the Mississippi Band of Choctaw Indians ran its elections. In fact, Otto recalled, Petras said that Scanlon helped on that Tribe’s elections. Tribal Sub-Chief Bernie Sprague believes that Petras was only there to work for Kahgegab and, originally, Otto (who was running for the position of Sub-Chief).

A few days after his meeting with Petras and a telephone call from Otto, Abramoff reached out to Scanlon: “MIKE, CALL ME AT HOME ASAP. THIS IS ON SAGINAW CHIPPEWA. TIME FOR BUCKS!!!”

Approximately three weeks before the general election for the tribal council, sometime in

---


47 Id.

48 Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (September 13, 2004).

49 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000028054) (October 11, 2001) (emphasis in original).
July or August 2001, Scanlon met with Petras as well as Otto and some of the other candidates, in Michigan for a “strategy meeting.” Petras, who set up the meeting, told Otto that Scanlon could help show them how to get elected. The purpose of the meeting, which was held at a Bob Evans restaurant, was to help them craft a campaign for that race. During that meeting, the idea of the Slate of Eight was hatched—Petras made up the slate concept and Scanlon made up the name. Petras, Scanlon and Otto discussed the upcoming elections, election strategy, how to get their names out, and issue mailers. Both Scanlon and Petras gave advice at that meeting. Afterwards, Otto reported to the other members of the Slate of Eight who were not in attendance, on his meeting with Petras and Scanlon. At that follow-up meeting, they discussed how Scanlon could help them get elected.

Otto did not recall whether there was an express *quid pro quo* between Scanlon and the Slate of Eight during the strategy meeting. It was certainly generally understood that Scanlon would help Otto and the other members of the Slate of Eight in the election. In addition, he conceded, there was a “non-verbal understanding that Scanlon would like a chance to work for


51 Email from Steven Braga, Esq., Baker Botts, to Saginaw Chippewa Indian Tribe (March 30, 2006) (conveying responses from Scanlon to questions posed by Tribe).

52 Email from Steven Braga, Esq., Baker Botts, to Saginaw Chippewa Indian Tribe (no Bates number) (March 30, 2006).

53 *Id.*


55 *Id.*

56 *Id.*

57 *Id.*

58 *Id.*

59 *Id.*
At least two batches of mailings were sent out on behalf of the Slate of Eight. Among the documents obtained by the Committee from Scanlon’s company, Capitol Campaign Strategies (CCS), is an undated draft mailer, apparently drafted for the Slate of Eight. It notes that “[t]he upcoming election may be the only chance for the disenfranchised, [sic] and beaten down members of this tribe to voice their disapproval with the way people on the council like XXXX [sic] Jackson have run our tribal government.” Likewise, an October 26, 2001, press release, also apparently drafted by CCS, announced that the “Slate of 8 Will Run on Platform of Reform.” According to that release, “The Slate of 8 represents honesty, integrity and vision—something that the Committee for Responsible Government unfortunately completely lacks.” It also stated falsely that “[w]e organized the Slate of 8 ourselves and are asking the tribal members to vote for us so that we can put the scandal plagued [sic] politics of this tribe [sic] in the past.” In laying the groundwork for the Tribe to ultimately hire Abramoff and Scanlon, the release also described, as an issue on the Slate of Eight’s platform, “developing stronger ties in Washington D.C. [sic] and at the state and local level to advance tribal concerns.”

In connection with the Slate of Eight campaign, then-Scanlon associate, Brian Mann, served as a liaison between Petras and Scanlon. In his deposition, Mann recalled “being in contact with Chris Petras, creating fliers or letters that we would mail back to Chris on

60 Id.

61 Id.

62 Capitol Campaign Strategies document production (no Bates number) (entitled “Slate of 8”) (undated).


64 Id.

65 Id.

66 Id.

67 Deposition of Brian Mann, former director, American International Center, in Washington, D.C. (March 31, 2005).
There can be no doubt that Petras was leading this effort. Mann “was employed ... [t]o catch up with Petras and help facilitate whatever it was that he wanted to be done.” 69 Apparently, Scanlon provided Mann with between three and five designs for mailers, which Mann faxed to Petras for his approval. 70 Because Scanlon’s company did not have an in-house graphic design capability, those designs that had graphics were likely generated by an outside vendor. 71 According to Mann, “[A] couple of times [Petras] didn’t like the wording for something. He wanted something darker or something bigger, just kind of, you know, trying to tweak whatever it was.” 72 There were about three to five such exchanges before Petras finally approved the designs. 73 At some point, a box of mailers arrived at Kahgegab’s house—mailers for the election that the Slate of Eight never paid for. 74 All Otto had to do was to put addressed stickers on the mailers. 75

Not only did CCS draft mailers and fliers, it put together a call list; devised a campaign strategy, calendars, and time-lines; helped organize at least one event—a “candidates night”; and apparently recorded a radio ad. 76 Other than $200 that some members of the Slate of Eight paid for a “candidates night,” CCS paid for all out-of-pocket expenses. 77 While the value of those

---

68 Id.
69 Id.
70 Id.
71 Id.
72 Id.
73 Id.
75 Id.
76 See Interview of Christopher Cathcart, former associate, Capital Campaign Strategies, in Washington, D.C. (October 6, 2004); Email from Steven Braga, Esq., Baker Botts, to Saginaw Chippewa Indian Tribe (no Bates number) (March 30, 2006).
expenses is unclear, the Tribe has seen some estimates as high as $100,000. Responding to the Tribe for Scanlon, Scanlon’s lawyer, Stephen Braga, explained that “[t]his $100,000 number was a value reflected estimate that included the time value of individuals working on the campaign” and that “actual dollars would be less.” He however agreed that, while “there is no way to tell exactly how much was spent,” CCS was never reimbursed for its costs.

As the election at the Saginaw Chippewa neared, Abramoff asked Scanlon for a status update: “When exactly is their election? Do you have a guy up there?”

Providing Abramoff with a document entitled “Slate of Eight Political Calendar,” Scanlon replied: “Election is next Tuesday – I have a guy on the ground, 2 more heading up for the final push on Friday, and 4 mail pieces including personalized letters from the candidates hitting between tomorrow and election day. Attached is our campaign calendar.”

Scanlon was optimistic about success: “If we don’t win after all this – we never had a chance!”

Seemingly pleased, Abramoff replied: “Looks like you have it well in hand. I smell victory! I smell gimme five!!!”

The “guy on the ground” that Scanlon referred to above was his top assistant, Christopher Cathcart. Scanlon apparently sent Cathcart to Michigan to do some “hand holding,” specifically,


79 Id.

80 Id.

81 Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000012235) (October 30, 2001).

82 Id.

83 Id.

84 Id.
helping the Tribe with any needs and requests and to provide additional guidance.\textsuperscript{85} Otto understood that CCS was “handling the Slate of Eight” like a major election.\textsuperscript{86} On election night, Cathcart joined Otto and the Slate of Eight at a local Bennigans restaurant.\textsuperscript{87} According to Otto, Cathcart met and drove around with him and Kahgegab that evening.\textsuperscript{88}

CCS associate Amy Biederman was assigned to write speeches for Slate of Eight member Maynard Kahgegab.\textsuperscript{89} Additionally, according to invoices from the Weber Company, an issues-management and grassroots lobbying firm that Scanlon sub-contracted, Joe Weber, from that firm was involved in the Saginaw Chippewa Tribal election and was actually there on October 25, 26, 30, and 31, 2001.\textsuperscript{90} However, exactly what services the Weber Company provided Scanlon’s company in connection with the Slate of Eight’s campaign, is unclear.

A few days later, Abramoff reminded Scanlon: “don’t forget!!! Ballot security at Saginaw!!!!”\textsuperscript{91} Abramoff was concerned, because he could not “handle losing two elections in the space of 4 days!”\textsuperscript{92}

\begin{flushleft}
\textsuperscript{85}Id.
\end{flushleft}

\begin{flushleft}
\textsuperscript{86}Id.
\end{flushleft}

\begin{flushleft}
\textsuperscript{87}Id.
\end{flushleft}

\begin{flushleft}
\textsuperscript{88}Id.
\end{flushleft}

\begin{flushleft}
\end{flushleft}

\begin{flushleft}
\textsuperscript{90}Capitol Campaign Strategies document production (no Bates number) (November 8, 2001) (entitled “Invoice from Weber Company, to Scanlon Gould Public Affairs for $3,278.65 of expenses”).
\end{flushleft}

\begin{flushleft}
\textsuperscript{91}Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000012251) (November 2, 2001).
\end{flushleft}

\begin{flushleft}
\textsuperscript{92}Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (November 5, 2001) (GTG-E000012287). What the other election was, is unclear.
\end{flushleft}
On November 6, 2001, all but one member of the Slate of Eight prevailed. A draft mailer, apparently prepared by CCS, dated November 15, 2001, announced the victory: “The election on November 6 was an historic event for the Saginaw Chippewa Tribe. It was the day the people of this tribe swept away the politics of the past, and started a new era of positive and responsible government.”

On the evening of the election, Scanlon emailed his employees, congratulating them for their participation in the campaign: “Well team ... Last night was amazing – The slate of 8 kicked ass, and I want to thank all of you for helping out – and watching the bottom line.”

He heaped more praise: “We had less than three weeks to take 8 guys we never met before and get theme [sic] elected. It was a great plan, and great execution by a great team. Just to recap, we elected 7 out of our slate of 8 – and the last guy – Ray Davis missed it by ONE vote. We did get another one of our allies elected in District 2, and we now control 9 out of the 12 seats on the council.”

Alluding to his and Abramoff’s original plan, Scanlon concluded, “Maynard [Kahgegab] will be elected Chief at the organizational meeting on December 4th, and hopefully we will be doing some more work for the tribe in the near future. THIS MAKES US 2-0 in tribal elections this year!”

He concluded, “Great work again—and by the way the last time I saw Chris he was doing Tequila shots with Dave Otto at the Bennigans in Mt. Pleasant, Michigan—If anyone hears from him—tell him to get back to the office—we have a referendum to win in Louisiana!”

---

93 Interview of David Otto, former Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (August 27, 2004); Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (September 13, 2004).

94 Capitol Campaign Strategies document production (no Bates number) (entitled “Slate of 8”) (November 15, 2001).

95 Email from Michael Scanlon, Capitol Campaign Strategies, to Robin Axline, Christopher Cathcart, Aaron Stetter and Patrick Gould, Capitol Campaign Strategies (GTG-E000002297) (November 7, 2001).

96 Id.

97 Id.

98 Id.
Having been forwarded this email string from Scanlon, Abramoff enthusiastically replied, “I love it!”

On the day of the election, Abramoff reported to his colleagues at Greenberg Traurig: “I just got off the phone with Chris Petras, government affairs head for the Saginaw Chippewa. Today they had their election.”

He openly stated, “We had Scanlon up there running our slate.”

He concluded, “We won 7 of the 8 slate positions and now control the council! Our guys will be Chief and Sub Chief. Chris will head the 1 month transition and we will be on board as soon as they are in. I figure the representation will be $100-$150k/month.”

Regarding the “Slate of Eight,” the evidence described above supports the following conclusion: there was at least a mutual understanding, if not an agreement, that the Slate of Eight would hire Scanlon in exchange for, or because of, the work that CCS did on its election to the tribal council—possibly valued at as much as $100,000. This scenario has given rise to ethical concerns within the Tribe. In his interview with staff, Otto noted that Petras, who was not a member of the Tribe, was not part of its public relations department and, as an employee of the Tribe answerable to the Tribal Council, was not supposed to get involved in internal leadership disputes. The involvement of non-Indians in tribal elections is, as another Council Member

99 Id.

100 Email from Jack Abramoff, Greenberg Traurig, to Fred Baggett, Todd Boulanger, Rodney Lane, Stephanie Leger, Ronald Platt, Kevin Ring, Tony Rudy, Alan Slomowitz, Shawn Vasell and Michael Williams, Greenberg Traurig (GTG-E000028114/GTG-E000028115) (November 6, 2001).

101 Id.

102 Id.

103 Interview of Fred Baggett, Chair, National Government Affairs Practice, Greenberg Traurig, in Washington, D.C. (September 29, 2005).

said, “unheard of.”

E. The Tribe Hires Abramoff and Scanlon

About two days after the seven successful members of the Slate of Eight were sworn in, on December 6, 2001, the Saginaw Chippewa hired Greenberg Traurig as its lobbyist in Washington for a monthly retainer of $150,000. Rosenthal was out. For reasons not clear to the Committee, about a year later, the tribal council voted to increase that retainer to $180,000 per month. But, there was a delay in the Tribe’s hiring Scanlon, who made a full presentation to the tribal council in late 2001. According to Abramoff, then-Sub Chief Otto became concerned about how much the Tribe was spending on lobbying:

Just spoke with Petras. He spoke with Otto (can’t believe this guy is getting off the rails). Otto is coming to DC on the 29th for two days with us (Petras will come too, but wants to stay in the background). Otto is bringing his father in law who is from [another tribe]. Otto is concerned about them being so far out on the line financially without anything to show first. He said that Otto wants to see some approps come through first. I told him—and he, Petras, agrees—that waiting is ridiculous because it will be 9 months before we know about approps, and in the meantime they would have blown an incredible opportunity. Anyway, we have to get Otto back on board when he is here. Can you do the Wizards game with us on the night of the 29th?  

---


108Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000024627) (January 14, 2002).
Scanlon expressed irritation about the Tribe’s failure to hire him immediately: “I can’t believe that I spilled blood getting those guys elected, and I got stiffed. How incredibly ungrateful. Can they at the very least sign me to some kind of deal? I can’t believe they laid a goose-egg.”

However, always optimistic about their partnership prospects, Abramoff offered encouragement: “We’ll get it!”

Shortly after the new Tribal council was installed, it was rumored that the ousted council intended to attempt a take-over: “[A Member’s] office just called Chris and told him that the group that got ousted is planning a take-over in the next couple of weeks and that the police may not get involved .. so they may need federal help. This is all rumor right now, but chris [sic] seemed concerned.”

Abramoff’s planned to use this rumor as an opportunity to have the Tribe hire Scanlon: “Tell Chris they have to get their political operations on the ground moving and fast. They need Scanlon in there to get them organized. We’ll handle the federal side.”

In the run-up to the Tribe’s hiring Scanlon, Sprague recalled in his interview with Committee staff, he specifically asked Abramoff about his relationship with Scanlon. In response, Sprague remembered, Abramoff only said he knew him and that Scanlon was a professional. Ultimately, the Tribe executed a contract with CCS in February 2002 for $4,000,000, primarily for the development of a political “database” and, according to Otto, another $3.9 million to use it. Over the next two years, the Tribe would pay CCS about

---

109 Id.
110 Id.
111 Email between Todd Boulanger, Greenberg Traurig, and Jack Abramoff, Greenberg Traurig (GTG-E000024701) (January 18, 2002).
112 Id.
113 Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (September 13, 2004).
114 Id.
$10,000,000. The Tribe’s payments to CCS are set forth below:

- 2/19/02 $1,857,000
- 4/1/02 $1,200,000
- 4/17/02 $1,050,000
- 6/27/02 $1,900,000
- 8/14/02 $500,000
- 6/19/03 $500,000
- 7/18/03 $500,000
- 8/12/03 $500,000
- 10/03 $2,000,000

**Total $10,007,000**

Throughout the relevant period, Abramoff and Scanlon represented that these payments were supposed to fund programs designed to protect the Tribe’s share of Michigan’s gaming market and protect its sovereignty from external threats.\textsuperscript{116}

As with all the Tribes, CCS’ grassroots and public relations strategy centered on the development and use of a political database. In the case of the Saginaw Chippewa, this strategy was called “Operation Redwing.” According to a draft of the proposal that was likely presented to the Tribe, entitled “Operation Redwing—A Strategy for Making the Saginaw Chippewa Tribe the Most Dominant Political Entity in Michigan,” the first step to developing a successful political strategy “is to tap into your natural political resources and integrate them into a custom-built political database.”\textsuperscript{117}

It elaborated on a “Grassroots Database”:

We will gather lists of your vendors, employees, tribal members etc. (if you approve, customer lists), and we will import those lists into your new database. Our computer program will match the individuals or businesses with addresses, phone numbers, political registrations and e-mail addresses, and then sort them by election districts. The districts run from U.S. Senator down to school board and once completed, you can tap into this database and mobilize your

\textsuperscript{116}See, e.g., id.

\textsuperscript{117}Capitol Campaign Strategies document production (no Bates number) (December 6, 2001) (entitled “Operation Redwing—A Strategy for making the Saginaw Chippewa Tribe the most dominant political entity in Michigan”).
supporters in ANY election, or on any issue of your choosing.\textsuperscript{118}

The proposal separately described a “Qualitative (opposition) Research Database”:

This custom built database acts as the information center of Operation Red Wing. Over the next six weeks, our team will gather qualitative information on any entity who can be classified as opposition and enter it into this database. The research will include nearly every piece of information on the opposition you can imagine. Once gathered, it is then sorted by subject matter and made retrievable by a phrase search. The information can then be instantly disseminated to any audience we choose such as our universe of supporters, the press, third party [sic] interest groups or other interested parties.\textsuperscript{119}

According to the proposal, at the end of the day, “the tribe will have built a grassroots army of over 50,000 real voters that it can call on for offensive or defensive political efforts.”\textsuperscript{120} The total cost of Operation Redwing, $4,207,000.\textsuperscript{121}

CCS also proposed a “Market Infringement and Political Analysis” that identified “several serious threats ... throughout the [S]tate of Michigan” which could threaten the Tribe’s primary business, the Soaring Eagle Casino and Resort.\textsuperscript{122} Those threats included the land-into-trust applications of the Pokagon Band of Potawatomi Indians and the Huron Band of Potawatomi Indians; the prospect that the Gun Lake Band of Potawatomi Indians may get a state compact; and various non-gaming expansion initiatives.\textsuperscript{123} According to the “Overview” of a “Market Share Infringement and Political Analysis,” dated May 18, 2002, that CCS prepared for the Tribe, “[T]he tribe could lose over $100 million annually if two of the four facilities become operational.”\textsuperscript{124} And, “[i]f all 4 entities become operational the financial impact will be

\textsuperscript{118}Id.

\textsuperscript{119}Id.

\textsuperscript{120}Id.

\textsuperscript{121}Id.

\textsuperscript{122}Capitol Campaign Strategies document production (no Bates number) (entitled “Market Share Infringement and Political Analysis) (May 18, 2002).

\textsuperscript{123}Id.

\textsuperscript{124}Id.
devastating, so much so that we can not even measure its impact.” By contrast, in its “Conclusion,” the document states that “placing a figure on such a scenario is extremely difficult to do, but we can say without a shadow of a doubt, that if all four of the facilities ... become operational, at the very least the tribe will lose [sic] $200 million dollars annually.” The bases of these apparently irreconcilable conclusions are unclear. The cost of this program, an additional $3,455,000.

In his interview with staff, Tribal Sub-Chief Bernie Sprague disagreed with CCS’ analysis. He said that “[e]veryone knew there are three southern tribes that will eventually open casinos” and that “[they] are in different stages of development.” According to Sprague, when they open, they will only affect a small percentage of the Saginaw’s market, between 10 and 17 percent. He noted that the Tribe ultimately executed four contracts with CCS, which related to (1) building the CCS database; (2) opposing “racino” proposals; (3) opposing pending land-into-trust applications filed by competing tribes; and (4) supporting a statewide smoking ban that would theoretically drive smokers into the Tribe’s casino. However, Sprague recalled that because the council received only vague updates from Petras about the progress of CCS’ work, he and other critics of the lobbying contracts were limited in their ability to object.

In furtherance of each “campaign” to oppose gaming competition, CCS pledged to “execute the following tactics”: grassroots mobilization of environmental and anti-gaming

125 Id.

126 Id.

127 Id.

128 Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (September 13, 2004).

129 Id.

130 The term “racino” refers to a combined race track and casino. In some cases, gaming available in racinos is limited to slot machines. However, some locations include table games such as blackjack, poker, and roulette. Saginaw Chippewa Sub-Chief Bernie Sprague noted that there were no meaningful efforts by CCS to stop racinos in Michigan. See Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (June 13, 2006).

131 Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (September 13, 2004).

132 Id.
activists; patch-through phone calls to governmental environmental protection agencies; local advertising highlighting any project deficiencies; direct mail; opposition research; mobilization of environmental and “citizen groups”; federal lobbying effort on competitions’ land-into-trust application deficiencies; Michigan state lobbying effort; and polling on each facility.\textsuperscript{133} Analysis as to how most of the money that the Tribes paid Scanlon was diverted for unintended purposes is discussed below in Part 2, Chapter 3, “Capitol Campaign Strategies.”

F. Abramoff on Tribal Client Management—“keeping our people in power”

Apparently, Abramoff was not content simply to have tribal members supportive of his representation of the Tribe elected to the tribal council. As he told one of his senior associates, “[u]nderstanding tribal politics, and keeping our people in power, is the priority of client management.”\textsuperscript{134} Evidence in the Committee’s possession indicates that Abramoff attempted to interfere in internal tribal politics to assure that the Tribe would remain supportive. Abramoff did so primarily by manipulating Petras and Petras’ apparent influence over then-Chief Maynard Kahgegab and other members of the Slate of Eight. According to Abramoff, Petras was his “one secure ally” at the Tribe.\textsuperscript{135}

Abramoff’s machinations began almost immediately. In January 2002, when Petras requested that Abramoff’s team set up meetings with Members of Congress for then Sub-Chief David Otto, one of Abramoff’s colleagues inquired whether there was a problem with the representation. Abramoff explained, “[Petras] wants an excuse to get Otto to town to make sure he is OK with us. Otto and Maynard are starting to be at contretemps.”\textsuperscript{136}

One of Abramoff associates asked, “I thought Otto was one of our guys?”\textsuperscript{137}

Abramoff answered, “He is, but there is an ego thing going on there. He is not mad at us,

\textsuperscript{133}Capitol Campaign Strategies document production (no Bates number) (entitled “Market Share Infringement and Political Analysis) (May 18, 2002).

\textsuperscript{134}Email from Jack Abramoff, Greenberg Traurig, to Todd Boulanger, Greenberg Traurig (GTG-E000026398) (May 30, 2002).

\textsuperscript{135}Email from Jack Abramoff, Greenberg Traurig, to Todd Boulanger, Greenberg Traurig (GTG-E000026141) (February 21, 2002).

\textsuperscript{136}Email between Jack Abramoff, Greenberg Traurig, and Todd Boulanger, Greenberg Traurig (GTG-E000000327) (January 22, 2002).

\textsuperscript{137}Id.
but he has been nervous about our getting such a big contract, figuring correctly that their enemies at the tribe would be upset. That’s why deliverables are the key.”

He explained, “He and Maynard are at odds a bit. The original deal was that whoever got the most votes would be chief and the next guy would be subchief, as between the two of them. Maynard beat him out.”

Furthermore, Abramoff noted, “Problem is that Maynard’s style needs some work: too much ‘me’ and ‘I’ and not enough ‘we’. David just needs to hold our hands again so he is calm on the lobbying front.”

With the Tribe’s casino operations serving as a premium revenue source for his secret partnership with Scanlon and even though he had co-opted the Tribe’s trusted legislative director, Abramoff was keen on shoring up his supporters on the Tribal Council. He told Scanlon, “Regarding Sagchip, we need to present a plan to resolidify these guys politically.”

And, he intended to travel to the Tribe to do precisely that: “I am going there tomorrow by the way, on the way back from Nevada. Meeting with our slate on the council, chief, subchief, et al [sic], to make sure they start doing the local political work they need to do to stay in power.”

With the Slate of Eight keenly interested in assuring its incumbency, CCS appears to have served as an extension of Abramoff’s interest in “keeping [his] people in power.” A CCS document, entitled “Saginaw Chippewa Indian Tribe of Michigan Public Relations Plan,” dated April 5, 2002, identifies its objective as “provid[ing] the Saginaw Chippewa Tribal Council with the tools and resources necessary to successfully and proactively promote their agenda and improve their image among tribal members, the media and legislators.”

138 Id.

139 Id.

140 Id.

141 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000024827) (February 6, 2002).

142 Email from Jack Abramoff, Greenberg Traurig, to Todd Boulanger, Greenberg Traurig (GTG-E000025064) (February 12, 2002).

Furthermore, the document states, “The goal is to make this Tribal Council the most powerful and effective Administration in the history of the Saginaw Chippewa Indians of Michigan and secure their reelection.”

How did CCS intend to do this? CCS’ strategy was “to arm the Tribal Council with an effective message and the resources needed to communicate that message in a clear, accurate and concise fashion ... Each action and activity is conceived to maximize the Tribal Council’s visibility and bolster its political capital.” In particular, CCS intended to “identify opportunities to promote the Tribal Council’s agenda through targeted media and Saginaw Chippewa-sponsored events and activities.” With “CCS ... propos[ing], stag[ing] and help execut[ing] all intra-tribe communications as directed by the council,” intra-tribe relations would “focus on establishing dialogue between the Tribal Council and tribal members, ultimately building a trust that leads to voter capital.” Rather cryptically, the plan proposed to have “CCS ... collaborate with the Tribal Council to develop a response system for the notification of an incident/emergency, as it relates politically.” In conclusion, the public relations plan noted that the “internal and external strategies outlined above will enable the Saginaw Chippewa Tribal Council to effectively communicate their agenda, resulting in a successful and highly regarded Administration.”

In an update memorandum from CCS associate Christopher Cathcart to Otto and Petras, dated April 19, 2002, Cathcart described CCS’ efforts to date:

Our public relations team parachuted in to manage your community meeting April 1. As you know, we produced and delivered a ‘save the date’ mailer that was mailed the week prior to the meeting. Additionally, we were able to produce a press release for your internal press person to distribute. While in Mt. Pleasant, the CCS team prepared Sub-Chief Otto’s and your remarks to the membership and
also developed a comprehensive timeline for the entire meeting.\textsuperscript{150}

As internal strife began emerging among the Slate of Eight – specifically between Chief Kahgegab and Sub-Chief Otto – Abramoff and Scanlon focused on securing their allies on the council: “Maynard and David are totally going at it. David has turned on Chris and possibly us (or at least is stupid and is the one who has been giving out our memos to the council). This could be a good thing ultimately if we can get Maynard secured in power, because he is now focused on needing us.”\textsuperscript{151}

One tactic the Slate of Eight apparently employed to neutralize its opponents on the tribal council was to deny them access to important information and meetings. They did so, if not on the advice of, then with the encouragement of, Abramoff. For example, when Petras reported that “another Council member or two could be joining” a Tribal Council meeting, Abramoff became alarmed: “This is a potential problem! Who might be joining? They have to be totally part of the family. We cannot risk that they are in the opposing camp. Please let me know what you have in mind as soon as possible. thanks. [sic]”\textsuperscript{152}

Similarly, when Abramoff attempted to convince the Saginaw Chippewa to participate in his program to have tribes underwrite his use of sky boxes at D.C.-area sporting venues, he and Petras discussed limiting information that would be seen by the full Tribal Council. Preparing to present that program to the tribal council, Petras advised Abramoff:

> When I brought up the issue previously, the response was it was too soon to ask. However, I just talked to the Chief and he said bring the materials over. I have the materials but need to know if all can see the documents or if there is another document that needs to be typed outlining the program and payment costs? Something that says basically here is the program, here is what the Tribes use the program for, here is what it will cost total and with quarterly payments. I need a document that everyone who would be utilized throughout the process can see. Thanks.\textsuperscript{153}

\textsuperscript{150}Capitol Campaign Strategies document production (no Bates number) (entitled “Memorandum”) (April 19, 2002).

\textsuperscript{151}Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG-E000001168) (May 17 and 19, 2002)

\textsuperscript{152}Email from Jack Abramoff, Greenberg Traurig, to Chris Petras, Saginaw Chippewa Indian Tribe (GTG-E000024973) (February 11, 2002).

\textsuperscript{153}Email between Christopher Petras, Saginaw Chippewa Indian Tribe, and Jack Abramoff, Greenberg Traurig (GTG-E000001142) (February 19, 2002).
Abramoff advised shutting out the opposition to the greatest extent possible: “Can you hand out the invoice (but only to the slate of 8) and just read them the memo? The opposition should just hear this at the table orally and get nothing in writing. Will that work?”

Abramoff even attempted to control the Tribe’s external relations with other tribes. For example, when the Saginaw Chippewa’s leadership prepared to meet with the leadership from the Mississippi Band of Choctaw Indians, Abramoff attempted to manipulate the meetings between the chiefs:

Chris told me this morning that Cheryl is setting up the SagChips to visit the Choctaws, which is great. It is important that they see how things are done right. There is one thing I wanted to mention though. I was told that Cheryl might be working to set up a separate meeting for Chief Maynard with Chief Martin. Based on the dynamic in the room during our meeting last week, I think you could tell that there are some jealousies among the group, particularly Sub Chief Otto and the others feeling that Chief Maynard might not be including them in stuff. Therefore, I think we should be careful about setting up separate meetings and, ideally, keep everyone together for everything for now. Let me know if you agree on this. Thanks Bryant.

A draft of CCS’ “Communications Program” for the Tribe, dated 2003, “briefly recap[s] what CCS, in its public relations role, accomplished [for the Tribe] in 2002.” According to this document, “CCS planned, staged and produced Community Meetings held by the Council”; [w]rote speeches for the Chief and other Tribal Members as needed”; [p]repped the Chief and other Tribal Council members and fine-tuned speeches.” Documents reflecting the work that CCS did for the tribal council is attached to the end of this report.

---

154 Id.

155 Email from Jack Abramoff, Greenberg Traurig, to C. Bryant Rogers, Roth, Van Amberg, Rogers, Ortiz & Yepa (GTG-E000001146) (February 18, 2002).


157 Id.
In December 2003, the Saginaw Chippewa held new elections.\textsuperscript{158} As a result of those elections, Maynard Kahgegab and the other members of the Slate of Eight allies lost their grip on the Tribal council and a new chief and sub-chief were elected.\textsuperscript{159} The newly elected Tribal council decided not to retain Abramoff and Scanlon as their lobbyist and public relations specialist, respectively.\textsuperscript{160}

Newly elected Tribal Chief Audrey Falcon informed Scanlon of the Tribe’s decision on January 23, 2004, citing CCS’s failure to provide reports and work product regarding a state-wide smoking ban initiative.\textsuperscript{161} On February 6, 2004, one of Scanlon’s lawyers, Robert Tompkins of the Washington firm of Patton Boggs, demanded payment of $2,755,000 in connection with the agreement relating to the initiative.\textsuperscript{162} Just days after the election, Petras had also repeatedly tried to get the new Tribal council to pay Scanlon.\textsuperscript{163} But, on March 5, 2004, shortly after the Committee announced its investigation, another of Scanlon’s lawyers, Stephen Braga of Baker Botts, withdrew Scanlon’s demand, indicating that “[CCS] has no desire to try to force this contractual relationship forward with an unwilling party.”\textsuperscript{164}

Opposition to the new ruling bloc in the Tribal Council began circulating “hit pieces” around the Tribe, attacking newly elected Chief Audrey Falcon, Sub-Chief Bernie Sprague, and others.\textsuperscript{165} While who authored those pieces is unclear to the Committee, the Committee understands that, as a result of its own internal investigation, the Tribe has attributed them to

\begin{footnotesize}
\begin{enumerate}
\item \textsuperscript{158} Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (September 13, 2004).
\item \textsuperscript{159} Id.
\item \textsuperscript{160} Id.
\item \textsuperscript{161} Letter from Chief Audrey Falcon, Saginaw Chippewa Indian Tribe, to Michael Scanlon, Capital Campaign Strategies (January 23, 2004).
\item \textsuperscript{162} Letter from Robert K. Tompkins, counsel to Capitol Campaign Strategies, Patton Boggs, to Sean Reed, general counsel, Saginaw Chippewa Indian Tribe (February 6, 2004).
\item \textsuperscript{163} Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (June 13, 2006).
\item \textsuperscript{164} Email from Steven Braga, Esq., Baker Botts, to Saginaw Chippewa Indian Tribe (March 30, 2006) (conveying responses from Scanlon to questions posed by Tribe).
\item \textsuperscript{165} Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (September 13, 2004).
\end{enumerate}
\end{footnotesize}

84
Petras.\footnote{From its internal investigation, the Tribe has found that Petras wrote these pieces. Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (June 13, 2006).}

In an attempt to regain power, former chief Maynard Kahgegab and former sub-chief Robert Pego sought to have the new council recalled.\footnote{Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (September 13, 2004).} Information obtained by the Committee suggests that Abramoff and Petras were involved in the recall effort. Apparently, on several occasions, they approached Scanlon about helping with that effort.\footnote{Email from Steven Braga, Esq., Baker Botts, to Saginaw Chippewa Indian Tribe (March 30, 2006) (conveying responses from Scanlon to questions posed by Tribe).} An email from Boulanger to other members of Abramoff’s lobbying team, in February 2004, describes Abramoff’s work with the ousted leadership against the duly elected members of the Tribe:

As of Friday, Maynard had just under 200 signatures for the recall petition (250 is required). They are going to get 300 just to be sure. This was completed in less than one week, which is highly unusual because the Saginaw are a very slow moving tribe. Diana, who was originally on Maynard’s team and then switched to Bernie has finally come back into the fold. Her family was planning on signing the petition this weekend.

Also, two of Bernie’s guys on the council are scared and trying to get in Maynard’s good graces .... they don’t know that they are also on the recall list.

Once the recall is completed, we are going to have to get a letter to BIA asking that they send monitors, etc, to the special election date ....

If Robert Pego wins the special election on the 11\textsuperscript{th} for the vacant seat, we may actually have a majority and can at a minimum get Rosenthal fired.

This is confidential, obviously.\footnote{Email from Todd Boulanger, Greenberg Traurig, to Jack Abramoff, Michael Smith, Kevin Ring and Michael Williams, Greenberg Traurig (GTG-E000028359) (February 9, 2004).}
With Petras serving as Abramoff’s point man on the recall effort, Abramoff was prepared to help fund it.\textsuperscript{170} In a status report later that day, Boulanger reported: “They are less than 50 signatures short of the recall. Maynard has been pounding them with mailings ... which to be honest with you, aren’t that bad.”\textsuperscript{171}

He continued, “They are running out of money for copying, stamps, etc. Petras asked if we could come up with $2500 to help them out.”\textsuperscript{172} Kahgegab and Pego’s efforts, apparently with assistance from Petras and Abramoff, to have the newly elected council recalled failed.\textsuperscript{173}

Abramoff was prepared to contribute, instructing associate Shana Tesler to get Petras money from one of his accounts, which Boulanger carefully specified should be “cash.” Two days later, Boulanger reported that Kahgegab would have 300 signatures within the next few days.\textsuperscript{174} The foregoing describes Abramoff and Scanlon’s elaborate, albeit unsuccessful, attempts to assure, by further manipulating internal tribal matters, that the Tribe would keep them on as their paid representatives.

G. Christopher Petras’ Hearing Testimony Is Not Credible

On September 29, 2004, former Saginaw Chippewa legislative director Christopher Petras testified before the Committee. The Committee is concerned about the veracity of his testimony. It appears that, with his testimony, Petras intended to obscure his contemporaneous relationship with Abramoff and Scanlon and the assistance he gave them in maximizing their interests at the Tribe’s considerable expense.

\begin{footnotes}

\textsuperscript{170}See Email from Steven Braga, Esq., Baker Botts, to Saginaw Chippewa Indian Tribe (March 30, 2006) (conveying responses from Scanlon to questions posed by Tribe).

\textsuperscript{171}Email from Todd Boulanger to Jack Abramoff, Michael Smith, Kevin Ring, Shawn Vasell and Michael Williams, Greenberg Traurig (GTG-E000028361) (February 9, 2004).

\textsuperscript{172}Id.

\textsuperscript{173}Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (September 13, 2004).

\textsuperscript{174}Email from Jack Abramoff, Greenberg Traurig, to Todd Boulanger, Capitol Campaign Strategies (GTG-E000028364) (February 11, 2004).

\end{footnotes}
1. **Petras’ Relationship With Abramoff and Scanlon**

Serving as Abramoff and Scanlon’s primary point of contact with the Tribe, Petras proved to be their key to access to the Saginaw Chippewa. Abramoff and Scanlon apparently obtained Petras’ help by assisting in the election of a slate of candidates supportive of his promotion to legislative director (and the considerable increase in his salary). Apparently, they also did so by lavishing him with attention and favors during his visits to Washington, D.C., including skybox tickets for sporting events and concerts at area stadiums. On one such visit, Petras had his photograph taken with, separately, President George W. Bush and his chief political advisor Karl Rove.

Those trips, during which Petras was driven around town in a private car and for which his meals and entertainment were expensed back to the Tribe, seem to have been frequent. In his interview with staff, tribal Sub-Chief Bernie Sprague stated that Petras traveled to Washington about every two weeks. Sprague regarded the purpose of those trips as dubious. Former Abramoff associate Stephanie Leger Short agreed that Petras was “around a lot”—“at least once a month, if not more.” In her interview, Short described Petras’ visits as “high maintenance” and noted that “[the Greenberg Traurig’s associates] were running out of people [for Petras] to meet with, because they had pretty much met with everybody at that point.”

---

175 *See* Interview of David Otto, former Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (August 27, 2004); Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (September 13, 2004).

176 *Id.* (conveying concern about gratuities).

177 "Tribal Lobbying Matters,” *Hearing before the Committee on Indian Affairs*, 108th Cong. at 45 (September 29, 2004).

178 Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (September 13, 2004).

179 *Id.*

180 *Id.*

181 *Id.*

182 Interview of Stephanie Leger Short, former associate, Greenberg Traurig, in Washington, D.C. (August 18, 2005).
After a while, the meetings were being set up as "dog-and-pony shows," she said.

In fact, Petras’ trips were so frequent and so demanding on Abramoff’s staff, he was regarded as something of a nuisance. This is reflected in, for example, a March 22, 2002, email between Abramoff senior associate Todd Boulanger. It begins with Petras informing Boulanger of his itinerary of an upcoming trip to Washington:

Todd, I am scheduled to arrive in D.C. on April 9 and returning on the 12th. I have asked Members of the Council to join me and will await their response. However, please schedule meetings, [i]ncluding lunch and dinner meetings at Signature’s [sic]. Jack had mentioned a possible lunch or dinner with Mr. Norquist on one of the days if he is available. If Signature’s [sic] is serving breakfast maybe you can schedule a meeting then. Also, I will probably be returning April 15-18th.

Boulanger was not pleased, writing Abramoff, “How am I going to schedule six days [of] meetings. This is fucking ridiculous. There is no way I can basically take 2 weeks to shuttle him around. This has to be dealt with.”

Abramoff offered some consolation, “I will set up the Grover meeting. What a loser.”

Similarly, on July 2, 2002, during another visit to Washington, Petras suggested, “Perhaps on the next visit, you and I can host an official for dinner at Signature’s [sic].”

Abramoff wrote Boulanger, “Host an official for dinner at Signatures? What the hell is this?”

---

183 Id.

184 Email between Todd Boulanger, Greenberg Traurig, and Jack Abramoff, Greenberg Traurig (GTG-E000078656) (March 22, 2002).

185 Id.

186 Id.

187 Email from Christopher Petras, Saginaw Chippewa Indian Tribe, to Jack Abramoff, Greenberg Traurig (GTG-E000078774) (July 2, 2002).

188 Email between Jack Abramoff, Greenberg Traurig, and Todd Boulanger, Greenberg Traurig (GTG-E000078773-74) (July 2, 2002).
Boulanger answered, “U 100 percent need to tell him he can’t come back until post August [sic]. Approps staff are getting mad at us.”

From information obtained by the Committee, it appears that the foregoing was not atypical of Petras’ trips to Washington.

During the Committee’s hearing, then-Vice-Chairman Inouye probed what gifts Petras may have received from Abramoff or Scanlon while he served as the Tribe’s legislative director:

**Vice-Chairman Inouye:** Did you receive any gift or remuneration or compensation from these two men from Washington?

**Mr. Petras:** All I can recall receiving was a video camera-digital camera, a leather travel document holder and some type of slide projection desktop screen.

**Vice-Chairman Inouye:** Did you feel that it was proper or improper?

**Mr. Petras:** It was at Christmas. [Laughter]

Among the gratuities that Petras did not disclose was the $2500 he solicited in 2004 from Abramoff to support a recall campaign against the incumbent tribal council. Documents in the Committee’s possession also indicate that, Maynard Kahgegab, whose campaign for Tribal chief Petras (and CCS) helped with, also received gifts from Abramoff. On July 21, 2003, Abramoff discussed with one of his assistants a “television gift” for Chief Kahgegab: “We bought him one for Christmas, right? Can you show me what we got him? [H]e complained tonight that it was too small. We might have to get him another one. [W]hat joy!”

---

189 *Id.*

190 “Tribal Lobbying Matters,” *Hearings before the Committee on Indian Affairs, 108th Cong.* at 41 (September 29, 2004) (testimony of Christopher Petras, former legislative director, Saginaw Chippewa Indian Tribe).

191 See Email from Jack Abramoff, Greenberg Traurig, to Shana Tesler, Greenberg Traurig (GTG-E000028361) (February 9, 2004).

192 E-mail from Jack Abramoff, Greenberg Traurig, to Holly Bowers, Greenberg Traurig (GTG-E000000008) (July 21, 2003).
2. Problems With Petras’ Testimony

During its September 29, 2004, hearing, the Committee posed several questions to Petras about his involvement in tribal elections—both the campaign of the Slate of Eight for seats on the tribal council and subsequent efforts to keep the then-incumbent members of the slate on the Tribal Council. In response, Petras relied on a chronic failure of recollection. In particular, he testified that he could not recall “at any time having anything to do with [Tribal Council] elections.” He also stated that he did “not recall any discussion regarding bringing in Mr. Scanlon to run any type of campaign.” In response to a specific question from the Committee about the strategy meeting with Scanlon and Otto at the Bob Evans restaurant, Petras testified that he could not recall “discussing any strategy for a [S]late of [E]ight.”

However, this Report has presented testimony and documents that indicate that Petras not only came up with the “Slate of Eight” concept but also was heavily involved in helping Scanlon implement a plan to help elect the Slate of Eight to the Tribal Council. Given the volume of that evidence, discussed above, the Committee finds Petras’ failure of recollection on this point misleading.

Despite his alleged failure to remember having had anything to do with Tribal elections, documents indicate that Petras actually persisted in trying to get CCS to help on the re-election of incumbent members of the Tribal Council. For example, an October 1, 2003, memorandum from then-CCS associate Christopher Cathcart to the file, entitled “MI Elections,” reflects that Scanlon had “repeated and contentious discussions with Petras” about his attempts to have CCS work on individual election efforts of Tribal Council members. To Cathcart, this “looked fishy and smelled fishy.” According to the memorandum, Cathcart “repeatedly advised ... Chris Petras

\[193\] “Tribal Lobbying Matters,” *Hearings before the Committee on Indian Affairs*, 108th Cong. at 42 (September 29, 2004) (testimony of Christopher Petras, former legislative director, Saginaw Chippewa Indian Tribe).

\[194\] *Id.* at 40.

\[195\] *Id.* at 41.

\[196\] Capitol Campaign Strategies document production (BB/SC 08552) (entitled “Memorandum, from Christopher Cathcart, Capitol Campaign Strategies, to file, ‘MI Elections’”) (October 1, 2003).

\[197\] Interview of Christopher Cathcart, former associate, Capital Campaign Strategies, in Washington, D.C. (October 6, 2004).
... that we as a firm can do no work [on such efforts]."

Days later, Petras apparently “came to [CCS’] offices today asking again that we help in the council elections scheduled for next Tuesday, October 14th.” According to a memorandum reflecting this discussion, Cathcart “again expressed [his] opinion that since [CCS is] contracted with the tribe, [CCS] cannot be involved with the elections.” In this document, Cathcart memorialized that “[Petras] was very upset by this line of discussion ....” On October 7, 2003, in another note to the file, Cathcart memorialized that “[Scanlon] expressed that he would discuss the matter with Chris Petras and express to [him] that that [sic] was our position.” Memorializing “the behavior of Chris Petras, our sole contact at Saginaw Chippewa[,] to be inappropriate with regard to [CCS’] relationship with the tribe,” Scanlon drafted his own note to the file that “[Petras] has repeatedly pressed his and the chiefs [sic] political concerns into our business relationship with the tribe.” He also memorialized that he and Cathcart “have continually told [Petras] that we (CCS) can not [sic] use tribal funds to conduct campaign activity ....”

As described above, the Committee has received information indicating that Petras was heavily involved in the 2004 recall effort. Apparently, at one point, Petras and Abramoff were on a speaker phone yelling at Scanlon because he would not help with that effort. The Committee


200 Id.

201 Id.


204 Email from Steven Braga, Esq., Baker Botts, to Saginaw Chippewa Indian Tribe (March 30, 2006) (conveying responses from Scanlon to questions posed by Tribe).
has also received information indicating that Petras asked Scanlon to write a negative letter about a Tribal Member associated with the effort—perhaps Bernie Sprague. Petras apparently provided Scanlon with negative personal information about that member. About three weeks before Sprague was elected to the Tribal Council, an anonymous letter conveying disturbing allegations was mailed out to members of the Tribe.

Not only did Petras claim to not recall what he did to support the re-election efforts of particular tribal council members, he allegedly could not recall anything about Abramoff’s involvement in assisting in the recall of the other members of the Tribal Council, who were elected after the Slate of Eight left office. However, given the evidence described above that indicate that Petras knew a great deal about Abramoff’s involvement here, the Committee finds Petras’ chronic failure to recall matters about this issue, and other issues, disingenuous. Of additional interest to the Committee is Petras’ inability to recall all of the gifts or remuneration he may have received from Abramoff or Scanlon, also discussed above.

On areas apparently unaffected by his chronic failure of recollection, Petras made statements that are inconsistent with the testimony of other, more credible, witnesses. Two areas that the Committee probed with Petras during the hearing were his role in the Tribe’s hiring of Abramoff and his role in getting the Tribe to pay on Abramoff’s requests for political and charitable contributions. During the hearing, Petras described his role in the Tribe’s hiring of Abramoff as merely passing information on to the Tribal Council as to who it should hire as an outside counsel or lobbyist and that legislative assistant Kim Sawmick actually made the recommendation. Inasmuch as Petras covered federal legislative matters for the Tribe, the Tribal Council likely would have given substantial deference to Petras as to who the Tribe should hire as its federal lobbyist. Indeed, former Tribal Sub-Chief David Otto stated that Petras actually recommended Abramoff as his choice for the job. Likewise, Tribal Sub-Chief Bernie

---

205 Id.
206 Id.
207 Id.
208 “Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 108th Cong. at 40 (September 29, 2004).
209 Id. at 42-44, 48.
Sprague told staff that Petras “brought in Abramoff.”

Petras likewise testified that “[t]here were no efforts on my behalf to try to push either way any type of political contribution.” This was offered in response to a question from the Committee as to whether Petras “encourage[d] or assist[ed] Mr. Abramoff in encouraging the tribes to donate to [the] so-called charities that he promoted.”

However, Otto’s testimony rebuts Petras’ recollection. In particular, Otto recalled Petras’ telling him that the Council of Republicans for Environmental Advocacy (“CREA”) was a group with which Interior Secretary Gale Norton was “involved.” According to Otto, Petras also said that supporting a project the Secretary was involved with would “look good for the Tribe.” Otto also recalled that he was told that doing so would “help [the Tribe] with appropriations for their school, drug abuse center, senior center, and etc.”

Documents indicating that Abramoff told Petras that the Secretary supported CREA help corroborate Otto’s account. In an email, dated September 19, 2001, from Abramoff to Petras, Abramoff tried to persuade the Tribe to make a sizeable contribution to CREA. In connection with a CREA fund-raiser at a private Washington, D.C. home, Abramoff falsely pitched CREA as “hav[ing] been incredibly helpful on certain specific tribal issues” and misrepresented CREA as “[Secretary] Norton’s main group outside the department.” After having told Petras about

---

211 Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (September 13, 2004).


213 Id.


215 Id.

216 Id.

217 Email from Jack Abramoff, Greenberg Traurig, to Chris Petras, Saginaw Chippewa Indian Tribe (GTG-E000105233-34) (September 19, 2001).

218 Email from Jack Abramoff, Greenberg Traurig, to Chris Petras, Saginaw Chippewa Indian Tribe (GTG-E000105234) (September 19, 2001).
the Secretary’s connection to CREA, on January 31, 2002, Abramoff directed his assistant make
the following change to a requested contribution list going to the Saginaw Chippewa: “add in
$50,000 for CREA and put a note in the candidate column as follows: Sec. Norton.”

From its due diligence, the Tribe estimates that “[t]he Saginaw Chippewas were taken by
Mr. Petras and Mr. Scanlon and Mr. Abramoff over a 2-year period of approximately $1 million
in contributions .... Campaign contributions to people we never heard of, people we knew
nothing about, organizations, different things of this nature.” Given the foregoing, the
Committee is concerned about the accuracy of Petras’ testimony to the Committee.

H. Abramoff and Scanlon Privately Express Contempt for the Tribe

While Abramoff and Scanlon worked closely with the Tribe for their own purposes, they
expressed an unsettling contempt for their clients. Evidence of their contempt can be traced to
the beginning of their representation of the Saginaw Chippewa. For example, on December 17,
2001, shortly after the Tribal Council elections, Abramoff and Scanlon awaited the new
Council’s vote on a project proposed by Scanlon’s CCS: “Just spoke with Chris. Did you get
Maynard? Chris said they are voting on the project today!! Can you smell money?!?!?”

When the new Council failed to vote on the project, Abramoff was unreserved in his
contempt: “The f’ing troglodytes didn’t vote on you today. Dammit.”

Scanlon asked, “What’s a troglodyte?”

Abramoff responded, “What am I a dictionary? :) It’s a lower form of existence

219 Email from Jack Abramoff, Greenberg Traurig, to Allison Bozniak, Greenberg Traurig
(GTG-E000107697) (January 31, 2002).

220 “Tribal Lobbying Matter,” Hearings before the Committee on Indian Affairs, 108th
Cong. at 29 (September 29, 2004) (prepared statement of Bernie Sprague, Sub-Chief, Saginaw
Chippewa Indian Tribe).

221 Email from Jack Abramoff, Greenberg Traurig, to Mike Scanlon, Capitol Campaign
Strategies (GTG-E000002363) (December 17, 2001).

222 Email from Jack Abramoff, Greenberg Traurig, to Mike Scanlon, Capitol Campaign
Strategies (GTG-E000002365) (December 17, 2001).

223 Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff,
Greenberg Traurig (GTG-E000002365) (December 17, 2001).
Continuing their exchange, Abramoff explained the Saginaw Chippewa’s failure to vote on one of Scanlon’s proposals: “They spent the whole time discussing the firings of late. I like these guys, and truly believe they are going to do the program, but they are plain stupid. They should have had you on board first and then done the firings. Morons.”

Likewise, on March 13, 2002, Mr. Abramoff simply referred to the Tribe, in the subject line of an email to Scanlon, as “those f’ing SagChips.”

In that e-mail, Abramoff expressed concern that the Tribe was not going to participate in his Sports Suites program, because the Tribe was already spending too much money and was not seeing results from Scanlon.

Scanlon retorted that the tribe “are just friggin cheap – and losers – ....”

Furthermore, in an e-mail bearing the subject line “SagChip idiots”, Abramoff wrote: “Someone leaked out the Operation Red Wing memo to the enemy up there. Petras told me this tonight. The PR guy, Joe?, is the enemy and – I did not know this – is a Sagchip, and is now going to run for council!! These mofos are the stupidest idiots in the land for sure.”

In discussing a trip to the Tribe in June 2002, Scanlon wrote:

Also, we need to figure something out on the trip to sag – I can travel two weekd [sic] in [a] row and you know that petras is always dramtic [sic]. It would really be better for me—and us[,] I believe[,] to just do the whole swing. I really think a trip out to those fools solo

\footnote{Id.}

\footnote{Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E00002363) (December 18, 2001).}

\footnote{Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000026246) (March 13, 2002).}

\footnote{Id.}

\footnote{Id.}

\footnote{Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000026311) (April 11, 2002).}
is not worth it regardless, because we will not come back with cash or a firm [sic] commitment [sic], but when you throw in the pain in the ass factor and the petras bullshit factor, its [sic] a really bad idea.\textsuperscript{230}

As the foregoing suggests, Christopher Petras, Abramoff and Scanlon’s champion within the Tribe, did not escape their contempt. Apparently from the outset, Abramoff disparaged Petras as a “dork.”\textsuperscript{231} When Petras attempted to get concert tickets for a Michigan state representative running for Congress, Abramoff wrote to a colleague, “Neither rain, nor snow [sic], nor the heat of day will keep him from his appointed idiocy.”\textsuperscript{232}

Ironically, Abramoff and Scanlon ridiculed Petras privately for talking about people behind their backs. In an e-mail with the subject line “Just Talked to Petras,” Scanlon wrote, “No worries – Im sorry I felw [sic] off the handle – that guy drives me nuts sometimes – especially the way he back stabs and talks about everybody behind thier [sic] backs.”\textsuperscript{233}

Abramoff replied, “That’s why he has a mullet.”\textsuperscript{234}

Months later, Abramoff had a similar exchange with his senior lobbying associate Todd Boulanger: “What are you doing? Petras is coming to town this week” I’m gonna schedule ... Some Jack – Petras time everyday ....”\textsuperscript{235}

He continued, “Have you noticed that he’s wearing better ties and shirts...[?] I’ve got him to spend some cash on it. He’s into it. Ahahahahahahahahaha. If he would [sic] only cut that
Abramoff replied, “Then he wouldn’t look like an Indian, though.”

When, at its September 29, 2004, hearing the Committee asked Petras for his reaction to various communications in which Abramoff and his associates disparaged him, his loyalty to Abramoff stood fast — he asked for their context.

I. Conclusion

Abramoff and Scanlon’s efforts to sign on the Saginaw Chippewa as clients is particularly notable. As they had done with the Agua Caliente, Abramoff and Scanlon insinuated themselves in Tribal Council elections to maximize their chance of getting hired afterwards. In particular, they provided, among other things, strategic advice and logistic support to some of the candidates. Those who ran in the Saginaw Chippewa election called themselves the “Slate of 8.” While Scanlon came up with the name of this slate of candidates, the concept was apparently created by a non-Tribal member—Tribal legislative director, Christopher Petras.

While his motivation for helping Abramoff and Scanlon oust the incumbent tribal council remain unclear, evidence indicates that, over the course of (originally) Abramoff’s and (later) Scanlon’s representation of the Saginaw Chippewa, Petras was given things of value. In fact, Petras traveled to Washington, D.C. so often and (with private cars, tickets to sporting events and concerts, meals at posh restaurants, and “meetings” with prominent political personalities) his trips became so demanding on Abramoff’s staff that one former Abramoff associate described what they did for and with Petras as “dog and pony shows.”

The weight of evidence obtained by the Committee indicates that (1) Petras’ assistance was key to Abramoff and Scanlon’s success in getting contracts with the Saginaw Chippewa and (2) those candidates who were elected to the council with Abramoff and Scanlon’s assistance ultimately supported Abramoff and Scanlon’s contract proposals because of, or in exchange for, the assistance that Abramoff and Scanlon provided them.

From June 2002 through October 2003, the Saginaw Chippewa paid Scanlon about $3,500,000 for grassroots activities and political consulting. Of those proceeds, Scanlon secretly

\[236\text{Id.}\]

\[237\text{Id.}\]

\[238\text{“Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 108th Cong. at 41-42 (September 29, 2004) (testimony of Christopher Petras, former legislative director, Saginaw Chippewa Indian Tribe).}\]
kicked back to Abramoff about $540,000—about 50% of his total profit from the Tribe during this period. Discussion and analysis of how Abramoff and Scanlon successfully perpetrated their “gimme five” scheme on the Tribe, on an entity-by-entity basis, is contained infra in Part 2 of the this Report.
CHAPTER IV
AGUA CALIENTE BAND OF CAHUILLA INDIANS

Can you smell money? Email from Jack Abramoff to Michael Scanlon, June 14, 2002

I think the key thing to remember with all these clients is that they are annoying, but that the annoying losers are the only ones which have this kind of money and part with it so quickly.

Email from Jack Abramoff to Michael Scanlon, March 5, 2003

A. Introduction

During her February 2004, interview of Jack Abramoff, The Washington Post reporter Susan Schmidt queried him about allegations that he and Michael Scanlon may have interfered with Tribal elections to get lobbying contracts. Specifically, Schmidt asked, “You know, isn’t there some, you know concern about outside people getting involved in tribal elections and isn’t that frowned upon by the regulators here in Washington?”

Abramoff pushed back a little: “I’m sorry I don’t understand, tribal elections?”

Schmidt explained, “Getting involved in tribal elections [—] outside firms[;] outside influences[;] bringing money or expertise or whatever[;] getting involved in tribal elections[;] getting people ousted[;] getting people elected[;] getting people re-elected using tribal funds for that purpose.”

Abramoff asked, “Well I don’t know, I’m not sure I understand the question, do you mean with the Sac and Fox in Iowa, or our getting involved?”

Schmidt pressed, “No, I was actually thinking of the Agua Caliente[;] some people running for election getting dominance on the tribal council and then bringing you guys in and

1Email from Linsey Crisler, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000010608) (February 3, 2004).

2Id.

3Id.

4Id.
you guys bringing in Scanlon, in sort of unfolding ....”

Abramoff obfuscated, “With Agua Caliente, I, you can check, but I don’t think the tribal council makeup has changed much over the years, I’m not certain.”

Notwithstanding Abramoff’s evasive answers to Schmidt’s questions, Abramoff and Scanlon did, in fact, insinuate themselves into the elections at the Agua Caliente Band of Cahuilla Indians (“Agua Caliente”). In 2002, one of their allies prevailed and paved the way for the lucrative contracts that the Tribe ultimately awarded to Abramoff and Scanlon.

B. Background on the Tribe

The Agua Caliente’s traditional homelands are in the Palm Springs, California area. In 1876, the Federal Government deeded into trust 32,000 acres of the Tribe’s ancestral homeland as the Agua Caliente Indian Reservation.

Traditionally, a Cahuilla village consisted of approximately 100 to 200 inhabitants with several villages combining together to compose a larger political and territorial unit called a tribelet or sib. The villages were permanent; however, groups would leave periodically to hunt, gather, or trade, setting up temporary camps for several weeks at a time.

The Cahuillas belong to the Shoshonean division of the Uto-Aztecan linguistic family, which ranges from the Aztecs of Mexico to the Hopi in Arizona. Cahuilla society was divided

---

5 Id.
6 Id.
8 Id.
10 Id.
11 Id.
into exactly two descent groups or moieties, the Wildcat and the Coyote.\textsuperscript{12} The Cahuilla were adept at farming and grew crops such as melons, squash, beans, and corn.\textsuperscript{13} They irrigated their crops with water from nearby streams.\textsuperscript{14} They also gathered other food items such as acorns, seeds, wild fruit, agave, and yucca.\textsuperscript{15} In addition, they participated in extensive trade routes with neighboring tribes where food, shells, animals, and mineral products were traded.\textsuperscript{16}

The Agua Caliente adopted its constitution and by-laws in 1955.\textsuperscript{17} The Agua Caliente Tribal Council consists of five members: chairman, vice chairman, secretary, and two members.\textsuperscript{18} The chairman, vice-chairman, and secretary serve 2-year terms and members serve a 1-year term.\textsuperscript{19} Under the Tribe’s constitution, action is taken by a majority vote of the Tribal Council.\textsuperscript{20}

In 1989, the Tribe formed the Agua Caliente Development Authority, a subsidiary of the Tribe, which handles decisions on economic development.\textsuperscript{21} The Tribe operates two casinos.

\textsuperscript{12}Id.


\textsuperscript{15}Id.

\textsuperscript{16}Id.

\textsuperscript{17}“Tribal Lobbying Matters,” Hearing\textsuperscript{s} Before the Committee on Indian Affairs, 108\textsuperscript{th} Cong. at 51 (September 29, 2004) (Prepared statement of Richard M. Milanovich, Chairman, Agua Caliente Band of Cahuilla Indians).

\textsuperscript{18}Id.

\textsuperscript{19}Id.

\textsuperscript{20}Id.

One, opened in 1995, is located on the hot springs for which the Tribe was named. The other casino opened in 2001.

C. Abramoff and Scanlon Offer The Promised Land

In early 2002, Abramoff was on his way to Palm Springs, California for a meeting with members of the Agua Caliente. Michael Chapman, an enrolled member of the Menominee Indian Tribe of Wisconsin, had arranged the introduction. Chapman had claimed to be “very good friends” with Candace Patencio (“C. Patencio”) and Virginia Siva, members and Tribal leaders of the Agua Caliente.

Abramoff had become acquainted with Chapman through Michael Smith, then a lobbyist in Greenberg Traurig’s Washington, D.C. governmental affairs practice. Smith and Chapman


23 Id.

24 Email from Jack Abramoff, Greenberg Traurig, to Michael Smith, Greenberg Traurig (GTG-E000059107) (January 7, 2002).

25 Email between Michael Chapman and Jack Abramoff, Greenberg Traurig (GTG-E000059081) (January 22, 2002); Email between Jack Abramoff, Greenberg Traurig, and Michael Chapman (GTG-E000056764) (January 22, 2002).

26 Although she was not on the Tribal Council at the time, C. Patencio had been involved in tribal politics and had served on the Tribal Council previously, from 1996-2001, losing her bid in 2002 for the vice chairman’s seat by one vote. Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006).

27 Email from Michael Chapman to Jack Abramoff, Greenberg Traurig (GTG-E000056764) (January 22, 2002); see also Email from Michael Chapman to Jack Abramoff, Greenberg Traurig (GTG-E000059086) (January 22, 2002) (“I am dear friends with both and we have vacationed together in Utah and Hawaii - under the guise of Indian business.”). During his interview with Committee staff, Chapman said that while he considers Siva a friend, he only feels he is close friends with C. Patencio. Interview of Michael Chapman, by telephone (March 31, 2006).

28 Email from Michael Smith, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000059106-07) (January 7, 2002).
initially met by phone through a mutual friend, and later met face-to-face in Chicago over Christmas vacation.\textsuperscript{29}

Chapman proved a useful resource. Before Abramoff’s meeting in Palm Springs, Chapman provided Abramoff with information about the Tribe, its key players, and internal dynamics. More specifically, he provided background on C. Patencio and Siva and their involvement in Tribal politics:

\begin{quote}
[Virginia] has held her At-Large seat for several years. She is contemplating running for Chairman, pending a preliminary polling of key families. What is remarkable about her is the At-Large seats are up for election each year, so she has a consistent power base in the tribe that is loyal to her.\textsuperscript{30}
\end{quote}

On C. Patencio, Chapman provided the following information:

\begin{quote}
Candace comes from the Petencio [sic] family which is one of the largest families at Agua Caliente - both of her parents have served on council in the past and her father was once Tribal Chairman. She has served on council for several years as an At-Large Councilor. Last year she ran for Vice-Chairman of the tribe and lost by one vote. This year she is seeking her old seat. Candace has an MBA.\textsuperscript{31}
\end{quote}

Chapman also identified the consequences of a successful election for C. Patencio and Siva:

\begin{quote}
They [C. Patencio and Siva] are also related to the Tribe’s Treasurer [Moraino Petencio] – so if they prevail in their election pursuits in March – they will have controlling interest on the Tribal Council.\textsuperscript{32}
\end{quote}

\textsuperscript{29} Interview of Michael Chapman, by telephone (March 31, 2006).

\textsuperscript{30} Email from Michael Chapman to Jack Abramoff, Greenberg Traurig (GTG-E000056764) (January 22, 2002).

\textsuperscript{31} Id.; See also Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006) (explaining she received a degree in Business Administration from University of San Diego and an MBA from University of Phoenix in San Diego, and confirming her one-vote loss for Vice Chairman in 2001).

\textsuperscript{32} Email from Michael Chapman to Jack Abramoff, Greenberg Traurig (GTG-E000056764) (January 22, 2002). In her interview, C. Patencio confirmed that she, Moraino Petencio, and Siva are related. Interview of Candace Patencio, former council member, Agua
Once in Palm Springs, Abramoff dined with C. Patencio, Siva, and Moraino Patencio ("M. Patencio") at the Canyon Bistro restaurant. During her interview with Committee staff, C. Patencio admitted that she and Siva were dissatisfied with Pace-Capstone, the Tribe’s lobbyists at the time. Indeed, C. Patencio said that if she assumed control of the Tribal Council at the time, she would have definitely ended that lobbying firm’s contract.

Yet, she claimed that before her meeting with Abramoff, she did not know he was a lobbyist, and there was no purpose to the meeting. She simply met with him because Chapman had suggested she do so. According to C. Patencio, she only knew that Abramoff was a movie producer who had produced “red something.”

Chapman recalled the genesis of the meeting much differently. Chapman told the Committee that he had recommended C. Patencio meet with Abramoff because she and Siva were dissatisfied with the Tribe’s lobbyists at the time. Indeed, after speaking with C. Patencio about arranging the meeting, Chapman reported to Abramoff that they are “eager to hear what you think.”

In light of Chapman’s statement to the Committee and his contemporaneous email to Abramoff, the Committee has considerable difficulty with C. Patencio’s claim that she did not know that Abramoff was a lobbyist or the purpose of the meeting. Ms. Patencio holds a business

Caliente Band of Cahuilla Indians, by telephone (April 25, 2006).

33 Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006); see also Emails between Jack Abramoff, Greenberg Traurig, and Ilisa Gertner, Greenberg Traurig (GTG-E000056766) (January 22, 2002).

34 Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006).

35 Id.

36 Id.

37 Id.

38 Id. C. Patencio was likely referring to Abramoff’s production of the movie “Red Scorpion,” an action film starring actor Dolph Lundgren.

39 Interview of Michael Chapman, by telephone (March 31, 2006).

40 Email from Michael Chapman to Jack Abramoff, Greenberg Traurig (GTG-E000059086) (January 22, 2002).
administration degree and a Masters of Business Administration.\textsuperscript{41} Her family has been heavily involved in Tribal politics: both her father and mother served on the Tribal Council, and her father was once chairman.\textsuperscript{42} C. Patencio served on the Tribal Council for five years.\textsuperscript{43} The Committee has difficulty believing that a woman with C. Patencio’s educational and political background would not have known the purpose of the meeting and Abramoff’s profession.

C. Patencio told Committee staff that during their dinner, Abramoff boasted that he was part of the lobbying team that had secured self-regulation of Class III gaming under the Indian Gaming Regulatory Act for the Mississippi Band of Choctaw Indians ("Choctaw").\textsuperscript{44} That, according to C. Patencio, was why she became so interested in having the Tribe hire Abramoff.\textsuperscript{45} In addition to her dissatisfaction with Pace-Capstone, C. Patencio was at odds with the Tribe’s Chairman and Vice Chairman.\textsuperscript{46} Although she had just met Abramoff, C. Patencio shared this information with him.\textsuperscript{47}

C. Patencio could recall little else about that meeting.\textsuperscript{48} C. Patencio did not recall Abramoff mentioning any other clients aside from Choctaw, or discussing Michael Scanlon.\textsuperscript{49} She also did not remember discussing the upcoming 2002 Tribal elections with Abramoff at that

\textsuperscript{41}Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006).

\textsuperscript{42}Email from Michael Chapman to Jack Abramoff, Greenberg Traurig (GTG-E000056764) (January, 22, 2002).

\textsuperscript{43}Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006).

\textsuperscript{44}Id. Provided certain conditions are met, the Indian Gaming Regulatory Act ("IGRA") allows for self-regulation by Indian tribes of Class II gaming (e.g., bingo and games similar to it, pull tabs, and non-house banked card games). IGRA does not allow for self-regulation of Class III gaming. In 1999, the Choctaw successfully secured self-regulation for Class III gaming in an omnibus appropriations bill.

\textsuperscript{45}Id.

\textsuperscript{46}Id.

\textsuperscript{47}Id.

\textsuperscript{48}Id.

\textsuperscript{49}Id.
The following month, in Washington, D.C., Abramoff met again with C. Patencio, M. Patencio, and Siva. The three Tribal members were attending meetings of the National Congress of American Indians and the National Indian Gaming Association. Before the trio arrived in Washington, D.C., Chapman advised Smith that “a dinner and sporting event would go a long way with Virginia et al [sic] (especially dinner at your [Abramoff’s] place).”

Chapman also revealed: “I assisted them [C. Patencio and Siva] with their candidacy statements and will fly out the weekend before the election to see what we can shore-up. The actual election is March 19th.” The very next day, Chapman wrote that “[o]n the election front, Agua voters must register weeks in advance in order to participate in the election – so now is the time they need to shore up their support!” Abramoff forwarded Chapman’s email to Scanlon, noting “[l]et’s discuss this.” It thus appears that Chapman, intentionally or unintentionally, gave Abramoff the idea to insinuate himself and Scanlon into the Agua Caliente elections.

Abramoff followed Chapman’s advice, and on February 17, invited C. Patencio:

Michael tells me that Virginia and you are going to be in Washington, DC [sic] next week. I would love to get together with you if possible. Coincidentally, that is the week that we open Signatures, a high end fine dining restaurant which I own. We have a special reception there Wednesday night for Senator Tim Hutchinson (I’d love to introduce

---

50 Id.
51 Id.
52 Email from Candace Patencio, Agua Caliente Band of Cahuilla Indians, to Jack Abramoff, Greenberg Traurig (GTG-E000057210) (February 18, 2002); See also Email from Michael Chapman to Jack Abramoff, Greenberg Traurig (GTG-E000056873) (February 16, 2002) (“Candace and Virginia are both going to be in Washington the week of February 24th - initially for NCAI’s Executive Council meeting and then NIGA business.”).
53 Email from Michael Smith, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000056872) (February 16, 2002).
54 Email from Michael Chapman to Jack Abramoff, Greenberg Traurig (GTG-E000056872) (February 16, 2002).
55 Email from Michael Chapman to Jack Abramoff, Greenberg Traurig (GTG-E000056867) (February 17, 2002).
56 Id.
Abramoff continued, “Thursday night is the grand opening, and you are certainly invited to attend that one as well. There should be quite a few Members and Senators there. Anyway, I’ll call you this week to see if you can make it and if we can get together.” 58

“Are you guys basketball fans? If so, the Wizards (Michael Jordan) are playing and I’d love to have you join us for that too,” Abramoff added59

C. Patencio confirmed that, “Yes, Virginia, Moraino and I will be in DC from 2/24 - 3/31. The full Tribal Council along with the proxies will be attending the NCAI & NIGA meetings.”60

She continued, “Spoke with Virginia [and] she said she would like to go to dinner but neither of us are basketball fans (As you can tell fine dining is something we enjoy).”61

In response, Abramoff told her he would call her the next day to make plans.62

C. Patencio recalled two meetings with Abramoff during her visit.63 Contemporaneous emails suggest there might have been three. Abramoff apparently first met with the trio on February 26. That day, Chapman advised Abramoff, “Just a short note to say that once again my Agua crew enjoyed the pleasure of your company! They’re looking forward to seeing you tomorrow! I hope Virginia prevails - it could be a great relationship/client!”64

Abramoff assured Chapman, “Mike Scanlon and I are going to do everything we can to

57 Email from Jack Abramoff, Greenberg Traurig, to Candace Patencio, Agua Caliente Band of Cahuilla Indians (GTG-E000057166) (February 17, 2002).

58 Id.

59 Id.

60 Email between Candace Patencio, Agua Caliente Band of Cahuilla Indians, and Jack Abramoff, Greenberg Traurig (GTG-E000057210) (February 18, 2002).

61 Id.

62 Id.

63 Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006).

64 Email between Michael Chapman and Jack Abramoff, Greenberg Traurig (GTG-E000059253) (February 26, 2002).
help them.\textsuperscript{65}

Separately, Abramoff forwarded Chapman’s email to Scanlon and suggested, “You should call them for tomorrow and get together to discuss strategy.”\textsuperscript{66}

Abramoff met again with C. Patencio and her companions on February 27. At that point, Abramoff apparently began to scheme on how he could use political contributions from the Agua Caliente to further his lobbying practice. Before his meeting with the Tribal members, Abramoff told his assistant Ilisa Gertner:

Please let the Hutchinson guys know that they are coming (Candace, Virginia Siva, and a third fellow - can’t remember his name). tell [sic] them that they are not currently going to be able to contribute, but that they will in March be in a position where they control their tribe and will be able to be helpful on a Choctaw level.\textsuperscript{67}

While at Signatures, Abramoff, C. Patencio, M. Patencio and Siva discussed Abramoff possibly representing the Tribe.\textsuperscript{68} They also apparently discussed Scanlon helping out C. Patencio and Siva on their 2002 elections, because, after the meeting, Abramoff immediately reported to Scanlon: “I saw them tonight. They really can’t wait for you to lead them to the promised land! Tomorrow night, after the reception at Sigs, let’s take them to dinner and lock up the deal.”\textsuperscript{69}

Later during her trip, C. Patencio met alone with Abramoff and Scanlon at another

\textsuperscript{65}Id.

\textsuperscript{66}Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon (GTG-E000059252) (February 26, 2002).

\textsuperscript{67}Email from Jack Abramoff, Greenberg Traurig, to Ilisa Gertner, Greenberg Traurig, (GTG-E000057185) (February 27, 2002).

\textsuperscript{68}Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006). See also Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000057184) (February 27, 2002).

\textsuperscript{69}Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000057184) (February 27, 2002).
There she learned that Scanlon was in public relations. She believed that Scanlon worked for Abramoff, that he was a member of “Jack’s team.” C. Patencio believed that they discussed the 2002 Agua Caliente Tribal Council elections, although she said she did not ask Scanlon for help with her election. In fact, C. Patencio denied that Abramoff and Scanlon offered to help in her election; instead, she claimed, “things kinda fell in place.”

D. Scanlon Works on C. Patencio’s and Siva’s Election Campaigns

Before the Agua Caliente Tribal Council elections, Scanlon asked Abramoff, “Hey – How much do you want me to spend on the AC race – I gotta get a team out there ASAP – Like 3 people – Then rotate a new team in after that – So travel is goanna [sic] run about 20k and materials like 5 – 10k. Should we go for it?”

Abramoff instructed Scanlon, “Yes, go for it big time.”

And, so Scanlon did. He sat down with his team and said, “We’re going to California to work on the election.” Scanlon and his team performed the same type of work as they had for the Slate of Eight during the 2001 elections at the Saginaw Chippewa Indian Tribe. From March 6 through 10, 2002, Scanlon’s team drafted candidate letters and fliers, paid for the envelopes and postage, secured a site and catering for a community meeting, assisted in door-to-door...
door campaigning, and prepared the candidates for the community meeting.\textsuperscript{79}

Abramoff and Scanlon’s objective was ensuring that “friendly” tribal members who would support contracts with them were elected and, conversely, potentially unsupportive members were defeated. Richard Milanovich, Chairman of the Tribe and Siva’s opponent in the 2002 elections, was targeted by Abramoff as “our enemy.”\textsuperscript{80}

Meanwhile, Abramoff asked C. Patencio, “how are we doing?”\textsuperscript{81} When C. Patencio shared Siva’s apprehension and reluctance about the campaign, he urged, “Keep pushing her. We’re near the finish line and can’t slow down now. I know you know this more than anyone! Let me know if there is more we can do to help.”\textsuperscript{82}

Before the Agua Caliente Tribal Council election, Scanlon and C. Patencio spoke over the telephone about what she needed to do to win her election.\textsuperscript{83} C. Patencio confirmed that Scanlon either developed, or had a hand in developing, the themes of her election campaign.\textsuperscript{84} From the records uncovered by the Committee, those themes were “honesty, effectiveness, and experience.”\textsuperscript{85}

The Committee has not obtained evidence establishing that Scanlon had similar conversations with Siva. Among the computer files from Scanlon’s companies, however, the Committee discovered a talking points memorandum for Siva, containing “key message points”

\textsuperscript{79}Capitol Campaign Strategies document production (no Bates number) (entitled “Agua Caliente Tribal Chairman and Council Election GOTV Timeline”) (undated).

\textsuperscript{80}Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000057241-51) (February 17, 2002); see also Email from Jack Abramoff, Greenberg Traurig, to Mohunwit@[REDACTED] (GTG-E000057216-22) (February 28, 2002).

\textsuperscript{81}Email between Jack Abramoff, Greenberg Traurig and Candace Patencio, Agua Caliente Band of Cahuilla Indians (GTG-E000057252) (March 6, 2002).

\textsuperscript{82}Id.

\textsuperscript{83}Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006).

\textsuperscript{84}Id.

\textsuperscript{85}See Capitol Campaign Strategies document production (no Bates number) (entitled “Dear Friend”) (undated); Capitol Campaign Strategies document production (no Bates number) (entitled “Candace Patencio MEET CANDACE PATENCIO!!”) (undated).
and general pointers on answering questions from voters.\textsuperscript{96}

In early March, Scanlon’s team drafted three seminal documents governing their assistance in the Agua Caliente elections. The first document is entitled, “Agua Caliente Tribal Chairman and Council Election GOTV Timeline.”\textsuperscript{87} The document appears to be a checklist for Scanlon and his employees for the Agua Caliente 2002 election. According to the document, by March 6, 2002, Scanlon and his team were to have completed a number of tasks, including but not limited to, drafting talking points for Siva; drafting candidate letters and fliers; creating invitations for a community meeting; securing a location for candidates’ meeting; and, contacting candidates.\textsuperscript{88} It also identified two days over which Scanlon’s team would assist C. Patencio and Siva in door-to-door campaigning.\textsuperscript{89}

The second document, entitled “Candidates’ Timeline,” established deadlines by which Scanlon and his team would complete or help C. Patencio and Siva complete mailers, phone calls, door-to-door campaigning, and a community meeting.\textsuperscript{90}

The third document was entitled, “Tribal Election 2002 Agua Caliente Band of Cahuilla Indians.”\textsuperscript{91} Scanlon and his team envisioned a specific message for C. Patencio and Siva to convey to their fellow Tribal members: “We will communicate that this election is about direct leadership by people who are in touch with the tribe. You are the new leaders, the leaders who will take the tribe into the future. Not the old leaders who are only looking out for number one.”\textsuperscript{92} The campaign was purportedly designed to put the candidates “in contact with every voter at least five times over the next 7 days.”\textsuperscript{93} Scanlon and his team divided potential voters

\begin{itemize}
  \item[\textsuperscript{86}] Capitol Campaign Strategies document production (BB/AC 005407-12) (entitled “Virginia Siva Talking Points Community Meeting”) (March 10, 2002).
  \item[\textsuperscript{87}] Capitol Campaign Strategies document production (no Bates number) (entitled “Agua Caliente Tribal Chairman and Council Election GOTV Timeline”) (undated).
  \item[\textsuperscript{88}] Id.
  \item[\textsuperscript{89}] Id.
  \item[\textsuperscript{90}] Capitol Campaign Strategies document production (no Bates number) (entitled “Candidate’s Timeline”) (undated).
  \item[\textsuperscript{91}] See Capitol Campaign Strategies document production (no Bates number) (entitled “Tribal Election 2002 Agua Caliente Band of Cahuilla Indians”) (undated).
  \item[\textsuperscript{92}] Id.
  \item[\textsuperscript{93}] Id.
\end{itemize}
into three tiers, and supposedly tailored their candidates’ messages to each tier. The campaign plan consisted of four general components: (1) mail; (2) door-to-door; (3) phones; and, (4) a candidates meeting.

1. Mail

The strategy memorandum claimed to “have developed three separate mail pieces” to articulate the candidates’ message. The first was “a personalized letter from you, explaining why you are a superior candidate for your position.” The second was “a comparison piece that draws distinctions between you and your opponents.” The third piece was a “traditional Get Out The Vote piece (GOTV) that asks for their support and reminds them to mail in their ballot.”

Among the documents discovered by the Committee is a draft letter from C. Patencio regarding the 2002 election. The letter stressed the importance of the upcoming election, and twice emphasized the themes of honesty, effectiveness, and experience, the very themes that Scanlon had developed. The Committee found essentially the same text on letterhead reading “Candace Patencio Candidate for Member of the Tribal Council.”

Similarly, the Committee found another draft letter, for Siva, on her bid for Tribal Chairman. It focused on the theme of fresh leadership: “Our tribe needs a leader who understands your concerns and is in tune with your needs ... It is time that our tribe has a leader

---

94 Id.
95 Id.
96 Id.
97 Id.
98 Id.
99 Id.
100 See Capitol Campaign Strategies document production (no Bates number) (entitled “Dear Friend”) (undated).
101 Id.
102 Capitol Campaign Strategies document production (no Bates number) (entitled “draft letter from Candace Patencio”) (March 8, 2002).
who is dedicated to working for you.”

This draft letter, too, was apparently in final form on letterhead reading “Virginia Siva Sincere Leadership Inspired Results.”

Although Scanlon’s action plan called for three letters, the Committee only found evidence of two. C. Patencio believed that Scanlon and his team did no more than two mailers, since the Tribe’s election ordinance limited election mailings to two.

2. Door-to-Door

Scanlon’s plan called for C. Patencio and Siva to go door-to-door making personal contact with potential voters, which Scanlon believed would “go miles making yourselves visible to the voters.” Scanlon claimed, “This is your chance to prove that you are the candidates who are truly working for the tribal members.”

To effect this part of the plan, Scanlon had one of his employees drive C. Patencio around in a car rented by Scanlon specifically for C. Patencio’s personal visits with Tribal members. C. Patencio could not recall who that person was. Christopher Cathcart, Scanlon’s right-hand man, told Committee staff he was the one who drove C. Patencio around for the door-to-door meetings. In furtherance of the strategy, Scanlon also put together a walking map with voters and a document entitled “Palm Springs and Cathedral City Walk List” containing the names of tribal members and their addresses. C. Patencio, however, claimed the map was inaccurate and, therefore, unhelpful.

104 Id.
105 Capitol Campaign Strategies document production (no Bates number) (entitled “Virginia Siva Sincere Leadership Inspired Results”) (March 8, 2002).
106 Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006).
108 Id.
109 Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006).
110 Interview of Christopher Cathcart, associate, Capitol Campaign Strategies, in Washington, D.C. (October 6, 2004).
111 Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006).
3. Telephone

The Committee has seen no evidence that either C. Patencio or Siva made the type of telephone calls outlined in Scanlon’s plan. C. Patencio did not recall making such telephone calls.\textsuperscript{112}

4. Candidates’ Meeting

On March 10, 2002, Scanlon hosted a candidate’s night for C. Patencio and Siva at the Wyndham Palm Springs Hotel.\textsuperscript{113} Among the documents reviewed by the Committee were a catering menu and a credit card authorization form from the Wyndham Palm Springs Hotel.\textsuperscript{114}

Before the meeting, Scanlon’s team prepared separate two-sided color brochures for C. Patencio and Siva, which provided details of the “Meet the Candidates” Meeting.\textsuperscript{115} For C. Patencio, the flyer once again stressed the campaign themes of “honesty, effectiveness, and experience” that Scanlon had developed.\textsuperscript{116} Likewise, Siva’s flyer emphasized “Sincere Leadership” and “Inspired Results.”\textsuperscript{117}

Scanlon’s team also drafted C. Patencio’s and Siva’s talking points for the March 10, 2002, community meeting.\textsuperscript{118} C. Patencio told Committee staff that fewer than 20 people

\begin{flushright}
\textsuperscript{112}Id.
\end{flushright}

\begin{flushright}
\textsuperscript{113}Id.
\end{flushright}

\begin{flushright}
\textsuperscript{114}See Capitol Campaign Strategies document production (no Bates number) (entitled “Menu and Credit Card Authorization Form”) (undated).
\end{flushright}

\begin{flushright}
\textsuperscript{115}Capitol Campaign Strategies document production (no Bates number) (entitled “Candace Patencio MEET CANDACE PATENCIO!!”) (undated); Capitol Campaign Strategies document production (no Bates number) (entitled “Virginia Siva MEET VIRGINIA SIVA!!”) (undated).
\end{flushright}

\begin{flushright}
\textsuperscript{116}Capitol Campaign Strategies document production (no Bates number) (entitled “Candace Patencio MEET CANDACE PATENCIO!!”) (undated).
\end{flushright}

\begin{flushright}
\textsuperscript{117}Capitol Campaign Strategies document production (no Bates number) (entitled “Virginia Siva MEET VIRGINIA SIVA!!”) (undated).
\end{flushright}

\begin{flushright}
\textsuperscript{118}Capitol Campaign Strategies document production (BB/AC 005407-12) (March 10, 2002).
\end{flushright}
attended the meeting, most of whom were her family members.\textsuperscript{119}

The elections were held on March 18, 2002; while Patencio won her race, Siva did not.\textsuperscript{120} In response to an email from his colleague Mike Smith, Abramoff attributed Siva’s loss to her failure to listen to Scanlon’s advice and work hard enough.\textsuperscript{121}

E. C. Patencio and M. Patencio Pave the Way for Abramoff and Scanlon

Despite Siva’s loss, Abramoff pressed forward. On April 1, 2002, Abramoff asked C. Patencio when he and Scanlon could visit the Tribal Council to pitch their services.\textsuperscript{122} Throughout his correspondence, Abramoff promise power, not just for the Tribe, but for her: “I think what we have in mind is helping the tribe set up the kind of political strength we have done for others, but doing it very carefully so that you are the ultimate controller of the political power.”\textsuperscript{123}

Abramoff continued: “To do this, unfortunately, we’ll have to get the approval of the current regime, I guess. I leave it to you to guide us on how to get in there. Again, Mike and I see the mission here as getting in, getting you guys organized so we can get the slot cap off and other things the tribe needs, and getting you into a position where the next time an election comes, we will win all the offices (and install you as Chairperson!!!).”\textsuperscript{124}

C. Patencio sought Abramoff’s guidance on how to introduce him: “I’m not sure if an introductory letter from you [sic] firm searching for work is the best way or if the Tribe seeks you out through Moraino and I. What are your thoughts??? If the opportunity occurs I will push to seek for a qualified firm (YOU). I will see if in today’s meeting I can lay the foundation.”\textsuperscript{125}

\begin{itemize}
\item \textsuperscript{119}Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006).
\item \textsuperscript{120}Email between Michael Smith, Greenberg Traurig, and Jack Abramoff, Greenberg Traurig (GTG-E000059267) (March 19, 2002).
\item \textsuperscript{121}Id.
\item \textsuperscript{122}Email between Jack Abramoff, Greenberg Traurig, and Candace Patencio, Agua Caliente Band of Cahuilla Indians (GTG-E000057264) (April 1-2, 2002).
\item \textsuperscript{123}Id. (emphasis added).
\item \textsuperscript{124}Id. (emphasis added).
\item \textsuperscript{125}Id.
\end{itemize}
In guiding C. Patencio on how to best introduce him and Scanlon to the Tribal Council, Abramoff suggested invoking the names of his other clients: “Tell them that you have heard from the Choctaws and Coushattas that their political folks are the best and that you think it is a prudent thing for the tribe to invite us in to have a discussion as to what they can do for the tribe.”

Abramoff did not want his pre-existing relationship with C. Patencio to be known and so counseled: “if the others on the tribal council perceive that we are your guys (which we are!) it might make it difficult.”

At the time of Abramoff’s email to C. Patencio, the Tribe had a conflict-of-interest ordinance in place. When asked whether Abramoff’s intentions to help her secure the Chairman’s position once he and Scanlon were hired raised any red flags requiring her to disclose her relationship with Abramoff and Scanlon to the Tribal Council, C. Patencio responded “no” – she took Abramoff’s words with “a grain of salt” and thought Abramoff was simply “blowing smoke.”

M. Patencio first brought up Abramoff at a meeting or study session. Meanwhile, he and C. Patencio purportedly laid the groundwork with the swing vote on the Tribal Council by attempting to have her meet with Abramoff.

While part of Abramoff’s plan involved promises of power, the other part apparently involved fear. On June 12, 2002, in an email entitled “great call with Candace,” Abramoff advised Scanlon: “Told her that Barona was courting us and she is now moving as fast as possible. moolah!!!” Two days later, Abramoff wrote an email to Scanlon with the subject

---

126 Email from Jack Abramoff, Greenberg Traurig, to Candace Patencio, Agua Caliente Band of Cahuilla Indians (GTG-E000057623) (April 2, 2002).

127 Id.

128 Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006).

129 Id.

130 Interview of Richard M. Milanovich, Chairman, Agua Caliente Band of Cahuilla Indians, by telephone (September 16, 2004).

131 Email between Jack Abramoff, Greenberg Traurig, and Candace Patencio, Agua Caliente Band of Cahuilla Indians (GTG-E000057279) (May 8, 2002).

132 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000057298) (June 12, 2002).
In it, Abramoff reported:

I just spoke with Candace. The tribe is calling us Monday to schedule our coming out for a pitch on the whole shooting match. They want Choctaw/Coushatta power. They think that if they don’t hire us Barona is going to do so. They are scared about that one! call [sic] me Saturday night or Sunday so we can plan our pitch. We need to go out there with a full blown plan.134

When Scanlon advised Abramoff that he wanted to depart early from Palm Springs, Abramoff replied: “The whole thing here is being pitched as a rush since we are ‘about to take on the Barona tribe’.”135 During her interview, C. Patencio confirmed that she was concerned that the Barona Tribe was allegedly seeking Abramoff’s services, since she did not want that tribe to have the power.136

Before he and Scanlon met with the Agua Caliente, Abramoff apparently received advice and guidance on their presentation from Chapman and C. Patencio. Just two days before the meeting, Chapman wrote Abramoff, “Glad to learn you’re going out to Agua Caliente - I hope it proves to be fruitful! I am sure Candace will coach you.”137

Chapman gave his own advice, “[R]emember their Post Office land exchange ordeal . . . In addition, they have a great land management agreement with BLM [Bureau of Land Management] over joint management of their canyons - so some mention of DOI contacts, beyond BIA, may be useful!”138

Abramoff confirmed, “Candace is being the usual wonderful help . . .”139

---

133Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000057295) (June 14, 2002).

134Id.

135Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000059357) (June 19, 2002).

136Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006).

137Email between Michael Chapman and Jack Abramoff, Greenberg Traurig (GTG-E000057379) (June 24, 2002).

138Id.

139Id.
Abramoff made arrangements for himself and Scanlon to travel by private jet to Palm Springs for their meeting with the Tribal Council. After the June 26, meeting with the Tribal Council, Abramoff reported to his colleagues, “I pitched them [the Agua Caliente] this morning on a $150K/month representation and they basically agreed (subject to formal approval of the same council - 5 members - who just approved - next week). This is going to be a biggie!” Abramoff wrote separately to his colleague Michael Smith, who had introduced him to Chapman: “Looks like we got em! They vote next week, but after 4 trips here, tons of work and all sorts of political activities, I think we’re there.”

Thus, on June 27, Abramoff instructed his assistant Allison Bozniak to send a retainer agreement to M. Patencio. The retainer agreement called for a flat fee of “$150,000.00 per month plus reasonable out-of-pocket expenses.” The agreement also provided that the “firm undertakes to not represent any other tribal government located within the geographical borders of the State of California during the duration of our representation of the Tribe.”

The deal was not as done as Abramoff believed, however. On July 2, Abramoff advised Scanlon, “[T]hings are not as hunky dorey as we thought out there. I just got off the phone with Candace. I have to be out there to meet them on Sunday.” When Scanlon asked whether they would get paid, Abramoff assured him, “We’re going to get paid. We have the votes. We can ram it through, but Moraino and Candace want to get the others on board. They have 3 votes, though.”

---

140 Email between Jack Abramoff, Greenberg Traurig, and Ilisa Gertner, Greenberg Traurig (GTG-E000059370) (June 17, 2002).
141 Email from Jack Abramoff, Greenberg Traurig, to DCCo (GTG-E000059329) (June 26, 2002).
142 Email from Jack Abramoff, Greenberg Traurig, to Michael Smith, Greenberg Traurig (GTG-E000059332) (June 27, 2002).
143 Email from Jack Abramoff, Greenberg Traurig, to Allison Bozniak, Greenberg Traurig (GTG-E000057922-23) (June 27, 2002).
144 Id.
145 Id.
146 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000059428) (July 2, 2002).
147 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000057397) (July 3, 2002).
Before the meeting, Abramoff asked Scanlon to forward him a copy of Scanlon’s proposal to the Tribe, so that he could “be aware of where we are going on this, and push it[.]”  

For the meeting, Scanlon prepared a document he called “Agua Caliente Global Political Strategy.” Scanlon laid out a comprehensive political strategy “[t]o support and secure all federal objectives of the council” and “[t]o successfully negotiate an unlimited slot position compact for the tribe.”

As with the other Tribes, CCS’s strategy supposedly centered heavily on the use of customized databases. According to Scanlon, “The true key to any successful political effort is its organizational design. For the compact negotiation campaign we have developed a two-tiered system.” Scanlon described the first tier as “compil[ing], classify[ing] and organiz[ing] the tribe’s existing natural resources into a national political network.” Scanlon described the second part as “identify[ing], classify[ing], and organiz[ing] allies of the tribe.” According to Scanlon, “[b]oth will be imported into your new custom built political databases.”

In the document, Scanlon elaborated on the “new custom built databases.” The first, the “Grassroots Database”, Scanlon described as follows:

We gather lists of your vendors, employees, tribal members[,] etc. and we import those lists into your new database. Our computer program will match the individuals or businesses with addresses, phone numbers, political registration and e-mail addresses (when available), and then sort them by FEDERAL election districts nationwide. The district breakdown in your database will from [sic] U.S. Senator down to State Representative. Once completed, we will be able to tap into this database and mobilize supporters in ANY  

---

148 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000057339) (July 5, 2002).


150 Id.

151 Id.

152 Id.

153 Id.

154 Id.
election of your choosing nationwide in a matter of moments. At this point you will have a national political network. Scanlon boasted that with this customized database, he could “reach out and mobilize tens of thousands of voters almost instantaneously.” Scanlon represented that “[t]his is an extremely powerful tool that is absolutely necessary if we are to be successful.”

Moreover, Scanlon’s proposal described an entirely separate “Qualitative Research Database”:

This custom built database acts as the information center of our efforts. Over the next three weeks, our team will gather qualitative information on the allies and opponents related to our campaign and we store this information into this database. The research will include nearly every piece of information on the targets that is relevant to our campaign. In addition we will be waging a simultaneous effort to gather qualitative research on the key opponents of our position. This research can be classified as unfriendly, and is solely intended to give us the ammunition to fight on an even playing field if the battle turns nasty. Rest assured, if it does turn nasty, we will be far better positioned than our opponents. Once the research is gathered, it is then sorted by subject matter and made retrievable by a phrase search. This purpose of this is so that information can then be instantly disseminated to any audience we choose such as our universe of supporters, the press, third party interest groups or other interested parties.

The total cost of Scanlon’s proposal: $5.4 million, with another $2 million, should an “advertising fight” occur.

On July 7, Abramoff and Scanlon departed by private jet for Palms Springs for their meetings with the Agua Caliente Tribal Council, and a presentation to the Council and

---

\義 \义

\义 \义

\义 \义

\义 \义

\义 \义
Before Abramoff and Scanlon made their pitch at the membership meeting, Abramoff finally met Chapman in person.

Abramoff and Scanlon met with the Tribal Council on July 8, and the Tribal membership on July 9. Although Abramoff represented that Scanlon “work[ed] very closely with our firm [Greenberg Traurig],” at no point in the presentation did either disclose their financial relationship. Nor did they disclose the behind-the-scenes conversations they had been having with C. Patencio and M. Patencio, or the election assistance they had rendered to C. Patencio and Siva.

Abramoff built-up Scanlon, calling him “one of the top political and grass roots public affairs people in the United States”. As he had before, Abramoff traded on the name of the Mississippi Band of Choctaw Indians (“Choctaw”). Abramoff also boasted about the efforts he and Scanlon had undertaken for the Coushatta Tribe of Louisiana (“Louisiana Coushatta”) and the Chitimacha Tribe of Louisiana on their compact re-negotiations with the State of Louisiana.

Although Abramoff and Scanlon were representing the Ysleta del Sur Pueblo of El Paso (“Tigua”), in direct conflict with the interests of the Louisiana Coushatta, Abramoff nevertheless claimed that “we certainly don’t engage in the situation where we have two tribes that might have differing interests ’cause unfortunately obviously tribes who are nearby to each other sometimes

---

160 Email from Holly Bowers, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000059380) (July 5, 2002).

161 Email from Jack Abramoff, Greenberg Traurig, to Michael Chapman (GTG-E000059404) (July 8, 2002).

162 See Email from Holly Bowers, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000059380) (July 5, 2002).

163 Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006).

164 Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006). See also Interview of Richard M. Milanovich, Chairman, Agua Caliente Band of Cahuilla Indians, by telephone (September 16, 2004).

165 Id.

166 Id.

167 Id.
Of course, that was true only by default. According to Fred Baggett, the national chairman of Greenberg Traurig’s public policy practice, Scanlon was free to work for other clients; indeed, Greenberg Traurig did not hire Scanlon precisely because he wanted to work on his own clients. Interview of Fred Baggett, partner, Greenberg Traurig, in Washington D.C. (September 29, 2005).

Abramoff spoke, too, about political contributions:

Each of the tribes we work with we recommend that they exercise their right to make political contributions. However, we generally are very targeted and with the contribution recommendations we make ... we do strongly recommend and all of our tribes do give a lot of money politically. It’s very targeted and when it’s all basically added up we sort of like have a little ledger so to speak informally, see the money they spent politically and the money they spent contributions and the money they spent lobbying wise compared to what they get back so to speak, not only benefits that can’t be monetarized but also the actual appropriations .... So we will recommend to the tribe or any of our clients that they contribute to certain specific Members that may have to them nothing do with what they’re doing, but we know that that Member will be able to control or influence a bill, that kind of thing.

Scanlon picked up on the presentation. Scanlon claimed that his “firm is in a strategic alliance with Jack and Greenberg meaning we only provide services to the clients of Greenberg Traurig.” Scanlon described his operations as the “ground army for what Jack does.” More specifically, Scanlon said:

A force, a grassroots army of people of employees, of business owners, of people who live on your lands and anybody who’s made

168 Id.

169 Id.

170 Id.

171 Id. Of course, that was true only by default. According to Fred Baggett, the national chairman of Greenberg Traurig’s public policy practice, Scanlon was free to work for other clients; indeed, Greenberg Traurig did not hire Scanlon precisely because he wanted to work on his own clients. Interview of Fred Baggett, partner, Greenberg Traurig, in Washington D.C. (September 29, 2005).

172 Agua Caliente document production (no Bates number) (entitled “Verbatim Excerpt – Tribal Council Meeting of Tuesday, July 9, 2002”) (July 9, 2002) (excerpt only).
a buck off of you over the last ten to fifteen years and has a vested interest in seeing your future be better. Our job is to go out and find those people, educate those people on the issues that are important to the Tribe and objectives of Tribe as identified. Most importantly, it is to mobilize those people to ensure that the politicians get the message that the people are behind the position of the Tribe. 173

Scanlon characterized his work as “technical,” “labor intensive” and “expensive”. 174 The cornerstone of this program was a “custom-built database,” which Scanlon claimed he designed. 175

After Abramoff and Scanlon’s presentation, the Tribal Council met to vote. C. Patencio admitted that she did not disclose her relationship with Abramoff or Scanlon, or the help they had given her on her election campaign, before the vote. 176 She also admitted that she did not pay for any of the work that Scanlon and his team performed for her election bid. 177 She said that Scanlon never asked to be paid for his services, and she never discussed how Scanlon would benefit from helping her election campaign. 178 C. Patencio also claimed that people offer her free things all the time, and she did not find Abramoff and Scanlon’s supposed generosity odd. 179 According to C. Patencio, she simply believed Abramoff and Scanlon helped her because they liked her. 180

The Committee has considerable difficulty reconciling C. Patencio’s statements with the body of evidence before it. Even if, as C. Patencio claimed, she had not expressly agreed to help Abramoff and Scanlon secure contracts with the Tribe in exchange for their campaign assistance, a reasonable person with C. Patencio’s business education and political experience would have realized that Abramoff and Scanlon were providing her assistance as gratitude or because of C. Patencio’s intention to help them secure contracts with the Tribe.

---

173 Id.
174 Id.
175 Id.
176 Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006).
177 Id.
178 Id.
179 Id.
180 Id.
On July 2, 2002, the Tribal Council voted 3-0 to accept the contract with Greenberg Traurig. On July 11, 2002, Chairman Milanovich signed a retainer agreement with Greenberg Traurig.\footnote{Agua Caliente document production (AC 0276-78) (July 9, 2002).} According to the contract, the Tribe retained Greenberg Traurig,

...to assist the Agua Caliente Band of Cahuilla Indians (“the Tribe”) with all political activities related to obtaining a satisfactory outcome to gaming compact renegotiations, environmental matters and other policy and political goals in California. In addition, at the Tribe’s discretion, the Firm shall assist the Tribe with federal issues, including but not limited to matters concerning federal appropriations, specific needs of the tribe related to the US Postal service and tax matters, general Washington, D.C. and selected national public relations activities, federal-Tribal relations and promotion of sovereignty.\footnote{Id.} The cost: “$150,000.00 per month plus reasonable out-of-pocket expenses.”\footnote{Id.}

Similarly, on July 23, the Tribal Council voted 3-2 to accept Scanlon’s contract. C. Patencio, M. Patencio, and Jeannette Prieto-Dodd voted for the contract; Chairman Milanovich and Vice Chairman Gonzales Lyons voted against it. Before the Tribal Council voted, however, Chairman Milanovich argued against hiring Scanlon. According to Scanlon, Chairman Milanovich was “trying to sink it [Scanlon’s contract] - he has a whole bunch of Suncruz articles he is handing out at the meeting.”\footnote{Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG-E000059386) (July 16, 2002).} Meanwhile, C. Patencio called to report to Abramoff on what was happening.\footnote{Id.}

On July 24, 2002, Scanlon apparently submitted a letter agreement between Scanlon Gould Public Affairs and the Tribe.\footnote{Agua Caliente document production (AC 0287-89) (July 24, 2002).} According to the agreement, “the primary goal of Scanlon Gould is to execute public affairs and political strategies to ensure successful re-negotiation of the Tribe’s gaming compact.”\footnote{Id.} The letter agreement described the scope of the activities by
Unlike his written agreements with other Tribes, Scanlon specifically reserved Scanlon-Gould’s right to use external firms: “Scanlon Gould will execute its duties by employing its internal political team (full time employees) and reserves the right to sub-contract with external firms when necessary.”

The Tribe agreed to pay Scanlon Gould $5,400,000 million and agreed “to budget an additional $2,000,000.00 for advocacy efforts should the compact renewal campaign become intensive.”

F. Abramoff and Scanlon Seek Additional Money from the Tribe

Once Abramoff and Scanlon locked up their contracts with the Agua Caliente, Abramoff began to seek more funding for his pet projects, as well as those of others, ostensibly designed to increase his and the Tribe’s standing in the eyes of Congressmen and Senators. In September 2002, Abramoff told his associate Duane Gibson that they needed “to move on Agua contributions asap.” Abramoff and his team used the Tribe’s contributions to get “credit for delivering checks to certain members.”

Abramoff also sought money from the Tribe to cover the costs of his Sports Suites program. A master lobbying plan that Abramoff presented to the Agua Caliente laid out his rationale for why the Tribe should participate.

Sporting and Event Tickets – Goal: provide Members and staff with courtesy tickets to sport games and other events, which help to create the relationships needed to advance issues important to the Tribe. Many of our Tribal clients participate in ownership of Executive Suites and Boxes at the MCI Center, FedEx Field, and Camden Yards (Baltimore), in order to get the tools for relationship building to advance your issues. The Tribe should evaluate pooling its resources

---

188 Id.

189 Id.

190 Id.

191 Email from Jack Abramoff, Greenberg Traurig, to Duane Gibson, Greenberg Traurig (GTG-E000057541) (September 18, 2002).

192 Email from Duane Gibson, Greenberg Traurig, to Neil Volz, et al., Greenberg Traurig (GTG-E000057613) (October 8, 2002).
with other tribes so that it can utilize these effective assets as well.\(^\text{193}\)

The Tribal Council approved the Tribe’s participation in the sports suites program in December 2002,\(^\text{194}\) and paid $300,000 into the program.\(^\text{195}\)

Pursuant to his agreement with the Tribe, Scanlon sought additional money under the Scanlon-Gould contract. When it came time to solicit additional funds, Scanlon decided to leave little to chance. Scanlon and Abramoff manipulated the schedule so that Scanlon would make his presentation for more money in the absence of the two Tribal Council members who opposed the program. On December 10, Scanlon wrote:

> Well we got paid 5 – and had in our contract that we may need an additional 2 – but that we would have to come before the council to get it. So I did up a presentation – and we are asking for 1.785 on Thursday – The reason we are doing git [sic] Thursday is that Richard and Barbara are out of town. I could ask for the whole 2 – but I though [sic] that would look strange – I could bump it up to 1.875? Whatta think?\(^\text{196}\)

Abramoff responded, “Absolutely!”\(^\text{197}\)

In less than two years, the Tribe Greenberg Traurig $3,079,816 in fees and expenses.\(^\text{198}\) Similarly, from the Agua Caliente, Scanlon collected $7,195,000 from the Agua Caliente during the relevant period and appears to have secretly split about 50% of his total profit from that Tribe.

\(^{193}\)Email from Duane Gibson, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000057000) (December 5, 2002) (attaching “DRAFT Agua Caliente Plan for the 108th Congress”) (last page only).

\(^{194}\)Email from Candace Patencio, Agua Caliente Band of Cahuilla Indians, to Duane Gibson, Greenberg Traurig (GTG-E000057785) (January 10, 2003).

\(^{195}\)“Tribal Lobbying Matters,” *Hearings Before the Committee on Indian Affairs, 108th Cong.* at 29 (September 29, 2004).

\(^{196}\)Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG-E000056773) (December 10, 2002).

\(^{197}\)Id.

\(^{198}\)These figures do not include political, charitable, and other contributions the Agua Caliente made at Abramoff’s request.
These substantial sums purchased no loyalty from Abramoff and Scanlon. When Scanlon complained about his dealings with C. Patencio, Abramoff counseled: “I think the key thing to remember with all these clients is that they are annoying, but that the annoying losers are the only ones which have this kind of money and part with it so quickly.”

G. Abramoff and Scanlon’s Work for the Tribe

The Agua Caliente hired Abramoff and Greenberg Traurig “to assist the tribe with all political and lobbying activities relating to a wide range of public policy issues.” The Tribe hired Scanlon “to help the tribe with respect to pending gaming compact issues in California.”

From July 2002 to March 2004, Abramoff and his team represented the Agua Caliente in Washington, D.C. The Tribe has not complained to the Committee about the level or quality of the services that Abramoff and his team at Greenberg Traurig provided the Tribe.

Scanlon hired a number of subcontractors to renegotiate the Tribe’s compact with the State of California. Scanlon subcontracted lobbyists and attorneys. Per his agreement, he operated as a turnkey operation. Scanlon and his team provided regular updates to the Tribe on

---

199Discussion and analysis of how Abramoff and Scanlon successfully perpetrated their “gimme five” scheme on the Tribe, on an entity-by-entity basis, is contained in Part 2 of the this Report.

200Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000057878) (March 5, 2003).


202Id.

203Interview of Christopher Cathcart, associate, Capitol Campaign Strategies, in Washington, D.C. (October 6, 2004).

204Interview of Chris Cathcart, associate, Capitol Campaign Strategies, in Washington, D.C. (October 6, 2004).

205Agua Caliente document production (AC 0287-89) (July 24, 2002)
Among the work that Scanlon Gould performed, was a letter-writing campaign. Scanlon’s team set up tables with laptop computers and blank letters at the Tribe’s casino. As employees would come to the tables, Scanlon’s employees would brief them and ask them to sign letters to the Governor. Scanlon also had opinionmaker letters written to the Governor. That work was subcontracted out to Lunde Burger. After examining Scanlon’s work, the Tribe does not believe that Scanlon actually performed the work he had proposed when he pitched his


Interview of Christopher Cathcart, associate, Capitol Campaign Strategies, in Washington, D.C. (October 6, 2004).

Id.

Id.

Id.
H. 2003 Tribal Elections

Even after the Agua Caliente hired Abramoff and Scanlon, the two continued to conspire about how to increase their influence over the Tribal Council. In October 2002, Scanlon wrote to Abramoff:

I am working on setting them up right now for their elections next year. We are looking at Candice [sic] for Vice Chairman – which we are looking good on. We are also looking good at getting Virginia Elected [sic] under one scenario and Moreno is a lock.

The most Likely [sic] scenario right now is Barbara become [sic] chairman, with Candice [sic] as Vice Chair, Moreno, Janette and Virginia on the council – which would give us 4 out of 5 all the time – and possibly 5 out of 5 if we play it the right way.

This will be very very good for us.212

Almost one week later, C. Patencio emailed Abramoff asking for a time they could “talk strategy for the up and coming election.”213 Abramoff and Scanlon’s goal was to ensure that C. Patencio would win in an effort to oust their only opposition within the Tribe, Chairman Milanovich and Vice Chairman Gonzales-Lyons.214 When C. Patencio advised Abramoff that she and M. Patencio planned “to set [the Agua Caliente Vice Chairman] up”, Abramoff offered his help: “let me know what we can do.”215 Separately, he told Scanlon “We need to make sure

211 Interview of Richard M. Milanovich, Chairman, Agua Caliente Band of Cahuilla Indians, by telephone (September 16, 2004).

212 Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000057616) (October 24, 2002).

213 Email from Candace Patencio, Agua Caliente Band of Cahuilla Indians, to Jack Abramoff, Greenberg Traurig (GTG-E000057834) (January 14, 2003).


215 Id.
Meanwhile, Scanlon and Cathcart discussed how to impact C. Patencio’s election: “want to touch base re the aguas too, i[sic] told candace we would help with her letter of intent, and of course, i[sic] assume we’ll be helping with the campaign.”

On February 9, 2003, Chapman urged Abramoff and Scanlon to assist their allies on the Tribal Council: “We definitely need to devise a strategy to help Candace – it is now or never! Since there are so few tribal members we should be able to do a breakdown of each potential vote to be cast.” In response, Scanlon maintained that he had “been all over this for weeks” and already had “a pretty good plan in place.”

Ultimately, the Committee finds that Scanlon devoted nowhere near the time and resources to C. Patencio’s election bid in 2003 as he had in 2002. Scanlon Gould wrote C. Patencio’s platform statement and may have made door signs or mail pieces for her.

In the 2003 elections, C. Patencio lost her race. Within months, the Committee would start its investigation, and the Tribe would learn the truth about Abramoff and Scanlon’s assistance to C. Patencio and Siva in their elections. It would also learn about their secret partnership.

I. Chapman And Sierra Dominion Consulting

On November 12, 2002, Abramoff’s associate Duane Gibson, who was the client manager for the Agua Caliente account, discovered charges on the account with which he was unfamiliar. Gibson inquired of Abramoff:

\[
\text{[O]n the Agua bill, there are two items – $10K for consulting from...}
\]

\footnote{Id.}

\footnote{Email from Christopher Cathcart, Capitol Campaign Strategies, to Michael Scanlon, Capitol Campaign Strategies (January 21, 2003).}

\footnote{Email between Michael Chapman and Jack Abramoff, Greenberg Traurig (GTG-E000057842-43) (February 9, 2003).}

\footnote{Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000057842) (February 10, 2003).}

\footnote{Interview of Christopher Cathcart, associate, Capitol Campaign Strategies, in Washington, D.C. (October 6, 2004).}
Michael Chapman and $5K for consulting for Sierra Dominion Financial Resources. These were part of the itemized expenses on the draft bill that I am reviewing. I do not know what the arrangements are for work by these people, and want to make sure that they are authorized. These items constitute $15K of the $25 K in expenses. Is this ok?²²¹

Abramoff replied, “One is the finders [sic] fee for Chapman and the other is one I will tell you about. they [sic] come out of our retainer, and should not be listed to the client ever. Please make sure they are never on the bill which goes to them.”²²²

When Gibson alerted Abramoff to the possibility that Chapman’s fees might have appeared on the previous bill, Abramoff panicked: “This is a disaster!!!!!!!”²²³ Gibson subsequently allayed Abramoff’s fears by assuring him Chapman’s fees had only appeared on the draft bill.²²⁴

Just what was the nature of the payments to Chapman and Sierra Dominion, and why was Abramoff determined for them not to appear on the Agua Caliente’s bill? The rest of this Chapter attempts to answer these questions.

1. Payments to Chapman

Shortly after the 2002 Agua Caliente election, Chapman inquired: “What are you thinking the terms of a consultancy might be? Curious, and want to know what the incentives might be in assisting you in landing new clients – especially, since I may be able to pitch your services later tonight!”²²⁵

Abramoff responded:

I think we can organize $10/month on a Agua Caliente sized representation (the firm’s profit on that kind of representation is

²²¹Email between Duane Gibson, Greenberg Traurig, and Jack Abramoff, Greenberg Traurig (GTG-E000057623) (November 12, 2002).

²²²Id.

²²³Id.

²²⁴Id.

²²⁵Email between Michael Chapman and Jack Abramoff, Greenberg Traurig (GTG-E000057342) (July 12, 2002).
around 20$, which is $30k/month, and I can probably get them to give up 1/3 of that). On the grassroots budget, it is a little trickier, because the margin is very tight (Mike gets his fee from the Greenberg side), and most of that is spend [sic] as direct costs.\textsuperscript{226}

After the Agua Caliente approved Greenberg Traurig’s contract, Abramoff wrote to Scanlon: “We should give this guy [Chapman] a small tip out of the gimme five money too. I want him to have mega incentive to scan the nation and hook us up with all his friends.”\textsuperscript{227} Chapman told the Committee during his interview that Abramoff told him that “he would take care of me” once Abramoff secured Agua Caliente as a client.\textsuperscript{228} Chapman claimed that Abramoff did not make this offer, until after Abramoff and Scanlon had secured contracts with the Tribe.\textsuperscript{229}

Shortly thereafter, Chapman once again inquired into the “consulting” arrangement: “I am eager to learn what the final dynamics of a consultancy might be with Greenberg, while also hearing what might be a practical consideration for the political organizing contract.”\textsuperscript{230} Abramoff immediately wrote to Scanlon: “This guy delivered for us. he [sic] wants to know what he can get from the pot. I will give him $10k/month from GT, but we should give him a tip from the grass roots. I think we should do $100k, but not from the first traunche. I told him that you budget this stuff very, very tightly, but might be able to eek out something. I don’t want to waste money, but he clearly has a lot of contacts and could get us a ton of biz.”\textsuperscript{231} That same day, Abramoff reverted to Chapman, and committed to giving him “additional funds on the effort at Agua” that would “run the life of the representation of Agua.”\textsuperscript{232}

Chapman confirmed to Committee staff that Abramoff had Greenberg Traurig pay him

\footnotesize

\textsuperscript{226}Id.

\textsuperscript{227}Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000057372) (July 9, 2002).

\textsuperscript{228}Interview of Michael Chapman, by telephone (March 31, 2006).

\textsuperscript{229}Id.

\textsuperscript{230}Email from Michael Chapman to Jack Abramoff, Greenberg Traurig (GTG-E000059446) (July 24, 2002).

\textsuperscript{231}Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000059446) (July 24, 2002).

\textsuperscript{232}Email from Jack Abramoff, Greenberg Traurig, to Michael Chapman (GTG-E000059444) (July 24, 2002).
$10,000/month.\textsuperscript{233} Beginning in September 2002 and ending in March 2004, Chapman submitted invoices to Greenberg Traurig for payment. The invoices requested payment of a $10,000 retainer, which was purportedly “associated with work on the Agua Caliente Band of Cahuilla Indians’ account.”\textsuperscript{234}

Per Abramoff and Gibson’s instructions, Greenberg Traurig paid Chapman a total of $171,482.48\textsuperscript{235} over the course of the Agua Caliente retainer. The payments are detailed below:

\textit{Payments from Greenberg Traurig to Michael Chapman}

\begin{itemize}
  \item 09/13/02 $10,489.81
  \item 10/10/02 $10,000.00
  \item 11/25/02 $10,000.00
  \item 02/04/03 $10,000.00
  \item 03/11/03 $10,000.00
  \item 03/17/03 $10,000.00
  \item 04/11/03 $10,000.00
  \item 07/08/03 $10,000.00
  \item 08/06/03 $20,992.67
  \item 08/11/03 $10,000.00
  \item 09/22/03 $10,000.00
  \item 10/31/03 $10,000.00
  \item 12/19/03 $20,000.00
  \item 01/26/04 $10,000.00
  \item 03/03/04 $10,000.00
\end{itemize}

Total $171,482.48

Except one request for expense reimbursement,\textsuperscript{236} the invoices from Chapman to Greenberg Traurig listed the purpose of the payment request as “Retainer which is associated

\textsuperscript{233}Interview of Michael Chapman, by telephone (March 31, 2006).


\textsuperscript{236}Michael Chapman document production (no Bates number) (entitled “Invoice from Michael Chapman to Greenberg Traurig”) (September 3, 2002 ).
with work on the Agua Caliente Band of Cahuilla Indians’ account.”

According to Chapman, Abramoff told him how to characterize and phrase the invoices to Greenberg Traurig. On internal Greenberg Traurig accounting forms, Abramoff described the payment as a consulting fee.

During its interview of Duane Gibson, Committee staff inquired into the nature of the services Chapman provided. Gibson, who was the Agua Caliente client manager, said that Chapman provided consulting services on the Agua Caliente account. He said he had substantive conversations with Chapman about issues affecting the Tribe before Congress.

During his interview with Committee staff, however, Chapman was unequivocal: the $10,000 was not a consulting fee and he did not provide substantive advice on issues facing the Agua Caliente or otherwise work on the Agua Caliente account. Chapman was clear that the money he received was a finder’s fee or referral fee, for helping Abramoff and Scanlon secure the Agua Caliente account and to help them secure other Tribal business. Chapman said he would also give Abramoff or Gibson a “heads up” whenever C. Patencio was getting frustrated because she could not reach them on the telephone. Chapman said he spoke with Gibson about once every other week, and did exchange e-mails with him. Chapman said that Gibson was interested in expanding Greenberg Traurig’s tribal business, and solicited Chapman for his suggestions for other, potential accounts.

________________________


240 Interview of Duane Gibson, former associate, Greenberg Traurig, in Washington, D.C. (March 17, 2006).

241 Id.

242 Interview of Michael Chapman, by telephone (March 31, 2006).

243 Id.

244 Id.

245 Id.

246 Id.
Around this time, Chapman said he told C. Patencio about his finder’s fee from Abramoff. C. Patencio likewise told the Committee that after the Agua Caliente had hired Abramoff, Chapman told her that Abramoff had put him on a retainer to help Abramoff land other tribal accounts. C. Patencio, however, did not know the amount, or that Abramoff was paying Chapman from the Tribe’s retainer.

Although Chapman submitted invoices ostensibly for work related to the Agua Caliente account, it appears from internal Greenberg Traurig billing records that Abramoff did not bill the payments to Chapman as expenses to the Tribe. Greenberg Traurig instead paid Chapman out of the monthly retainer funds it received as fees from the Tribe. It thus appears the Tribe was probably not injured in any meaningful way by this, if at all.

Chapman also received money from Scanlon’s Capitol Campaign Strategies (“CCS”), but not right away. After Scanlon secured the Agua Caliente representation, months passed and Chapman did not receive any payment from Scanlon. He then sent the following email to Abramoff: “I never received any inquiry at all from Scanlan [sic] – which I thought was a little strange, since he was ‘sitting pretty’ because of my intervention! . . . In fact, I was going to ask you to ask him for a campaign contribution, over and beyond the payment, since his firm seems to have benefitted the most from my Agua intervention!” Chapman continued, “I rely on your instincts and sense of necessity to guide my motivations!”

On October 8, 2002, Scanlon had CCS pay Chapman $100,000. Chapman, however, sought more. Just one day later, Chapman wrote Scanlon:

When Jack first broached the terms of a finder’s fee – we discussed this initial payment as the fee for the first $4 million and then if [sic] was necessary for you to go into the second phase and expend another

---

247 Interview of Michael Chapman, by telephone (March 31, 2006).

248 Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006).

249 Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006).

250 Email between Allison Bozniak, Greenberg Traurig and Jack Abramoff, Greenberg Traurig (GTG-E000034178) (September 12, 2002).

251 Email from Michael Chapman to Jack Abramoff, Greenberg Traurig (GTG-E000059566) (September 24, 2002) (emphasis added).

252 Id.
$4 million that another comparable fee would be forthcoming. Is this how you understand it? I know the tribe has approved $8 million in their budget in anticipation of a Phase II – let me know if we’re on the same page.  

The Committee finds no evidence establishing that Chapman received further payments from Scanlon or his companies.

2. Payments to Sierra Dominion

Sierra Dominion Financial Solutions, Inc. (“Sierra Dominion”) is a company located in Oakton, VA, and headed by Julie Doolittle. Over the course of the Agua Caliente retainer, Greenberg Traurig paid Sierra Dominion $66,690.42 as detailed below:

*Payments from Greenberg Traurig to Sierra Dominion*

- 09/20/02 $6,612.90
- 10/10/02 $5,000.00
- 11/25/02 $5,000.00
- 01/13/03 $10,077.52
- 07/02/03 $5,000.00
- 07/22/03 $5,000.00
- 08/06/03 $5,000.00
- 09/25/03 $5,000.00
- 11/25/03 $5,000.00
- 12/29/03 $5,000.00
- 01/26/04 $5,000.00
- 02/19/04 $5,000.00

**Total $66,690.42**

While Sierra Dominion apparently provided no services to or for the benefit of Agua Caliente, almost all of the money paid to Sierra Dominion came out of the monthly retainer that the Agua Caliente paid to Greenberg Traurig. So the Tribe was probably not injured in any

---

253Email from Michael Chapman to Michael Scanlon, Capitol Campaign Strategies (GTG-E000057596) (October 9, 2002).


255Email between Jack Abramoff, Greenberg Traurig, and Allison Bozniak, Greenberg Traurig (GTG-E000034178) (September 12, 2002); Email from Allison Bozniak, Greenberg
material way.

One payment of $5,000 to Sierra Dominion, however, was billed to the Agua Caliente as an expense in September 2002, and the Tribe, in fact, paid the expense in October 2002. This gives rise to concerns that Abramoff defrauded the Tribe, because the payments were not used for the benefit of the Agua Caliente; rather, Abramoff apparently hired Doolittle to work on an event, “The Spy Game” at the Spy Museum in Washington, D.C., which Abramoff wanted as a fundraiser for his personal charity, the Capital Athletic Foundation (“CAF”).

The event was originally scheduled for March 26, 2003. The event was supposed to honor Jim Kimsey, AOL Founding CEO and Chairman, with CAF’s “Lifetime Achievement Award.” The CAF advertised that participants would “win up to $50,000 in prizes.” Prizes included airline vouchers, portable DVD players, digital cameras, and tickets for Wizards [basketball], Caps [hockey], and Redskins [football] games. Abramoff also considered a trip to Scotland as a prize.

TheSpy Museum event never happened. According to a CAF notice listing Doolittle as the Director of Community Relations for the CAF, the event was postponed due to the United States’ commencement of military operations in Iraq.

There is no evidence that Doolittle knowingly participated in Abramoff’s funding arrangement. To the contrary, the Committee possesses evidence that Abramoff attempted to conceal his funding source from Doolittle. In June 2003, Doolittle inquired about the status of

Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000057489) (September 30, 2002).

256 Email from Joe Reeder, Greenberg Traurig, to Rudy DeLeon (GTG-E000121933) (March 7, 2003).

257 Id.

258 Id.

259 Email between Allison Bozniak, Greenberg Traurig, and Jack Abramoff, Greenberg Traurig (GTG-E000121929) (March 7-9, 2003).

260 Email between Jack Abramoff, Greenberg Traurig, and Allison Bozniak, Greenberg Traurig (GTG-E000121929) (March 8, 2003)

261 See “The Capital Athletic Foundation’s ‘The Spy Game’ Important Event Update” (undated).
her retainer. Abramoff’s assistant Linsey Crisler responded, “Accounting tells me that your check in processed [sic], but we are waiting for the client to pay their bill before we can distribute any funds. As soon as we have their money wired to us, your check will be cleared for payment.”

Although true, Abramoff scolded Crisler, “This is not OK with me. I want her paid asap. She [sic] should not be told that her payments are dependent on anything. Who told you that?”

Crisler explained, “I was told by Accounting that we couldn’t pay any bills to outside consultants if there wasn’t money in the retainer.”

Abramoff replied, “Thanks. just [sic] make sure she is not unpaid at any point or told that her payment is dependent on anything.”

When Doolittle told Crisler, that she “was not aware that my retainer was dependent on the payment from a client,” Abramoff assured her, “It is absolutely not dependent.” He then assured Doolittle, “I will speak with Linsey to get this moving.”

---

262 Email between Julie Doolittle, Sierra Dominion Financial Solutions, and Linsey Crisler, Greenberg Traurig (GTG-E000069554) (June 30, 2003).

263 Id.

264 Email from Jack Abramoff, Greenberg Traurig, to Linsey Crisler, Greenberg Traurig (GTG-E000069554) (July 7, 2003).

265 Email from Linsey Crisler, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000069550) (July 7, 2003).

266 Email from Jack Abramoff, Greenberg Traurig, to Linsey Crisler, Greenberg Traurig (GTG-E000069550) (July 7, 2003).

267 Email from Julie Doolittle, Sierra Dominion Financial Solutions, to Linsey Crisler, Greenberg Traurig (GTG-E000069555) (July 6, 2003).

268 Email from Jack Abramoff, Greenberg Traurig, to Julie Doolittle, Sierra Dominion Financial Solutions (GTG-E000069555) (July 6, 2003).

269 Email from Jack Abramoff, Greenberg Traurig, to Julie Doolittle, Sierra Dominion Financial Solutions (GTG-E000069551) (July 7, 2003).
J. Conclusion

Following The Washington Post article, in February 2004, Agua Caliente Chairman Milanovich met with Scanlon in Washington, D.C.\(^{270}\) At the meeting, Milanovich recalled, Scanlon described the article as an attack piece, and asked the Tribe to write a letter to The Post to help Scanlon and Abramoff.\(^{271}\) The Tribe declined to do so.\(^{272}\)

Subsequently, during a telephone conversation with Duane Gibson, Milanovich recalled Gibson also asking the Tribe to send a similar letter to The Post in support of Abramoff.\(^{273}\) Indeed, Milanovich told Committee staff, Gibson said he hoped the Tribe would not cooperate with this Committee’s investigation.\(^{274}\) When asked, Gibson did not recall ever expressing a preference on whether the Tribe should cooperate with the Committee’s investigation.\(^{275}\)

At the beginning of April, the Tribe suspended its contracts with Greenberg Traurig and Scanlon Gould.\(^{276}\) Concerning attempts to manipulate the Tribal elections, the Tribe suspended certain individuals from ay appointed role in Tribal government.\(^{277}\)

\(^{270}\) Interview of Richard Milanovich, Chairman, Agua Caliente Band of Cahuilla Indians, by telephone (September 16, 2004).

\(^{271}\) Id.

\(^{272}\) Id.

\(^{273}\) Id.

\(^{274}\) Id.

\(^{275}\) Interview of Duane Gibson, former associate, Greenberg Traurig, in Washington, D.C. (March 17, 2006).


\(^{277}\) Id.
CHAPTER V
YSLETA DEL SUR PUEBLO (TIGUA)

ABRAMOFF:  Fire up the jet baby, we’re going to El Paso!!
SCANLON:  I want all their MONEY!!

Email between Jack Abramoff and Michael Scanlon, February 6, 2002

I wish those moronic Tiguas were smarter in their political contributions.  I’d love us to get our mitts on that moolah!!  Oh well, stupid folks get wiped out.

Email from Jack Abramoff to Ralph Reed, February 11, 2002

A rattlesnake will warn you before it strikes.  We had no warning.  They did everything behind our back.

Carlos Hisa, Lieutenant Governor, Ysleta del Sur Pueblo, commenting on Abramoff and Scanlon, November 17, 2004

A. Introduction

“Is life great or what!!!” exclaimed Jack Abramoff to his friend and business partner Michael Scanlon on February 19, 2002.¹ Few would have quibbled with Abramoff at the time. The two men enjoyed a secret partnership, their self-styled “gimme five” scheme. In less than one year, it had yielded $6 million in ill-gotten gains. Over the next couple years, it would generate almost $36 million more. In February 2002, the money flowed; life was indeed great for Jack Abramoff and Michael Scanlon.

At the same time, life was not so good for the Ysleta del Sur Pueblo Indian Tribe of El Paso, Texas (“Tigua”).² The Tribe was fighting for its financial life in the Texas courts and legislature, trying to keep open the doors to its Speaking Rock Casino. Indeed, Abramoff penned

¹Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000001141) (February 19, 2002).

²From the pamphlet The Tiguas People of the Sun, obtained from the Tigua Indian Cultural Center: “Ysleta del Sur Pueblo is the historical and legal name of the American Indian tribe commonly known in the El Paso, Texas area as the ‘Tiguas’ or ‘Tigua Indians’. ‘Tigua’ or ‘Tihua’, an even older spelling, is the Spanish phonetic spelling of the term ‘Tiwa’ and is the name of the Indian language spoken by this tribe.”
his “Is life great or what” email in reaction to a front-page El Paso Times article reporting that the Tigua had just terminated 450 casino employees.3

At the beginning of 2002, little did the Tigua know that Abramoff and Scanlon had played a role in thwarting the Tribe’s efforts to keep open its casino. Little could the Tribe know that it would soon become another victim of the duo’s “gimme five” scheme.

B. Background on the Tribe

The Tigua are the only Pueblo tribe still residing in Texas.4 Although there are several versions of their migration to Texas, most believe that the Tigua were once inhabitants of Pueblo Gran Quivira, south of modern-day Albuquerque, New Mexico.5 In 1680 the Pueblo Indians revolted against the Spanish and drove them out of New Mexico.6 Some Ysleta Pueblo Indians either by force or by choice left with the Spanish and joined the first migration of Tigua from Gran Quivera in El Paso.7

The Tigua follow a typical Pueblo governing organization with a cacique or religious leader appointed by the tribal council, a governor, lieutenant governor, war captain, and tribal council working together to run the government.8

In 1751 the King of Spain granted the Tigua thirty-six square miles of land upon which

3Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000001141) (February 19, 2002).


they built their Pueblo and a mission, which is now the oldest mission in Texas.\textsuperscript{9} Through extreme poverty and deceit by land hungry speculators, the Tigua lost all of this land.\textsuperscript{10} However, in 1967 the State of Texas finally recognized the Tigua as a tribe.\textsuperscript{11}

In 1968, the Federal Government recognized the Tigua as an Indian tribe but simultaneously transferred responsibility for the Tribe to the State of Texas.\textsuperscript{12} Texas administered the Tribe's affairs, which included holding the Tribe's 100-acre reservation in trust and providing economic development funds to the Tribe.\textsuperscript{13} In 1983, however, Texas became concerned that its trust relationship with the Tribe violated state constitutional law.\textsuperscript{14} Consequently, the United States and the Tribe began the process of granting the Tribe federal trust status.\textsuperscript{15} The culmination of those efforts came in the form of the 1987 Restoration Act, which established a trust relationship between the Federal Government and the Tribe.\textsuperscript{16}

In 1993, the Tigua opened its Speaking Rock Casino near El Paso, Texas.\textsuperscript{17} This casino offered bingo games and Las Vegas-style gaming activities, and was a significant source of revenue for the Tribe.\textsuperscript{18} In 1999, however, based on an interpretation of the Tribe’s 1987 Restoration Act, the State of Texas brought a legal action challenging the Tribe’s ability to


\textsuperscript{11}Id.


\textsuperscript{13}Id.

\textsuperscript{14}Id.

\textsuperscript{15}Id.

\textsuperscript{16}Id.

\textsuperscript{17}Id.

\textsuperscript{18}Id.
operate the casino. The Restoration Act provides that “[a]ll gaming activities which are prohibited by the laws of the State of Texas are hereby prohibited on the reservation and on lands of the tribe.” The State of Texas argued that this provision prohibited the Tiguas from operating any type of gaming that was not allowed under Texas law, and that the gaming activities offered at the casino were prohibited by Texas law. The Fifth Circuit, in an unpublished opinion, affirmed a decision by the Texas district court agreeing with the State’s argument thereby forcing the Tribe to close its casino in 2002.

C. Abramoff, Scanlon, and Reed Work Against the Tigua

The Committee has seen no evidence suggesting that Jack Abramoff, Michael Scanlon, or Ralph Reed had any influence over the State of Texas’ decision to file suit against the Tigua in 1999. In fact, it was not until 2001, after the suit was well under way, that Abramoff and Scanlon took an interest in the Tigua and its fight with Texas.

Abramoff and Scanlon’s mutual client the Coushatta Tribe of Louisiana (“Louisiana Coushatta”) long understood that legalized gaming in Texas would erode its casino’s customer base and revenue. The majority of the Louisiana Coushatta casino’s customers are from Texas, particularly the Houston area.

While the State of Texas was pursuing its case to close the Tigua’s Speaking Rock Casino, press reports indicated that another tribe, the Alabama-Coushatta, was considering operate the casino.

---

19 Id.


22 “Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 109th Cong. at 113 (November 2, 2005) (prepared statement of David Sickey, Councilman, Coushatta Tribe of Louisiana).

23 Id.

24 Indians Bet on casino bills/Texas Legislature May Settle Legal Dispute Targeting Tribe’s Casino Plans, Houston Chronicle, March 25, 2001; Email from Wilson Padgett to DCChoctaw (SENCREA 10/04 000001) (March 26, 2001) (attaching James Kimberly’s text).
opening its own casino in eastern Texas. 25 Abramoff and Scanlon were insistent with the Louisiana Coushatta Tribal Council that Texas was on the verge of legalizing gaming. 26 Abramoff and Scanlon said that if the Tigua succeeded in its efforts to keep open its casino, the State of Texas would have no choice but to allow the Alabama Coushatta to have a casino. 27 The Tribe therefore authorized Abramoff and Scanlon to pursue anti-gaming efforts in Texas against the Tigua and the Alabama Coushatta. 28

To pursue a grassroots efforts against the Tigua, Abramoff turned once again to his long-time friend and business associate Ralph Reed. On November 12, 2001, Abramoff wrote to Reed: “Remember I mentioned the NIGC [National Indian Gaming Commission] today? We are going to get them on the Alabama Coushattas and I told our guy to get them on the Tiguas as well. Cornyn 29 needs to get Indians to lead the way. Let us help with that.” 30

Reed replied, “great work. Get me details so I can alert cornyn and let him know what we are doing to help him.” 31 Reed claimed he was already working with Ed Young, pastor of the Second Baptist Church of Houston, Texas, to mobilize the top pastors in Houston to provide cover for the State’s anti-gambling efforts. 32 According to Reed, “[W]e have over 50 pastors mobilized, with a total membership in those churches of over 40,000 – that includes second


27 Interview of William Worfel, former vice-chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

28 Id.

29 Cornyn is Texas Senator John Cornyn, who was then the Attorney General for the State of Texas.

30 Email between Jack Abramoff, Greenberg Traurig, and Ralph Reed, Century Strategies (GTG-E000023259-61) (November 12, 2001).

31 Id.

32 Id.
baptist, which has 12,000 members.”

In an effort to sway public opinion, the Tigua had earlier embarked upon a public relations campaign. Earlier that day, the Tigua had run articles in newspapers in Austin, Houston, Dallas, San Antonio and Fort Worth, imploring people to contact then-Texas Attorney General John Cornyn and “beg him to save our families.” The Tigua also ran a similar full-page ad in The Washington Post, in the form of a letter to the President.

Upon reading about the Tigua’s public relations campaign, Reed advised Abramoff, “i [sic] strongly suggest we start doing patch-throughs to perry and cornyn. [W]e’re getting killed on the phones.” Apparently, Scanlon had already started. Reed again claimed he had already mobilized 50 pastors to provide “moral support” to then-Texas Attorney General Cornyn.

On November 15, 2001, Isidro Garza, Chairman of the Kickapoo Tribe informed Abramoff that then-Texas Attorney General Cornyn was “fixing to get hammered in El Paso” and asked “are we prepared to have Ralph Reed move in?”

Abramoff replied, “Absolutely. Ralph and I spoke last night. Cornyn is supposed to call

________________________________________

33Email from Ralph Reed, Century Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000023274) (November 12, 2001).


35Id. Later that day, Abramoff forwarded an email from Isidro Garza to Reed. See Email from Jack Abramoff, Greenberg Traurig, to Ralph Reed, Century Strategies (GTG-E000023257) (November 12, 2001). Abramoff apparently believed that the Kickapoo nation would help them on Tigua. Id. To date, the Committee has not learned what, if any, assistance the Kickapoo nation rendered.

36Email between Ralph Reed, Century Strategies, and Jack Abramoff, Greenberg Traurig (GTG-E000023240) (November 13-14, 2001).

37Id.

38Id.

39Email between Isidro Garza, Kickapoo Traditional Tribe of Texas, and Jack Abramoff, Greenberg Traurig (GTG-E000023504) (November 15, 2001).
Ralph as soon as he can make it to a phone after El Paso. We should be in good shape.”

By December 2001, Reed apparently was not achieving satisfactory results. With respect to the Alabama Coushatta’s new casino, Abramoff wrote, “We are going to lose this client [Louisiana Coushatta] if we can’t get this thing closed. What can we do? What are they waiting for?”

Reed reported on everything he was doing to ensure the casino would be shut down, and added, “Let’s talk today about what else we might do. But if the client loses us in the meantime, they will not get anyone better to advance their cause.”

On January 7, 2002, Reed reported on his discussions with the Attorney General’s Office, adding “[h]ope these developments help with client”. Reed also reminded Abramoff that the information he had earlier passed on turned out to be true, and confirmed that he had gotten pastors riled up the week before to call the Attorney General’s office. Reed purportedly continued to supply Abramoff with information from the Attorney General’s office, claiming he was having direct conversations with the Texas Attorney General himself.

While the trio worked to support the State’s legal efforts, evidence also suggests that Abramoff, Scanlon, and Reed worked behind the scenes in Texas to quash the Tigua’s attempts at a legislative solution. In 2003, Abramoff boasted to a colleague:

A bill is moving (HB809) in the Texas state house which will enable the Indians in Texas to have totally unregulated casinos. It passed out of the house Criminal Jurisprudence Committee by a 6-2 vote.

The current Republican Speaker Tom Craddick is a strong supporter.

---

40 Id. Other than Abramoff’s e-mail, the Committee has seen no evidence that such a call occurred.

41 Email between Jack Abramoff, Greenberg Traurig, and Ralph Reed, Century Strategies (GTG-E000023491-93) (December 5, 2001).

42 Id.

43 Email from Ralph Reed, Century Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000010854) (January 7, 2002).

44 Id.

45 Email from Ralph Reed, Century Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000076007) (January 23, 2002).
Last year we stopped this bill after it passed the house using the Lt. Governor (Bill ratcliff) [sic] to prevent it from being scheduled in the state senate. 46

In fact, former Texas Lt. Governor Ratliff did refuse to schedule the legislation for a floor vote in the previous session, the state’s legal efforts succeeded, and the Tigua officially closed its casino on February 12, 2002. 47

It was a low point for the Tigua. According to Tribal representatives, the revenue generated by the Speaking Rock Casino had helped the Tribe lift its members out of poverty, had enabled the Tribe to provide education for its children and health care for its elders.48 It created hope where there was none. Into their desperation and despair entered Abramoff and Scanlon.

D. Abramoff and Scanlon Seek the Tribe’s Money

At the same time Abramoff and Scanlon were working to have the Tigua’s casino in El Paso closed, they began actively soliciting the Tigua for money to re-open its casino. According to an internal memorandum from Norman J. Gordon to Tom Diamond, both of whom were outside counsel for the Tigua:

I had a telephone conversation this afternoon with Bryant Rogers, a lawyer in Santa Fe, who represents a number of Indian Tribes. He advises me that he was asked by Mr. Jack Abramoff, a lobbyist in Washington, D.C. whether the Tiguas were attempting a solution to the order that may be outside the courts. According to Mr. Rogers, Mr. Abramoff is with a firm that is well connected to the Bush Administration (Greenberg Trauring [sic] Firm in Washington, D.C. which represented the Bush Campaign in the Florida dispute-lobbying arm) and has been effective in the past in efforts for other tribes. He is willing to come to El Paso and meet with the Council at no cost to discuss whether he can be of assistance. His phone number is

46Email from Jack Abramoff, Greenberg Traurig, to Shawn Vasell, Greenberg Traurig (GTG-E000076245) (February 27, 2003).


48Id.
Meanwhile, Reed forwarded to Abramoff an email from one of Reed’s Texas operatives reporting that the operative “[j]ust spoke with a source close to the Attorney General who tells me they anticipate either February 8 (this Friday) or February 11th – next Monday – will be the date Judge Eisele shuts down the Tigua casino. His order would dispatch federal marshals to the facility to close it.” In forwarding Reed’s email to Scanlon, Abramoff was clear about his lack of care and concern for the Tigua’s plight: “Whining idiot. Close the f’ing thing already!”

Despite his disdain, the very next day, Abramoff was quickly on the telephone with Tigua public relations representative Marc Schwartz seeking the Tigua’s business. During their first telephone conversation, Abramoff lamented over the Tigua’s plight, and offered to visit the Tribe in El Paso to discuss a solution to the Tigua’s problem. According to Schwartz, Abramoff “expressed his indignation over what had occurred with the tribe and specifically referred to the need to right the terrible injustice that had been brought upon the tribe.”

To Schwartz, Abramoff appeared to have the right credentials. Abramoff claimed to be a close friend of Congressman Tom DeLay. He also discussed his friendship with Reed,


50 Email from Ralph Reed, Century Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E006970-JA) (February 5, 2002).

51 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E006970-JA) (February 5, 2002).

52 “Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 108th Cong. at 228 (November 17, 2004) (statement of Marc Schwartz, president, Partners Group Consultants).


54 “Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 108th Cong. at 228 (November 17, 2004) (statement of Marc Schwartz, president, Partners Group Consultants).

recounting some of their history together at College Republicans.\textsuperscript{56} When Schwartz observed that Reed was an ideologue, Schwartz recalled that Abramoff laughingly replied “as far as the cash goes.”\textsuperscript{57} Abramoff also mentioned his representation of the Mississippi Band of Choctaw Indians (“Choctaw”) and his ability to get appropriations for them.\textsuperscript{58}

Abramoff “offered the service of both himself and his firm at no charge.”\textsuperscript{59} He later expressed a hope that the Tribe would hire him, if he succeeded in achieving a Federal legislative fix.\textsuperscript{60}

After his call with Schwartz, Abramoff told Scanlon, “Fire up the jet baby, we’re going to El Paso!!”\textsuperscript{61}

Scanlon replied, “I want all their MONEY!!!”\textsuperscript{62}

Later that day, Reed sent Abramoff the Saturday copy of an \textit{El Paso Times-News} article reporting that the Tigua had filed for a stay of the closing of its casino while the Tribe’s appeal was pending before the Fifth Circuit Court of Appeals with the note “here’s the latest move, just as we predicted.”\textsuperscript{63}

On February 7, 2002, Schwartz reported to Tigua Governor Albert Alvidrez, Lt. Governor Carlos Hisa, and the Tribal Council that he “spoke with Mr. Abramoff this morning and he would like to make a short presentation to the Council next week. He could be in El Paso for a

\begin{footnotes}
\item[56] Id.
\item[57] Id.
\item[58] Id.
\item[59] “Tribal Lobbying Matters,” \textit{Hearings before the Committee on Indian Affairs}, 108th Cong. at 228 (November 17, 2004) (statement of Marc Schwartz, president, Partners Group Consultants).
\item[60] Id.
\item[61] Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E0075991) (February 6, 2002).
\item[62] Id.
\item[63] Email from Ralph Reed, Century Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E006969-JA) (February 6, 2002).
\end{footnotes}
meeting on Tuesday.” Schwartz scheduled the meeting with Abramoff and the Tigua leadership for Tuesday, February 12, 2002, at the Tribal Council offices for Abramoff to make “a short presentation on his capabilities.”

Before meeting with Abramoff, the Tigua undertook some due diligence, reviewing stories about Abramoff in *The New York Times* and *The Wall Street Journal.* The articles described Abramoff as an “uber lobbyist.” The Tigua also reviewed information about the law firm Greenberg Traurig, which the Tribe determined was one of the top law firms, and concluded that Abramoff’s “credentials appeared to be extremely legitimate.” At a Tribal Council meeting, the Tribe considered Abramoff’s credentials: he was a top notch lobbyist; he represented the Choctaw, widely known and respected in Indian country; and, his firm had represented President Bush in the 2000 presidential election dispute.

Meanwhile, Abramoff and Scanlon continued to monitor the Tigua’s fight. On Saturday, February 9, 2002, the *El Paso Times-News* reported that, following the Fifth Circuit Court’s denial of the Tigua’s application for a stay pending appeal, the Tigua intended to file an

---

64 Marc Schwartz document production (no Bates number) (February 7, 2002) (Memorandum from Marc Schwartz, Partners Group Consultants, to Governor Albert Alvidrez, Lt. Governor Carlos Hisa, and Tribal Council, Ysleta del Sur Pueblo).

65 Marc Schwartz document production (no Bates number) (February 8, 2002) (Memorandum from Marc Schwartz, Partners Group Consultants, to Governor Albert Alvidrez, Lt. Governor Carlos Hisa, and Tribal Council, Ysleta del Sur Pueblo); see also Marc Schwartz document production (no Bates number) (February 10, 2002) (Memorandum from Marc Schwartz, Partners Group Consultants, to Governor Albert Alvidrez, Lt. Governor Carlos Hisa, and Tribal Council, Ysleta del Sur Pueblo).


emergency request to the United States Supreme Court. Concerned by the Tigua’s latest actions, Scanlon wrote to Abramoff: “Uh oh?” and Abramoff responded, “We have to strategize on this one.”

A day or so before Abramoff’s meeting with the Tribe, Abramoff called Schwartz to inform the Tribe that he was bringing Michael Scanlon, whom he called an associate. Abramoff said that Scanlon was Congressman DeLay’s former spokesman. Abramoff called Scanlon one of his best friends; said they worked together all the time; and, claimed that Scanlon was one of the pre-eminent political strategists in the nation.

During their conversation, Abramoff never called Scanlon his business partner. According to Schwartz, Abramoff was always very careful to make it clear to the Tigua that “you’re hiring Scanlon independently. I use him because he’s the best. He has his own company.” Abramoff never disclosed that he and Scanlon were partners; never said he would receive money from Scanlon that the Tigua paid; and, never mentioned any referral fee from Scanlon. To the contrary, when Schwartz asked whether Scanlon Gould was connected to Abramoff, Abramoff replied “no.”

The day he was supposed to meet with the Tigua leadership, Abramoff’s disdain for the

---

70Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000000353) (February 9, 2002).

71Id.

72“Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 108th Cong. at 239 (November 17, 2004) (statement of Marc Schwartz, president, Partners Group Consultants).


74Id.

75Id.

76Id.

77Id.

78Id.
Tribe again surfaced. Reed had reported that the Tigua was prepared to close its casino. Reed highlighted for Abramoff “major victory . . . but note they plan a legislative battle now that they have lost in the courts.”

Abramoff responded, “I wish those moronic Tiguas were smarter in their political contributions. I’d love us to get our mitts on that moolah!! Oh well, stupid folks get wiped out.”

Abramoff and Scanlon met with the Tigua Tribal Council on February 12, 2002. Ironically, it was the same day that the Tigua’s casino was going to close. The meeting occurred at the Tribal Administration Building, and lasted forty-five (45) minutes. Attendees at the meeting included the Tribe’s then-Governor Albert Alvidrez, Schwartz, and Tribal attorney Tom Diamond. As Lt. Governor Hisa later learned, at that meeting, Abramoff made a proposal for a lobbying effort led by himself and Scanlon’s firm to gain a federal legislative fix to the Tigua’s problem.

The Tribe had no idea that Abramoff, Scanlon, and Reed had just worked to ensure the closure of its casino. According to Hisa, Alvidrez said that Abramoff disclosed his friendship

---

79 Email between Ralph Reed, Century Strategies, and Jack Abramoff, Greenberg Traurig (GTG-E006967-JA) (February 11-12, 2002).

80 Id.

81 Id.

82 “Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 108th Cong. at 228 (November 17, 2004) (statement of Marc Schwartz, president, Partners Group Consultants).

83 Id. at 239.


86 Id.

87 “Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 108th Cong. at 228, 239 (November 17, 2004) (statement of Marc Schwartz, president, Partners Group Consultants).
with Reed, but Abramoff said that Reed was “crazy, like other folks in the Christian Coalition.”

According to Tom Diamond, counsel to the Tigua, Abramoff also claimed that as Reed was leading the anti-gambling efforts among Christian conservatives, Reed was supplying Abramoff with information about the effort and, therefore, Abramoff knew their strategy.

Abramoff also disclosed his representation of the Louisiana Coushatta, but said the Louisiana Coushatta did not have any problem with the Tigua. Abramoff bragged about getting the Choctaw millions of dollars in appropriations.

During the Committee’s hearing, Schwartz testified that Abramoff introduced Scanlon as “the preeminent expert in grassroots politics and that with his experience with Representative Tom DeLay had developed a reputation as ‘the go-to guy for the most difficult campaigns.’” According to Schwartz, Abramoff further described Scanlon as a “bulldog”, “tenacious”, “people were afraid of him”, he was “DeLay’s attack dog,” and was one of the reasons that Congressman DeLay was so successful. According to Lt. Governor Hisa, Scanlon claimed he would try to convince Representative DeLay to work for the Tigua’s benefit and try to use Representative DeLay’s credibility to convince other representatives to support the Tigua.

Abramoff said that Scanlon did the groundwork on his projects. When Schwartz asked

91 Id.
92 “Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 108th Cong. at 228 (November 17, 2004) (statement of Marc Schwartz, president, Partners Group Consultants).
whether Abramoff used Scanlon exclusively, Abramoff said that he liked to use Scanlon for the tough fights: “He always gets results”, recalled Schwartz.\textsuperscript{96}

At that first meeting, Scanlon said he worked in public affairs and direct response.\textsuperscript{97} Scanlon explained grassroots campaigns, and how he could get thousands of telephone calls to flood a senator’s office, or even the President’s office.\textsuperscript{98} Scanlon claimed he was “DeLay’s guy” and had an ongoing relationship with Congressman DeLay.\textsuperscript{99}

Abramoff and Scanlon proposed a nationwide political campaign for the Tigua.\textsuperscript{100} The duo brought a laptop with an example of the database they were proposing to construct for the Tigua.\textsuperscript{101} Abramoff told the Tribe that his plan was to have a friendly lawmaker sneak some fairly innocuous language into a federal bill permitting the Tigua to re-open the Speaking Rock Casino.\textsuperscript{102} But the Tribe would have to make contributions to grease the process: “You have to have some friends,” Schwartz recalled Abramoff saying.\textsuperscript{103}

Schwartz further recalled Abramoff saying “my part is easy; the hard part is keeping this from being undone. Once the law is printed, someone’s going to know it and that’s where Mike comes in.”\textsuperscript{104} Abramoff described Scanlon’s role as a submarine: once the bill passed, opponents would try to strip it or repeal it.\textsuperscript{105} Abramoff said that Scanlon’s operation would then surface.

\textsuperscript{96}Id.
\textsuperscript{97}Id.
\textsuperscript{98}Id.
\textsuperscript{99}Id.
\textsuperscript{100}Id.
\textsuperscript{101}Id.
\textsuperscript{102}Id.; Interview of Carlos Hisa, Lieutenant Governor, Ysleta del Sur Pueblo, in El Paso, Texas (October 28, 2004).
\textsuperscript{103}Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).
\textsuperscript{104}Id.
\textsuperscript{105}Id.; Interview of Tom Diamond, Esq., Diamond, Rash, Gordon & Jackson, outside counsel, Ysleta del Sur Pueblo, in El Paso, Texas (October 28, 2004) (recalling Abramoff said that Scanlon would “bring them [opponents] in line”).
blanketing members’ offices with letters and phone calls, to “bring them in line.” Scanlon would implement this “submarine strategy” through the database he was supposedly going to construct for the Tribe.

Abramoff also said that he and Greenberg Traurig would represent the Tribe pro bono until the casino was up and running, but then wanted to represent the Tigua for $150,000 per month. Abramoff said he had done this arrangement before: he would work pro bono, but Scanlon had to be paid.

Speaking about the grassroots efforts, Scanlon said there was a necessity of money. Scanlon was going to write a proposal for the Tigua. Schwartz recalled Abramoff saying “you won’t pay me, you’ll pay him a lot”, indicating Scanlon. According to Schwartz, Abramoff said two or three times “I’m the only guy who’s gonna work for you and get results first and you pay second.” Abramoff said his efforts “couldn’t exist without Scanlon.” At the meeting, Abramoff and Scanlon suggested a ballpark figure of $5,000,000 for the plan, in addition to $1,000,000 in political contributions.

During that same meeting, Scanlon represented that his part in the campaign “would be

---


109 Id.

110 Id.

111 Id.

112 Id.

113 Id.

114 Id.

115 Id.
expensive, essential and exclusive.”

The Tribe had no understanding that Scanlon would pay Abramoff out of the funds paid to him by the Tribe. The Tribe never paid Abramoff any money. In discussing the project, Abramoff conveyed a sense of urgency. At the meeting, Abramoff again insisted the proposal was critical, that it needed to be done, the Tribe needed this defense, and Scanlon had done this before.

At that meeting, neither Abramoff nor Scanlon disclosed that they were partners; that Abramoff had any type of financial interest in Scanlon’s operations; or, that Scanlon would pay Abramoff any part of what the Tribe paid Scanlon.

After Abramoff met with the Tigua leadership, Schwartz sent an email to Abramoff: “Certainly enjoyed your visit and efforts to help our client. I look forward to receiving your proposal and we will do everything possible to make it come to fruition.” Forwarding Schwartz’s email to Scanlon, Abramoff commented, “This guy NEEDS us to save his ass!!”

After Abramoff and Scanlon’s trip to El Paso, Abramoff pushed the Tigua to decide on Scanlon. Abramoff said that “bills were moving, timing is critical, he needed Scanlon


117 Id. at 242 (testimony of Carlos Hisa, Lieutenant Governor, Ysleta del Sur Pueblo).

118 Id.


120 Id.

121 Interview of Carlos Hisa, Lieutenant Governor, Ysleta del Sur Pueblo, in El Paso, Texas (October 28, 2004).

122 Email from Marc Schwartz, Partners Group Consultants, to Jack Abramoff, Greenberg Traurig (GTG-E006968-JA) (February 13, 2002).

123 Email from Jack Abramoff, Greenberg Traurig to Michael Scanlon, Capitol Campaign Strategies (GTG-E006968-JA) (February 13, 2002).

Abramoff insisted that if a bill moved quickly, he needed Scanlon in place working on the database along with some other elements of the strategy. At this point, Abramoff did not specify which lawmakers would help, or where the contributions would go.

Scanlon was responsible for drafting the Tigua strategy. On February 16, 2002, Scanlon reported to Abramoff that he was “still working - I’ll have it done befoer [sic] noon tomorrow so you can get it deon [sic] to schartz [sic].” The next day, Abramoff responded: “Dawg, we’re going to miss the meeting on Tuesday at this rate. Let’s not blow this one because we don’t get them a proposal. Get me something asap!”

Upon receiving the proposal, Abramoff sent Schwartz an email on February 18, 2002, reiterating that his and Greenberg Traurig’s services were free:

As we discussed, until we are able to achieve the Federal legislative fix, we at Greenberg Traurig will not be engaged by the tribe for services officially. All our work will be done on a pro bono basis. Once the legislation is signed by the President, we would anticipate the tribe engaging us to represent it at the Federal level and assist with efforts to obtain a class III compact. Our normal rate in our tribal government practice is between $125,000 and $175,000 per month.

Abramoff attached to his email to Schwartz a proposal entitled “Operation Open Doors”. According to the document, the “singular objective of our strategy is to open the doors of the Speaking Rock Casino within the next 4 months.” The document continued,

Our objective is clear, and in the following pages we are going to tell you exactly how we intend to reach our objective. Operation Open Doors is a massive undertaking fueled by a nation-wide political

---

125 Id.

126 Id.

127 Id.

128 Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG-E000010895) (February 16-17, 2002).

129 Id.

130 Greenberg Traurig document production (GTG-000076141) (February 18, 2002).

131 Id.
operation. This political operation will result in a Majority of both federal chambers either becoming close friends of the tribe or fearing the tribe in a very short period of time.

The network we our [sic] are building for you will give you the political clout needed to end around the obstacles you face in your own back yard. Simply put, you need 218 friends in the U.S. House and 51 Senators on your side very quickly, and we will do that through both love and fear.\textsuperscript{132}

The document represented that “they” had “waged similar strategies in the past that have been successful and we will wage many more in the years to come.”\textsuperscript{133} Although the document cautioned that the strategy was not “full proof”, it also emphasized that “under no circumstances do we believe it could be classified as high risk either.”\textsuperscript{134} According to the document: “As we presented in our initial meeting, we firmly believe that if you execute this strategy in its entirety, your doors will be open and gaming will return in the immediate future.”\textsuperscript{135} Scanlon requested a total amount of $5.4 million to execute its strategy.\textsuperscript{136}

On February 19, 2002, the \textit{El Paso Times} reported that 450 people received their final termination notice and 60-day severance packages one week after Tigua Tribal officials complied with a federal court order to shut down their Speaking Rock Casino.\textsuperscript{137} Scanlon forwarded the story to Abramoff with the preface “This is on the front page of todays [sic] while they will be voting on our plan!”\textsuperscript{138} Abramoff could hardly contain his excitement: “Is life great or what!!!”\textsuperscript{139} Mere minutes later, Abramoff sent another email to Scanlon: “1 hour 45 minutes and

\textsuperscript{132} \textit{Id.}

\textsuperscript{133} \textit{Id.}

\textsuperscript{134} \textit{Id.}

\textsuperscript{135} \textit{Id.}

\textsuperscript{136} \textit{Id.}

\textsuperscript{137} Email from Brian Mann, American International Center, to Michael Scanlon, \textit{et. al.}, Capitol Campaign Strategies (GTG-E000001141) (February 19, 2002).

\textsuperscript{138} Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG-E000001141) (February 19, 2002).

\textsuperscript{139} \textit{Id.}
counting my friend.”

Before voting on Operation Open Doors, the Tribe asked Abramoff and Scanlon to return. Abramoff therefore met with Tigua leadership again in El Paso on February 22, 2002. Abramoff was alone; Scanlon supposedly had health problems and was unable to attend.

At that second meeting, Abramoff made a proposal on the legislative strategy, including Operation Open Doors and the database to be developed by Scanlon Gould. Later that day, through Schwartz, the Tribal council requested that the cost of Operation Open Doors be reduced to $4.2 million. Abramoff accepted the Tribe’s counter-offer on Scanlon Gould’s behalf.

On March 5, 2002, the Tribe executed a contract with Scanlon Gould for the implementation of Operation Open Doors. In less than a month, the Tribe paid Scanlon $4,200,000.

Payments by Tigua to Scanlon Gould

- 03/05/02 $2,100,000
- 03/06/02 $817,000
- 03/26/02 $1,283,000
Total $4,200,000

Having collected about $4,200,000 from the Tigua during the relevant period, Scanlon

---

140 Email from Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000001140) (February 19, 2002).


144 Id.

145 Id.

E. Secrecy and Contributions

Secrecy was a key element of Abramoff and Scanlon’s program. According to Schwartz, Abramoff claimed, “Nobody can know I’m working on this deal. Stealth is the key.” Abramoff repeatedly emphasized that his involvement in the effort needed to be kept secret. Neither Abramoff nor any other lobbyist on his team registered with the Clerk of the House or the Secretary of the Senate as lobbyists for the Tigua. Abramoff claimed that part of the reason for representing the Tigua pro bono was to avoid filing the required lobbying disclosure forms. According to Schwartz, Abramoff explained that the lawmakers who would advance the legislative measure required secrecy.

When Schwartz sent a number of Tigua-related articles to a list of people—including Abramoff—Abramoff forwarded the articles to Scanlon with the note: “That fucking idiot put my name on an email list! what a fucking moron. He may have blown our cover!! Dammit. We are

______________________________

147 Discussion and analysis of how Abramoff and Scanlon successfully perpetrated their “gimme five” scheme on the Tribe, on an entity-by-entity basis, is contained in Part 2 of the this Report.


149 Id. at 238.


151 Id.


moving forward anyway and taking their fucking money.”

Another key component of the program, so Abramoff claimed, were the political contributions that Abramoff directed the Tigua to make. Abramoff gave the Tribe a list of contributions at the moment he made his presentation. According to Schwartz, “Those checks were required by Mr. Abramoff, directed that the Tribe do those immediately.”

During four or five conversations that Schwartz had with Abramoff between March 1-5, 2002, Abramoff said that political contributions were critical to the Tribe’s language going through. Abramoff told Schwartz that the Tribe needed to make the contributions to have lawmakers carry the Tribe’s water. Schwartz recalled Abramoff plainly saying that unless the Tribe made contributions, “it will not work” and “they will not vote for us.”

What Abramoff did not tell the Tribe was that he was going to use its contributions to achieve legislative results for other clients. On February 24, 2002, Abramoff’s associate Todd Boulanger wrote about the “Tigua Contribution Budget Proposal”:

I’m compiling this information now. How soon will be [sic] get this money . . . [sic] since we are going to use this to leverage our friends for this year’s approps requests, prior to March 20th is best, since March 22nd is the general deadline. We’re looking strong on the school for the Sagchips. $4.5 million in da-bank. call [sic] me at the office if you get this soon . . . .

---

154 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000053576) (February 25, 2002).


156 Id. at 237.

157 Id.

158 Interview of Marc Schwartz, president, Partners Group Consultants, by telephone (November 14, 2004).

159 Id.

160 Id.

161 Email from Todd Boulanger, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000076355) (February 24, 2002).
The Tribe contributed approximately $300,000 at Abramoff’s direction.\footnote{162}

F. Abramoff and his Colleagues Set the Plan in Motion In the House

On March 18, 2002, Tony Rudy, an Abramoff colleague and former Deputy Chief of Staff to Congressman Tom DeLay, told Abramoff, “We need to meet with ney [sic]. I think you should be in on it.”\footnote{163}

Abramoff responded, “I agree. when [sic] can we see him? We need to show him the list of those to whom they [the Tribe] gave. Was he on it? if [sic] not, find out the name of his PAC and his personal committee with addresses and we’ll get checks right now.”\footnote{164}

Two days later, Abramoff exclaimed to Scanlon, “Just met with Ney!!! We’re f’ing gold!!!! He’s going to do Tigua.”\footnote{165}

At the hearing before the Committee, Schwartz testified that Abramoff reported in March 2002 that he and has staff had spoken to Representative Bob Ney, who allegedly agreed to carry the Tigua provision by placing it in the Election Reform Bill.\footnote{166}

Congressman Ney had a different recollection of events. According to Congressman Ney, Abramoff told him that Senator Dodd wanted to insert a provision into the Election Reform Bill

\footnote{162}{“Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 108\textsuperscript{th} Cong. at 236 (November 17, 2004) (testimony of Carlos Hisa, Lieutenant Governor, Ysleta del Sur Pueblo).}

\footnote{163}{Email between Tony Rudy, Greenberg Traurig, and Jack Abramoff, Greenberg Traurig (GTG-E000089648) (March 18, 2002).}

\footnote{164}{Id.}

\footnote{165}{Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000076443) (March 20, 2002).}

\footnote{166}{“Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 108\textsuperscript{th} Cong. at 229 (November 17, 2004) (statement of Marc Schwartz, president, Partners Group Consultants). The actual name of the bill was the Help America Vote Act of 2002, Public Law 107-252.}
that would benefit a gaming tribe in Connecticut.\(^{167}\) Congressman Ney said there was never any mention of any Tribe in El Paso, Texas and no reference to any Tigua Indian tribe.\(^ {168}\) As of the date of his interview with Committee staff, Congressman Ney said he was not at all familiar with the Tigua.\(^ {169}\)

To effect his legislative strategy, Abramoff enlisted other lobbyists at Greenberg Traurig, including Neil Volz, Jon van Horne, and Shawn Vasell.\(^ {170}\) In particular, Volz was the former chief of staff to Congressman Ney and staff director for the House Committee on Administration, which Congressman Ney chaired at the time.\(^ {171}\) Volz went to work for Team Abramoff at Greenberg Traurig on February 19, 2002.\(^ {172}\)

According to Schwartz, Volz was supposedly working on the Tigua issue on the House side.\(^ {173}\) Abramoff told Schwartz that Volz, as Congressman Ney’s former chief of staff, was important to the process.\(^ {174}\) Schwartz remembered Abramoff saying that “Volz was Ney’s guy and was working it for Ney.”\(^ {175}\) Volz was on the Hill to get information and to influence the Conference Committee.\(^ {176}\) According to Abramoff, Volz was talking to Congressman Ney about

\[^{167}\text{Interview of Honorable Robert W. Ney, Member, United States House of Representatives, in Washington, D.C. (November 12, 2004).}\]

\[^{168}\text{Id.}\]

\[^{169}\text{Id.}\]

\[^{170}\text{Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).}\]

\[^{171}\text{Email from Mayra Zilio, to Jack Abramoff, Greenberg Traurig (GTG-E000089431) (February 8, 2002).}\]

\[^{172}\text{Email from Neil Volz, Greenberg Traurig, to himself (GTG-E000089433) (February 6, 2002). He was therefore subject to the one-year lobbying ban prohibiting him from lobbying both Congressman Ney and his office, as well as the Committee.}\]

\[^{173}\text{Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).}\]

\[^{174}\text{Id.}\]

\[^{175}\text{Id.}\]

\[^{176}\text{Id.}\]

163
the Tigua.\textsuperscript{177} Abramoff said that Volz had convinced Congressman Ney that supporting the effort was the right thing to do.\textsuperscript{178}

Schwartz met Volz twice while working on the Tigua issue.\textsuperscript{179} He also spoke to him in conference calls with Abramoff.\textsuperscript{180} According to Schwartz, Volz told him that Congressman Ney got involved in the Tigua project because of Volz.\textsuperscript{181} Volz was supposedly talking with Congressman Ney or his staff daily, Schwartz told Committee staff in his interview.\textsuperscript{182} Volz told Schwartz that he was working with Congressman Ney’s Chief of Staff and knew him by name.\textsuperscript{183}

Congressman Ney contradicted Volz’s representations to Schwartz. During his interview with Committee staff, Congressman Ney said that, aside from Abramoff, no one – including Volz – approached him about the provision that Abramoff had brought to his attention.\textsuperscript{184}

Meanwhile, on or about March 26, 2002, Abramoff called Schwartz and said that Congressman Ney had set up a new PAC called American Liberty.\textsuperscript{185} Abramoff said it was imperative that the Tribe send checks that day.\textsuperscript{186}

Abramoff and Schwartz had another conversation about the contributions.\textsuperscript{187} Volz was

\textsuperscript{177}Interview of Marc Schwartz, president, Partners Group Consultants, by telephone (November 14, 2004).

\textsuperscript{178}Id.

\textsuperscript{179}Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

\textsuperscript{180}Id.

\textsuperscript{181}Id.

\textsuperscript{182}Id.

\textsuperscript{183}Id.

\textsuperscript{184}Interview of Honorable Robert W. Ney, Member, House of Representatives, in Washington, D.C. (November 12, 2004).

\textsuperscript{185}Interview of Marc Schwartz, president, Partners Group Consultants, by telephone (February 22, 2005).

\textsuperscript{186}Id.

\textsuperscript{187}Id.
present during this conversation, Schwartz recalled. During the conversation, Volz chimed in that the checks needed to be delivered quickly. According to Schwartz, Abramoff said that the political contributions were necessary, often saying “this has to be done”, “this is not optional”, and went as far as to say that “in order to make this thing work, he [Ney] needs the money in his PAC so he can make contributions to members of his Committee to make it glide through.”

“This is not what I think you should do; this is what Bob needs to be done”, Schwartz remembered Abramoff saying.

After Schwartz’s conference call with Abramoff and Volz, Abramoff’s assistant Allison Bozniak sent Schwartz an email with information for donations to American Liberty PAC and Bob Ney for Congress. On March 27, 2002, the Tribe made the following contributions:

- $2,000 to Bob Ney for Congress
- $5,000 to American Liberty PAC Hard Money Account
- $25,000 to American Liberty PAC Soft Money Account

On April 12, 2002, Abramoff informed Schwartz that the Tigua language would be included in the Election Reform Bill.

G. Scanlon Purportedly Sets the Plan in Motion in the Senate

While Abramoff was lobbying the House, Scanlon was apparently responsible for supervising the lobbying of the Senate. To that end, he was supposedly hiring two Democratic

---

188 Id.
189 Id.
190 Id.
191 Id.
192 Email from Allison Bozniak, Greenberg Traurig, to Marc Schwartz, Partners Group Consultants (no Bates number) (March 26, 2002).
193 Tigua document production (no Bates number) (check from Tigua to “Bob Ney For Congress”) (March 27, 2002); Tigua document production (no Bates number) (check from Tigua to “American Liberty PAC Hard Money Account”) (March 27, 2002); Tigua document production (no Bates number) (check from Tigua to “American Liberty PAC Soft Money Account”) (March 27, 2002).
194 Interview of Marc Schwartz, president, Partners Group Consultants, by telephone (February 22, 2005).
operatives: Harold Ickes and Lottie Shackelford. On March 30, 2002, Abramoff instructed Scanlon, “Ickes has to move now. They might go to conference as soon as they get back. Let [sic] me know when he is ready. Ney is ready to approach Dodd, but is waiting to hear back from us first.”

Scanlon assured Abramoff, “Will do on this [sic]. Ill [sic] give u dat elater [sic].”

There apparently was some problem on Scanlon’s end, but he assured Abramoff, “OK – Im [sic] back in the driver seat – We got Dodds [sic] Finacne [sic] comitte [sic] chairman on board and we have the vice Char [sic] of the DNC – the one who actually sponsored the resolution now on the team.”

On April 18, 2002 Abramoff reported to Volz that “Dodd is ready.” He explained, “We need to get to Ney to give him the green light to raise it with Dodd whenever he wants.”

Volz responded, “Ney is in Florida this weekend, I talked with him yesterday and will talk with [then-House Administration Committee staff director] Paul [Vinovich] on Sunday to get teed up to get ready to implement.”

The next day, Rudy urged Abramoff, “We better get folks to talk to Dodd [sic].” Abramoff assured Rudy, “We’re all set. he [sic] is ready and Ney knows to chat with him now.”

195 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000089650) (March 30, 2002).

196 Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000089670) (April 1, 2002).

197 Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000089681) (April 15, 2002).

198 Email between Jack Abramoff, Greenberg Traurig, and Neil Volz, Greenberg Traurig (GTG-E000089698) (April 18, 2002).

199 Id.

200 Id.

201 Email between Tony Rudy, Greenberg Traurig, and Jack Abramoff, Greenberg Traurig (GTG-E000089701) (April 19, 2002).

202 Id.
Rudy also asked, “Is vinovich on board the tiquas [sic]?”

Including Volz in the exchange, Abramoff replied, “I think so. Ney told Neil he was going to tell him, right Neil?”

Volz reported that “Ney told vinovich last night and I will talk through with Paul on the golf course Sunday.”

It appears, however, that Scanlon had not paved the way in the Senate, as he had said. The Committee has seen no evidence suggesting, much less establishing, that Scanlon had hired Ickes. In fact, in a January 9, 2003 memorandum from Scanlon to Schwartz on the political campaign Scanlon supposedly waged on the Tigua’s behalf, nowhere does Scanlon mention Ickes. According to Scanlon,

We began to target Senator Dodd using a system of repeated contact from influential members of his political family. At the cornerstone of the project was the vice chairperson of the DNC and a member of his finance committee, Lottie Shackelford. Her support and access was critical for our ongoing efforts to influence the Senator. We directed her to make personal contact with the Senator throughout the campaign starting in April and lasting through the passage of the legislation in October.

Even Scanlon’s summary was not true. Brian Lunde, whom Scanlon used “as a silent sub[contractor] in letter-writing, legislative-monitoring, and other projects for his Tribal clients,” told Committee staff that Scanlon approached him in 2002 about the Tigua. Scanlon told Lunde that he was going to have an amendment inserted into the House version of Election

---

203 Email between Tony Rudy, Greenberg Traurig, and Jack Abramoff, Greenberg Traurig, and Neil Volz (GTG-E000089703-04).

204 Id.

205 Id.


207 See id.

208 Interview of Brian Lunde, formerly, Lunde & Burger, by telephone (November 16, 2004).
Reform, and wanted to know whether the provision had any chance in the Senate.\textsuperscript{209} Lunde told Scanlon that the Democratic National Committee ("DNC") had issued a resolution supporting the Tigua’s sovereignty.\textsuperscript{210} Lunde identified Senator Dodd as the key Senator on this issue; the question was if the provision was in the House version, would Senator Dodd support it.\textsuperscript{211}

Scanlon asked Lunde who knew Senator Dodd and could get the DNC’s position to him.\textsuperscript{212} Lunde identified Lottie Shackelford.\textsuperscript{213} Since Scanlon did not know Shackelford, he asked Lunde to have her advise Dodd’s office on the DNC’s position.\textsuperscript{214}

Lunde apparently called Shackelford about this in the fall of 2002.\textsuperscript{215} In their interviews with Committee staff, Shackelford and Lunde similarly recalled Shackelford’s role. Shackelford was supposed to do two things: (1) make sure Senator Dodd’s office was aware of the DNC’s resolution on the Tigua; and, (2) monitor the Election Reform Bill in the Senate.\textsuperscript{216} Lunde never discussed with Scanlon having Shackelford lobby Senator Dodd’s office for inclusion of the Tigua provision in the Senate version of Election Reform.\textsuperscript{217} Lunde, therefore, never asked Shackelford to lobby Senator Dodd or his office for inclusion of the Tigua language in the Senate’s version of Election Reform bill.\textsuperscript{218}

After speaking with Lunde, Shackelford called Sheryl Cohen, Senator Dodd’s Chief of

\textsuperscript{209}Id.

\textsuperscript{210}Id.

\textsuperscript{211}Id.

\textsuperscript{212}Id.

\textsuperscript{213}Id.

\textsuperscript{214}Id.

\textsuperscript{215}Interview of Lottie Shackelford, Democratic political consultant, in Washington, D.C. (November 12, 2004). Lunde could not recall when he first reached out to Shackelford.

\textsuperscript{216}Id.; Interview of Lottie Shackelford, Democratic political consultant, in Washington, D.C. (November 12, 2004).

\textsuperscript{217}Interview of Brian Lunde, formerly, Lunde & Burger, by telephone (November 16, 2004).

\textsuperscript{218}Id.; Interview of Lottie Shackelford, Democratic political consultant, in Washington, D.C. (November 12, 2004).
Shackelford recalled telling Cohen that “we” are hearing that an amendment may be attached to the House election Reform Bill to restore the Tribe’s sovereignty and told her the DNC supported the Tribe’s sovereignty rights. There was no discussion of the Tribe’s casino or the language that would allow the Tribe to re-open its casino. Shackelford told Committee staff she never spoke to Senator Dodd directly about the Tigua.

Cohen does not recall specifics of her conversations with Shackelford about the Tigua. Nevertheless, Cohen was clear she would have deemed any rider about the Tigua a “non-starter”, because it was not relevant to the bill. Consistent with Cohen’s recollection, Shackelford told Committee staff that Cohen told her that Senator Dodd did not want Election Reform bogged down by non-germane provisions. Indeed, when the bill went to conference, Lunde recalled telling Scanlon that Dodd’s chief of staff told Shackelford that no new provisions were going to make it into the legislation.

H. Things Begin to Unravel

On June 5, 2002, Schwartz provided the Tigua Governor, Lt. Governor, and Tribal Council with an update on Abramoff and Scanlon’s efforts in Washington, D.C., saying, “the conference committee staffs [were] meeting everyday to negotiate the issues in the bill.”

---

219 Id.
220 Id.
221 Id.
222 Id.
224 Id.
226 Interview of Brian Lunde, formerly, Lunde & Burger, by telephone (November 16, 2004).
Schwartz further advised, “Our portion is still agreed to and as you can see from the [Abramoff’s] e-mail, there is no problem with our part being kept on the bill.”

Meanwhile, Abramoff instructed Volz to give him regular updates on Election Reform.

Volz reported, “I talked to Paul yesterday and keep hearing the same thing”, and assured Abramoff “I am keeping in daily contact with Paul and Chet in Ney’s office on this.”

The following month, however, Volz reported to Abramoff and Rudy, “Election Reform negotiations have slowed. Ney, Paul, and Chet all think it is possible to finish negotiations before August, but now not likely until later.” Furthermore, according to Volz, “With that being said, Ney and Paul have said things are moving and would like to get all our specifics in line, so I am working to get a meeting with Tony and Paul and Bob this week to exchange specifics – since Paul was not in original meeting.”

The next day, Volz reported to Abramoff and Rudy:

I just talked with Ney, [sic] He is all set to meet you Tony at 2:00 at 1309 Longworth HOB today. He said he would meet with you first and then bring Paul [Vinovich] in for the meeting.... The question is, should Tony bring in the Tigua and the Alabama Coushatta language or just the specific Tigua language . . . . Please do not forward this, but you need to know I get the sense Bob is still a little jumpy on letting Paul in on the entire situation here, but knows he is the guy to place this language in the bill . . .

Abramoff continued his reports to the Tribe, as reflected in contemporaneous memoranda prepared by Schwartz. In mid-July, Schwartz reported that the conference report on the election

---

228 Id.

229 Email between Jack Abramoff, Greenberg Traurig, and Neil Volz, Greenberg Traurig (GTG-E000089758) (June 12, 2002).

230 Id.

231 Email from Neil Volz, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig, and Tony Rudy, Greenberg Traurig (GTG-E000089523) (July 10, 2002).

232 Id.

233 Email from Neil Volz, Greenberg Traurig, to Tony Rudy, Greenberg Traurig, copied to Jack Abramoff, Greenberg Traurig (GTG-E000206101) (July 11, 2002).
reform legislation had been reported and was “eligible for consideration”: “The two Chairmen (Congressman Ney and Senator Dodd) have requested floor time [for the bill] from their respective bodies for this week.”

In late July, Congressman Ney apparently approached Senator Dodd about the Tigua provision. Scanlon’s failure to get a commitment from Senator Dodd then became evident. On July 25, 2002, Abramoff sent Scanlon an urgent email:

I just spoke with Ney who met today with Dodd on the bill and raised our provision. Dodd looked at him like a “deer in headlights” and said he has never made such a commitment and that, with the problems of new casinos in Connecticut, it is a problem!!! Mike, please call me immediately to tell me how we wired this, or were supposed to wire it. Ney feels we left him out to dry. Please call me!!!

Neither Scanlon nor Abramoff ever advised the Tigua about the problems they were having in the Senate. To the contrary, Abramoff and Scanlon both said that it was moving along well. Indeed, the day after Abramoff’s urgent e-mail to Scanlon, Abramoff reported that “Senate Democrats and House Republicans are at odds over one issue that cropped up. The issue is whether the Justice Department (Democrats favor) or individual state’s Election Departments (Republicans favor) will have jurisdiction over precinct approval, ballot design, etc.”

Schwartz reported that “it doesn’t appear that the conference report will make it to the floor before recess.” Consequently, Abramoff sought a meeting between the Tigua and Congressman Ney.

---

234 Marc Schwartz document production (no Bates number) (July 18, 2002) (Memorandum from Marc Schwartz, Partners Group Consultants, to Tribal Council, Ysleta del Sur Pueblo).

235 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000076719) (July 25, 2001).

236 Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (February 22, 2005).


238 Id.

239 Id.
I. Abramoff Asks the Tigua to Finance a Golfing Junket to Scotland

Although Abramoff and Scanlon’s efforts on the Tigua’s behalf were failing, it apparently did not stop Abramoff from soliciting funds from Tigua for a golfing junket to Scotland.

On May 15, 2002, Abramoff advised his close friend Ralph Reed that "[t]he package on the ground is $4K per person. that [sic] covers rooms, tee times and ground transportation. One idea is that we could use one of my foundations for the trip—Capital Athletic Foundation—and get and make contributions so this is easier. OK?"\textsuperscript{240}

Reed responded, "OK but we need to discuss. It is an election year."\textsuperscript{241}

About a week later, Rudy informed Abramoff that “Ney may want to do Scotland.”\textsuperscript{242}

Almost two weeks later, as details of the trip were coming together, Abramoff told Rudy, “We need to lock. Try to nail 2 stars to go with us: ney [sic] for sure!”\textsuperscript{243}

When Rudy confirmed that he was trying, Abramoff asked him to “stay on this feverishly.”\textsuperscript{244}

Abramoff asked the Tigua to finance the trip. In an email to Schwartz entitled “our friend”, Abramoff wrote:

\begin{quote}
asked if we could help (as in cover) a Scotland golf trip for him and some staff (his committee chief of staff) and members for August. The trip will be quite expensive (we did this for another member – you know who) 2 years ago. I anticipate that the total cost – if he brings 3-4 members and wives – would be around $100K or more. I can probably get another one of my tribes to cover some of it. let
\end{quote}

\begin{footnotes}
\item[240] Email between Jack Abramoff, Greenberg Traurig, and Ralph Reed, Century Strategies (GTG-E000019854) (May 15, 2002).
\item[241] Id.
\item[242] Email from Tony Rudy, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000089721) (May 23, 2002).
\item[243] Email from Jack Abramoff, Greenberg Traurig, to Tony Rudy, Greenberg Traurig (GTG-E000089736-37) (June 4, 2002).
\item[244] Id.
\end{footnotes}
[sic] me know if you guys could do $50K and I’ll get them to do the other $50K, though I’ll have to get him to bring someone who has relevance to their matters – our friend does not as you can imagine. They would probably do the trip through the Capital Athletic Foundation as an educational mission. I have to start planning this now to make sure they can get tee times. Can you let me know if this would be OK, and possibly start to process it as a donation to Capital Athletic Foundation? Thanks.  

Schwartz testified before the Committee that he spoke with Abramoff about his request. During a telephone conversation before Abramoff sent the email, Abramoff told Schwartz that “our friend” referred to Congressman Bob Ney. Based on that same conversation, Schwartz understood that Representative Tom DeLay was the “you know who” who attended a trip two years before to Scotland. Abramoff never mentioned that CAF was a private charity or that he was involved in CAF. Abramoff described CAF as a group that arranged educational trips, junkets, and further described CAF as “a group that paid for golf outings.”

In a July 10, 2002 memorandum to Hisa, Schwartz wrote about Abramoff’s request:

The Chairman of the committee handling our issue, and several of his Congressional colleagues have had an opportunity presented to travel to Scotland for a fact-finding mission during the August recess. You will recall that he and his colleagues have committed themselves to a solution to the dilemma faced by the Tigua Tribe and Alabama-Coushatta Tribe.

Toward this end, I have determined that the cost of the delegation, their wives, and senior staff will be $100,000. Neither the Tiguas nor the Alabama-Coushattas has been solicited to underwrite this

---

245 Email from Jack Abramoff, Greenberg Traurig, to Marc Schwartz, Partners Group Consultants (GTG-E000076582) (June 7, 2001).


247 Id.


249 Id.
educational trip abroad, but I would strongly recommend that both Tribes consider a donation towards this effort.

The chairman is the one person who has taken on our issue and has single-handedly carried the effort to this point. I believe it would be a very powerful vote of confidence if this contribution were made. There is an educational foundation that will actually be sending the delegation abroad and if you and the Alabama-Coushatta Tribe were to divide this cost, it would send a very strong message to a very powerful member of the Congressional leadership team.250

Schwartz successfully convinced the Alabama-Coushatta to donate to the trip. Thanking the Alabama-Coushatta for their donation, Schwartz wrote: “Thanks to you and your Council for agreeing to assist in the effort. Your $50,000 check should be made payable to the Capital Athletic Foundation.”251 Because language favorably affecting the Alabama-Coushatta was supposed to be included along with the Tigua’s provision, the Alabama Coushatta donated $50,000 to the Capital Athletic Foundation, a private foundation established and operated by Jack Abramoff.252

The check was not forthcoming, however. Abramoff asked Schwartz about the status of the CAF money on August 2 and again on September 12.253 That Abramoff knew that his and Scanlon’s efforts on Election Reform were essentially dead in the water did not stop Abramoff from soliciting and accepting the money for the golf trip.

In an interview with Committee staff, Congressman Ney said he never requested


251Marc Schwartz document production (no Bates number) (July 18, 2002) (Memorandum from Marc Schwartz, Partners Group Consultants, to Chairman Kevin Battise, Alabama-Coushatta Tribe of Texas).

252Capital Athletic Foundation, 2002 Return of Private Foundations Form 990PF.

253See Email from Jack Abramoff, Greenberg Traurig, to Marc Schwartz, Partners Group Consultants (GTG-E000076845) (August 2, 2002); Email from Jack Abramoff, Greenberg Traurig, to Marc Schwartz, Partners Group Consultants ) (GTG-E000076899) (September 12, 2002).
Abramoff to ask the Tigua to finance his trip to Scotland. Of the trip, Congressman Ney said the CAF sponsored it, and that Abramoff did not tell him CAF was his private foundation. Congressman Ney said the purpose of the trip was to raise money for underprivileged kids in Scotland and Washington, D.C. The itinerary consisted of golfing, meeting two parliamentarians, and watching the Marine Band.

J. The Tribe Meets With Congressman Ney

At the Committee’s November 17, 2004, hearing, Schwartz testified, “As the election reform measure languished throughout the summer, Abramoff and Scanlon continued to report on substantial progress and a virtual guarantee of success. During that time, I requested a meeting between tribal representatives and Congressman Ney.” Abramoff set up the meeting for early August 2002.

According to Schwartz, Abramoff claimed that “Congressman Ney did not want his trip to Scotland brought up, as he would show his appreciation for the Tribe later.”

On August 14, 2002, representatives of the Tigua and Alabama-Coushatta met with Congressman Ney in Washington, D.C. Both Schwartz and Hisa recalled that the meeting

---

254 Interview of Honorable Robert W. Ney, Member, United States House of Representatives, in Washington, D.C. (November 12, 2004).

255 Id.

256 Id.

257 Id.


259 Id.

260 Id.

261 Marc Schwartz document production (no Bates number) (August 2, 2002) (Memorandum from Marc Schwartz, Partners Group Consultants, to Chairman Kevin Battise, Alabama-Coushatta Tribe of Texas).
lasted approximately one-and-a-half hours. In testimony before the Committee, Schwartz described Congressman Ney as “extremely animated about Mr. Abramoff and his ability as a representative lobbyist in the city.” According to Schwartz, Congressman Ney spoke about his district, the Tigua’s plight, the political ramifications for Republicans of the Tigua casino closing, and the federal legislative process, especially the process by which committee reports are done.

Schwartz also told the Committee that Congressman Ney gave them assurances that he was working to help the Tigua. Thereafter, Schwartz recalled Congressman Ney giving Lt. Governor Hisa and another tribal council member a tour of his hearing room. According to Lt. Governor Hisa, at that meeting (which was attended by not only Hisa but also Schwartz, Tribal Council Member Raul Gutierrez, Abramoff and Congressman Ney) Congressman Ney said that “everyone who needs to be involved, is on board.” Congressman Ney said that he and Senator Dodd were committed to getting the language in the bill and that he did not foresee any problem with the Tigua-related provision, Hisa recalled. Hisa also remembered that, about Abramoff, Congressman Ney said that he was a “good friend”; “you’re working with the right guy;” and “this is the man to work with for changes in Washington.”

According to Schwartz, Congressman Ney’s chief of staff gave Abramoff a huge bear

---

262 “Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 108th Cong. at 240-41 (November 17, 2004) (statement of Marc Schwartz, president, Partners Group Consultants); Id. at 231 (statement of Carlos Hisa, Lieutenant Governor, Ysleta del Sur Pueblo).

263 Id. at 241 (statement of Marc Schwartz, president, Partners Group Consultants).

264 Id.

265 Id.

266 Id.

267 Interview of Carlos Hisa, Lieutenant Governor, Ysleta del Sur Pueblo, in El Paso, Texas (October 28, 2004). Schwartz recalled that Congressman Ney’s chief of staff was also present but stayed for ten minutes. Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).


269 Id.
hug. 

Schwartz recalled that Congressman Ney went out of his way to say he would take care of the Tigua’s problems and kept calling the Tigua “deserving.”

During his interview with Committee staff, Congressman Ney said he was not familiar with the Tigua. He could not recall ever meeting with any member of the Tigua. When asked about a possible two-hour meeting, Congressman Ney said he “wouldn’t even meet with the President for two hours.” After the interview, counsel to Congressman Ney, who was present during the interview, indicated that, according to an internal email describing Congressman Ney’s calendar for the relevant period, a meeting was scheduled in Congressman Ney’s office with the “Taqua,” from 11:00 - 11:30 a.m.

K. Election Reform Passes Without the Tigua Provision

From August through October, Abramoff and Scanlon continued to report that the Senate would not be a problem, because Senator Dodd had allegedly agreed to include the Tigua language through his side. According to Senator Dodd and his staff, although Congressman Ney’s staff and Lottie Shackleford approached Senator Dodd’s office about including a provision that Senator Dodd termed “recognition,” Senator Dodd never agreed to include the Tigua provision in the Election Reform bill.

A little over one month later, Schwartz reported to the Tribal Council on another
conversation that he had with Abramoff. Schwartz was under the impression that “our language is in the report. We were asked by Chairman Ney to step up the support for the measure and, as I reported on Tuesday, Scanlon/Gould has achieved that.”

Weeks later, however, the Tigua’s efforts were dead in the water. The Tigua language was not included in the final Election Reform legislation or accompanying report. Abramoff told Schwartz that “Congressman Ney had reported Senator Dodd had gone back on his word and stripped the measure from the committee report.”

However, there was never any language helping the Tigua in any draft that came across the desk of Senator Dodd’s staff. Congressman Ney confirmed that no such language was ever inserted.

Shawn Maher, who worked for Senator Dodd during the relevant period, recalled that in the waning hours of the conference on election reform, Congressman Ney’s staff approached him about getting the Tigua fix into the report accompanying the bill. Maher said Paul Vinovich, former Staff Director to the House Committee on Administration, raised the issue, describing it as “a fix” to help a Southwestern tribe’s gaming. Maher recalled telling Vinovich that “that was not where his boss was.” According to Maher, Vinovich did not press the issue further.

---


278 Id.


281 Interview of Honorable Robert W. Ney, Member, United States House of Representatives, in Washington, D.C. (November 12, 2004).


283 Id.

284 Id.

285 Id.
In waning moments of election reform, Schwartz wrote to Abramoff: “Jack: Ney’s phone call tomorrow? Did we have a miracle and get back on? What’s next?”

Abramoff responded: “We did not get back on. We are strategizing on the Hill with Ney’s guys and other friends (recipients of contributions from the tribe included) at 1PM today. Call is on for tomorrow, but I don’t have the precise time yet. I’ll get it to you shortly.” Later that day, Abramoff wrote “Bob Ney will be available at 11 am East Coast time tomorrow, Tuesday. We will use our conference call facility.”

Schwartz told Committee staff that on October 8, the Tribe had a conference call with Congressman Ney that lasted 20-30 minutes. During that teleconference, Congressman Ney blamed Senator Dodd for the demise of the Tigua’s provision.

On October 8, the Tigua Tribal Council had a conference call with Congressman Ney, Jack Abramoff, Tom Diamond and Marc Schwartz. During that telephone conference, Schwartz testified, Congressman Ney expressed “disbelief that Senator Dodd had gone back on his word” and “further reported that he would continue to work on the issue and believed that the tribe was entitled to their gaming operation.”

During the call, according to Schwartz, Congressman Ney apologized for the Tigua provision not making it in the bill. Schwartz also recalled that Congressman Ney complained about Senator Dodd and expressed outrage over his alleged last-minute withdrawal of support. Congressmen Ney said he would not give up and

Email between Marc Schwartz, Partners Group Consultants, to Jack Abramoff, Greenberg Traurig (no Bates number) (October 7, 2002).

Id.

Id.


Id.

Id. See also “Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 108th Cong. at 230 (November 17, 2004).

Id.


Id.
he would work to get the Tigua language on other measures in 2003, Schwartz recollected. And, according to Schwartz, he also thanked the Tribe for its support and contributions.

L. The Elder Legacy Project

After the failed effort on Election Reform, Abramoff continued hounding the Tigua for more money. He proposed that the Tribe take out life insurance policies on its elders, with the proceeds to be paid to the Eshkol Academy, the all boys Jewish school that Abramoff had established. Abramoff intended the program, which he called the Elder Legacy Program, to generate lobbying funds to pay for Abramoff’s continued representation of the Tribe and provide funding for Eshkol. When Duane Gibson, an Abramoff associate at Greenberg Traurig working on the Project, reminded Abramoff that he could not use the insurance proceeds to lobby, Abramoff’s solution was to have the school use other funds to pay the lobbying fees.

Gibson told the Committee that the Elder Legacy Program was trying to leverage funds for Indian tribes, but mostly charities, by acquiring life insurance policies for the tribe or charity. The original pool of insureds were Indian tribes, Alaskan Natives, and black church elders.

Abramoff told Gibson that Ralph Reed was going to be the entree for the black churches, because Reed “knows the Southern Black Christian community.” Apparently, Abramoff pitched the idea to Reed, who thought it was viable.

---

295 Id.

296 Id.

297 See Email from Jack Abramoff, Greenberg Traurig, to Marc Schwartz, Partners Group Consultants (no Bates number) (March 26, 2003).

298 Id.


300 Id.

301 Id.

302 Id.; see also Email between Jack Abramoff, Greenberg Traurig, and Ralph Reed, Century Strategies (GTG-E000018092-93) (July 22, 2003) (wherein Reed writes “yes, it looks interesting. I assume you’ll set up a meeting in DC as a next step, or whatever we should do next, let me know.”).
According to Gibson, Abramoff said that the Tigua were “indebted to him because I [Abramoff] saved their asses and they want to do this for me.”\(^{303}\) Gibson believed “the whole Tigua thing was a perversion of the original purpose.”\(^{304}\) Although he was scheduled to meet with Schwartz in El Paso about the program, the meeting never took place.\(^{305}\) The reason: after initially, internally approving the idea, the Tribal Council decided not to move forward on it.\(^{306}\) Lt. Governor Hisa met with the Tribal elders, who rejected it.\(^{307}\)

M. Abramoff and Scanlon Attempt to Obstruct the Investigation

When *The Washington Post* articles about Abramoff and Scanlon were published in February 2004, Abramoff tried to downplay them: “The piece was the usual hit bullshit, but what’s new. Funny part (for me, not Mike) was that 60% of the over 300 emails I got thought it was a puff piece. Thank G-D for ADD!”\(^{308}\) In a telephone call, Abramoff assured Schwartz “that there was nothing to the articles, that it was certainly more of a witch hunt that a reporter had done.”\(^{309}\) Of the Committee’s proposed hearings, Abramoff said they “were nothing more than political payback.”\(^{310}\)

After the second article ran in *The Washington Post* about the relationship between Abramoff and Scanlon, Abramoff called Schwartz to say that the Tribe did not have to cooperate

---

\(^{303}\) Interview of Duane Gibson, Greenberg Traurig, in Washington, D.C. (March 17, 2006).

\(^{304}\) *Id.*

\(^{305}\) *Id.*


\(^{307}\) *Id.* at 236.

\(^{308}\) Email from Jack Abramoff, Greenberg Traurig, to Marc Schwartz, Partners Group Consultants (GTG-E000075963) (February 23, 2004).

\(^{309}\) “Tribal Lobbying Matters,” *Hearings before the Committee on Indian Affairs*, 108\(^{th}\) Cong. at 236 (November 17, 2004) (statement of Marc Schwartz, president, Partners Group Consultants).

\(^{310}\) *Id.*
in the Committee’s investigation.\textsuperscript{311} In the event that Committee counsel or investigators called the Tribe, Abramoff wanted the Tribe to speak with his lawyers first.\textsuperscript{312} Abramoff said that the Tribe had tribal sovereignty and that the Tribe did not need to cooperate with the Committee.\textsuperscript{313} Abramoff said that the Mississippi Band of Choctaw Indians were not cooperating with the investigation, and suggested that the Tigua not cooperate as well.\textsuperscript{314}

N. Conclusion

The $4.2 million that the Tribe regrettably paid Scanlon could have lasted the Tribe for another year.\textsuperscript{315} At a minimum, some of that money could have been used to hire lobbyists who could have represented the Tribe better in the legislative process.\textsuperscript{316} The Tribe would have dedicated much of the money to education and health care.\textsuperscript{317} As a result of the $4.2 million payout to Scanlon, and the casino’s closure, key programs, namely an insurance program for the Tribal members, had to be cut back or eliminated.\textsuperscript{318}

During the Committee’s November 17, 2004, hearing, when asked how he felt upon learning that the Tribe had paid for a golf outing for the man who had worked to shut down the Tigua casino, Lt. Governor Hisa replied, “A rattlesnake will warn you before it strikes. We had no warning. They did everything behind our back.”\textsuperscript{319}

\begin{itemize}
\item[311]\textsuperscript{"Tribal Lobbying Matters,"} \textit{Hearings before the Committee on Indian Affairs}, 108\textsuperscript{th} Cong. at 247 (November 17, 2004); \textit{see also} Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).
\item[312]\textsuperscript{"Tribal Lobbying Matters,"} \textit{Hearings before the Committee on Indian Affairs}, 108\textsuperscript{th} Cong. at 247 (November 17, 2004).
\item[313]Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).
\item[314]\textit{Id.}
\item[315]Interview of Carlos Hisa, Lieutenant Governor, Ysleta del Sur Pueblo, in El Paso, Texas (October 28, 2004).
\item[316]\textit{Id.}
\item[317]\textit{Id.}
\item[318]\textit{Id.}
\item[319]\textsuperscript{"Tribal Lobbying Matters,"} \textit{Hearings before the Committee on Indian Affairs}, 108\textsuperscript{th} Cong. at 244 (November 17, 2004).
\end{itemize}
CHAPTER VI
PUEBLO OF SANDIA OF NEW MEXICO

A. Introduction

The experience of the Pueblo of Sandia with Jack Abramoff and his partner Michael Scanlon is a microcosm of the larger scandal that has been exposed by the Committee during its investigation of lobbying activities associated with six Indian Tribes. The characters and the elements of deception are much the same. However, the financial loss to the Pueblo of Sandia and the subsequent financial gain to Abramoff and Scanlon were, relatively speaking, on a scale considerably smaller than what the other Tribes experienced. This fact was not lost on Abramoff and Scanlon early in their relationship with the Pueblo of Sandia, as evidenced by the following email exchange on March 7, 2002, that was titled “Sandia”:

SCANLON: “[$]2.75 [million] is chump change!!! What [t]he hell were we thinking?”

ABRAMOFF: “Nokidding. [then-Abramoff associate Kevin] Ring brought us down! Next time one of these guys brings us something we are not going to listen to their fucking whining.”

SCANLON: “Hey – its still a W--[sic] and I will take the W [sic] any way we can – now a [$]4.5 [million] W [sic] would be nicer – but wait till Thursday when COush [Coushatta] comes to town!”

B. Background on Tribe

In February 2002, the Pueblo of Sandia, a Tribe located on the northern boundary of Albuquerque, was facing perhaps the most significant legal challenge of its 700-year existence in New Mexico. In the late 1980’s, with development beginning to encroach on the sacred Sandia Mountain, the Tribe appealed to the Department of the Interior to correct a survey conducted in

__________

1Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000003033) (March 7, 2002).

1859. The correction would designate the main ridge of the Sandia Mountain as the Pueblo’s eastern boundary. Years of litigation ensued that involved the Pueblo of Sandia, government agencies, and area residents, culminating in a settlement agreement on April 4, 2000 that, by its terms, required Congressional ratification by November 15, 2002.

The settlement agreement was of monumental importance to the Tribe. Having the Sandia Mountain as its boundary signified more than a property settlement. The Mountain’s significance is described on the Tribe’s web site:

For centuries, the people of Sandia Pueblo have lived in the shadow of the mountain. The mountain has served as our church and our spiritual sustenance for hundreds of years. The mountain is the highest priority of the people of Sandia Pueblo, a sacred responsibility of every generation. This is not a question of ownership for the Pueblo, it is a question of preservation and protection of the mountain, and the ability to practice religious and culture traditions unrestricted by government edict.

According to the former Governor of the Tribe, Stuart Paisano, the Pueblo of Sandia have 481 enrolled members. They have a traditional government structure in which their religious leaders play an important role in selecting the Tribe’s governor and other leadership positions. The Tribe has 23,000 acres and their native language is Tigua. Their economy has transitioned

---

4Id.
5Id.; Greenberg Traurig document production (GTG-E000002775-76) (undated).
7Id.
8Why is the Mountain So Important to the People of Sandia? (visited May 11, 2006) <http://www.sandiapueblo.nsn.us/mountain/what_changes.html#why_important>.
9Interview of Stuwart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).
10Id.
11Id.
in the last thirty years from mining and federal assistance to Class III gaming.\textsuperscript{12}

C. The Search for a New Lobbyist

The Pueblo of Sandia had considerable experience with legal counsel through their years of litigation and retained a local law firm that was trusted by the Tribe.\textsuperscript{13} They were also not unsophisticated in the ways of the lobbying world and had, over time, retained several firms in Washington, D.C. to help them on various matters.\textsuperscript{14} However, securing Congressional approval of a major lands settlement thrust them into a different political sphere, particularly at a time when the federal political landscape had changed considerably. There was a new Republican administration and a new set of political appointees at the Department of the Interior. The Pueblo of Sandia were uncertain about whether the New Mexico Delegation would support ratification of the settlement.\textsuperscript{15} The stakes were high and the clock was ticking.

It was against this backdrop of urgency that David Mielke, a longtime and trusted counsel to the Pueblo of Sandia, suggested that the Tribe consider hiring a lobbyist with Republican connections.

Late in 2001, Governor Paisano, Lieutenant Governor Alex Lujan, and Tribal council member Frank Chaves and Lawrence Avila were tasked with vetting several firms for the job.\textsuperscript{16} Ultimately, the search team interviewed several top Washington lobbyists that Mielke identified for the Tribe, including the firm of Quinn Gillespie & Associates and former Senator Bob Dole.\textsuperscript{17}

One of the Washington lobbyists who was of particular interest to the Tribe was Kevin Ring.\textsuperscript{18} Several of Mielke’s partners were familiar and impressed with Ring’s work for other

\textsuperscript{12}Id.
\textsuperscript{13}Id.
\textsuperscript{14}Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).
\textsuperscript{15}Interview of Stuart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).
\textsuperscript{16}Id.
\textsuperscript{17}Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).
\textsuperscript{18}Id.
In February 2002, arrangements were made for the Tribal leaders to meet with Ring who was accompanied by his boss, Jack Abramoff. Michael Scanlon was an unexpected participant at the meeting. In pitching his services, Abramoff stressed his Republican connections, going back to his days working on grassroots activities for President Reagan. Scanlon was described as DeLay’s former communications director and someone who helped with elections in competitive Congressional districts.

Scanlon’s price tag for the task was $2,875,000, most of which, he said, would be the cost of a database to conduct the grassroots effort. In an interview with Committee staff, Mielke recalled that while this amount seemed high, Abramoff said that almost the entire price was costs and that the profits were actually less than 10% of the total proposed price.

Mielke also recalled that, during these sessions, Scanlon pitched the database as “a key component” of the program. Mielke said that Scanlon specifically characterized “the software [as] the army, which would mean 10,000 soldiers who could be counted on.” Paisano remembered Scanlon describing the database as “customized” and necessary “to effectively do public relations [for the proposed project].”

Abramoff was intent on having the Tribe sign Scanlon as part of the arrangement, according to both Mielke and Governor Paisano, Abramoff insisted that Scanlon was a sine qua non of the federal lobbying efforts Abramoff intended to undertake on the Tribe’s behalf. He characterized Scanlon as “part of the package” and an indispensable part of his proposal, if he

\[19\] Id.

\[20\] Id.; Interview of Stuwart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

\[21\] Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

\[22\] Id.

\[23\] Id.

\[24\] Id.

\[25\] Id.

\[26\] Id.

\[27\] Interview of Stuwart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).
was to achieve success. Abramoff also offered to halve Greenberg Traurig’s $125,000 per month retainer if the Tribe hired Scanlon. And, finally, he proposed, on Scanlon’s behalf, a “slight” reduction from how much Scanlon originally wanted to charge the Tribe, plus a success fee. But, Abramoff cautioned, he could not go lower because Scanlon’s “10% profit margin is locked [into that reduced figure].”

Governor Paisano recalled in his interview with Committee staff that Abramoff impressed the tribal leaders with his aggressive approach, specifically recalling Abramoff “talk[ing] about breaking bones and busting kneecaps.” Paisano said he was left with the impression that Scanlon worked for Greenberg Traurig.

The Pueblo of Sandia and their counsel chafed at the cost of the Scanlon proposal, but they wanted Abramoff and, particularly, Ring on their side. According to Mielke, the Tribe’s view was adequate representation was the most important issue for the Tribe and that cost should not be an issue. The Tribe considered which prospective lobbyist gave it the greatest assurances: “That was a question: ‘can you guarantee this?’” “Abramoff and Scanlon had the most bravado and said that while they couldn’t guarantee that, they’ve never lost,” Mielke

---

28 Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

29 Id.; Interview of Stuwart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006). The evidence set forth in Part 2, Chapter 1, entitled “Capitol Campaign Strategies,” of this Report reflects Abramoff’s admission in the plea agreement in his criminal case that Scanlon’s profit margin on his contracts with the Tribes was closer to 80%. See Plea Agreement, Factual Basis for the Plea at para. 22, U.S. v. Jack A. Abramoff (D.C. District Court, January 3, 2006) (CR-06-001); see also Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTGE-000003054) (March 20-21, 2002) (“I told [Ring] that he would split the profit (what I told him was 10%) with you 50-50.”).

30 Interview of Stuwart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

31 Id.

32 Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

33 Id.

34 Id.
observed.\textsuperscript{35}

So, after several rounds of interviews, Tribal leaders were nearly unanimous in their decision to hire Greenberg Traurig, with only Governor Paisano and Council Member Frank Chaves expressing some concerns.\textsuperscript{36} Ultimately, the Tribe selected Abramoff and Ring at Greenberg Traurig, and entered into a separate contract with Scanlon to conduct the grassroots effort.\textsuperscript{37}

\textbf{D. Implementing the Plan}

On March 19, 2002, Governor Paisano signed a letter of agreement with Scanlon in which the Tribe committed to pay $2,750,000 for public affairs services.\textsuperscript{38} The total payment was due ten days later.\textsuperscript{39} As described more thoroughly in Part 2, Chapter 1, of this Report, these funds were wired to an account controlled by Capitol Campaign Strategies, one of Scanlon’s companies, from which countless withdrawals were subsequently made to Abramoff (or entities owned or controlled by him). It is notable that, given that part of Scanlon’s proposal was to conduct several letter writing campaigns, the letter of agreement, which he drafted, included numerous typographical errors and misspellings.\textsuperscript{40}

Ring’s activities focused on the federal legislative effort. On March 20-21, within a few days of the contract being signed, Scanlon and Abramoff had occasion to reflect on their arrangement with him:

\begin{quote}
SCANLON: [Ring] asked if we got the wire yet in an email. I
\end{quote}

\textsuperscript{35}Id.

\textsuperscript{36}Interview of Stuwart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

\textsuperscript{37}Id.; Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006); Pueblo of Sandia document production (SP-S 00046-48) (March 14, 2002) (letter of agreement between Scanlon Gould Public Affairs and Pueblo of Sandia of New Mexico for $2,750,000).

\textsuperscript{38}Pueblo of Sandia document production (SP-S 00046-48) (March 14, 2002) (letter of agreement between Scanlon Gould Public Affairs and Pueblo of Sandia of New Mexico for $2,750,000).

\textsuperscript{39}Id.

\textsuperscript{40}Id.
have no problem telling him yes—what do we owe him again? 10% of profit?

ABRAMOFF: No, 5% of gross. I told him that he would split the profit (which I told him was 10%) with you 50-50.

SCANLON: So we owe him 135k?

ABRAMOFF: Damn I guess so. [sic] Shit, that sucks.

SCANLON: I forgot to tie that amount [sic] to the sandia [sic] figures – so our numbers are going to come down a little bit.

ABRAMOFF: Finders [sic] fee I guess….

Ring’s “finder’s fee” was apparently in violation of an outside income policy at his firm Greenberg Traurig. In testimony before the Committee on November 2, 2005, Fred Baggett, Managing Shareholder and Chairman of the National Government Affairs Practice at Greenberg Traurig, said that the firm’s internal investigation “has found, and as we have informed Federal authorities and I believe this committee, we found a number of other instances where members of Mr. Abramoff’s team had received compensation outside of the firm.” One of those Baggett named was Kevin Ring. Of course, the most egregious offender of the policy was Abramoff who had plotted with Scanlon to split the Pueblo of Sandia profit as part of their “gimme five” scheme. It should also be noted that Kevin Ring, who the Tribe trusted and respected, did not disclose his financial arrangement with Scanlon to the Tribe until 2004, months after the publication of the Washington Post article that initially exposed the Abramoff and Scanlon lobbying scandal.

After spending at least a month hiring their lobbying and grassroots team, the Tribe was eager to start seeing some results. They quickly realized that there was a disconnect between the bravado of the pitch they had received and the quality of Scanlon’s work of what was done. As Mielke explained to Committee staff:

________________________________________________________

41Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000003054) (March 20-21, 2002).

42“Tribal Lobbying Matters,” Hearings Before the Committee on Indian Affairs, 109th Cong. at 23 (November 2, 2005) (testimony of Fred Baggett, partner, Greenberg Traurig).

43Id.

44Id.

45Interview of Stuwart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006); Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).
Their pitch is that things are sliding quickly. Hire us soon or we are not going to do it. The Tribe acted quickly, [and] wired the money to Scanlon. A couple of weeks lapsed and Scanlon sends out three people to New Mexico. They sent me draft letters that were poorly written. It was Chris Cathcart, [CCS associate,] a fairly young woman who turned out to be Scanlon’s sister, and another woman. These people weren’t high dollar, high quality folks. I took the Governor to dinner to express concerns. It didn’t take long to question the value of Scanlon. Once these letters started coming in, they were obviously form letters with small variations. One letter went to the Albuquerque Journal. Someone from the paper called me and asked what were we [sic] doing. Word circulated. There was no variation in who they would send the letters to, including typos in letters. The Tribe was happy with Ring[,] he would get back to them[,] seemed on top of things. Abramoff and Scanlon dropped off as soon as the deal was signed. Even the polls I saw weren’t works of art.46

E. Database

As with other tribal clients, Scanlon’s sales pitch centered on the customized database, which he said would be the heart of the grassroots effort. Mielke, in his interview with Committee staff, recalled the following:

…[a] big part of the fee was the software and time and personnel that they would spend in compiling this database….they said it was going to cost between $2 and $3 million for the whole effort and that the database would be a big part. This was just Scanlon… Scanlon had a staff of 16 people, talking about 10,000 FedEx packages. This was going to be a sprint, [sic] this money was going to go out immediately for vendors and software.47

In fact, in the contract between Scanlon and the Tribe, $1,857,000 is specifically identified for “Building of National Political Organization.”48 The scope of work “include[d]...
acquisition and design of hardware and software, data matching, grassroots development, online applications and political modifications.**49**

However, according to Mielke and Paisano, the database was significantly less than what had been promised.**50** It appeared to be a simplistic regurgitation of the data that the Tribe had provided to Scanlon.**51** Paisano described the database as “pathetic” and Mielke said it was the “same info that the Tribe gave them; no magic in it.”**52**

As more fully discussed in Part 2, Chapter 1, of this Report, it appears that Scanlon copied (in violation of licensing agreements to which he was a party) elements of a database created by Democracy Data Communications (“DDC”). Scanlon had originally subcontracted DDC to build political databases for other Tribes. The actual cost of a database developed for the Tribe by another vendor, which was apparently designed to mimic DDC’s far more functional database, was nowhere near the $1,875,000 that the Tribe was charged by Scanlon.**53**

Understanding the urgency of the situation and acknowledging the fact that Scanlon’s grassroots campaign was a failure and an embarrassment—“amateurish” in Mielke’s words—Mielke and the Tribe began their own grassroots effort, independent of Scanlon’s.**54** The Tribe also hired a local public relations firm to assist in their efforts.

Mielke’s and Paisano continued to express concern and criticism of Scanlon’s work.

---

**49**Id.

**50**Interview of Stuwart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006); Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

**51**Interview of Stuwart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006); Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

**52**Interview of Stuwart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006); Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).


**54**Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).
product. As an indication of how out of touch he appeared to be, Scanlon actually entertained the idea of asking the Tribe for more money, as evidenced in the following June 25, 2002, email exchange with Kevin Ring and Jack Abramoff:

SCANLON: Hey- I have a few thoughts- 1) The land exchange concept was a huge tactical blunder that is going to haunt the tribe for years to come. 2) We need another 3 mil to win this thing now. 3) They should Take [sic] Bingaman and be happy. Wow [,] we are in a pickle now.
RING: Are you on drugs?
SCANLON: Really good ones!
ABRAMOFF: Tell him to recommend some for us to take!
RING: I know. All kidding aside, if he even thinks of asking for more money, they are going to hunt him down and kill him. And then come after us.
ABRAMOFF: Ha ha ha
SCANLON: I’m gonna go for it – Im [sic] gonna schedule a conference cal [sic] and ask for 2 more mil!
ABRAMOFF: I love it!!!!66

Several months later, when the Tribe was renegotiating its contract with Greenberg Traurig, the lighthearted mood was noticeably absent, as evidenced by the following March 4, 2003 email exchange between Ring and Abramoff:

RING: …Once again for Sandia, the issue was Scanlon. They said we did a great lobbying job, but since we insisted that they hire him, we bore responsibility for his lack of performance...
ABRAMOFF: Kevin, this excuse about Scanlon from them is bullshit. I don’t care how much they hate him, they paid for a result and they got it. whether [sic] he did what they wanted or not, they got their fucking mountain. And for them to be telling you they won’t rehire us because of him is also fucking bullshit. I know that not getting them will be a big hit on you

55 Interview of Stuwart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006); Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

56 Email between Jack Abramoff, Greenberg Traurig, Kevin Ring, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000003258-59) (June 25, 2002).
and I am sorry about that, and I support whatever you want to do on this, but I think they’re already gone and they are using that Scanlon excuse because they are cheap motherfuckers who don’t want to pay our fees. I say fuck them and let’s go get you a different tribe which appreciates hard work.\footnote{57}

As it turned out, the Pueblo of Sandia extended their contract, at a reduced rate, with Greenberg Traurig until the revelations of the Washington Post were published in 2004.\footnote{58}

\section*{F. A Happy Ending, In Spite Of...}

The Committee finds that deception was a consistent theme in the Pueblo of Sandia’s relationship with Abramoff and Scanlon: the exorbitant fee for a “pathetic” database; the secret financial arrangement between Abramoff and Scanlon; the undisclosed “finder’s fee” to Kevin Ring; and the overwhelming incompetency of the grassroots effort.

The Tribe’s experience with Scanlon gave them new meaning to the phrase “take the money and run.” Mielke and Governor Paisano agreed that the Tribe received little of the intended benefit of the millions that the Tribe paid Scanlon.\footnote{59} They also felt that the Tribe was aggrieved by Abramoff and Scanlon’s failure to disclose their financial arrangement.\footnote{60} And, they were frustrated by the poor quality of Scanlon’s grassroots activities and felt that Scanlon’s status reports were inadequate.\footnote{61}

\footnote{57}Email between Jack Abramoff, Greenberg Traurig, and Kevin Ring, Greenberg Traurig, (GTG-E000003763) (March 4, 2003).

\footnote{58}Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

\footnote{59}Interview of Stuwart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006); Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

\footnote{60}Interview of Stuwart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006); Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

\footnote{61}Interview of Stuwart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006); Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).
As the concerns of local citizens were addressed and neutralized by the Tribe and its counsel, the uncertainty about how some members of the New Mexico Delegation felt about the settlement began to fade. The settlement legislation was considered favorably by the Senate Committee on Energy and Natural Resources and the Senate Committee on Indian Affairs. In the end, the combination of support from the New Mexico Delegation and a homegrown grassroots effort was the key to Congressional approval. Success was achieved, but for reasons wholly unrelated to the extraordinarily expensive pretensions of Abramoff and Scanlon.
PART TWO – “GIMME FIVE”—ANALYSIS BY ENTITY

INTRODUCTION

[W]e really need mo money. but [sic] you and I must meet and work out a strategy to get things moving. We are missing the boat. There are a ton of potential opportunities out there. there [sic] are 27 tribes which make over $100M a year ... can you have your guys do the research and find out which tribes these may be?... We need to get moving on them.

Email from Jack Abramoff to Michael Scanlon, December 7, 2002

SCANLON: Hey—good day all around—we wrapped up the Sag Chip crap—We hit Coush—I think for 3 mil—and we are working [on] Acaliente [sic] presentation—should be tight.

ABRAMOFF: Thanks so much! You are a great partner. What I love about our partnership is that, when one of us is down, the other is there. We’re gonna make $ for years together!

SCANLON: Amen! You got it boss—we have many years ahead!

Email between Michael Scanlon and Jack Abramoff, June 20, 2002

The Committee held its first hearing on allegations of misconduct made by several Indian Tribes against Jack Abramoff and Michael Scanlon on September 29, 2004. At that hearing, the Committee preliminarily concluded that Scanlon collected about $66 million from six tribes over a three-year period, and secretly paid about one-third of that amount to Abramoff. Since then, the Committee has held a series of hearings and released scores of documents that describe how Abramoff and Scanlon executed their scheme.

In the course of its hearings, the Committee laid out how Abramoff and Scanlon agreed that Abramoff would work to ensure that these Tribes would hire a grassroots/public relations specialist to support Abramoff’s lobbying activities. In furtherance of their scheme, Abramoff pushed for Scanlon as that specialist.

Having violated these Tribes’ trust by not disclosing the resulting conflict of interest, Abramoff secretly collected from Scanlon about fifty percent of Scanlon’s net proceeds—from contracts that Scanlon or Abramoff promoted to the Tribes.

The prices that Scanlon charged for his services (well in excess of his costs) were set deliberately high so as to allow him to pay Abramoff about fifty percent of his net proceeds from

---

1.“Tribal Lobbying Matters,” Hearings Before the Committee on Indian Affairs, 108th Cong. at 5-9 (September 29, 2004) (opening Statement of Chairman John McCain).
those Tribes—with much of the money paid by the Tribes not going for purposes the Tribes intended.

Admitting to the foregoing, on November 11, 2005, and January 3, 2006, respectively, Scanlon and Abramoff pled guilty in federal court to, among other things, defrauding some of their Tribal clients.2

On a small scale, Abramoff and Scanlon apparently set their scheme in motion in April 2001, when they urged the Coushatta Tribe of Louisiana (“Louisiana Coushatta”) to pay $200,000 for a grassroots program regarding its gaming compact.3 On or about April 26, 2001, the Tribe paid a Scanlon-controlled entity called Capitol Campaign Strategies (“CCS”) $200,000, as requested.4 But, soon thereafter, CCS paid Abramoff $75,000—itemized in the company’s accounting ledger on April 30, 2001, as a “referral expense.”5

Abramoff and Scanlon’s secret fee-splitting arrangement is likewise reflected in a May 2, 2001, e-mail, where they agreed to split proceeds from the Mississippi Band of Choctaw Indians (“Choctaw”) that were intended to be passed through a Scanlon-controlled entity called the American International Center (“AIC”) to former Christian Coalition executive director Ralph Reed for grassroots activities. According to Abramoff, “I am going to try to get us $175K. $100 to Ralph; $25K to contributions ($5K immediately to Conservative Caucus); rest gimme five.”6


3See Email from Jack Abramoff, Greenberg Traurig, to Kathryn Van Hoof, Coushatta Tribe of Louisiana, “Coushatta political program” (COUSH-MiscFin-0000371) (April 12, 2001) (“I still do not have the budget for the complete effort, but Mike believes we cannot wait any longer for the ground effort, so I need to get this to you for approval.... Please let me know if I can give Mike the go ahead.”); Email from Michael Scanlon, Capitol Campaign Strategies, to Kathryn Van Hoof, Coushatta Tribe of Louisiana, “Re: Political Program funding” (COUSH-MiscFin-0000368) (April 18, 2001) (“The total for the program is $539,000. In order to get started the tribe will need to pay $200k up front to cover the organizational program.... If there [sic] is any way to get the initial money out today it would be great!”).

4Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies).

5Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies).

6Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E0001321307) (May 2, 2001). Abramoff and Scanlon, both of whom were
The scheme would soon soar to new heights. On June 18, 2001, Scanlon suggested to Abramoff, “A few weeks ago you mentioned something to me—I took the concept and have put together a plan that will make serious money. We also talked briefly about it in the beginning of the year but I think we can really move it now.”

Scanlon continued: “I have been making contacts with some larger Public Affairs companies in town for a few months. I have two solid relationships that will seriously consider acquiring Capitol Campaign Strategies. The problem is that there is not much in CCS right now.”

“However,” he observed, “if we build up Capitol Campaign Strategies enough I can get it acquired by a large firm by the end of next year at 3x the firm revenue. Bottom line: If you help me get CCS a client base of $3 million a year, I will get the clients served, and the firm acquired at $9 million. We can then split the [sic] up the profits. What do you think?”

Abramoff’s response was brief: “Sounds like a plan, but let’s discuss when we are together.”

Abramoff apparently agreed. Just a few days later, referring to a “project [that Abramoff] need[ed] to run through [sic] [a Scanlon company],” Abramoff wrote Scanlon, “Apparently it’s a huge project .... It’ll give us $500K to start to pass through CCS and as much as $4 million over the year. This should really help us get the sales price up.”

apparently avid golfers, even came up with a name for their new business arrangement: “Gimme [or give me] five.” The Committee speculates that “gimme five” is a double entendre for the golf term “gimme,” which refers to a putt that is certain to be made on the next shot, which will most likely be conceded by an opponent. Where Abramoff valued his interest in CCS, at “$5M revenue/year,” see Email between Jack Abramoff and Rodney Lane, “FW: Personal financial statement” (GTG-E000011577) (March 15, 2002), the term also appears to reflect Abramoff and Scanlon’s original agreement to acquire at least $5 million each per year.

7Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG-E000011945) (June 18, 2001).

8Id.

9Id.

10Id.

11Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000011951) (June 29, 2001).
Thus began Abramoff and Scanlon’s now-infamous financial relationship—a relationship that would enable the two to wrongfully extract tens of millions of dollars from tribes around the country over the next two years.

By August 2001, what started as a seemingly innocuous partnership soon degenerated into an all-out frenzy for money—money at any cost. In response to Scanlon’s informing him that “[the Choctaw] really liked [a particular] plan ... [and] asked if I could do a quick poll for them on the [REDACTED] overall political issues they face,” Abramoff reminded Scanlon, “Don’t forget the gimme five aspects!”

On September 2, 2001, Scanlon was ecstatic about how they were doing so far: “I’m having a great time running the give me fives!” There was good reason for Scanlon’s elation. Later that month, he reportedly bought, likely with the Tribes’ money, two houses in Washington, D.C. for $1.2 million.

With his share of those proceeds, Abramoff apparently intended to float his private Jewish boys’ school. On September 10, 2001, he asked Scanlon, “Can you let me know how much more (than the current +/- 660K) we would each score should Coushatta come through for this phase, and Choctaw continue to make the transfers. I need to assess where I am at for the school’s sake.”

Ultimately, Scanlon reported that Abramoff would get “a total of 2.1 [million].”

Abramoff heaped praise on his partner, “How can I say this strongly enough: YOU IZ DA MAN.”

---


13 Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig, “RE: [REDACTED]” (1118666) (September 2, 2001).


15 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E0000113995) (September 10, 2001).

16 Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E0000113847) (September 10, 2001).

17 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E0000113847) (September 10, 2001).
Not content with the $2.1 million, Scanlon exhorted, “[L]et’s grow that 2.1 to 5!! We need the true give me five!”

Abramoff conveyed enthusiasm about their arrangement on October 16, 2001: “I love life!! We need to get you down there to get [the Mississippi Band of Choctaw Indians] moving on the political phase. How about if we both try to go soon.”

Scanlon agreed, “Any time—any time—any time!!! We usually come back from these trips rich men!”

From late 2001 through 2003, “running [their] give me fives” was Abramoff and Scanlon’s top priority. In a January 16, 2002, e-mail from Abramoff to Scanlon, entitled “sagchips,” Abramoff wrote, “Don’t forget to get to [Saginaw Chippewa Sub-Chief David] Otto and set up a meeting asap. We need that moolah. We have to hit $50M this year (our cut!).”

As a result of their “gimme five” scheme, Abramoff and Scanlon collected about $66 million from six tribes from 2001 through 2003. By the Committee’s reckoning, each Tribe paid Scanlon as follows: the Mississippi Band of Choctaw Indians (“Choctaw”), $15,900,000; the Coushatta Tribe of Louisiana (“Louisiana Coushatta”), $26,695,500; the Saginaw Chippewa Indian Tribe of Michigan (“Saginaw Chippewa”), $10,000,000; the Agua Caliente Band of Cahuilla Indians (“Agua Caliente”), $7,200,000; the Ysleta del Sur Pueblo of Texas (“Tigua”), $4,200,000; and the Pueblo of Sandia of New Mexico (“Pueblo of Sandia”), $2,750,000.

Also by the Committee’s accounting, Abramoff or entities owned or controlled by Abramoff, including Kaygold and the Capital Athletic Foundation (“CAF”), received payments totaling about $24,524,421 from Scanlon or entities owned or controlled by Scanlon, including Capitol Campaign Strategies (“CCS”) (which also did business as Scanlon Gould Public Affairs and Scanlon Public Affairs), the American International Center (“AIC”), and Atlantic Research and Analysis (“ARA”). That seems to constitute about half of Scanlon’s total profit from the

---

18 Id.


20 Id.

21 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000024563) (January 16, 2002).

22 In Abramoff’s plea agreement, the total figure is $23,109,695, which includes not only indirect payments by Tribes to Abramoff or Abramoff-controlled entities through entities controlled by Scanlon but also direct payments by several companies, including Foxcom
tribes. The following lays out the basis for the Committee’s finding.

“**GIMME FIVE**” **PROCEEDS TO ABRAMOFF AND ABRAMOFF-CONTROLLED ENTITIES**

**2001-2003**

<table>
<thead>
<tr>
<th>DATE</th>
<th>PAYEE</th>
<th>AMOUNT</th>
<th>PAYOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/30/01</td>
<td>Abramoff</td>
<td>$75,000</td>
<td>CCS</td>
</tr>
<tr>
<td>5/20/01</td>
<td>CAF</td>
<td>$182,000</td>
<td>CCS</td>
</tr>
<tr>
<td>6/10/01</td>
<td>Abramoff</td>
<td>$50,000</td>
<td>CCS</td>
</tr>
<tr>
<td>10/4/01</td>
<td>Abramoff</td>
<td>$100,000</td>
<td>CCS</td>
</tr>
<tr>
<td>10/25/01</td>
<td>Abramoff</td>
<td>$428,000</td>
<td>CCS</td>
</tr>
<tr>
<td>11/7/01</td>
<td>CAF</td>
<td>$1,000,000</td>
<td>Coushatta through Greenberg Traurig</td>
</tr>
<tr>
<td>12/19/01</td>
<td>Abramoff</td>
<td>$300,000</td>
<td>CCS</td>
</tr>
<tr>
<td>12/31/01</td>
<td>Abramoff</td>
<td>$1,718,125</td>
<td>CCS</td>
</tr>
<tr>
<td>1/1/02</td>
<td>CAF</td>
<td>$500,000</td>
<td>Choctaw</td>
</tr>
<tr>
<td>2/22/02</td>
<td>Kaygold</td>
<td>$2,779,925</td>
<td>CCS</td>
</tr>
<tr>
<td>3/21/02</td>
<td>Abramoff</td>
<td>$4,080,997</td>
<td>CCS</td>
</tr>
<tr>
<td>4/8/02</td>
<td>Kaygold</td>
<td>$2,138,025</td>
<td>CCS</td>
</tr>
<tr>
<td>5/30/02</td>
<td>Abramoff</td>
<td>$16,397</td>
<td>CCS</td>
</tr>
<tr>
<td>6/12/02</td>
<td>Kaygold</td>
<td>$150,000</td>
<td>CCS</td>
</tr>
<tr>
<td>7/12/02</td>
<td>Kaygold</td>
<td>$800,000</td>
<td>CCS</td>
</tr>
<tr>
<td>7/12/02</td>
<td>Kaygold</td>
<td>$20,000</td>
<td>CCS</td>
</tr>
<tr>
<td>7/12/02</td>
<td>Kaygold</td>
<td>$44,000</td>
<td>CCS</td>
</tr>
<tr>
<td>8/6/02</td>
<td>CAF</td>
<td>$500,000</td>
<td>Choctaw</td>
</tr>
<tr>
<td>9/16/02</td>
<td>Kaygold</td>
<td>$2,266,250</td>
<td>CCS</td>
</tr>
<tr>
<td>10/17/02</td>
<td>CAF &amp; Nurnberger</td>
<td>$500,000</td>
<td>Choctaw through NCPPR</td>
</tr>
<tr>
<td>11/11/02</td>
<td>Kaygold</td>
<td>$1,078,649</td>
<td>CCS</td>
</tr>
<tr>
<td>12/03/02</td>
<td>Kaygold</td>
<td>$87,907</td>
<td>CCS</td>
</tr>
<tr>
<td>12/31/02</td>
<td>Kaygold</td>
<td>$1,000,146</td>
<td>CCS</td>
</tr>
<tr>
<td>12/31/02</td>
<td>Kaygold</td>
<td>$53,000</td>
<td>CCS</td>
</tr>
<tr>
<td>2/19/03</td>
<td>Kaygold</td>
<td>$1,965,000</td>
<td>CCS</td>
</tr>
</tbody>
</table>

---

Wireless, S.P.I. Spirits, and Tyco International, to entities controlled by Abramoff, including Grassroots Interactive. See Plea Agreement, Factual Basis for Plea at para 1-31, *U.S. v. Jack A. Abramoff* (Dist. D.C., January 3, 2006) (CR 06-001). In Scanlon’s plea agreement, the figure is $19,698,644, which captures about 50% of the net profit Scanlon received from at least four tribes that had already hired Abramoff “to provide professional services to develop programs to limit market competition or to assist in opening casinos that were vital to the profitability of [the] clients.” See Plea Agreement, Factual Basis for Plea at para. 8, *U.S. v. Michael P.S. Scanlon* (Dist. D.C., November 11, 2005) (CR 05-411). In other words, it appears to exclude payments made by the Agua Caliente, which had not hired Abramoff before hiring Scanlon.
In the sections that follow, this Report will discuss how Abramoff and Scanlon ran their “gimme five” scheme on six of their tribal clients: the Mississippi Band of Choctaw Indians (“Choctaw”), the Coushatta Tribe of Louisiana (“Louisiana Coushatta”), the Saginaw Chippewa Indian Tribe of Michigan (“Saginaw Chippewa”), the Agua Caliente Tribe of the Cahuilla Indians (“Agua Caliente”), the Ysleta del Sur Pueblo of Texas (“Tigua”) and the Pueblo of Sandia of New Mexico (“Pueblo of Sandia”) (collectively, “the Tribes” and individually, “the Tribe”). Although this Report will mention other vehicles owned or controlled by Abramoff or Scanlon, this Section will focus on how they did so by using primarily three: Capitol Campaign Strategies (“CCS”), the American International Center (“AIC”), and the Capital Athletic Foundation (“CAF”).
CHAPTER I
CAPITOL CAMPAIGN STRATEGIES

[W]e should not reveal [valuing my share in Capitol Campaign Strategies (“CCS”) at $5 million per year] to anyone but [my tax advisor], though, since no one knows the CCS stuff.

Email from Jack Abramoff to business associate Rodney Lane, March 15, 2002

ABRAMOFF: Thanks so much! You are a great partner. What I love about our partnership is that, when one of us is down, the other is there. [w]e’re gonna make $ for years together!”
SCANLON: Amen! You got it boss— we have many years ahead!

Email between Jack Abramoff and Michael Scanlon, June 20, 2002

SCHMIDT: Do you have an ownership stake in Capitol Campaign Strategies or Scanlon Gould or any of Mike Scanlon’s ventures?
ABRAMOFF: No. No, I don’t.

Exchange between Jack Abramoff and Washington Post reporter Susan Schmidt, on February 4, 2004, as transcribed in a Greenberg Traurig email

A. Background

Of all the entities that Michael Scanlon owned or controlled, the one that he and Jack Abramoff used most extensively in carrying out their “gimme five” scheme was Capitol Campaign Strategies (“CCS”), which also did business as Scanlon Gould Public Affairs and Scanlon Public Affairs. CCS was first started up “to help Scanlon collect [consulting] fees.” During the first quarter of 2001, CCS’ only client appears to have been SunCruz Casinos, a Florida-based casino cruise-ship company that Abramoff and a former business partner, Adam

---

23 The Committee finds and, in court filings Scanlon has admitted, that Scanlon Gould Public Affairs was largely used to receive funds in the performance of business activities of CCS. See Plea Agreement, Factual Basis for Plea at para. 2, U.S. v. Michael P.S. Scanlon (Dist. D.C., November 11, 2005) (CR 05-411). Therefore, this Report will refer to CCS, Scanlon Gould Public Affairs, and Scanlon Public Affairs interchangeably as “CCS” or “Scanlon.”

24 Interview of Christopher Cathcart, former associate, Capitol Campaign Strategies, in Washington, D.C. (October 6, 2004).
From 2001 through 2003, CCS secretly paid Abramoff, and entities owned or controlled by Abramoff, including an entity called Kaygold, about $20,083,421. In total, those payments, set forth below, constitute about half of Scanlon’s net profit from the Tribes.

SECRET PAYMENTS BY CCS TO ABRAMOFF FROM 2001-2004

<table>
<thead>
<tr>
<th>Date</th>
<th>Payee</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/30/01</td>
<td>Abramoff</td>
<td>$75,000</td>
</tr>
<tr>
<td>5/20/01</td>
<td>CAF</td>
<td>$182,000</td>
</tr>
<tr>
<td>6/10/01</td>
<td>Abramoff</td>
<td>$50,000</td>
</tr>
<tr>
<td>10/4/01</td>
<td>Abramoff</td>
<td>$100,000</td>
</tr>
<tr>
<td>10/25/01</td>
<td>Abramoff</td>
<td>$428,000</td>
</tr>
<tr>
<td>12/19/01</td>
<td>Abramoff</td>
<td>$300,000</td>
</tr>
<tr>
<td>12/31/01</td>
<td>Abramoff</td>
<td>$1,718,125</td>
</tr>
<tr>
<td>2/22/02</td>
<td>Kaygold</td>
<td>$2,779,925</td>
</tr>
<tr>
<td>3/21/02</td>
<td>Abramoff</td>
<td>$4,080,997</td>
</tr>
<tr>
<td>4/8/02</td>
<td>Kaygold</td>
<td>$2,138,025</td>
</tr>
<tr>
<td>5/30/02</td>
<td>Abramoff</td>
<td>$16,397</td>
</tr>
<tr>
<td>6/12/02</td>
<td>Kaygold</td>
<td>$150,000</td>
</tr>
<tr>
<td>7/12/02</td>
<td>Kaygold</td>
<td>$800,000</td>
</tr>
<tr>
<td>7/12/02</td>
<td>Kaygold</td>
<td>$20,000</td>
</tr>
<tr>
<td>7/12/02</td>
<td>Kaygold</td>
<td>$44,000</td>
</tr>
<tr>
<td>9/16/02</td>
<td>Kaygold</td>
<td>$2,266,250</td>
</tr>
<tr>
<td>11/11/02</td>
<td>Kaygold</td>
<td>$1,078,649</td>
</tr>
<tr>
<td>12/03/02</td>
<td>Kaygold</td>
<td>$87,907</td>
</tr>
<tr>
<td>12/31/02</td>
<td>Kaygold</td>
<td>$1,000,146</td>
</tr>
<tr>
<td>12/31/02</td>
<td>Kaygold</td>
<td>$53,000</td>
</tr>
<tr>
<td>2/19/03</td>
<td>Kaygold</td>
<td>$1,965,000</td>
</tr>
<tr>
<td>10/27/03</td>
<td>Kaygold</td>
<td>$750,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$20,083,421</strong></td>
</tr>
</tbody>
</table>

In the sections that follow, this Chapter will describe how Abramoff and Scanlon used CCS to further their “gimme five” scheme. In particular, it will describe how most of the money that the Tribes paid Scanlon was used for purposes unintended by the Tribes and how, in most cases, the Tribes received little of the intended benefit for the vast sums that they paid CCS.

---


25
B. Abramoff Conceals His Financial Relationship with Scanlon

For Abramoff and Scanlon’s “gimme five” scheme to succeed, secrecy was key. In furtherance of that “gimme five” scheme, Abramoff and Scanlon agreed that Scanlon’s payments to Abramoff would not be disclosed to Abramoff’s and Scanlon’s Tribal clients. They understood that disclosing their arrangement to those clients would likely jeopardize the contracts for services, CCS’ profit margin, or both.

Committee staff asked Saginaw Chippewa tribal Sub-Chief Bernie Sprague what, if anything, the Tribe knew about Abramoff and Scanlon’s financial arrangement. In response, Sprague recalled that, as the Tribe was considering in December 2003 whether to retain Abramoff, he specifically asked Abramoff about his relationship with Scanlon. Sprague remembered that Abramoff only answered that he knew him and his relationship with Scanlon was professional.

Likewise, in testimony before the Committee, Tigua tribal representative Marc Schwartz recalled that a couple of days or so before Abramoff and Scanlon’s presentation to that Tribe, he specifically asked Abramoff whether Scanlon was connected to Abramoff. Schwartz recalled that Abramoff answered “no.” In fact, telling Schwartz that Scanlon had “his own” company, Abramoff referred to Scanlon as merely “an associate.” Schwartz also recalled asking Abramoff whether he used Scanlon exclusively. Without bringing up his financial arrangement with Scanlon, Abramoff answered non-responsively: he liked to use Scanlon for the tough fights.


27Id.

28Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe of Michigan, in Washington, D.C. (September 13, 2004).

29Id.


31Id.

32“Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 108th Cong. at 239 (September 29, 2004) (statement of Marc Schwartz, president, Partners Group Consultants).

because “[h]e always [got] results.”

Similarly, when Abramoff and Scanlon gave their presentation at the Agua Caliente Tribal Council, Abramoff only represented that Scanlon “work[ed] very closely with our firm [Greenberg Traurig].” And, when Abramoff originally recommended Scanlon to the Choctaw, he introduced Scanlon as an independent consultant.

While it is unclear whether Abramoff or Scanlon similarly misled the remaining Tribes, the Committee finds the following: no Tribe that ultimately hired Abramoff and Scanlon during the relevant period knew about their financial relationship.

In his deposition with Committee staff, the head of the Greenberg Traurig’s national lobbying practice Fred Baggett testified that, until Abramoff’s meeting with the firm’s partners about the seminal *The Washington Post* article in February 2004, Abramoff never disclosed that he was receiving payments from Scanlon out of money that the Tribes were paying Scanlon. In fact, during a meeting about a tribal newsletter in 2003, Abramoff denied that he had any financial relationship with Scanlon and tried to explain the article away as politically driven by competitors of the firm.

---

34Id.

35Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, Choctaw, Mississippi (April 27-29, 2005).

36See Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe of Michigan, in Washington, D.C. (September 13, 2004); Interview of Chairman Richard Milanovich, Agua Caliente Band of Cahullia Indians, in Washington, D.C. (September 16, 2004); Interview of Lieutenant Governor Carlos Hisa, Ysleta del Sur Pueblo, in El Paso, Texas (October 28, 2004); Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004); Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005); Interview of Chief Phillip Martin, Mississippi Band of Choctaw Indians, in Washington, D.C. (May 17, 2005); Interview of William Worfel, former tribal council-member, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13, 2005); Interview of Stuwart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

37Interview of Fred of Fred Baggett, Chair, National Government Affairs Practice, Greenberg Traurig, in Washington, D.C. (September 29, 2005).

38Id. But see Brody Mullins, Breakup of Ex-Aides Shook Group Tied to Abramoff—The Prosecutors Move In; Ms. Miller's Tearful Apology, *Wall Street Journal*, March 31, 2006 (reporting that Greenberg Traurig discovered Abramoff’s outside sources of income earlier when it examined his tax records in connection with the SunCruz bankruptcy matter).
When Abramoff first discussed hiring Scanlon with Baggett, Abramoff merely described Scanlon as “the best as far as public relations and grassroots ... that he had ever dealt with” who provided “value added” in helping the his clients with “Washington media and public relations efforts as well.” In that context, Abramoff indicated, Scanlon had been “extremely helpful to [him] and his clients.” Baggett also remembered that Abramoff indicated “[h]ow valuable [Scanlon] was, that he was essential to being able to provide services to his clients.”

In what appears to be an effort to ensure that his Tribal clients did not know about his financial arrangement with Scanlon, Abramoff demanded secrecy of his business associates and advisors. For example, in a March 15, 2002, email, Abramoff directed Rodney Lane, apparently a partner in his restaurant ventures, to value his share in his partnership with Scanlon at $5 million per year, “valued as $30M (multiple of 6 [years]).” In so doing, he also directed that “we should not reveal this to anyone but [my tax advisor], though, since no one knows the CCS stuff.”

Similarly, in a February 19 and 20, 2003, email, in which Abramoff’s tax advisor, Gail Halpern, suggested to Abramoff how he could minimize Scanlon’s withholding money from CCS’ payments to Abramoff. Halpern recommended, “[m]aybe you should work thinks [sic] so that the folks you are cutting these business deals with pay Mike [Scanlon’s] LLC called CCS $x dollars, and pay your LLC called KayGold $y dollars. then [sic] DC doesn’t get a chunk of your take.”

---

39 Interview of Fred Baggett, Chair, National Government Affairs Practice, Greenberg Traurig, in Washington, D.C. (September 29, 2005).

40 Id.

41 Id. Despite these plaudits, Greenberg Traurig decided not to hire Scanlon full-time because he “wanted to pursue other outside engagements on his own, and we ... weren’t going to have somebody who could do that.” Id. Ultimately, the firm brought in Scanlon as a consultant. Id. That engagement, for which Scanlon was paid $10,000 per month from Abramoff’s overhead, lasted for only about a year. Id. Other than having decided that “we didn’t have use for him,” Baggett does not know why the firm stopped paying Scanlon. Id.

42 Email from Jack Abramoff, Greenberg Traurig, to Rodney Lane (GTG-E000011577) (March 15, 2002).

43 Id.

44 Email from Gail Halpern, May & Barnhard, to Jack Abramoff, Greenberg Traurig (GTG-E000012116) (February 19, 2003).
She elaborated, “[g]etting your own check from the client would resolve that over the long run would save big bucks.”

Abramoff responded, “It’s just not going to happen.”

C. Abramoff Induces the Tribes into Hiring and Paying Scanlon

Having concealed his financial arrangement with Scanlon from his Tribal clients, Abramoff urged them to hire a grassroots political consultant. Then, Abramoff convinced them into hiring Scanlon as that consultant. According to Scanlon’s highly compensated right-hand man, Christopher Cathcart, Scanlon said that “the larger fee [that CCS paid Abramoff] keeps ... Abramoff remembering CCS when he meets clients around the country.” Likewise, in support of the proposition that “the truth is worse” than the facts set forth in the February 2004 Post article, former Abramoff associate Kevin Ring disclosed to a colleague that Abramoff “talk[ed] tribes into hiring Scanlon.”

\[45\] Id.

\[46\] Email from Jack Abramoff, Greenberg Traurig, to Gail Halpern, May & Barnhard (GTG-E000012115) (February 20, 2003). Whether Halpern came to know or should have known that Abramoff was Scanlon’s partner and, with that knowledge, furthered their scheme to bilk their tribal clients is a question beyond the scope of this investigation.


\[48\] Interview of Christopher Cathcart, former associate, Capitol Campaign Strategies, in Washington, D.C. (October 6, 2004).

\[49\] Email from Kevin Ring, Greenberg Traurig, to Matt DeMazza (GTG-E000257509) (February 22, 2004).
On October 5, 2001, Abramoff told Scanlon how he ran this part of the scheme on the legislative director of the Saginaw Chippewa:

I had dinner tonight with Chris Petras of Sag Chip. He was salivating at the $4-5 million program I described to him (is that enough? Probably not). They have their primary for tribal council on Tuesday, which should determine if they are going to take over (general elections in November). I told him that you are the greatest campaign expert since ... (actually, I told him that there was no one like you in history!). He is going to come in after the primary with the guy who will be chief if they win (a big fan of ours already) and we are going to help him win. If he wins, they take over in January, and we have millions. I told him that you are already in national demand and we need to secure you for them. He is very excited. GIMME FIVE lives.\(^{50}\)

Scanlon responded, “THE PRICE HAS JUST GONE UP TO 10MIL!! Sounds good on the strategy—We should be wrapped up with the other campaigns [sic] soon, so I could run his general election to make sure we get or [sic] give me five!!”\(^{51}\)

Abramoff concurred, “Great.”\(^{52}\)

Documents suggest that Abramoff and Scanlon ran this part of the scheme on the Saginaw Chippewa well into 2003. On February 28, 2003, Scanlon complained to Abramoff that “[o]ur shop is not under contract with [the Saginaw Chippewa] for PR—we have done it for them as part of programs in the past—but we aren’t doing any work for them—and we will not until they hire us as their PR firm of Record.”\(^{53}\)

He noted, “To tell you the truth - we would rather not work for them any more - but if we get the retainer gig - that will [sic] do. NO CASH - NO INK BABY!”\(^{54}\)

\(^{50}\)Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000028079) (October 5, 2001).

\(^{51}\)Id.

\(^{52}\)Id.

\(^{53}\)Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG-E000011983) (February 28, 2003).

\(^{54}\)Id.
Abramoff responded, “I am not sure this is the right strategy here ... I think we might be able to get some more big sums from these guys.”

He explained, “[T]he trick right now should be to get their shit work done as quickly and painlessly as we can and set up a plan right now for future efforts. That way we know there is a pot of gold at the end of the rainbow.”

In that context, Abramoff informed Scanlon that he “told [Saginaw Chippewa legislative director Chris Petras] that this was the only way to get you involved because you have just too many other clients putting $10M deals in front of you. he [sic] said they would do this.” The Committee has seen no evidence that any other clients were putting $10 million deals before Scanlon previously or at that time.

On or about July 9, 2002, Abramoff promoted Scanlon to the Agua Caliente, describing Scanlon as “[formerly] with the U.S. Congress, a communications director for the leadership of the House of Representatives and subsequently has gone on to become one of the top political and grassroots public affairs people in the United States.” For his part, Scanlon said at the meeting, “My firm is in strategic alliance with Jack and Greenberg [Traurig,] meaning we only provide services to the clients of Greenberg Traurig. No other law or lobbying firms in Washington, DC. We work exclusively for his clients and provide our services to Jack exclusively.”

Former Louisiana Coushatta councilman William Worfel recalled in his interview with staff that Abramoff continuously pressed his Tribe to pay Scanlon the millions he charged, quickly and completely. In particular, Worfel remembered that, according to Abramoff, the need to pay Scanlon was “always a crisis, ASAP”: “[I]t was just 100 miles per hour, boom, boom, boom, boom. Oh, yes. But, I ain’t never seen this.” Worfel elaborated, “[Scanlon would always say,] ‘We got to have it, man.’ ‘We’re getting hammered.’ ‘We need it.’ ‘We’ve got to turn the phone banks on.’ ‘We’ve got to get the blitz going.’ It was always a crisis.”

\[55\]Id. (emphasis added).

\[56\]Id. (emphasis added).

\[57\]Id.

\[58\]Agua Caliente document production (no Bates number) (“Verbatim Transcript—Tribal Council Meeting of Tuesday, July 9, 2002”) (July 20, 2004) (excerpt only).

\[59\]Interview of William Worfel, former Vice-President, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13, 2005).

\[60\]Id.
Abramoff’s approach with the Tigua was equally aggressive. A tribal representative observed that Abramoff pushed Scanlon “hotly.”61 With that Tribe, Abramoff said that he and Greenberg Traurig would provide representation on a pro bono basis—at least until the Tribe’s casino was up and running.62 But, he insisted that the Tribe hire Scanlon as their political consultant.63 In that context, he described Scanlon as “tenacious” and a “bulldog.”64 He also noted that Scanlon was “DeLay’s attack dog ... one of the reasons that Delay was so successful” and that “people [were] afraid of him.”65 Abramoff promoted Scanlon as the person who did the groundwork on his projects and that, on tough fights especially, “[h]e always gets results.”66

Having told the Tigua how he planned anonymously to slip language into a legislative vehicle that would allow the Tigua to reopen its casino, Abramoff stressed “once the law is printed, someone’s going to know it and that’s where Mike [Scanlon] comes in.”67 In particular, Abramoff laid out a strategic concept whereby Scanlon would serve as “a submarine”—rising from under the radar and blanketing the telephones of offices of Members of Congress that have discovered the remedial language that Abramoff had sneaked into his legislative vehicle.68 Abramoff noted, “you better have the best, because they will come after you.”69 And, referring to Scanlon and his political database, Abramoff insisted, “If you are going to do this, you need this


64Interview with Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

65Id.

66Id.

67Id.


Abramoff’s interest in having the Pueblo of Sandia hire Scanlon was particularly keen. Both then-Tribal Governor Stuwart Paisano and Tribal lawyer David Mielke recalled that, during a meeting with Abramoff at Greenberg Traurig in February 2002, Abramoff characterized Scanlon as indispensable to his federal lobbying practice and a *sine qua non* for success on the Tribe’s project. In laying out to the tribal representatives his plan to “break bones” and “bust kneecaps,” Abramoff told them that he would only represent the Tribe if it hired Scanlon.

So intent was Abramoff in having the Pueblo of Sandia hire Scanlon that he negotiated with the Tribe on Scanlon’s behalf and, in fact, offered several inducements to have the Tribe hire Scanlon. According to Paisano and Mielke, in the face of an unusually high contract price to hire Scanlon, Abramoff offered to further reduce Greenberg Traurig’s monthly retainer in exchange for or in contemplation of the Tribe’s hiring Scanlon. Mielke also recalled that Abramoff offered to reduce Scanlon’s asking price to $2,750,000, but said that he could not go further because the lower amount had “Scanlon’s 10% profit margin locked in.” Likewise, when the Choctaw were experiencing cash flow problems and budget shortfalls, Abramoff offered to defer payments to Greenberg Traurig to ensure that the Tribe could pay Scanlon in full. Also, when the Choctaw were late in paying Scanlon, more often than not Abramoff inquired about the status of the payments to Scanlon.

Another way that Abramoff appears to have had some of the Tribes hire Scanlon for further projects was through alarming them, perhaps falsely, about threats to their sovereignty or

70*Id.*

71Interview of Stuwart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006); Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

72Interview of Stuwart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

73*Id.*; Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

74*Id.* As described above, Scanlon deliberately set his prices to accommodate his secret payments to Abramoff. That required Scanlon to maintain a profit margin closer to 80 percent. *See* Transcript of Plea Agreement at 22, *U.S. v. Jack Abramoff* (U.S. D.C. January 3, 2006).

75Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, Choctaw, Mississippi (April 27-29, 2005).

76*Id.*
gaming interests. For example, on or about February 11, 2002, Abramoff approved a “draft [Conservative Action Team’s] letter to the president [sic] and [Interior Secretary Gale] Norton saying ‘no more Indian gaming expansion’ ...... [sic] [and] light a fire under [Deputy Interior Secretary Steven] Grix’s ass.”\textsuperscript{77} Abramoff observed that “[t]his will help us get [then-Louisiana Coushatta Tribal Council member] William [Worfel] scared about Blue Lake [in California], hopefully increasing our budget.”\textsuperscript{78} During this period, the Louisiana Coushatta were interested in doing business there.\textsuperscript{79}

Similarly, on October 10, 2002, Scanlon conveyed to Abramoff: “Lawmakers may consider a package of bills that would allow horse tracks to better compete with the casinos that have cut into their business the past several years. Tracks could be allowed to have video lottery terminals, card rooms, satellite betting sites and possibly other gambling to renew interest in attending horse races.”\textsuperscript{80}

Abramoff responded, “Here we go! This could kill Saginaw! [Saginaw Chippewa legislative director] Chris [Petras] thinks this is not going anywhere. Can you call him and scare him?”\textsuperscript{81}

Likewise, on December 2, 2002, Abramoff discussed the prospect of racinos in Michigan with Petras.\textsuperscript{82} In that email, on which he apparently blind-copied Scanlon, Abramoff noted the following:

Chris, I am getting worried about this. Last night we opened Stacks and there were some WH guys there (who are also Michigan guys—worked for Spence). They told me that there is a hearing

\textsuperscript{77}Email from Todd Boulanger, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000025046) (February 14, 2002).

\textsuperscript{78}Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000025046) (February 14, 2002).

\textsuperscript{79}See Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

\textsuperscript{80}Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG-E000001244) (October 10, 2002).

\textsuperscript{81}Id.

\textsuperscript{82}Email from Jack Abramoff, Greenberg Traurig, to Christopher Petras, Saginaw Chippewa Indian Tribe (GTG-E000010716) (December 2, 2002). A “racino” is a racetrack that also offers casino gaming.
coming up on this immediately, and that they have heard that this is going to happen!!! The enemy is moving fast and we are not on the field. where [sic] is Scanlon on this? what is he doing? Have you guys pushed the button? We need to get him firing missiles. How do we move it faster? Please get the council focused on this as soon as you can. every day [sic] we lose now is going to hurt.\(^\text{83}\)

A few minutes later, Scanlon chimed in, “I love you.”\(^\text{84}\)

And, Abramoff replied, “I’ll follow up with him in a day.”\(^\text{85}\)

Once Abramoff succeeded in having the Tribes hire Scanlon, having kept his financial arrangement with Scanlon secret from the Tribes, Scanlon (for the benefit of Abramoff and himself) charged the Tribes a massive premium for his services. In total, the Tribes paid Scanlon about $66 million from 2001 through 2003. But, what really happened to the Tribes’ money? The following section attempts to shed light on this question.

D. What Happened to the Money that the Tribes Paid Scanlon?

1. Snapshots of CCS’ Representation of the Tribes

In connection with its first hearing on these matters, the Committee established that about 1/3 of Scanlon’s net proceeds went to Scanlon; about another 1/3 went to Abramoff; and the remaining 1/3 went to the underlying grassroots efforts Scanlon promised the Tribes. However, only an in-depth explication of this issue can allow one to apprehend the true extent and brazen nature of Abramoff and Scanlon’s deception of the Tribes.

While a forensic analysis of what happened to the Tribes’ money lies well beyond the scope of the Committee’s investigation, the overwhelming weight of evidence that the Committee has obtained, as described below, indicates that, in most cases, the Tribes did not receive the intended benefit of the millions of dollars that they paid Scanlon. What follows are descriptions of certain representative transactions that the Committee was able to reconstruct that best support that proposition.

\(^{83}\text{Id.}\)

\(^{84}\text{Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000010716) (December 2, 2002).}\)

\(^{85}\text{Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Captiol Campaign Strategies (GTG-E000010716) (December 2, 2002).}\)
a. **Transaction #1 (Miscellaneous) – Huge Profit Margins**

In their plea agreements, Abramoff and Scanlon admitted to charging the Tribes grossly inflated prices for CCS’ services—prices that incorporated the undisclosed fees that Scanlon paid Abramoff.\(^{86}\) As noted throughout, those fees constituted about 50% of CCS’ net profit.\(^{87}\) Examples of how this worked, follow.

Among the documents that the Committee discovered is what appears to be the draft of a letter or other communication from Scanlon to Nell Rogers, the planner of the Mississippi Band of Choctaw Indians (“Choctaw”). Although that the Committee has been unable to determine whether this record, probably drafted late in 2001, was actually transmitted, the representations contained within it are compelling. In that document, Scanlon said, “I think the following is the best way to prioritize our efforts [this year] and make them budget friendly ....”

He explained, “[A] good chunk of the ... for [Project A] wont [sic] be needed until the general election is in full swing later in the year. That said: the overall figures are 4,850,000 for [Project A], and 1,750,000 for [Project B], for a total of 6.6.” But, he added, “We will need the 1.75 for [Project B] and 1.85 for [Project A] ASAP.” Scanlon concluded: “On [Project A] we will need another 1m in about 45 days or so—and the balance we can defer till October 2nd to meet your FY issues .... Does this help?”

A second document, also recently discovered by the Committee, describes Scanlon’s expected margins on those, and other, projects.\(^{88}\) According to that document, entitled “02 CCS Project Break Down,” on the $4,850,000 Scanlon sought on “Project A,” he projected actual costs to come in at about $850,000—for a projected net profit for him and Abramoff of $4,000,000.\(^{89}\) Likewise, on the $1,750,000 Scanlon sought on “Project B,” he projected costs at only $100,000—for a projected net profit for him and Abramoff of $1,650,000.\(^{90}\) The other

---


\(^{88}\) Capitol Campaign Strategies document production (no Bates number) (entitled “02 CCS Project Break Downs”) (undated).

\(^{89}\) Id.

\(^{90}\) Id.
projects, undertaken for Choctaw and other Tribes, are broken out below:

### 02 CCS PROJECT BREAK DOWNS

<table>
<thead>
<tr>
<th>Project</th>
<th>Total</th>
<th>Projected Expenditures</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delta Downs</td>
<td>$3,300,000</td>
<td>$300,000</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Jena Band</td>
<td>$1,505,000</td>
<td>$100,000</td>
<td>$1,405,000</td>
</tr>
<tr>
<td>[PROJECT A]</td>
<td>$4,850,000</td>
<td>$850,000</td>
<td>$4,000,000</td>
</tr>
<tr>
<td>[PROJECT B]</td>
<td>$1,750,000</td>
<td>$100,000</td>
<td>$1,650,000</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>$11,405,000</strong></td>
<td><strong>$1,350,000</strong></td>
<td><strong>$10,055,000</strong></td>
</tr>
</tbody>
</table>

Aggregating the costs and profits for all the projects listed above, the foregoing describes an expected net profit of about 88 percent.\(^9\) Other breakdowns, attached in the appendix of this Report, suggest that CCS’ actual net return consistently hovered at about 70-80 percent.

In the case of CCS’ representation of the Tigua, the margins were equally lucrative. According to a document entitled “2002 GMF Breakdowns,” Scanlon projected that the “total campaign cost” of the Tigua’s project, for which he and his secret partner Abramoff received $4.2 million, would be only $400,000.\(^2\) This document also suggests that Scanlon originally projected his “partner dollar share” here to be $2,400,000.\(^3\) In his plea agreement, Abramoff ultimately admitted to collecting from Scanlon $1,850,000, about 50 percent of CCS’ actual net profit on this project.\(^4\) Likewise, according to a document referring to “Saginaw Wave Two,” Scanlon apparently intended to set aside only $50,000 for the program—a program for which he apparently obtained $500,000 from the Saginaw Chippewa.\(^5\) With CCS’ netting $450,000 on that project, Abramoff’s cut was $225,000.\(^6\) Finally, according to another document, entitled “02 CCS Project Break Downs” Scanlon projected that his pre-tax share of the $10,055,000 net

---

\(^1\) *Id.*

\(^2\) *Capitol Campaign Strategies document production (no Bates number) (entitled “2002 GMF Breakdowns”)* (undated).

\(^3\) *Id.*


\(^5\) *Capitol Campaign Strategies document production (no Bates number) (entitled “Saginaw Wave Two”)* (undated)

\(^6\) *Id.*
What happened above is typical of scores of other transactions that the Committee has reviewed, where Scanlon or Abramoff dramatically overcharged the Tribes for grassroots activities; paid themselves a percentage of what the Tribes paid at a grossly inflated rate wholly unrelated to the actual cost of services provided; and used the remaining fraction to reimburse scores of vendors that could help them maintain *vis-a-vis* the Tribes a continuing appearance of competence. It is almost inconceivable that Scanlon believed that the most ambitious of his programs, like the Louisiana Political Program (with which Scanlon claimed that he could “control both houses and the governor’s mansion”), could be accomplished successfully for the amount he apparently intended to allocate for their completion.

b. **Transaction #2 (August 2002) - Louisiana Coushatta and Agua Caliente pay CCS a total of $5,000,000**

An example of such a program relates to the payment of almost $5,000,000 by the Louisiana Coushatta and, for an unrelated matter, the Agua Caliente to CCS in August 2002. Weeks before, on July 26, 2002, Scanlon asked then-Louisiana Coushatta councilman William Worfel for authorization to execute a program that he said would “eliminate the Jena threat ... to ensure that the Jena go away for good, and ... permanently eliminate them as a threat to the tribe.”

He described what he would do with this additional money as follows:

> We would like to continue the effort against the Jena tribe and launch a new effort against the governor as payback. On the Jena front we would like to go to each possible town where they could conceivably land a casino and destroy that option politically. Simply put—we want them out of the state and out of the gaming business all together [sic]. We would like to go from town to town and systematically wipe out all possible locations. Our recommendation is to finish them off now .... We believe that this campaign will run about 8 weeks, and we would like to start immediately while the iron is hot. We will need a budget of roughly $2,100,000 to execute this properly.

On or about August 1, 2002, the Louisiana Coushatta paid CCS $2,100,000, as Scanlon
requested. And, on or about August 27, 2002, the Agua Caliente paid CCS $2,720,000 (and another $935,000 on or about September 17, 2002), for a similarly ambitious project apparently related to the Tribe’s compact renegotiations with the State of California.

However, CCS’ ledger reflects no expenditures commensurate with Scanlon’s ambitious representations. During an eight-week period, which began and closed with a balance at just under $1,000,000, the ledger reflects payments totaling about $40,700 to the Weber Company and almost $290,000 to Lunde & Berger for “professional campaign services” for several tribes; payments totaling about $14,700 to Matthew Stetter for work on an “environmental impact statement” and a total of about $1,270 to Anton Design for “professional campaign services”—both of which are probably attributable to the Saginaw Chippewa; payments of $14,000 and about $1,500 to Democracy Data and Communications for “databases” and “telematch services,” respectively; a payment of $7,803 to Baum Communications for “Cali ID”; and a payment of $2,890 to Harold Grosh for work by “subcontractors” apparently attributable to the Louisiana Coushatta. All of those expenditures, which capture vendor expenses that are either $25,000 or more or traceable to a grassroots campaigns conducted for any tribe, amounted to a mere $370,000.

During this period, the ledger also reflects a few incidental payments that probably provided little value to the Louisiana Coushatta or the Agua Caliente, for example, a payment of $250,000 to the Republican Governors Association; a payment of $100,000 to an individual named Michael Chapman, likely for referring the Agua Caliente to Abramoff and Scanlon; a $60,000 donation to the “Scanlon Foundation for Kids” for “backpacks”; and a number of payments apparently made to contractors for work on some of Scanlon’s properties.

Other than the foregoing, the ledger reflects no vendor expenses that are either $25,000 or more or traceable to grassroots campaigns conducted for any Tribe. However, with a total of $4,820,000 having been paid by the Louisiana Coushatta and the Agua Caliente near the beginning of this period, the ledger does show Scanlon’s paying Abramoff a “referral expense” of $2,266,250 on or about September 16, 2002, and Scanlon’s paying himself $2,200,000 on or

---

100 Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies).

101 Id.

102 Id.

103 Id.

104 Id.
about October 10, 2002.\textsuperscript{105}

Newly discovered evidence suggests what Scanlon intended to do with these Tribes’ money from the start. According to a recently discovered financial record, Scanlon apparently intended to set aside no more than $350,000 for the Jena-related program—a program for which he sought and obtained $2,100,000 from the Louisiana Coushatta.\textsuperscript{106} According to that same document, Scanlon projected a net $1,732,000 on that project and estimated Abramoff’s cut at $866,250.\textsuperscript{107} Similarly, according to another document referring to “AC Wave One,” Scanlon apparently intended to set aside only $400,000 for that program—a program for which he sought and received $2,700,000 from the Agua Caliente Tribe.\textsuperscript{108} With CCS’ projecting to net $2,235,000 on that project, he estimated Abramoff’s cut here at $1,117,500.\textsuperscript{109} It is unlikely that Scanlon believed that he could “finish [the Jena] off now” for only $350,000. The foregoing reflects that the Louisiana Coushatta received little of the intended benefit for the $2,100,000 it paid CCS, and that the $2,700,000 that Scanlon charged the Agua Caliente for “AC Wave One” was wholly unrelated to his actual costs.

\begin{itemize}
\item[c.] \textbf{Transaction #3 (October 2001 - January 2002) - Louisiana Coushatta pays CCS $2,170,000}

By August 27, 2001, Scanlon had successfully helped the Louisiana Coushatta with its compact renegotiations with the State of Louisiana. In furtherance of his new partnership with Abramoff, which the two kept secret from the Louisiana Coushatta, Scanlon was now prepared to proceed with a much broader scope of work. In that context, Scanlon put forward a “comprehensive political program,” which he described as “much larger than the one we developed for the compact fight[, but] includes many of the same tactics and follows the same development process.”\textsuperscript{110}

\end{itemize}

\textsuperscript{105} Id.

\textsuperscript{106} Capitol Campaign Strategies document production (no Bates number) (undated) (entitled “JA Nets - Coush Jena Aug”).

\textsuperscript{107} Id.

\textsuperscript{108} Capitol Campaign Strategies document production (no Bates number) (undated) (entitled “AC Wave One”). Scanlon also set aside another $38,000 as a “plane expense.” \textit{See id.}

\textsuperscript{109} Id.

\textsuperscript{110} Memorandum from Michael Scanlon, Capitol Campaign Strategies, to Kathryn Van Hoof, Coushatta Tribe of Louisiana, “Coushatta Political Program” (August 27, 2001) (carbon-copying Abramoff).
In an August 27, 2001, memorandum to Kathryn Van Hoof, outside counsel for the Louisiana Coushatta, which Scanlon carbon-copied to his new partner Abramoff, Scanlon described this program as designed to “make sure that under no circumstances would the tribe find itself behind the political eight ball ever again” and “make [the Tribe] a politician’s best friend—or worse [sic] political nightmare.” Scanlon continued, “[This strategy is] built to put you in a position to impose your political will on virtually any issue or candidate, and not just in SW Louisiana, but statewide, and across stateliness [sic] as well.” Scanlon offered, “In my opinion if you execute this program, you will be in position to achieve all of your political objectives.” Accordingly, Scanlon laid out his Louisiana and Texas “political program.”

What the Tribe did not know at the time was that much of the money that Scanlon proposed that it pay for this political program would go directly to Abramoff. On the day after Scanlon apparently sent the foregoing memo to Van Hoof, Abramoff wrote his tax advisor about where he intended his share of the Louisiana Coushatta’s money to go: “A company called Capital Campaign Services [sic] has several hundred thousand which they are going to put into the restaurant for me (they owe me money, though there is no written arrangement—they have already transferred the money to [Livsar Enterprises, which owned one of Abramoff’s restaurants] so the trust issue is not a problem).”

On September 10, 2001, having been assured that money from the Tribe was on the way, Abramoff asked Scanlon, “Can you let me know how much more (than the current +/- 660K) we would each score should Coushatta come through for this phase, and Choctaw continue to make

---

111 Id.
112 Id.
113 Id.
115 Email from Jack Abramoff, Greenberg Traurig, to Gail Halpern, May & Barnhard (GTG-E000011965) (August 28, 2001). Intent on funneling his share of the Louisiana Coushatta’s money to his restaurant without it being taxed as personal income, Abramoff asked Halpern, “I was wondering if we could structure this transaction the following way: Livsar invoices CCS for services in the amount they are transferring. The services can be of any nature .... CCS is a political, lobbying, campaign company, certainly one which uses fine dining etc. Livsar would take that money as income and spend it in the course of business, on the restaurant. If at the end of the year Livsar has expended that money, is there a tax event?” Id. See also Email from Jack Abramoff, Greenberg Traurig, to Gail Halpern, May & Barnhard (GTG-E000011965) (August 28, 2001) (Abramoff describing Livsar Enterprises).
the transfers. I need to assess where I am at for the school’s sake.”

Scanlon replied, “Coushatta is an absolute cake walk. Your cut on the project as proposed is at least 800k.”

All in all, Scanlon reported that Abramoff would get at that time “1.5. mil on top of the 660. For a total of 2.1.”

Abramoff heaped praise on his partner, “How can I say this strongly enough: YOU IZ DA MAN.”

Not content with the $2.1 million and using the phrase the two had coined to describe their secret partnership, Scanlon exhorted, “Let’s grow that 2.1 to 5!!! We need the true give me five!”

On October 6, 2001, Scanlon picked up that email stream to revisit the issue with Abramoff: “800k was your cut of the combined [Louisiana] and [Texas] projects. But they did not go for the [Louisiana] project so your cut shrunk to 400k from texas [sic] alone.” However, Scanlon assured Abramoff: “But we came in way under budget bumping your total on the texas [sic] project up to 600k.”

He continued, “If they go for the [Louisiana] project, tack another 400 onto your end .... Long story short, you made an additional 200k on the texas [sic] project.”

Abramoff responded, “We have to get that [Louisiana] project moving. Let’s discuss

116Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E0000113995) (September 10, 2001).

117Id.

118Id.

119Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E0000113847) (September 10, 2001) (emphasis in original).

120Id.

121Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E0000113927) (October 5, 2001).

122Id.

123Id.
how to make that happen.”

Ultimately, on or about October 23, 2001, the Tribal Council apparently approved a modified version of the political program that Scanlon proposed to fight a couple of Louisiana gaming expansion initiatives. Cumulatively, it was called the “Battleground Program.” In a memorandum outlining the program’s costs, Scanlon wrote, “[W]e have already begun our operations on all fronts. As we expressed to the council two battles, plus implementing the already proposed program would be costly.” The total cost, $3,170,000.

According to CCS’ accounting ledger, on October 31, 2001, the Louisiana Coushatta ultimately paid CCS $2,170,000 in one lump sum. But, how did CCS spend this money? CCS’ own records indicate that a small part was paid to outside vendors for actual work. For example, on or about November 8, 2001, CCS paid Capitol Media, a company owned or controlled by Ralph Reed, $100,000 for work on the Texas component of the program.

124 Id.


126 See id.

127 Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies). In an apparent scheme to fraudulently induce the Tribe to “donate” to Abramoff’s private charity, the Capital Athletic Foundation (“CAF”), Scanlon directed the Tribe to send the remaining $1,000,000 for the Program to Greenberg Traurig; and, at Abramoff’s direction, the firm sent this $1,000,000 to the CAF, on November 13, 2001. For a full explication of this transaction, refer infra to Part 2, Chapter 3, “Capital Athletic Foundation,” Section D, “Abramoff and Scanlon Misappropriate Tribal Funds for CAF Seed Money in 2001.”

128 Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies).

129 Id. Weeks before, on October 8, 2001, Reed had agreed to help Scanlon and Abramoff “block the Alabama Coushatta tribe [sic] from securing a gaming facility by proactively pushing a political or legislative vehicle making approval of Indian gaming in Texas next to impossible”, for $100,000. Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000023050-51) (October 5, 2001). On October 5, 2001, Scanlon explained to Abramoff, “We have drafts of the language, But [sic] we are still batting around the final documents. What we need now is for the Gov [sic], Lt Gov [sic] and AG to issue the vehicle and publicly support it. Here are our ideas, and if Ralph can slam it home it would be great.” Id. After Abramoff referred Reed to Scanlon to “get it moving,” Abramoff reached out
While Scanlon was paying vendors only a modest fraction of what the Tribe paid CCS, it seems that he put much of the balance to personal use. On November 2, 2001, he took $1.4 million as a shareholder draw. That month, Scanlon reportedly bought a $1.6 million beach house in Rehoboth Beach, which he completely renovated.

Later entries in the CCS ledger reflect very significant draws going to Scanlon’s wedding, which never occurred. Ultimately, after additional payments came in from the Choctaw, Scanlon paid Abramoff about $2,000,000. These payments are set forth below.

**CAPITOL CAMPAIGN STRATEGIES ACCOUNT SNAPSHOT**

<table>
<thead>
<tr>
<th>DATE</th>
<th>DESCRIPTION</th>
<th>TO/FROM</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/30/2001</td>
<td>Balance</td>
<td></td>
<td>$83,249.00</td>
</tr>
<tr>
<td>10/31/2001</td>
<td>Consulting Fees/from Coushatta</td>
<td>$700,000.00</td>
<td></td>
</tr>
<tr>
<td>10/31/2001</td>
<td>Consulting Fees/from Coushatta</td>
<td>$2,170,000.00</td>
<td></td>
</tr>
<tr>
<td>10/31/2001</td>
<td>Balance</td>
<td></td>
<td>$2,953,249.04</td>
</tr>
<tr>
<td>11/2/2001</td>
<td>Professional Campaign; Lunde &amp; Berger</td>
<td>($25,000.00)</td>
<td></td>
</tr>
<tr>
<td>11/2/2001</td>
<td>Professional Campaign; Red Sea</td>
<td>($11,236.02)</td>
<td></td>
</tr>
</tbody>
</table>

130 Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies).


132 The entries in the following tables, and similar tables throughout this Report, are taken from CCS’ accounting ledger and cross-referenced with other information in the possession of the Committee for verification. To determine whether the Tribes received fair value for what they paid CCS, wholly incidental expenses were excluded from the source ledger, and presented here. Of all vendor transactions reflected in the source ledger, only those greater than or equal to $25,000 or traceable to any Tribe have been included here and other similar spreadsheets presented in this Report.
<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Party/Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>11/2/2001</td>
<td>Professional Campaign; Basswood</td>
<td>Michael Scanlon</td>
<td>($11,270.00)</td>
</tr>
<tr>
<td></td>
<td>Research</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/2/2001</td>
<td>Shareholder Draw; Capitol Media</td>
<td>Michael Scanlon</td>
<td>($1,400,000.00)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/8/2001</td>
<td>Professional Campaign; Basswood</td>
<td>Capitol Media</td>
<td>($100,000.00)</td>
</tr>
<tr>
<td></td>
<td>Research</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/8/2001</td>
<td>Professional Campaign; Basswood</td>
<td>Capitol Media</td>
<td>($350,000.00)</td>
</tr>
<tr>
<td></td>
<td>Research</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/9/2001</td>
<td>Shareholder Draw/Wedding Basswood</td>
<td>Michael Scanlon</td>
<td>($50,000.00)</td>
</tr>
<tr>
<td>11/15/2001</td>
<td>Consulting Fees</td>
<td>Choctaw</td>
<td>$2,350,000.00</td>
</tr>
<tr>
<td>11/15/2001</td>
<td>Shareholder Draw; Capitol Media</td>
<td>Michael Scanlon</td>
<td>($1,563,740.39)</td>
</tr>
<tr>
<td>11/26/2001</td>
<td>Shareholder Draw; Alabama Lunde &amp;</td>
<td>Michael Scanlon</td>
<td>($75,000.00)</td>
</tr>
<tr>
<td></td>
<td>Berger</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/26/2001</td>
<td>Professional Campaign; Basswood</td>
<td>Capitol Media</td>
<td>($13,000.00)</td>
</tr>
<tr>
<td></td>
<td>Research</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/26/2001</td>
<td>Professional Campaign; Alabama</td>
<td>Lunde &amp; Berger</td>
<td>($130,000.00)</td>
</tr>
<tr>
<td></td>
<td>Lunde &amp; Berger</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/27/2001</td>
<td>Money Market</td>
<td></td>
<td>($2,923,485.08)</td>
</tr>
<tr>
<td>11/27/2001</td>
<td>Shareholder Draw/Wedding Basswood</td>
<td>Michael Scanlon</td>
<td>($5,000.00)</td>
</tr>
<tr>
<td>11/27/2001</td>
<td>Shareholder Draw; Capitol Media</td>
<td>Michael Scanlon</td>
<td>($60,000.00)</td>
</tr>
<tr>
<td></td>
<td>Research</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/27/2001</td>
<td>Shareholder Draw; Basswood</td>
<td>Michael Scanlon</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Wedding</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11/30/2001</td>
<td>Balance</td>
<td></td>
<td>$174,560.77</td>
</tr>
<tr>
<td>12/12/2001</td>
<td>Shareholder Draw; Preferred Account</td>
<td>Legg Mason Wood</td>
<td>($50,000.00)</td>
</tr>
<tr>
<td>12/19/2001</td>
<td>Referral Expense; Jack Abramoff</td>
<td></td>
<td>($300,000.00)</td>
</tr>
<tr>
<td>12/31/2001</td>
<td>Referral Expense; Jack Abramoff</td>
<td></td>
<td>($1,718,125.00)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12/31/2001</td>
<td>Professional Campaign</td>
<td>Capitol Media</td>
<td>($250,000.00)</td>
</tr>
<tr>
<td>12/31/2001</td>
<td>Balance</td>
<td></td>
<td>($2,392,137.00)</td>
</tr>
<tr>
<td>1/2/2002</td>
<td>Deposit</td>
<td>Money Market</td>
<td>$2,754,942.00</td>
</tr>
<tr>
<td>1/2/2002</td>
<td>Balance</td>
<td></td>
<td>$362,804.86</td>
</tr>
</tbody>
</table>

In a November 6, 2001, e-mail, Scanlon provides Abramoff with “a breakdown (Political Nets) of where you are currently -and [sic] [a] distribution [s]chedule for 2001 that shows what you made or directed to other parties—Not bad!!!!!!”\(^{133}\)

With only a fraction of what the Tribe paid CCS going to the intended effort, it appears that the Louisiana Coushatta received little of the intended benefit for the money it paid CCS during this period. Unfortunately, this would not be the only time the Tribe would be short-changed by Abramoff and Scanlon.

\(^{133}\)Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000012278) (November 7, 2001).
d. **Transaction #4 (January - April 2002) - Several Tribes Pay CCS Over $22,000,000**

As described in the Chapter of this Report addressing Abramoff and Scanlon’s representation of the Tigua, late in 2001, the State of Texas filed suit seeking to shut down the casino of the Alabama Coushatta Tribe. Operating near Houston, in Livingston, Texas, that casino ostensibly presented competition to the Louisiana Coushatta’s facility, across the state line. As reflected above, Scanlon used only a fraction of the Louisiana Coushatta’s payments to CCS late in the year to fund Ralph Reed’s anti-gaming grassroots activities in Texas, which Reed ran through his firm Capitol Media. However, with the casino’s closure imminent, Scanlon was quick to take credit. On January 6, 2002, he wrote Louisiana Coushatta Tribal Councilman William Worfel, carbon-copying Abramoff, “Victory is ours. As a result of our political pressure, the Texas Attorney General filed a lawsuit in federal court on Friday to shut down the Alabama Coushatta’s ‘entertainment center’ in Livingston.”

On January 27, 2002, Scanlon wrote Worfel again, “It looks as though the [Jena Band of Choctaw Indians] are attempting again to put a facility in Mississippi at the same time they are continuing their efforts in Louisiana.”

He continued, “On that note—I would like to speak with you tomorrow about our conversation on Friday regarding Patrick Martin and the Jena [Band of Choctaw Indians]. I think it’s imperative that we make a large statement with our efforts given what has unfolded.”

Accordingly, he asked for “a larger budget to deal with the Jena and make our muscle felt ... a significant effort (an additional 1.2 mil to make our point).”

On the next day, Abramoff forwarded an article to Scanlon, which had been provided to him by Reed, about the Tigua’s casino in Texas, and wrote, “Get this to William [Worfel]. War.”

According to CCS’ accounting records, this began a particularly active payment period, during which the Louisiana Coushatta in particular made a series of very substantial payments to CCS’ operating account. In January 2002, which began this period, the starting balance in this account was about $500,000. By April 2002, after considerable payment activity, the balance went back down to about $500,000. In the interim, the Louisiana Coushatta paid CCS

---

134 Capitol Campaign Strategies document production (BB/LC 015391) (January 6, 2002).

135 Memorandum from Michael Scanlon, Capitol Campaign Strategies, to William Worfel, Coushatta Tribe of Louisiana (January 27, 2002).

136 *Id.*
$11,510,000. Additionally, substantial payments were made by several other tribes: Saginaw Chippewa, $3,069,831; Choctaw, $1,605,000; Tigua Tribe of El Paso, $2,122,680; and the Sandia Pueblo, $2,750,000. So, during this period, all of these tribes paid CCS a total of $21,057,561.  

What did Scanlon do with these Tribes’ money during this period? According to information obtained by the Committee, Scanlon paid only $826,452.79 to vendors for expenses greater than or equal to $25,000 or discernable as funding for work done for any Tribe and about $155,000 to Abramoff lobbying associates Jon van Horne and Kevin Ring. By contrast, Scanlon withdrew $15,078,108.94 as “shareholder draws” and paid Abramoff, or his corporate alter ego Kaygold, $8,998,947.60 as “referral expenses.” The relevant portion of CCS’ ledger, which reflects this activity, is set out below.  

**CAPITOL CAMPAIGN STRATEGIES ACCOUNT SNAPSHOT**

<table>
<thead>
<tr>
<th>DATE</th>
<th>DESCRIPTION</th>
<th>TO/FROM</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/2/2002</td>
<td>Balance</td>
<td></td>
<td>$362,804.86</td>
</tr>
<tr>
<td>1/7/2002</td>
<td>Balance</td>
<td></td>
<td>$505,356.94</td>
</tr>
<tr>
<td>1/18/2002</td>
<td>Consulting Fees Coushatta</td>
<td>Coushatta</td>
<td>$1,505,000.00</td>
</tr>
<tr>
<td>1/18/2002</td>
<td>Consulting Fees Coushatta</td>
<td>Coushatta</td>
<td>$1,500,000.00</td>
</tr>
<tr>
<td>1/18/2002</td>
<td>Consulting Fees Coushatta</td>
<td>Coushatta</td>
<td>$1,000,000.00</td>
</tr>
<tr>
<td>1/24/2002</td>
<td>Professional Campaign; Lunde &amp; Berger</td>
<td>LA; 1452</td>
<td>($25,000.00)</td>
</tr>
<tr>
<td>1/30/2002</td>
<td>Shareholder Draw</td>
<td></td>
<td>($1,000,000.00)</td>
</tr>
<tr>
<td>1/30/2002</td>
<td>Shareholder Draw</td>
<td></td>
<td>($950,000.00)</td>
</tr>
</tbody>
</table>

According to CCS’s accounting ledger, an unspecified client(s) paid CCS $3,102,750 during this period. Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies). This figure is not included in this tally.

Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies).

Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies).

The entries in the following tables, and similar tables throughout this Report, are taken from CCS’ accounting ledger and cross-referenced with other information in the possession of the Committee for verification. To determine whether the Tribes received fair value for what they paid CCS, wholly incidental expenses were excluded from the source ledger, and presented here. Of all vendor transactions reflected in the source ledger, only those greater than or equal to $25,000 or traceable to any Tribe have been included here and other similar spreadsheets presented in this Report.
<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/1/2002</td>
<td>Balance</td>
<td>$3,207,343.96</td>
</tr>
<tr>
<td>2/7/2002</td>
<td>Legal/Professional; Legal Work; 1476</td>
<td>Jon Van Horne</td>
</tr>
<tr>
<td>2/12/2002</td>
<td>Professional Campaign; LA - Jena; 1489</td>
<td>Lunde &amp; Berger</td>
</tr>
<tr>
<td>2/14/2002</td>
<td>Professional Campaign</td>
<td>Alexander Strategies</td>
</tr>
<tr>
<td>2/19/2002</td>
<td>Consulting Fees</td>
<td>Saginaw Chippewa</td>
</tr>
<tr>
<td>2/19/2002</td>
<td>Professional Campaign; 1492</td>
<td>Capitol Media</td>
</tr>
<tr>
<td>2/20/2002</td>
<td>Professional Campaign; Glover Associates</td>
<td>($34,291.16)</td>
</tr>
<tr>
<td>2/21/2002</td>
<td>Professional Campaign; Final Payment; 1495</td>
<td>Lunde &amp; Berger</td>
</tr>
<tr>
<td>2/22/2002</td>
<td>Transfer</td>
<td>Money Market</td>
</tr>
<tr>
<td>2/22/2002</td>
<td>Referral Expense; 1496</td>
<td>Kaygold</td>
</tr>
<tr>
<td>2/25/2002</td>
<td>Professional Campaign; Radio Buy; LA; 1498</td>
<td>Capitol Media</td>
</tr>
<tr>
<td>2/25/2002</td>
<td>Professional Campaign; LA Project; 1499</td>
<td>Capitol Media</td>
</tr>
<tr>
<td>2/28/2002</td>
<td>Consulting Fees</td>
<td>Choctaw</td>
</tr>
<tr>
<td>2/28/2002</td>
<td>Shareholder Draw</td>
<td></td>
</tr>
<tr>
<td>3/1/2002</td>
<td>Balance</td>
<td>Lunde &amp; Berger</td>
</tr>
<tr>
<td>3/4/2002</td>
<td>Consulting Fees; Deposit</td>
<td>Money Market</td>
</tr>
<tr>
<td>3/5/2002</td>
<td>Deposit</td>
<td>$2,000,000.00</td>
</tr>
<tr>
<td>3/5/2002</td>
<td>Consulting Fees; Deposit</td>
<td>$2,100,000.00</td>
</tr>
<tr>
<td>3/5/2002</td>
<td>Shareholder Draw</td>
<td>Michael Scanlon</td>
</tr>
<tr>
<td>3/14/2002</td>
<td>Shareholder Draw</td>
<td>($150,000.00)</td>
</tr>
<tr>
<td>3/15/2002</td>
<td>Consulting Fees</td>
<td>Coushatta</td>
</tr>
<tr>
<td>3/15/2002</td>
<td>Consulting Fees</td>
<td>Sandia Pueblo</td>
</tr>
<tr>
<td>3/21/2002</td>
<td>Referral Expense; 1557</td>
<td>Jack Abramoff</td>
</tr>
<tr>
<td>3/21/2002</td>
<td>Referral Expense; 1558</td>
<td>Kevin Ring</td>
</tr>
<tr>
<td>3/22/2002</td>
<td>Shareholder Draw</td>
<td>Michael Scanlon</td>
</tr>
<tr>
<td>3/25/2002</td>
<td>Shareholder Draw</td>
<td>Michael Scanlon</td>
</tr>
<tr>
<td>3/25/2002</td>
<td>Shareholder Draw</td>
<td>Michael Scanlon</td>
</tr>
<tr>
<td>3/27/2002</td>
<td>Professional Campaign; Red Sea</td>
<td>($33,600.00)</td>
</tr>
<tr>
<td>3/28/2002</td>
<td>Professional Campaign; Red Sea</td>
<td>($116,680.00)</td>
</tr>
<tr>
<td>4/1/2002</td>
<td>Consulting Fees</td>
<td>Saginaw Chippewa</td>
</tr>
<tr>
<td>4/1/2002</td>
<td>Balance</td>
<td>$5,730,488.93</td>
</tr>
<tr>
<td>Date</td>
<td>Description</td>
<td>Client</td>
</tr>
<tr>
<td>------------</td>
<td>------------------------------------</td>
<td>--------------------</td>
</tr>
<tr>
<td>4/2/2002</td>
<td>Shareholder Draw; 1573</td>
<td>Michael Scanlon</td>
</tr>
<tr>
<td>4/2/2002</td>
<td>Shareholder Draw; 1574</td>
<td>Michael Scanlon</td>
</tr>
<tr>
<td>4/4/2002</td>
<td>Consulting Fees</td>
<td>Tigua</td>
</tr>
<tr>
<td>4/4/2002</td>
<td>Consulting Fees</td>
<td>Coushatta</td>
</tr>
<tr>
<td>4/8/2002</td>
<td>Referral Expense; 1580</td>
<td>Kaygold</td>
</tr>
<tr>
<td>4/10/2002</td>
<td>Consulting Fees</td>
<td>Sandia Pueblo</td>
</tr>
<tr>
<td>4/10/2002</td>
<td>Professional Campaign; NM Poll 2; 1586</td>
<td>Frabrizio and McLaughlin</td>
</tr>
<tr>
<td>4/11/2002</td>
<td>Professional Campaign; Prof Services; 1593</td>
<td>Weber Company</td>
</tr>
<tr>
<td>4/11/2002</td>
<td>Professional Campaign; LA Survey; 1597</td>
<td>Basswood Research</td>
</tr>
<tr>
<td>4/15/2002</td>
<td>Professional Campaign; Tigua; 1615</td>
<td>Lunde &amp; Berger</td>
</tr>
<tr>
<td>4/15/2002</td>
<td>Referral Expense; 1616</td>
<td>Kevin Ring</td>
</tr>
<tr>
<td>4/16/2002</td>
<td>Shareholder Draw</td>
<td>Michael Scanlon</td>
</tr>
<tr>
<td>4/16/2002</td>
<td>Balance</td>
<td></td>
</tr>
</tbody>
</table>

Near the beginning of the period captured by this snapshot, after the State of Texas filed suit to shut down the Alabama Coushatta’s casino, Scanlon observed, “Yeah baby! The timing couldn’t be better!”\(^{141}\)

Ultimately, Abramoff responded, “Wez [sic] gonna be rich!”\(^{142}\) And, about a week-and-a-half later, the Louisiana Coushatta, on whose behalf Abramoff and Scanlon opposed the Alabama Coushatta, paid CCS more than $4,000,000.\(^{143}\)

A few weeks later, on March 8, 2002, CCS received an additional $1,869,831 from the Saginaw Chippewa and $1,605,000 from the Choctaw.\(^{144}\) Writing Scanlon, Abramoff celebrated, “We’re gonna be rich. What am I saying?! We ARE rich!!!”\(^{145}\)

---

\(^{141}\) Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG-E000010889) (January 6, 2002).

\(^{142}\) Id.

\(^{143}\) Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies).

\(^{144}\) Id.

\(^{145}\) Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000011535) (March 8, 2002).
What did Scanlon do with his share? In March 2002, Scanlon reportedly paid $4.7 million in cash for a house for himself and then-fiancée, Emily Miller. This beachfront mansion reportedly had a weight room, sauna and a three-bedroom guest house. Scanlon mounted lights on the deck so he could hold parties on the beach at night, his surfing friends have reportedly said. He also bought vacation homes on the Caribbean island of St. Barts, including one villa he reportedly rented out for $50,000 a week.

But that was not enough. In reacting to a proposal by Scanlon to fight attempts by the Jena Band of Choctaw Indians to open a casino in Louisiana, on March 12, 2002, Abramoff admonished his partner, “It’s great, but don’t give the option of shaving costs. Of course they should do them all at once, and there are no savings!!! Otherwise, we’ll sacrifice $2M that they would otherwise gladly pay. OK?”

Referring to the Louisiana Coushatta, on April 8, 2002, Abramoff observed, “They are ripe for more pickings. We have to figure out how.”

In an email, dated March 13, 2002, entitled “those f’ing SagChips,” Abramoff and Scanlon discussed the Saginaw Chippewa’s participation of an Abramoff venture to have them help underwrite the cost of maintaining sky boxes at premium sporting venues in the DC area: “[then-Saginaw Chippewa Sub-Chief] Dave Otto just told me that they are not going to do the sports suites. He said they are under fire and are worried that they are spending too much money. I really am worried that they are not seeing results from us up there, so they are starting to rethink doing stuff with us. can [sic] you PLEASE get someone up there asap?”

Scanlon responded, “Jack—the fact that they are not doing sports suites has nothing to do with them not seeing [sic] results on my end—they are just friggin cheap—and losers—I very

---


147 Id.

148 Id.

149 Id.

150 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000011588) (March 12, 2002).

151 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000252622-23) (April 8, 2002).

152 Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000026246) (March 13, 2002).
seriously doubt we will ever see another penny from them—and there was no chance that they were ever going to do the sports suites. We really have to watch these guys.\textsuperscript{153}

Abramoff replied:

Let’s chat about these guys. I agree about the sports suites, but we need to energize this. we spent the time and won the [Tribal Council] election, and now have a great contract with them. they are not happy with the service they are getting. We need to step up and save this (a lot less work to turn this into a winner than to find another rich tribe and bring them to this point). they are apparently unhappy that you are not there. I am seeing [Saginaw Chippewa legislative director] Chris Petras tomorrow and will get a temperature and we’ll find a way to fix it. we need a beautiful girl to send up there to do our work. I am really not kidding. This deal is a big part of our financial life and we cannot let it slip away.\textsuperscript{154}

On June 18, 2002, Scanlon described an agreement to Abramoff with the “Saginaw’s lawyers” whereby the tribe will “pay 1.9 up front then 500k and 500k .... We should have the cash by the end of the week.”\textsuperscript{155}

In response, Abramoff instructed Scanlon to direct his CCS income to his purported charity, the Capital Athletic Foundation (“CAF”), “Great. can [sic] you get to [REDACTED] and get that $ for CAF? I really need it. also, [sic] might need you to direct one of the $500K’s coming to CAF. can [sic] you do that?”\textsuperscript{156}

On the next day, Scanlon updated Abramoff, “Hey—good day all around—we wrapped up the Sag Chip crap—We hit Coush—I think for 3 mil—and we are working gon [sic] Acaliente [sic] presentation—should be tight.”\textsuperscript{157}

Abramoff answered, “Thanks so much! You are a great partner. What I love about our

\textsuperscript{153}Id.

\textsuperscript{154}Id.

\textsuperscript{155}Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG-E000011737) (June 18, 2002).

\textsuperscript{156}Id.

\textsuperscript{157}Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG-E000057329) (June 20, 2002).
partnership is that, when one of us is down, the other is there. We’re gonna make $ for years together!” Scanlon replied, “Amen! You got it boss—we have many years ahead!”

On or about July 9, 2002, the two discussed the payment of $1,900,000 from the Saginaw Chippewa. Scanlon assuring Abramoff, “800 for you[,] 800 for me[,] 250 for the effort the other 50 went to the plane and misc expenses. We both have an additional 500 coming when they pay the next phasem [sic].” Indeed, on July 12, 2002, after that payment arrived, CCS made three payments to Kaygold, of $800,000; $20,000; and $44,000.

e. Transaction #5 (October 16, 2002) - Louisiana Coushatta Pays $950,000 and the Agua Caliente Pays $1,745,000 to CCS

In its brazeness, what apparently happened with a payment of $950,000 by the Louisiana Coushatta, and $1,745,000 by the Agua Caliente, to CCS is notable. On October 9, 2002, carbon-copying Abramoff, Scanlon wrote Worfel, “[R]ecently the [Jena] have received an enormous amount of funding to back there [sic] political/on the ground [sic] operations and in addition [sic] have beefed up their lobbying team in D.C. as well.”

Scanlon continued, “Given these facts I strongly believe that we need more budget authority to achieve our objectives. I would like an addition [sic] $950,000.00 to beef up our field team for the petition drives, add more staff to our opposition research team, and to increase the level of letters and call [sic] we generate to Secretary Norton over the next few weeks.”

Scanlon underscored, “In all of our time working together we have never come back to you with a request for additional budgeting, so please know that we would not being [sic] making this request unless it were absolutely necessary.”

158 Id.

159 Id.

160 Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000011746) (July 9, 2002).

161 Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies).


163 Id.

164 Id.
Scanlon concluded, “We believe that we will have the campaign wrapped up within three weeks, and these additional funds will contribute greatly to our success.”

What happened subsequently is best reflected in CCS’ general ledger. According to this document, on or about October 15, 2002, the starting balance in CCS’ operating account was about $2,000,000. About a day later, the Louisiana Coushatta paid CCS $950,000, as Scanlon requested. And, at about that same time, the Agua Caliente made another payment of $1,745,000. The original $2,000,000 balance was restored in that account on or about October 25, 2002.

So, in the interim, what happened to the Tribes’ money? Accounting records show that very little of the Tribe’s money was used for purposes intended by the Tribe. Between October 15th and October 25th, 2002, CCS’ general ledger fails to reflect any payments for “beef[ing] up [a] field team for ... petition drives” or the “add[ition of] more staff to [an] opposition research team.” Quite the contrary, during this period, the general ledger indicates, CCS made only one payment to any vendor for work traceable to any Tribe—$50,000 to Ayers, McHenry & Associates, Inc. for “professional campaign services.” It also reflects a payment of $250,000 to the Republican Governors Association and several payments on credit card bills and charter airfare. Otherwise, the only notable activity that is reflected on the ledger during this period are three “shareholder draws” taken by Scanlon, totaling $2,200,000. After Scanlon made those withdrawals, he allowed the account to be drawn down until early-December 2002—at which point the Choctaw made several payments. In other words, apparently Scanlon never replenished the account with the Louisiana Coushatta’s and the Agua Caliente’s money, after he took it out in the first instance. The foregoing allows the Committee to find that those Tribes never received the intended benefit for the money that they paid CCS on or about October 15.

---

165 Id.

166 Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies).

167 See id.

168 Id.

169 Id.

170 Id.

171 Id.

172 Id.

173 Id.
2002.

It is unclear whether Scanlon told Abramoff about these payments when they first arrived. On December 17, 2002, Abramoff asked Scanlon, “can you get me the check for the money which came from the Agua asap? I’m actually in a bad cash position.”

Scanlon answered, “No money in yet—still waiting on the wire—ill [sic] send it over as sson [sic] as it comes in—Its cool—all approved and everything—just not been executed yet.”

Abramoff replied, “Other than the AC, what next on the money train?”

Scanlon answered, “The next big money we have coming our way is Coushatta, and that will be in early January—the exact amounts I’m still hammering out.”

A recently discovered financial record suggests what Scanlon did with the money that he absconded from the Tribes in 2002. This document, which apparently sets forth Scanlon’s net worth for the year ending 2002, reflects that for his own benefit Scanlon put most of the money he received from the Tribes into real estate and investment accounts. According to this document, entitled “Scanlon NW 02,” those investments were valued at about $5,460,000, and $7,520,000 in expected retainers, returns on investments, and net returns on outstanding projects “on board.”

f. Transaction #6 (January - March 2003) - Louisiana Coushatta Pays CCS $5,000,000

The Louisiana Coushatta’s payment to CCS of $5,000,000 on or about February 12, 2003, also reflects Abramoff and Scanlon’s “gimme five” scheme. In an email, dated January 21, 2003, and entitled “Coushatta,” Abramoff wrote Scanlon, “Give me a call asap. I have some thoughts

---

174 Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000056775) (December 17, 2002).

175 Id.

176 Id.

177 Id.

178 Capitol Campaign Strategies document production (no Bates number) (undated) (entitled “Scanlon NW 02”).

179 Id.
in this which I need to share. It means more $$$ for us!" 180 Exactly what Abramoff had in mind here is unclear.

On February 17, 2003, Abramoff reached out to Scanlon “when are we getting Coushatta $?" 181

Scanlon responded, “Was supposed to be in Friday—but did not come through ....” 182

Abramoff replied, “Let me know as soon as it gets in, you fucking beach bum! :) [sic]” 183

On the next day, Scanlon reported, “Coush Cash is in. Ill [sic] process ASAP.” 184 The Louisiana Coushatta paid CCS $5,000,000.

Soon thereafter, on February 19, 2003, Scanlon paid Abramoff’s alter ego Kaygold $1,965,000 as a “referral expense.” 185

Abramoff described what he intended to do with this money: “I am actually at rock bottom and have a payroll to meet on Thursday for the restaurant. Can you get this to me today or tomorrow?” 186

After he did not immediately get his share of the Louisiana Coushatta payment, Abramoff implored Scanlon: “Mike!!! I need the money TODAY! I AM BOUNCING CHECKS!!!” 187

180 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000252878) (January 21, 2003).

181 Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000252882) (February 17, 2003).

182 Id.

183 Id.

184 Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000027864) (February 18, 2003).

185 Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies).

186 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000027864) (February 18, 2003).

187 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000012123) (February 19, 2003) (emphasis added).
Abramoff later apologized, “Sorry I got nuts, but it’s a little crazy for me right now. I am not kidding that I was literally on the verge of collapse. I hate all the shit I’m into. I need to be on the Carribean with you!”

On February 20, 2003, Abramoff explained to his tax advisor, “I think I understand what he did. We received $5M into CCS ... He divided the $5M into three piles: $1M for actual expense, and $2M for each of us.” The payment to Abramoff, made to his entity Kaygold, and a series of substantial “shareholder draws” taken out by Scanlon, are reflected in the portion of CCS’ ledger set forth below. It appears that those draws funded purely personal expenses.

**CAPITOL CAMPAIGN STRATEGIES ACCOUNT SNAPSHOT**

<table>
<thead>
<tr>
<th>DATE</th>
<th>DESCRIPTION</th>
<th>TO/FROM</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/31/2003</td>
<td>Balance</td>
<td></td>
<td>$934,962.28</td>
</tr>
<tr>
<td>2/3/2003</td>
<td>Professional Campaign; CA Mailer; 2176</td>
<td>Red Sea</td>
<td>($40,154.96)</td>
</tr>
<tr>
<td>2/3/2003</td>
<td>Shareholder Draw; SCM; 2177</td>
<td>Phillip Brun</td>
<td>($44,500.00)</td>
</tr>
<tr>
<td>2/12/2003</td>
<td>Consulting Fees</td>
<td>Coushatta</td>
<td>$5,000,000.00</td>
</tr>
<tr>
<td>2/12/2003</td>
<td>Shareholder Draw</td>
<td>Aviation Group</td>
<td>($44,400.00)</td>
</tr>
<tr>
<td>2/19/2003</td>
<td>Professional Campaign; Databases; 2201</td>
<td>DDC</td>
<td>($14,000.00)</td>
</tr>
<tr>
<td>2/19/2003</td>
<td>Professional Campaign; CA; 2203</td>
<td>Basswood Research</td>
<td>($15,425.00)</td>
</tr>
<tr>
<td>2/19/2003</td>
<td>Referral Expense</td>
<td>Kaygold, LLC</td>
<td>($1,965,000.00)</td>
</tr>
<tr>
<td>2/26/2003</td>
<td>Shareholder Draw</td>
<td>Michael Scanlon</td>
<td>($1,000,000.00)</td>
</tr>
<tr>
<td>2/26/2003</td>
<td>Shareholder Draw</td>
<td>Michael Scanlon</td>
<td>($965,000.00)</td>
</tr>
<tr>
<td>2/28/2003</td>
<td>Balance</td>
<td></td>
<td>$1,701,290.87</td>
</tr>
<tr>
<td>3/3/2003</td>
<td>Shareholder Draw</td>
<td>Michael Scanlon</td>
<td>($20,000.00)</td>
</tr>
<tr>
<td>3/7/2003</td>
<td>Travel: Airfare</td>
<td></td>
<td>($89,537.18)</td>
</tr>
</tbody>
</table>

---

188 *Id.*

189 Email from Jack Abramoff, Greenberg Traurig, to Gail Halpern, May & Bernhard, P.C. (GTG-E000012115) (February 20, 2003).

190 The entries in the following tables, and similar tables throughout this Report, are taken from CCS’ accounting ledger and cross-referenced with other information in the possession of the Committee for verification. To determine whether the Tribes received fair value for what they paid CCS, wholly incidental expenses were excluded from the source ledger, and presented here. Of all vendor transactions reflected in the source ledger, only those greater than or equal to $25,000 or traceable to any Tribe have been included here and other similar spreadsheets presented in this Report.
Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000011983) (February 28, 2003).

Email from Jack Abramoff, Greenberg Traurig, to Gail Halpern, May & Bernhard (GTG-000012166) (March 28, 2003).

3/7/2003 Shareholder Draw Michael Scanlon ($20,000.00)
3/7/2003 Shareholder Draw Michael Scanlon ($20,000.00)
3/10/2003 Shareholder Draw; 2235 Beach Pigs, LLC ($100,000.00)
3/11/2003 Shareholder Draw; Deposit $20,000.00
3/12/2003 Shareholder Draw ($10,000.00)
3/18/2003 Shareholder Draw Michael Scanlon ($100,000.00)
3/31/2003 Balance $1,100,413.45

To add insult to injury, according to at least one contemporaneous email, some of the money that the Agua Caliente and the Louisiana Coushatta paid CCS was actually used for conducting public relations activities for other Tribes, on matters wholly unrelated to either. Complaining that CCS was not under contract with the Saginaw Chippewa for public relations, on February 28, 2003, Scanlon admitted, “For the past 4 months we have spent out of pocket to cover their PR- or used agua [sic] or Coushatta money to cover the cost of every little thing that comes down their pike, [sic] We sent them a letter saying we will do no more PR work until we establish a retainer arrangement in late December.”

Abramoff and Scanlon’s requests for payments by, for example, the Louisiana Coushatta to CCS (as reflected above) appear to have related more to the exigencies of their personal business interests than to that Tribe’s grassroots needs. This is evidenced in, for example, an email from Abramoff to his tax advisor, dated March 28, 2003, in which he wrote, “I have $1M coming in (I hope directly to CAF or Eshkol) probably next week, and $1M due within the next 2 weeks to Kaygold. Both from CCS. How long will this money last both for the school and the restaurants?” Given the foregoing, it appears that the Louisiana Coushatta received little of the intended benefit for the money it paid CCS during this period.

2. The “Database”

The fact that most of the Tribes received little of the intended benefit for the millions they paid CCS is perhaps best illustrated by the political databases that Scanlon promised them. As described below, the Tribes received something far less than the customized, state-of-the-art databases that Abramoff and Scanlon told them Scanlon would design, build, and use for them as part of their grassroots campaigns.

---

191 Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000011983) (February 28, 2003).

192 Email from Jack Abramoff, Greenberg Traurig, to Gail Halpern, May & Bernhard (GTG-000012166) (March 28, 2003).
a. The Pitch

In pitching Scanlon’s program to the Agua Caliente Tribal Council, Abramoff described what Scanlon allegedly did for the Mississippi Band of Choctaw Indians (“Choctaw”):

So we decided ... to implement a system that Mike [Scanlon] developed[,] which we successfully implemented a couple of other times and it’s actually what we’re here in part to talk [to] you about today. To organize the tribe so that even though the Choctaws were politically powerful in the sense of their local area[,] we decided to implement a program to make them the most powerful political machine in the State of Mississippi[,] so that if a threat did come up ... they would be in a position to respond to it.\(^{193}\)

He continued:

And in fact that threat did come up. And what we did was organize their assets, their political assets. They had a bunch of vendors and a bunch of customers, they had eight thousand members of the tribe ... and we organized them all. We developed a, a, Mike did, a certain matrix, a certain way to do it so that we could have instant access to people who were directly impacted by the business of the tribe.\(^{194}\)

In an October 2001, memorandum to the Louisiana Coushatta’s outside counsel Kathryn Van Hoof, Scanlon described the database this way: “[W]e are taking what you built for the compact fight and extend[ing] its reach even further. Our ultimate political objective is to control both houses of the state legislature and the governor’s mansion.”\(^{195}\) Originally, Abramoff had assured the Tribe that the database that it first paid CCS for in connection with its compact renegotiations with the State of Louisiana “can be used for any political effort deemed appropriate by the tribal decision makers.”\(^{196}\) But, now, Scanlon maintained that “[i]n order [for the Tribe to achieve its political goals], we need to modify your political database into a

\(^{193}\) Agua Caliente document production (no Bates number) (entitled “Verbatim Excerpt-Tribal Council Meeting of Tuesday, July 9, 2002”) (July 20, 2004) (excerpt only).

\(^{194}\) Id.

\(^{195}\) Capitol Campaign Strategies document production (BB/LC 017923) (October 23, 2001) (carbon-copying Abramoff).

\(^{196}\) Email from Jack Abramoff, Greenberg Traurig, to Kathryn Van Hoof, Coushatta Tribe of Louisiana (COUSH-MiscFin-0000371) (April 12, 2001).
In his interview with Committee staff, then-Louisiana Coushatta Vice-Chairman William Worfel recalled having discussed this database with Scanlon and Cathcart during a meeting at Scanlon’s office in Washington, D.C., well after the date of that memorandum. During that meeting in 2003, Scanlon and Cathcart showed Worfel a list of vendors and their contact information, which the Tribe had provided to Scanlon. According to Worfel, Scanlon and Cathcart said that the database also contained information about other companies with which these vendors did business; those companies’ political connections, in particular, “whether they were Republican or Democrat”; and information about the vendors’ “friends” in various state legislatures. Worfel also recalled that the two said that, with respect to the vendors’ employees, the databases contained contact, voter registration, and political affiliation information.

Worfel also testified that Scanlon and Cathcart said that the database included data regarding past State races: each candidate’s name, district, party affiliation, results of previous races, and the length of service in the State legislature. Yet, the only information that they showed him was the election results in the district. Worfel also remembers that Scanlon and Cathcart told him that they could pull up opposition research data, but didn’t do so. Having presented their database to Worfel, Scanlon said he could beat any candidate with “anybody.” Worfel testified that both Scanlon and Cathcart told him that, with this database, “you can


198 Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 14, 2005).

199 Id.

200 Id.

201 Id.

202 Id.

203 Id.

204 Id.

205 Id.
control the destiny of the Coushatta Tribe and politics in Louisiana.\textsuperscript{206}

Scanlon’s proposed use of elaborate databases was also prominent in political programs that he proposed to the Saginaw Chippewa, called “Operation Redwing.” According to drafts of this proposal that he likely presented to the Tribe, “Our first step [to developing a successful political strategy] is to tap into your natural political resources and integrate them into a custom-built political database.”\textsuperscript{207} The proposal went on to describe a “grassroots database”:

[CCS] will gather lists of your vendors, employees, tribal members etc. (if you approve, customer lists), and we will import those lists into your new database. Our computer program will match the individuals or businesses with addresses, phone numbers, political registrations and e-mail addresses, and then sort them by election districts. The districts run from U.S. Senator down to school board and once completed, you can tap into this database and mobilize your supporters in ANY election, or on any issue of your choosing.\textsuperscript{208}

Regarding a “Qualitative [that is, opposition] Research Database,” the proposal stated the following:

This custom built database acts as the information center of Operation Red Wing. [sic] Over the next six weeks, our team will gather qualitative information on any entity who can be classified as opposition and enter it into this database. The research will include nearly every piece of information on the opposition as you can imagine. Once gathered, it is then sorted by subject matter and made retrievable by a phrase search. The information can then be instantly disseminated to any audience we choose such as our universe of supporters, the press, third party [sic] interest groups or other interested parties.\textsuperscript{209}

According to the “Operation Redwing” proposal, “the [Saginaw Chippewa] tribe will have built a grassroots army of over 50,000 real voters that it can call on for

\textsuperscript{206} Id.

\textsuperscript{207} Capitol Campaign Strategies document production (no Bates number) (entitled “Operation Redwing – A Strategy for making the Saginaw Chippewa Tribe the most dominant political entity in Michigan”) (December 6, 2001).

\textsuperscript{208} Id.

\textsuperscript{209} Id.
offensive or defensive political efforts.”

The language regarding the database set forth in a Scanlon proposal called “Operation Open Doors,” which he and Scanlon presented to the Tigua, is almost identical to what was proposed in “Operation Redwing” for the Saginaw Chippewa. Scanlon’s asking price for “Operation Redwing” was $4,207,000 and for “Operation Open Doors,” $5,400,000.

The foregoing accords with the recollection of former Saginaw Chippewa Sub-Chief David Otto, who told staff that Scanlon pitched that Tribe on his database about a week after the election of the Slate of Eight. Otto recalled that Abramoff was also in attendance. During his interview with staff, Otto recalled that Scanlon similarly insisted that the Tribe needed his database to assert influence on the state level, conduct writing campaigns, and to oppose competitors. Otto also remembered Scanlon’s saying that the database was “customized” and that the software would specifically be built for the Tribe. Additionally, Otto stated that Scanlon cited the need to do mass mailings to write to members of Congress to prevent gaming

\[\text{\textsuperscript{210}}\text{Id.}\]

\[\text{\textsuperscript{211}A full description of relevant events relating to the Tigua is contained supra in Part 1, Chapter 5, “Ysleta del Sur Pueblo.”}\]

\[\text{\textsuperscript{212}Capitol Campaign Strategies document production (no Bates number) (entitled “Operation Redwing – A Strategy for making the Saginaw Chippewa Tribe the most dominant political entity in Michigan”) (December 6, 2001).}\]


\[\text{\textsuperscript{214}Interview of David Otto, former Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (August 27, 2004). As described supra in Part 1, Chapter 3, “Saginaw Chippewa Indian Tribe,” Section D, “Slate of Eight—Abramoff and Scanlon’s Trojan Horse,” the Slate of Eight was a slate of candidates whose campaigns for the Saginaw Chippewa Tribal Council Scanlon and Abramoff supported, in contemplation of, or in exchange for, future business with the Tribe.}\]

\[\text{\textsuperscript{215}Interview of David Otto, former Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (August 27, 2004).}\]

\[\text{\textsuperscript{216}Id.}\]

\[\text{\textsuperscript{217}Id.}\]
competition in the area. According to Otto, Scanlon represented that his company created and maintained the database. On or about January 4, 2002, the Tribal Council voted to hire Scanlon to create the database for about $1.85 million.

Otto recalled working with Cathcart at CCS, to build up the database with lists of the Tribe’s employees and members. This was part of an “organizational phase,” for which all of the subject Tribes paid CCS millions. When Scanlon finally showed the program to the Saginaw Chippewa tribal council, he said it would start a massive campaign. All of the people on the lists provided by the Tribe would be contacted and told to write specific lawmakers, telling them they opposed legislation hostile to the Tribe’s interests. Otto recalls Scanlon saying that this database would generate massive phone call and letter campaigns.

At a subsequent meeting, Otto was shown the database. Otto recalled that Cathcart did some talking, as did another CCS associate David Flaherty. He remembered that another CCS associate named Amy Biederman was also in attendance, but did not speak much during the meeting. When Otto saw the database, which was presented on a laptop, he thought “we spent millions of dollars for something a college kid could do.” He did not think it was worth millions of dollars. Otto assumed that the Tribe had immediate access to the database. But,

---

218 Id.
219 Id.
220 Id.
221 Id.
222 Id.
223 Id.
224 Id.
225 Id.
226 Id.
227 Id.
228 Id.
229 Id.
230 Id.
he later learned the Tribe needed to pay more money to CCS. In fact, Otto believes that the Tribe ultimately spent about $4.1 million to build the database and another $3.5 million or so to use it.

Likewise, when Abramoff and Scanlon first met with the Tigua, Scanlon explained grassroots campaigns and, in particular, how he could get thousands of telephone calls to flood “a senator’s office, or even the President’s office.” Against that backdrop, he and Abramoff proposed a nationwide political campaign for the Tribe. To demonstrate what they had in mind, they brought a laptop with a database similar to what they were proposing to build for the Tigua.

Abramoff noted, “my part is easy; the hard part is keeping this from being undone.” He then explained how once the law (with the Tigua-related provision) is printed, “someone’s going to know it and that’s where Mike comes in.” In that context, Abramoff described Scanlon’s role as a submarine: once the bill passed, Scanlon’s submarine would emerge and “fire missiles” at opponents, who try to repeal the Tigua provision. With Abramoff having characterized Scanlon as “expensive but worth it,” Scanlon explained that he would implement this “submarine strategy” through the database that he was supposedly going to build for the tribe.

Scanlon apparently designated his “right-hand man,” Christopher Cathcart to serve as his

231Id.
232Id.
234Id.
235Id.
236Id.
237Id.
238Id.
239Id.
point of contract with the Tribe. Working with Cathcart on the Tribe’s behalf was Tribal spokesperson Marc Schwartz. Schwartz believed that he may have had as many as 20 to 25 conversations with Cathcart. In his interview with Committee staff, Schwartz recalled Cathcart had described the database as “very customized.” He also recalled that Cathcart had said that Scanlon had “six people working day-and-night to get the system up-and-running” and a “stable” of graphics artists. Schwartz also remembered asking Cathcart how many people were working for Scanlon’s company. In response, Schwartz recalled, Cathcart said “dozens” and described Scanlon’s company to Schwartz as “absolute studs.”

From Cathcart’s presentation, which probably occurred sometime in Spring 2002, Schwartz came away thinking that Scanlon’s organization was huge and that his company had done a number of these types of behind-the-scenes work before. According to Schwartz, Cathcart never mentioned that Scanlon had, or planned to use, outside vendors. Given Abramoff’s “absolute, categorical” insistence on secrecy with the Tigua, Schwartz would have been very concerned about Scanlon’s using outside vendors on the database project.

In hindsight, Schwartz believes that Cathcart lied about the following: (1) the database was not customized; (2) Scanlon did not have “dozens” of employees working on the database; and (3) Scanlon did not have a “stable” of graphic artists. Schwartz also believes that various


242 Id.

243 Id.

244 Id.

245 Id.

246 Id.

247 Id.

248 Id.

249 Id.

250 Id.

251 Id.
representations that Cathcart made about the database’s functionality were false. After having seen the database subsequently, Schwartz considered it “extremely unremarkable.” In his view, there was “no way” that the database required “six people working day-and-night” or that “the database was worth millions.” But, the Tribe had already paid CCS $4,200,000.

In October 2002, the Pueblo of Sandia met with Cathcart at CCS’ Washington office to view its database and was equally unimpressed: not only by the database’s functionality but also the fact that it appeared to capture only the employee and vendor lists that the Tribe provided CCS. The database was not, in the view of the tribal representatives who reviewed it at the time, worth anything close to the almost $2 million that the Tribe had paid for it.

Oral representations made by Scanlon that he apparently made to Tribal representatives, in particular, Schwartz, Otto and Worfel, about having “built” the database is reflected in a document entitled “The Coushatta Political Program,” dated June 26, 2001. In a section entitled, “What We Have Built,” Scanlon stated, “We have constructed a state-of-the-art political database containing roughly 20,000 individuals who will take action on behalf of the tribe.” It is also reflected in the minutes of an Agua Caliente Tribal Council meeting during which Scanlon and Abramoff pitched the database. There, Scanlon further stated, “Then my job is to have there [sic] voices ... heard[]. How do we do that[?]. Several different ways[]. [O]ne [is to] start with [a] custom[-]built database which I designed myself[]. [W]hat this database does[—]it

---

252 Id.
253 Id.
254 Id.
255 Id.
256 Interview of Stuwart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006); Interview of David Mielke, counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).
257 Interview of Stuwart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006); Interview of David Mielke, counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).
259 Id.
is a political database and takes raw data such as employees—takes raw data and we insert that data into our system soon to become your system if we work together ...."\textsuperscript{261}

Scanlon also described the grassroots database as “custom built” in a draft of the “Agua Caliente Global Political Strategy,” dated July 8, 2002.\textsuperscript{262} In fact, in that document, Scanlon told the Tribe that “[CCS] will immediately begin acquiring the computer hardware, software and design the computer that houses your database.”\textsuperscript{263} To “organize” and implement this strategy, Scanlon sought from the Agua Caliente $5,400,000 and an additional set-aside of $2,000,000.\textsuperscript{264}

\textbf{b. The Facts}

In truth, Scanlon’s company neither built nor designed these databases.\textsuperscript{265} In fact, Scanlon merely licensed a database actually created by a vendor named Democracy Data & Communications (“DDC”).\textsuperscript{266} In instances where CCS charged Tribes for DDC’s databases, DDC developed them to help CCS conduct grassroots campaigns on the Tribes’ behalf.\textsuperscript{267} In these cases, CCS supplied DDC with information, such as membership rosters and vendor information, that CCS obtained from its Tribal clients.\textsuperscript{268} Then, using its own proprietary software and network design, DDC helped CCS use that information for grassroots purposes—to

\textsuperscript{261}Id.

\textsuperscript{262}Capitol Campaign Strategies document production (no Bates number) (entitled “Agua Caliente Global Political Strategy”) (undated).

\textsuperscript{263}Id.

\textsuperscript{264}Id. See Letter from Michael Scanlon, Scanlon Gould Public Affairs, to the Honorable Richard Milanovich, Agua Caliente Band of Cahuilla Indians (July 9, 2002).


\textsuperscript{266}Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (August 26, 2004); Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (September 28, 2005).


create mass emails, letters, faxes, etc.

In other words, DDC, rather than CCS, built, updated and maintained those databases, for which CCS charged its tribal clients millions of dollars. Typically, Scanlon charged each of the Tribes at least $1,000,000 just for putting the database together; this was called the “organizational phase.” But, in truth, all the work that DDC did on each of the databases it developed, cost Scanlon a fraction of that amount. For example, all the work that DDC did for the Louisiana Coushatta’s database (from May 2001 through December 2003) cost CCS only $104,000. Notably, in his interview with Committee staff on the Tigua, Scanlon’s right-hand man, Christopher Cathcart, admitted that the Tribe “got nowhere near [the] $1.8 million [it paid] for the organizational phase.” He also conceded that the Tigua’s database was not customized.

DDC President B.R. McConnon testified that, when compared with DDC’s other clients paying similar prices and using similar services, there was actually “a very low level of activity”...
Generally, McConnon observed, customers who have such a low level of usage tend to shut off the account. McConnon recalled that CCS used DDC’s services so sparingly, “it got to be a running joke in the office.”

In cases not involving DDC databases, it appears that CCS took DDC’s proprietary network design; provided that design to another vendor, Visual Impact Productions (“VIP”); and directed VIP to develop databases designed to mimic DDC’s product. And, in those cases, it appears that CCS charged those Tribes millions of dollars for the development, maintenance, and use of those databases.

One of those databases was used by CCS for the Pueblo of Sandia. Apparently, a version of this database was also used by CCS for the Louisiana Coushatta after December 2003. When shown these databases during his deposition, McConnon testified that CCS violated the terms of its licensing agreement when it took the design of the database that his company originally created for the Louisiana Coushatta and used it to develop another system that was meant to look like his company’s database. McConnon is correct: an email between VIP employee Charles Trout and CCS’ Cathcart, dated August 27, 2003, reflects that Trout “reviewed the Democracy Direct software” and analyzed the “Democracy Direct application.” Having done so, Trout told Cathcart, “[F]or ease of use I have attempted to mimic the interface of the desktop app with the online app. For the most part, they will be the same so the user will be able to use both

---


without re-learning the interface.” Trout noted, “I remember that your goal was to buy a laptop and have us install the application on it before delivery to the client.”

Having examined VIP’s database, McConnon opined that it was far less capable than his company’s. In particular, McConnon noted that the quality of the data contained in the VIP system seemed inferior to DDC’s; its searching capability was far less extensive than DDC’s; its presentation of information was very limited; it seemed not to contain as much information as DDC’s, which is important to implement a more targeted, efficient grassroots program; and the quality of the keypunching seemed very inferior. McConnon agreed that someone at CCS apparently showed the other vendor the “access page” of his company’s database. McConnon confirmed that this would be a violation of the licensing agreement that Scanlon executed with DDC.

For a version of this database, the Pueblo of Sandia paid Scanlon $1,857,000. That amount corresponds to elements of a proposal drafted by Scanlon for the Tribe relating to “acquisition and design of hardware and software, data matching, grassroots development, online applications and political modifications.” However, in actuality, Scanlon never provided those

---

280 Id.

281 Id.


286 Interview of Stuwart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006); Interview of David Mielke, counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

287 Capitol Campaign Strategies document production (no Bates number) (March 14, 2002) (Draft Letter from Michael Scanlon, Scanlon Gould, to Governor Stuwart Paisano, Pueblo
services. In the ordinary course of business, those services would have been provided—at a far lesser cost—by one of Scanlon’s vendors. In this case, McConnon opined that this database, apparently produced by VIP, was worth nothing near $1,857,000; it was probably worth, at the very most, about $20,000.288 Whether the database came from DDC or VIP, it appears that the representation that CCS “constructed” a database was false.289

The draft document goes further: “We have compiled a state-of-the-art qualitative research database, which can identify allies and adversaries by ‘quote.’”290 However, the Committee has seen no evidence that DDC, or any other vendor for that matter, ever provided CCS with such a database. Nor has the Committee has seen any evidence that CCS developed such a database internally. Therefore, that statement too appears to be false.291

3. CCS’ Use of Fictitious Grassroots Organizations

Among the things that CCS promised to do for its Tribal Clients was to mobilize, in particular, Christian conservatives and environmental activists to oppose the expansion of

of Sandia of New Mexico).


289Some may assert that the reference to a “database” referred to in, for example, the “The Coushatta Political Program” document described above, refers to lists derived from communications programs that CCS implemented for the Louisiana Coushatta. Nonetheless, if so, the document’s reference to that database as “state-of-the-art” would be false. And, if it refers to the database provided by DDC (or VIP), the statement would be false, where as of that particular document’s date, DDC had not yet provided CCS with a political database. Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (August 26, 2004); Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (September 28, 2005). As of the date of the document, on the Louisiana Coushatta account, DDC only warehoused data, that is, provide a very basic list-management program. Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (August 26, 2004); Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (September 28, 2005).

290Letter from Michael Scanlon, Scanlon Gould, to Governor Stuwart Paisano, Pueblo of Sandia of New Mexico (March 14, 2002) (draft).

gaming in areas that would infringe on their market share. Several documents describe exactly what Scanlon had in mind. In a document entitled “Louisiana Political Budget Outline,” dated October 23, 2001, Scanlon told a representative of the Louisiana Coushatta, “We plan to use three forms of communications to mobilize and win these battles. Phones, mail and Christian radio.” He continued, “Our mission is to get specifically selected groups of individuals to the polls to speak out AGAINST something.”

According to Scanlon, “To that end, your money is best spent finding them and communicating with them on the modes that they are most likely to respond to. Simply put we want to bring out the wackos to vote against something and make sure the rest of the public lets the whole thing slip past them. The wackos get their information form [sic] the Christian right, Christian radio, mail, the internet and telephone trees.”

According to other documents in the Committee’s possession, Scanlon likewise promised the Saginaw Chippewa that it would repel threats to its market share by “execut[ing] the following tactics”: grassroots mobilization of environmental activities; mobilization of anti-gaming activists; patch-through phone calls to state and federal environmental protection agencies; direct mail; as well as mobilization of environmental and “citizen groups.” As described above, only a fraction of what the Tribes paid CCS went to the grassroots efforts promised by CCS. So, the question arises what did CCS in fact do to mobilize grassroots supporters?

In this regard, it appears that Scanlon and his partner Abramoff originally relied on the efforts of Ralph Reed and other vendors to conduct these grassroots activities. However, at some point, it appears that Scanlon and Abramoff chose not to rely on Reed’s efforts or pushed him out entirely, ostensibly to maximize their “gimme five” income. In fact, in a few cases, Scanlon used fictitious organizations to manipulate grassroots support among Christian conservatives and environmentally-minded voters. Accordingly, for a fraction of the cost associated with bona fide grassroots activities, Scanlon was able to convey to his clients the

---


293 Id.

294 Id. (emphasis in original).


296 A full discussion of these activities, and the degree to which Abramoff relied on them in support of their Tribal clients, is set forth above in Part 1, Chapter 1, “Mississippi Band of Choctaw Indians,” and below in Part 2, Chapter 2, “American International Center.”
appearance that he was coalition-building or mobilizing support, when he was actually not doing so.

According to Aaron Stetter, a former associate at CCS, on several occasions Scanlon used fictitious grassroots organizations for the Saginaw Chippewa, in particular.²⁹⁷ During his deposition, Stetter remarked that the names of such organizations such as “Concerned Citizens Against Gaming Expansion (“CCAGE”),” “Global Christian Outreach Network (“GCON”),” and “Michigan Environmental Group” were “just a title” and to his knowledge not bona fide organizations.²⁵¹ During her interview with staff, Abramoff and Scanlon’s liaison with the Choctaw, Nell Rogers, stated that she believed that CCAGE and GCON were actual grassroots organizations working on the Tribe’s projects.²⁵² That was not the case.

Stetter told Committee staff that he was required to create phone scripts that CCS would use for patch-through phone calls.²⁵³ When he prepared these scripts he “would leave the line blank and then [the name of the organization] would either be added by [Cathcart or Scanlon] during the drafting process” or he would receive an email “saying, plug this word in.”²⁵⁴

The pretensions that Scanlon used in mobilizing opposition to gaming initiatives that threatened his clients’ market share is reflected in talking points that purport to describe the CCAGE.²⁵⁵ This document falsely describes the CCAGE as “a watchdog for illegal gaming efforts in the United States.”²⁵⁶ Furthermore, according to the document, “[a]t the grassroots level, CCAGE draws attention to such efforts while educating the public on the dangers of

---


²⁵¹ Id.


²⁵⁴ Id.

²⁵⁵ Capitol Campaign Strategies document production (no Bates number) (entitled “CCAGE talking points”) (undated).

²⁵⁶ Id.
gambling to families and communities.”

The document deceptively explains that the CCAGE targeted Louisiana because “[Louisiana] is an affordable media market—our dollars stretch further and we felt we have a better shot at being effective, really making a difference.” In fact, the document misleadingly states, “We ... are not representing their competitors like Harrahs or Isle of Capri”; “[we get] [n]o money from Harrahs, Isle of Capri or any other casinos”; and “CCAGE is by no means bogus.” Needless to say, these talking points do not mention that the CCAGE operated for the benefit of a gaming tribe. It is unclear what these talking points were used for. However, inasmuch as Scanlon may have used them to mobilize unwitting activists and voters as part of his grassroots strategy for the Louisiana Coushatta, they give rise to concern.

Stetter also acknowledged that pursuant to instructions from Scanlon and/or Cathcart he set up several cell phones with area codes in states in which CCS was operating for its tribal clients. He then handed the phones over to Amy Biederman, another CCS associate. She kept a box of phones in her office with the name of each organization taped to the back of the respective phone, and depending on which phone rang, she answered with “Concerned Citizens Against Gaming Expansion,” or with the name of one of the other fictitious organizations.

In addition to using these bogus organizations for phone banking, Scanlon issued fliers under their names. Stetter recalled that early in his career with CCS he was directed by Scanlon to deliver a flier entitled “GCON, Issue Focus 2002” to “each Member of the [Mississippi State] House and ... Senate.” Stetter recalled that he stuffed these fliers in, among other places, the mailboxes of each state senator. One such flier listed the address at a Post Office in Flowood, Mississippi. Stetter admitted that this too was bogus: “[my] first order of business on this trip was to, one, set up a post office box somewhere in Mississippi. . . and to activate a

---

257 Id.
258 Id.
259 Id.
261 See id.
262 See id.
263 Id.
264 Id.
cell phone” to delude the fliers’ recipients that these were bona fide grassroots organizations. In fact, Stetter noted that he chose Flowood simply because it was close to the airport where he arrived. Scanlon insisted that P.O. Boxes be set up in the states where CCS was operating. That flier listed Amy Biederman as the national director for the GCON. In his deposition, Stetter confirmed that Biederman was in fact not the national director for the GCON but merely another associate at CCS. Scanlon’s right-hand man, Christopher Cathcart, maintained in a Committee staff interview that this effort was merely intended to find out what opinion leaders thought of gaming.

In his interview with Committee staff, the head of Greenberg Traurig’s national lobbying practice observed that using fictitious grassroots entities “for cover” is not uncommon. Specifically, he reflected, “When the trial lawyers want to pass their constitutional amendment to, to ratchet down the doctors, they create a Coalition for Fairness in Medical Practice, and there’s nothing—you can go into a state, in Topeka, Florida, and I can give you all the 527s and CCEs and the not-for-profits, and most of them we can tell you who funded which one of them... because you know where the money is coming from.”

He continued, “You know, the effort to save the greyhounds in Florida is an anti, is actually primarily funded by Disney and Universal to keep casinos out ....”

While using bogus groups in furtherance of grassroots strategies may be common, Scanlon and Abramoff’s use of them is distinguishable in that they were employed as part of

---

265 Id.

266 Id.


270 Interview of Fred Baggett, Chair, National Government Affairs Practice, Greenberg Traurig, in Washington, D.C. (September 29, 2005).

271 Id.

272 Id.
Abramoff and Scanlon’s “gimme five” scheme. In an interview with Committee staff, former CCS associate Brian Mann said that he thought that, for example, the letter-writing and signature-gathering campaigns, many of which he helped lead or otherwise conduct in the name of such bogus organizations, were “fraudulent.” He described them as “flashes in the pan [that were designed] to appease [CCS’] clients.” He regarded them as exercises that “created face time” and “scuttlebutt” by “send[ing] a few people out there to show them that we exist.” With CCS associates collecting signatures “on K-Mart or Walmart parking lots,” Mann felt that those activities “didn’t amount to very much.”

The preceding sections of this Chapter set forth Abramoff and Scanlon’s “gimme five” scheme, as it related to CCS, and describe how Abramoff and Scanlon furthered that scheme by promoting Scanlon’s grassroots business—only after concealing their financial relationship from the Tribes. This Chapter has also set forth the basis of the Committee’s conclusion that those Tribes received little of the intended benefit for the $66 million that they paid CCS from 2001 through 2003.

E. Conclusion

As a general proposition, Abramoff and Scanlon’s “gimme five” scheme involved getting each of the Tribes to hire Scanlon as their grassroots specialist; dramatically overcharging them for grassroots and related activities; setting aside for themselves a percentage of what the Tribes paid at a grossly inflated rate—a rate wholly unrelated to the actual cost of services provided; and using the remaining fraction to reimburse scores of vendors that could help them maintain vis-a-vis the Tribes a continuing appearance of competence.

In all cases, secrecy was key. Only by keeping their financial arrangement secret could they execute the strategies that they devised to secure the Tribes as clients. In some cases, they did so by insinuating themselves in tribal council elections and assisting with the campaigns of candidates who were calculated to support their proposals. In other cases, Abramoff and Scanlon were even more aggressive. In one example, they helped shut down the casino of one particularly underprivileged Tribe, only to pitch their services afterwards—for a multimillion dollar premium—to help that same Tribe, made desperate by their efforts, reopen it.

---

273 Interview of Brian Mann, former director, American International Center, in Washington, D.C. (March 3, 2006).

274 Id.

275 Id.

276 Id.
Typically, the most expensive element of Scanlon’s proposals to the Tribes related to an elaborate political database. But, in all cases, it appears that the degree to which Scanlon marked-up his actual costs was unconscionable. For example, while Scanlon told the Louisiana Coushatta that their “political” database would cost $1,345,000, he ended up paying the vendor that actually developed, operated and maintained that database about $104,560. The dramatic mark-ups were intended to accommodate Scanlon’s secret 50/50 split with Abramoff.

In total, six tribes paid CCS at least $66 million over the three-year period. By the Committee’s reckoning, each Tribe paid CCS as follows: the Choctaw, $15,900,000; the Louisiana Coushatta, $26,695,500; the Saginaw Chippewa, $10,000,000; the Agua Caliente, $7,200,000; the Tigua, $4,200,000; and the Pueblo of Sandia, $2,750,000. Of that $66 million, Abramoff secretly collected from Scanlon, through (among other entities) an entity called Kaygold, about $21 million. This constituted about one-half of Scanlon’s total profit from the Tribes.

As described above in detail, most of the money that the Tribes paid Scanlon appears to have been used by Scanlon and Abramoff for purely personal purposes—purposes unintended by the Tribes. Generally, Abramoff seems to have used his share of the proceeds he received from Scanlon to float his restaurant ventures and, through the CAF, operate his Jewish boys’ school in Maryland. Likewise, Scanlon seems to have used his share to purchase real estate and other investments. Given the foregoing, the Committee finds that most of the Tribes received little of the intended benefit for the significant sums they paid to Scanlon.
CHAPTER II

AMERICAN INTERNATIONAL CENTER

Ben, I need to set up a web site for the American International Center, which should have all sorts of goodies to make it look real ... Can you create something?

Email from Jack Abramoff to Benjamin Mackler, Mack Design, January 19, 2002

CHAIRMAN MCCAIN: [Scanlon] approached you in some way?
MR. GROSH: A phone call.
CHAIRMAN MCCAIN: And said?
MR. GROSH: Do you want to be head of an international corporation. [Laughter]
It is a hard one to turn down.
[Laughter]

Committee Chairman McCain and former Rehoboth Beach lifeguard David Grosh, Committee Hearing, June 22, 2005

A. Introduction

In the course of its hearings over the last two years, the Committee preliminarily found that the American International Center (“AIC”), a supposed think tank based in Rehoboth Beach, Delaware, and headed by two of Scanlon’s beach buddies, was not what it purported to be. In actuality, AIC was one of several entities owned or controlled by Michael Scanlon or Jack Abramoff that they used as part of their “gimme five” scheme—their secret scheme to wrongfully divert millions of dollars in fees paid by their Tribal clients for purely personal use. However, from 2001 through 2003, AIC was itself Abramoff’s ninth biggest lobbying client, reportedly paying him and his employer about $1.7 million in lobbying fees.\(^1\) In 2002 alone, AIC reportedly paid Greenberg Traurig $840,000, making it the Firm’s fifth largest client that year.\(^2\) Until the Committee’s hearings, the nature and business of AIC remained elusive: one industry


observer described it at the time as “a client with interests that are hard to decipher.”

In court filings associated with their federal criminal pleas, Abramoff and Scanlon admitted that they used AIC (and other Scanlon-controlled entities) to receive funds for work done by another Scanlon entity, called Capitol Campaign Strategies (“CCS”). Moreover, recently appearing before the Committee, a representative of Greenberg Traurig described AIC more plainly as “a sham” and merely “a front for Mr. Abramoff and Mr. Scanlon to collect money.” Given the information the Committee has obtained during its investigation, the Committee shares that conclusion. Below, the Committee explains why.

After providing background on how AIC was started and how it was used as a conduit to further the Tribes’ grassroots strategies, this Chapter will describe how Abramoff and Scanlon used AIC to further their “gimme five” scheme, secretly splitting fees paid by the Coushatta Tribe of Louisiana (“Louisiana Coushatta”) and, to a lesser extent, the Mississippi Band of Choctaw Indians (“Choctaw”).

B. A Day at the Beach — How AIC was started

AIC was apparently started in early 2001. In an interview with Committee staff, Christopher Cathcart, who ultimately served as Scanlon’s most senior and highest-paid assistant, described AIC as “a joint project” between Scanlon and Abramoff. Otherwise, Cathcart claims, he did not know what role Abramoff had in AIC.

Early in 2001, Scanlon called his long-time friend and fellow lifeguard David Grosh and

3Id.


5“Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 109th Cong. at 22 (November 2, 2005) (testimony of Fred Baggett, Chief, National Government Affairs Practice, Greenberg Traurig).

6Interview of Christopher Cathcart, former associate, Capitol Campaign Strategies, in Washington, D.C. (May 5, 2005).

7Id.

8Id.
asked him whether he wanted to serve as a director of an “international corporation.” Grosh, who knew quite well that his background was unsuited for such a position, thought that this was a joke but finally agreed.

Chairman McCain: [Scanlon] approached you in some way?
Mr. Grosh: A phone call.
Chairman McCain: And said?
Mr. Grosh: Do you want to be head of an international corporation. [Laughter]
It is a hard one to turn down.
[Laughter].

Scanlon then offered Grosh $500 per month to serve as a director of AIC. At some point, Grosh asked Scanlon why he selected him. According to Grosh, Scanlon answered, “because you are a political unknown.” When Grosh asked Scanlon what AIC would do, Grosh recalled, Scanlon said that it “would have research done by subcontractors in support of a particular political objective and would deliver the research to different groups and people.” Notably, Grosh also recalled Scanlon mentioning that he had experience “running campaigns” in countries in Asia and Central America.

9 Interview of David Grosh, former director, American International Center, in Washington, D.C. (February 8, 2005).

10 Id.

11 “Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 109th Cong. at 35 (June 22, 2005) (testimony of David Grosh, former director, American International Center).

12 Interview of David Grosh, former director, American International Center, in Washington, D.C. (February 8, 2005).

13 Id.

14 Id.

15 Id.

16 Id.
Grosh served as a director of AIC from February through September 2001. In his interview with Committee staff, he readily conceded that his professional and educational background were completely unrelated to the purported mission of AIC of “enhancing the methods of empowerment for territories, commonwealths and sovereign nations in the possession of and within the United States.” He also conceded that his background did not qualify him to serve on the board of “an international think tank.” Throughout the time that Grosh served as a director of AIC, he thought that “this was some silly game that Scanlon was playing.”

Between February and July 2001, “AIC had no office; AIC’s business address was the beach house that [Grosh] and [yoga instructor Brian Mann] rented” in Rehoboth Beach. In response to a question posed during a Committee hearing about what AIC did, Grosh responded that during the four or five months when he was “involved” with AIC, “we only rented the first floor of a house and installed some computers.”

Late in 2001 or early in 2002, Scanlon started talking to Mann about possibly working for

17 Interview of David Grosh, former director, American International Center, in Washington, D.C. (February 8, 2005).


19 Interview of David Grosh, former director, American International Center, in Washington, D.C. (February 8, 2005).

20 Interview of David Grosh, former director, American International Center, in Washington, D.C. (February 8, 2005).

21 Interview of David Grosh, former director, American International Center, in Washington, D.C. (February 8, 2005). At least one other entity owned or controlled by Scanlon, called the Scanlon Foundation for Kids, was later run out of this office. Deposition of Brian Mann, former director, American International Center, in Washington, D.C. (March 31, 2005). According to Mann, Scanlon intended the Foundation, which had no employees or physical assets but may have received outside contributions, for only two things: (1) buy books and school supplies for unprivileged children from a particular school and (2) buy, in conjunction with the YMCA, Christmas presents for a local “economically deprived” community. Id.

22a “Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 109th Cong. at 35 (June 22, 2005) (testimony of David Grosh, former director, American International Center). At some point, Scanlon had a telephone installed that he instructed Grosh never to answer. See Interview of David Grosh, former director, American International Center, in Washington, D.C. (February 8, 2005).
him.\textsuperscript{23} Mann was Grosh’s house-mate at the time.\textsuperscript{24} In his deposition, Mann recalls that Scanlon was looking for office space, so Mann set him up with his landlord regarding empty space below where he lived.\textsuperscript{25} After Mann started working for Scanlon, he came to learn that Scanlon did public relations work for Indian casinos.\textsuperscript{26} In particular, Scanlon claimed he conducted projects intended to help those Tribes with their market share.\textsuperscript{27} In furtherance of these projects, Mann began to research, and distribute to other Scanlon employees, articles regarding Scanlon’s Tribal clients.\textsuperscript{28} In fact, according to Mann, “researching articles is all [he] was doing for AIC or CCS.”\textsuperscript{29} He was also given the authority to sign checks on behalf of AIC.\textsuperscript{30}

Grosh recalled that Scanlon enticed Mann and him to work for AIC by promising, among other things, that AIC would pay for both to go surfing at the island of St. Barts.\textsuperscript{31} Grosh never took that trip.\textsuperscript{32} But, Scanlon paid for Mann to fly to St. Barts about four times.\textsuperscript{33}

Grosh and Mann, who served as AIC’s only directors, recalled that AIC had fewer than

\textsuperscript{23}Deposition of Brian Mann, former director, American International Center, in Washington, D.C. (March 31, 2005); Interview of David Grosh, former director, American International Center, in Washington, D.C. (February 8, 2005).

\textsuperscript{24}Deposition of Brian Mann, former director, American International Center, in Washington, D.C. (March 31, 2005); Interview of David Grosh, former director, American International Center, in Washington, D.C. (February 8, 2005).

\textsuperscript{25}Deposition of Brian Mann, former director, American International Center, in Washington, D.C. (March 31, 2005).

\textsuperscript{26}Id.

\textsuperscript{27}Id.

\textsuperscript{28}Id.

\textsuperscript{29}Id.

\textsuperscript{30}Id.

\textsuperscript{31}Interview of David Grosh, former director, American International Center, in Washington, D.C. (February 8, 2005).

\textsuperscript{32}Id.

\textsuperscript{33}Deposition of Brian Mann, former director, American International Center, in Washington, D.C. (March 31, 2005).
five meetings of its board—all of which occurred in 2001. Grosh recalled that Scanlon characterized those meetings as “a paperwork formality”. Grosh did not recall what, if any, business was discussed at those meetings: “There was nothing to discuss .... As far as I knew, AIC had no business to discuss.” Referring to AIC’s being held out as an international think tank, Grosh quipped, “If AIC was a think tank, I sure don’t know what we were thinking about.” Mann could only recall discussing Scanlon’s acquiring, and his own cleaning, office space for AIC, and Grosh’s departure from the organization.

Records obtained by the Committee indicate that AIC held only two board meetings—on September 30 and October 30, 2001. Apparently, the “business” they discussed included Grosh’s “relinquish[ing] his position” with AIC and installing Mann as the “Director of day to day [sic] operations of AIC”, for which he was to receive $1500 a month.

By September 2001, Grosh concluded that “something was not quite right”: Scanlon had bought two houses in Rehoboth—both of which costs millions of dollars. Grosh recalls, “Scanlon was always throwing around money; no one makes that much money over such a short period of time.” Grosh was also uncomfortable with the aspect of Scanlon’s business that

34 Interview of David Grosh, former director, American International Center, in Washington, D.C. (February 8, 2005); See also Deposition of Brian Mann, former director, American International Center, in Washington, D.C. (March 31, 2005).

35 Interview of David Grosh, former director, American International Center, in Washington, D.C. (February 8, 2005).

36 Id.

37 Id.

38 Deposition of Brian Mann, former director, American International Center, in Washington, D.C. (March 31, 2005).


41 Interview of David Grosh, former director, American International Center, in Washington, D.C. (February 8, 2005).

42 Id.
related to Indian gaming.\textsuperscript{43} Therefore, Grosh decided to leave.\textsuperscript{44} For his “services,” Grosh was compensated in total $2,500 to $3,000.\textsuperscript{45}

After Grosh left AIC, Mann was, as far as he knew, its only employee.\textsuperscript{46} In fact, according to Mann, no one other than Grosh and himself was ever paid by AIC as an employee.\textsuperscript{47} Moreover, the only time Mann recalled Grosh “ever doing anything was helping me literally put a desk together.”\textsuperscript{48} Otherwise, he had “no idea” what Grosh did.\textsuperscript{49}

Mann, whom Scanlon also publicly held out as a director of AIC, was (and remains) unsure about exactly what AIC did.\textsuperscript{50} Mann testified that “[a]ll [he] knew was that [he] was providing newspaper clips,” as instructed.\textsuperscript{51} Mann readily conceded that his professional and educational background, like Grosh’s, were completely unrelated to the purported mission of AIC.\textsuperscript{52} Mann was at AIC until late 2002—at which time he started working for CCS and, subsequently, for other Scanlon-controlled entities including Scanlon Venture Capital (“SVC”) and Scanlon Capital Management (“SCM”).\textsuperscript{53} Convinced that Scanlon was “a fraud,” Mann stopped working for SCM in October 2005.\textsuperscript{54}

Christopher Cathcart, who served as Scanlon’s top assistant and was therefore in a

\textsuperscript{43}Id.
\textsuperscript{44}Id.
\textsuperscript{45}Id.
\textsuperscript{46}Deposition of Brian Mann, former director, American International Center, in Washington, D.C. (March 31, 2005).
\textsuperscript{47}Id.
\textsuperscript{48}Id.
\textsuperscript{49}Id.
\textsuperscript{50}Id.
\textsuperscript{51}Id.
\textsuperscript{52}Id.
\textsuperscript{53}Id.
\textsuperscript{54}Id.
position to opine about AIC with authority, said he considered AIC an alter ego of Scanlon.\textsuperscript{55} Mann agreed that, although he was getting paid by AIC, he was in fact working for Scanlon.\textsuperscript{56} In his mind, the two were the same.\textsuperscript{57}

C. Making It Look Real—Abramoff Has AIC Post a Website

Despite Cathcart’s professed understanding of the nature of AIC, he and Abramoff worked together to, among other things, develop its website, apparently to make AIC look like a legitimate, established organization. Early in 2002, Scanlon asked Cathcart and Amy Biederman, another CCS associate, to help develop a website for AIC.\textsuperscript{58} While Cathcart and Biederman worked on the website’s content, Abramoff had an outside contractor program and design it.\textsuperscript{59} Indeed, it appears that Abramoff may have come up with the idea for the website—reaching out to a contractor named Benjamin Mackler of MackDesign Studios about the prospect of developing it, on January 19, 2002:

Ben, I need to set up a web site for the American International Center, which should have all sorts of goodies to make it look real. It should have links to various other think tanks, including ISIS in Malaysia, the statehood movement in Puerto Rico, Heritage, Americans for Tax Reform, National Center for Public Policy Research, Cato Institute, Toward Tradition. Can you create something? What would the budget be? We’d need a section about ‘who we are’, ‘contact us’, our leadership, etc.\textsuperscript{60}

In response to a proposal from Mackler to develop a website for $2,750, Abramoff asked, “[C]an you get things moving? Can you see what kind of domain name you can get: AIC.org, or

\textsuperscript{55}Interview of Christopher Cathcart, former associate, Capitol Campaign Strategies, in Washington, D.C. (May 5, 2005).

\textsuperscript{56} Deposition of Brian Mann, former director, American International Center, in Washington, D.C. (March 31, 2005).

\textsuperscript{57} Id.

\textsuperscript{58} Interview of Christopher Cathcart, former associate, Capitol Campaign Strategies, in Washington, D.C. (May 5, 2005).

\textsuperscript{59} Id.

\textsuperscript{60} Email between Jack Abramoff, Greenberg Traurig, and Ben Mackler, Mack Design (no Bates number) (January 19, 2002) (emphasis added).
Mackler returned with a request to register a domain name for AIC and questions about the website’s design. In response, Abramoff answered, “Yes to all.”

Subsequently, he instructed Mackler to call Scanlon, who in turn told Mackler to contact Cathcart. Mackler turned again to Abramoff, saying that Scanlon chose a more expensive option for the website.

Abramoff replied, “The 3500 option is fine with me. let’s do it.”

Cathcart testified that ultimately he and Biederman spent only about an hour working on the website. Cathcart recalled that Scanlon provided him with some information that he used for the website, including that it was “an international company” with “international clients”—namely Malaysia and Puerto Rico. Cathcart believed that he may have been given some written material for the website. If so, he believed that it would have included the articles of incorporation, the bylaws, and other organizational documents. Cathcart likewise recalled not drafting a mission statement, which he said would have been provided to him. Otherwise, according to Cathcart, he and Biederman “didn’t have much to go on.” Cathcart noted that they gave Scanlon the text that they developed for final approval. On or about January 21, 2002, Abramoff apparently reached out to Cathcart about the website, with Cathcart responding, “10-4.

-----------------------------

61 Id.
62 Id.
63 Id.
64 Id.
66 Id.
67 Id.
68 Id.
69 Id.
70 Id.
71 Id.
On a request from either Scanlon or Abramoff, on February 4, 2002, Cathcart forwarded a final copy of the text to Abramoff for comments and edits. Abramoff congratulated Cathcart, “Thanks, Chris. I have seen it. great [sic] work. Did Mike [Scanlon] give you the list of items the firm wants regarding AIC?” On February 13, 2002, Abramoff followed-up with Cathcart to make sure that Mackler got paid. In its final form, the website set forth AIC’s mission statement. It described AIC as “a Delaware-based corporation with the global minded purpose of enhancing the methods of empowerment for territories, commonwealths, and sovereign nations in possession of and within the United States.” In each of their depositions and interviews with Committee staff, Grosh, Mann and Cathcart said they had no idea what this meant.

The website also touted AIC as (1) “a premiere international think tank”; (2) “determined to influence global paradigms in an increasingly complex world.”; (3) a “public policy foundation”; (4) founded “under the high powered directorship of David A. Grosh and Brian J. Mann”; (5 ) “[w]hile only recently incorporated ... striving to advance the cause of greater international empowerment for many years”; (6) “using 21st century technology and decades of experience to make the world a smaller place”; (7) “bringing great minds together from all over the globe”; (8) “seek[ing] to expand the parameters of international discourse in an effort to leverage the combined power of world intellect.”; and (9) comprised of an “expert team.” To the extent that Grosh, Mann and Cathcart could speak to the truth of each of those

72Email between Christopher Cathcart, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (no Bates number) (January 31 - February 4, 2002)

73Email from Jack Abramoff, Greenberg Traurig, to Christopher Cathcart, Capitol Campaign Strategies (no Bates number) (February 4, 2002).

74Email from Jack Abramoff, Greenberg Traurig, to Christopher Cathcart, Capitol Campaign Strategies ([cite]) (February 13, 2002).

75American International Center (no longer available) <http://www.americent.org/mission.html>.

76See Interview of David Grosh, former director, American International Center, in Washington, D.C. (February 8, 2005); Deposition of Brian Mann, former director, American International Center, in Washington, D.C. (March 31, 2005); Interview of Christopher Cathcart, former associate, Capitol Campaign Strategies, in Washington, D.C. (May 5, 2005).


264
representations, each agreed that they were false.\textsuperscript{78}

During his interview with Committee staff, Cathcart, who described his role at CCS through this period as a “go-fer” and doing “research and stuff,”\textsuperscript{79} admitted to being embarrassed

\textsuperscript{78}See Interview of David Grosh, former director, American International Center, in Washington, D.C. (February 8, 2005); Deposition of Brian Mann, former director, American International Center, in Washington, D.C. (March 31, 2005); Interview of Christopher Cathcart, former associate, Capitol Campaign Strategies, in Washington, D.C. (May 5, 2005).

\textsuperscript{79}Interview of Christopher Cathcart, former associate, Capitol Campaign Strategies, in Washington, D.C. (November 5, 2004). Supposed AIC director Brian Mann and former Abramoff associate Stephanie Leger Short maintained in their deposition and interview, respectively, that Cathcart was by no means a “go-fer.” Deposition of Brian Mann, former director, American International Center, in Washington, D.C. (March 31, 2005); Interview of Stephanie Leger Short, former associate, Greenberg Traurig, in Washington, D.C. (August 18, 2005). In fact, separately, both described Cathcart as Scanlon’s “right-hand man.” Deposition of Brian Mann, former director, American International Center, in Washington, D.C. (March 31, 2005); Interview of Stephanie Leger Short, former associate, Greenberg Traurig, in Washington, D.C. (March 31, 2005) (limiting “right hand man” observation to CCS’ work for Louisiana Coushatta). Mann also described Cathcart as “the manager of the D.C. office” and CCS’ “director of operations.” Deposition of Brian Mann, former director, American International Center, in Washington, D.C. (March 31, 2005). Tigua representative Marc Schwartz, who directly interacted with Cathcart on the Tribe’s behalf, described Cathcart as Scanlon’s “gotta-make-what-Scanlon-sold, work” guy. Interview with Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004). Mann insisted that Cathcart “hired and fired” and “managed whatever client situations we had at the time—managed the D.C. office.” Deposition of Brian Mann, former director, American International Center, in Washington, D.C. (March 31, 2005). Moreover, Mann remembered Cathcart “being the manager, being in charge of the office when Scanlon wasn’t there, or even when Scanlon was there, I guess, directing the different folks to do what they needed to do.” \textit{Id.} Mann also recalled that Cathcart did “a lot of client management, like he interacted with the Tribes directly, either through whatever contact people the Tribes had or the chiefs or whoever … that person may have been.” \textit{Id.} From his first-hand experience, Mann also “assum[ed] [Cathcart had] a hand with Scanlon in coming up with [grassroots campaign] strategies and execution of those strategies.” \textit{Id.} Cathcart also provided Mann instruction and guidance on what he should be researching. \textit{Id.} Mann agreed that “when Scanlon wasn’t around, [Cathcart] was The Man.” \textit{Id.} Mann’s account is corroborated by, among other things, Cathcart’s robust role in assisting the Slate of Eight’s successful campaign for the Tribal Council of the Saginaw Chippewa Indian Tribe, discussed in Part 1, Chapter 3, Section of this Report, entitled “Saginaw Chippewa Tribe of Michigan: ‘Slate of Eight’—Abramoff and Scanlon’s Trojan Horse.” Dramatic growth in Cathcart’s responsibilities under Scanlon is reflected in the considerable increase in his compensation: in April 2001, when Cathcart apparently started working with Scanlon, he drew a salary of $44,540 plus an additional
about writing AIC’s web page but noted that Biederman “developed the puffery.”\(^\text{80}\) Cathcart never thought a client would see AIC’s website, although he never explained how the website would otherwise be used.\(^\text{81}\) According to Cathcart, “[e]veryone who worked with AIC knew it was the same thing as Mike [Scanlon].”\(^\text{82}\) In his interview with Committee staff, Cathcart claimed that he did not even know why Scanlon wanted a website.\(^\text{83}\) Cathcart claimed that he thought Scanlon wanted a website “like he wanted the Range Rover.”\(^\text{84}\) As described below, those Tribes that Abramoff and Scanlon directed to pay to and through AIC, did so to their detriment. Therefore, any role that Cathcart may have had in helping to facilitate payments by the Tribe to AIC, or to any other “gimme five” entity for that matter, may be an area ripe for further inquiry.\(^\text{85}\)

On at least one occasion, Abramoff’s employer, Greenberg Traurig, apparently tried to

\(^{80}\)Interview of Christopher Cathcart, former associate, Capitol Campaign Strategies, in Washington, D.C. (May 5, 2005).

\(^{81}\)Id.

\(^{82}\)Id.

\(^{83}\)Id.

\(^{84}\)Id.

\(^{85}\)Other examples of such activities include Cathcart’s providing the database “access page” that Democracy Data & Communications (“DDC”) designed for Capitol Campaign Strategies, to another vendor. As described above, that vendor apparently used that information, which was proprietary to DDC, to develop a far less functional database designed to mimic DDC’s considerably more capable product. Scanlon “sold” the less functional version to at least one of the Tribes for millions. Also, on May 1, 2003, as Abramoff and Scanlon’s financial relationship was apparently waning, they schemed to deceive the Louisiana Coushatta into paying them a total of $2,000,000. In furtherance of that scheme, which they executed successfully, Scanlon had the Tribe pay an entity he controlled called Atlantic Research and Analysis (“ARA”). This transaction is discussed more fully in Part 2, Chapter 3, Section F, entitled “Capital Athletic Foundation: In 2003 Abramoff Funnels Tribal Money Through Conduits to CAF.” Whether Cathcart knew, or should have known, that some of his activities were helping Abramoff and Scanlon further their “gimme five” scheme on the Tribes remains unclear.
get information about AIC. Sometime in 2002, the director of the firm’s national lobbying practice, Fred Baggett, first heard about AIC. According to Baggett, Greenberg Traurig was “to jointly represent [it] with a gentleman named Khaled Saffuri” on “Malaysian-related interests and issues.” At that time, Baggett was unaware of who owned the company; Abramoff represented to him that AIC was “an established Washington area-based think tank like ... the Heritage Center or any other number of think tanks.” Abramoff also told Baggett that AIC “had a number of interests and were involved in a broad range of issues. One of the issues that they were involved in and for which we were retained to assist them with were enhancing business, economic development opportunities in Malaysia, and that they were receiving funds from Malaysian business interests to further their and advance their, their efforts with the U.S. Government, and that’s what, we were hired by AIC to assist them in that.”

At some point, Greenberg Traurig “asked Jack to explain [the] AIC and the nature of the relationship” to “ensure that we [did] not have a problem [with the Foreign Agents Registrations Act (FARA)].” In that context, it appears that Scanlon withheld important information regarding AIC from the firm. In fact, in a response to queries from Greenberg Traurig to AIC, on February 7, 2002, Scanlon directed Cathcart to “[i]nsertr [sic] somewhere”: “While Mr. Abnramoof [sic] and His [sic] team have been an unbelievabal [sic] assest [sic] tou [sic] our organization, we feel that if as a vendor of ours if we are presented with such an unexpicalbe [sic] line of questioning again, we will unfortuantley [sic] review and vote on your continuing representation at our next board meeting.” The letter that was apparently sent back to Greenberg Traurig was drafted under the signature of one of AIC’s supposed directors, Brian J. Mann. Noticeably absent from the letter was any indication that Scanlon in fact owned or controlled the company; that the firm’s Tribal clients were making payments directly to AIC; or that Abramoff would receive a share of those proceeds that the Tribes paid to AIC. This Report explicates each of those issues below.

86 Interview of Fred Baggett, Chief, National Government Affairs Practice, Greenberg Traurig, in Washington, D.C. (September 29, 2005).

87 Id.

88 Id. (reflecting that Abramoff informed Baggett about AIC).

89 Id.

90 Id.

91 Email from Michael Scanlon, Capitol Campaign Strategies, to Christopher Cathcart, Capitol Campaign Strategies (no bates number) (February 7, 2002).
D. How Abramoff and Scanlon Used Conduits to Represent the Tribes

Just as Abramoff and Scanlon used CCS and the Capital Athletic Foundation ("CAF") to wrongfully extract “gimme five” proceeds from the Tribes so, too, did they use AIC. The Choctaw and, more significantly, the Louisiana Coushatta were injured by Abramoff and Scanlon’s use of AIC as a “gimme five” vehicle. Understanding how Abramoff and Scanlon were able to do so requires understanding, among other things, how historically Abramoff and Scanlon had those Tribes use conduits to implement their grassroots strategies.

As described more fully in those sections of this Report addressing the Choctaw and the Louisiana Coushatta, from 1998 through 2001, Abramoff and Scanlon had each Tribe use conduits to implement their grassroots campaigns. Over time, those Tribes became accustomed to (1) paying substantial fees for their grassroots activities and (2) paying those fees to or through conduits.

As those sections indicate, the vendor that Abramoff and Scanlon used, and relied on, the most to implement those campaigns was former Christian Coalition Executive Director and political strategist Ralph Reed. While working with Abramoff from 1999 through 2001, Reed conducted a variety of grassroots activities in support of the interests of Abramoff gaming clients, including, telemarketing (patch-through, tape-recorded messages and call-to-action phone calls), targeted mail, legislative counsel and local management, as well as rallies and petitions.

A May 10, 1999, email between Abramoff and one of his assistants indicates that Preston Gates sent payments to Reed totaling $1,303,903, apparently from Abramoff’s clients.

But, by 2001, Abramoff or Scanlon had the Tribes using conduits which they owned or controlled, most notably AIC. As the following reflects, from 2001 through 2003, Abramoff or Scanlon directed both the Choctaw and the Louisiana Coushatta to pay AIC a total of $6,308,854.

**Payments from Louisiana Coushatta and Choctaw to AIC**

**Choctaw Payments to AIC**

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/27/01</td>
<td>$200,000</td>
</tr>
<tr>
<td>4/9/01</td>
<td>$150,000</td>
</tr>
</tbody>
</table>

---

92 A detailed description of Abramoff’s business relationship with Reed *vis-a-vis* the Tribes and, in particular, how Abramoff relied on Reed to conduct grassroots activities on behalf of his Tribal gaming clients, is set forth in Part 1, Chapter 1, Section D, of this Report, entitled “Mississippi Band of Choctaw Indians: Substantial Fees and Conduit Organizations.”

93 Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas, Meeds, to [REDACTED] (GTG-E000018933) (May 10, 1999).
The Louisiana Coushatta made this payment through Southern Underwriters, an apparently moribund insurance firm owned or controlled by former Louisiana Coushatta casino CEO Aubrey Temple. A discussion of this transaction is contained infra in Part 1, Chapter 2, entitled “Coushatta Tribe of Louisiana.”

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2/22/02</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>12/11/02</td>
<td>$170,000</td>
</tr>
<tr>
<td></td>
<td>$1,170,000</td>
</tr>
</tbody>
</table>

**Total $2,655,654**

Louisiana Coushatta Payments to AIC

1. 3/16/01 $400,000
2. 3/21/01 $258,000
3. 3/30/01 $298,000
4. 4/27/01 $397,200
5. 4/9/03 $2,300,000

**Total $3,653,200**

Grand Total of Payments from Louisiana Coushatta and Choctaw to AIC $6,308,854

The following suggests that in 2001 and early 2002 much of that money ultimately went to entities owned or controlled by Reed.

**PAYMENTS BY SCANLON-CONTROLLED ENTITIES TO REED-CONTROLLED ENTITIES**

<table>
<thead>
<tr>
<th>Date</th>
<th>Entity</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/16/01</td>
<td>Century Strategies</td>
<td>$45,000</td>
</tr>
<tr>
<td>3/16/01</td>
<td>Century Strategies</td>
<td>$350,000</td>
</tr>
<tr>
<td>3/16/01</td>
<td>Century Strategies</td>
<td>$50,000</td>
</tr>
<tr>
<td>3/16/01</td>
<td>Century Strategies</td>
<td>$100,000</td>
</tr>
<tr>
<td>3/22/01</td>
<td>Century Strategies</td>
<td>$200,000</td>
</tr>
<tr>
<td>4/03/01</td>
<td>Century Strategies</td>
<td>$198,000</td>
</tr>
<tr>
<td>4/20/01</td>
<td>Century Strategies</td>
<td>$100,000</td>
</tr>
</tbody>
</table>

$94 The Louisiana Coushatta made this payment through Southern Underwriters, an apparently moribund insurance firm owned or controlled by former Louisiana Coushatta casino CEO Aubrey Temple. A discussion of this transaction is contained infra in Part 1, Chapter 2, entitled “Coushatta Tribe of Louisiana.”

269
4/30/01 Century Strategies $398,000
5/02/01 Century Strategies $100,000
5/10/01 Century Strategies $750,000

Total $2,291,000

Payments from CCS to Reed-Controlled Entities

6/29/01 Century Strategies $100,000
7/01/01 Capitol Media $618,000
7/16/01 Century Strategies $46,350
8/1/01 Century Strategies $47,000
11/08/01 Capitol Media $100,000
11/09/01 Capitol Media $350,000
12/31/01 Century Strategies $250,000
2/19/02 Capitol Media $51,679
2/25/02 Capitol Media $60,000
2/25/02 Capitol Media $100,000

Total $1,723,029

Grand Total of all Payments by Scanlon-Controlled Entities to Reed-Controlled Entities

Total $4,014,029

As the foregoing indicates, from March through May 2001, AIC paid one of Reed’s companies, called Century Strategies, $2,291,000. And, from June 2001 to February 2002, another Scanlon-controlled entity, CCS paid Century Strategies and another company owned by Reed called Capitol Media $1,723,029, for a total of $4,014,029.

But, as early as November 2001, things had begun to change. With a history of successful grassroots projects behind them and Abramoff or Scanlon having the Tribes pay to or through entities that they owned or controlled, they apparently began to squeeze Reed out and keep most of the money paid by the Tribes for themselves.95

95See, e.g., Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (001139446) (November 25, 2001). This email indicates that Scanlon at least proposed to conduct many of the grassroots activities that Reed first provided for Abramoff’s Tribal lobbying clients. In describing what he intended to do for the Choctaw on a particular grassroots project, Scanlon told Abramoff: “[H]ere are the broad strokes of what I am going to do. I am putting our own field operation in [REDACTED] to cover all three sites. I am turning [sic] on phones hitting reps and dems [sic]. I am launching a negative ad campaign against [REDACTED] and [REDACTED], and others. This will be big, and now that the slots are in, its
By December 18, 2001, Abramoff appeared resolved to pushing Reed out, writing to Scanlon, “Next year, we need to give [Reed] a pittance and we need to keep most of this ourselves.”

On January 4, 2002, Abramoff and Scanlon expressed concerns about work that Reed did for one of their Tribal clients. About that project, Scanlon asked, “Did Ralph spend all them [sic] money he was given to fight this—or does he have some left?”

 Abramoff responded, “That’s a silly question! He ‘spent’ it all the moment it arrived in his account. He would NEVER admit he has money left over. Would we?”

 Scanlon replied, “No—but Id [sic] like to know what the hell he spent it on—he didn’t even know the dam [sic] thing was there—and didn’t do shit to shut it down!”

 Abramoff decreed, “I agree. He is a bad version of us! no [sic] more money for him.”

Days later, on January 8, 2002, while reviewing their “gimme five” income for January 2002, Abramoff had an idea as to how he and Scanlon could dramatically reduce their overhead. His suggestion intended to completely cut out Reed: “[W]e are spending over $10M with other people! We have to buy mail house, phone house, etc. so we get part of that one too!”

Scanlon agreed, “[Y]our [sic] right—we have to move fast to lock in phones and - mail. I

gonna take some time to be effective.” On December 10, 2001, Abramoff expressed concern about the budget requests Reed wanted him to submit to his Tribal clients: “Ralph, they are going to faint when they see these numbers. They will want to know why we have not built up any residual strength for the tons of money we have already spent. Give me some ammo on that and I’ll do my best.” Email from Jack Abramoff, Greenberg Traurig, to Ralph Reed, Century Strategies (GTG-E000019059) (December 10, 2001).

96Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000023792) (December 18, 2001).

97Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E00001817) (January 4, 2002).

98Id. (emphasis added).

99Id.

100Id.

101Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (305641) (January 8, 2002).
think we can cut 5mil [sic] right off the top of our outgoing expenses that way just to start.”

Abramoff concurred, “Let’s do it fast so we can stop throwing away money.”

By early 2002, Abramoff’s business arrangement with Reed *vis-a-vis* his Tribal clients seemed to have run its course. Regarding a $50,000 payment to Reed for work supporting the Choctaw, on February 7, 2002, Abramoff admonished Scanlon to “go ahead and pay him so I can get him off my back.”

Documents in the Committee’s possession reflect that the last payment Abramoff made to Reed, through any entity owned or controlled by Scanlon, regarding any of Abramoff’s Tribal clients, was on or about February 25, 2002.

Under the original paradigm, most of the money these Tribes paid (at Abramoff or Scanlon’s request) to or through conduits seemed to have gone to grassroots activities conducted or coordinated by Reed—with a percentage taken by Reed as a “management fee” or similar charge. But after February 2002, without the Tribes’ knowledge or consent, most of the money

---

102 *Id.*

103 *Id.*

104 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000018505) (February 7, 2002). On July 23, 2002, Reed provided Abramoff with information that suggested the need to launch a grassroots campaign to squelch support for a casino in DeSoto Parish, Louisiana. Seeing a business opportunity for himself and Scanlon, Abramoff told Scanlon, “Forget Ralph, but this poll is very interesting. Can you get to [Louisiana Coushatta Tribal Council member] William [Worfel] and get us some $ so we can fight this?” Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000020112) (July 23, 2002). Similarly, on July 24, 2002, with a Texas federal judge having shut down the Alabama-Coushatta’s casino in Livingston, Reed provided Abramoff with information about the possibility that the Alabama-Coushatta might launch a legislative initiative to have its casino reopened. Seeing a potential business opportunity, Abramoff immediately forwarded the information to Scanlon: “Forget about Ralph, but you should call [Louisiana Coushatta Chairman] Lovelin [Poncho] and [Tribal Council member] William [Worfel] ... and claim victory on this one, but warn that the [Alabama-Coushatta] are not going away .... we need more $$$$.” Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000020107) (July 24, 2002).

105 Documents, however, indicate that at least with respect to one project, Reed received more than simply the management fee he itemized on his invoices: apparently, he and an individual named Neal Rhoades shared additional commissions derived from profits that were built into costs charged by vendors (associated with Reed) to Preston Gates, which were likely expensed to the Tribes. Ralph Reed document production (no Bates number) (undated) (“Preston Gates—[REDACTED] Gambling Project Reconciliation as of June 13, 1999”). Those vendors
that they paid to or through those entities went into Abramoff’s and Scanlon’s pockets—with only a fraction going to the underlying grassroots effort. Having been accustomed to paying high fees for grassroots work in the past, the Tribes were not suspicious. How Abramoff and Scanlon succeeded in using AIC in furtherance of their “gimme five” scheme is discussed below.

E. AIC as a “Gimme Five” Entity

As early as May 2001, Abramoff and Scanlon were extracting “gimme five” income from payments made by the Choctaw through AIC. Abramoff informed Scanlon then, “[REDACTED] is active again. I am going to try to get us $175K. $100K to Ralph; $25K to contributions ($5K immediately to Conservative Caucus); rest gimme five.”

But, the Tribe that would be most injured as a result of its payments to AIC would be the Louisiana Coushatta. With his businesses and private charity apparently facing financial difficulty, on March 30, 2003, Abramoff told his tax advisor Gail Halpern that he expected some money to come in: “I have $1M coming in (I hope directly to CAF or Eshkol) probably next week, and $1M due within the next 2 weeks to Kaygold. Both from CCS. How long will this money last both for the school and the restaurants?” Needless to say, all this would be Tribal money.

Ultimately, Abramoff decided not to use CCS; they elected to use AIC. And, to induce the Louisiana Coushatta into paying AIC, Scanlon wrote then-Tribal Councilman William Worfel in a Strategy Memorandum, on or about April 18, 2003, “We sent you and [sic] Invoice [sic] from the AIC which is merely an entity I direct which was used to conduct public relations activities for various clients. As we discussed, the AIC will pay for operations conducted by CCS (myself and my team) and Jack or others vendors and staff.”

apparently included, among others, National Media and Millennium Marketing. Id.

106 Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).

107 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E0001321307) (May 2, 2001).


109 Capitol Campaign Strategies document production (BB/LC 007325) (April 18, 2003). The request in this memorandum (4/18) appears to have resulted in the Louisiana Coushatta’s payment of $2,300,000 to AIC (on or about 4/9). So, the date of this document relative to the date of the resulting payments suggests that the date on the memorandum is probably a
So, on or about April 9, 2003, the Louisiana Coushatta paid AIC $2,300,000. But, the Tribe was never told that payments made by the Tribe to AIC would go to Scanlon and Abramoff.\textsuperscript{110} Quite the contrary, from Abramoff, Louisiana Coushatta Tribal representatives understood that AIC was an entity that supported anti-gaming efforts, which the Tribe could support.\textsuperscript{111} The Tribe was misled: on April 13, 2003, AIC paid Abramoff $991,000, through his alter ego, Kaygold.\textsuperscript{112}

In an April 18, 2003, strategy memorandum, Scanlon also told Worfel, “[o]n the financial side, the lion’s share of your effort this year is for database build up, and voter targeting, and staff time. We currently have seven staff members working on this project including myself. Most of the staff will be exclusively working on your program for the rest of the year. Jack is also involved heavily on a daily/weekly basis.” Scanlon’s suggestion to Worfel about where the “lion’s share” of the Tribe’s money would go was also misleading: on April 22, 2003, Scanlon routed the $1,300,000 left over from the Tribe’s $2,300,000 payment to AIC, to CCS.\textsuperscript{113}

\textbf{AMERICAN INTERNATIONAL CENTER ACCOUNT SNAPSHOT}

<table>
<thead>
<tr>
<th>DATE</th>
<th>DESCRIPTION</th>
<th>TO/FROM</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/1/2003</td>
<td>Balance</td>
<td></td>
<td>$14,900.13</td>
</tr>
<tr>
<td>4/9/2003</td>
<td>Wire Transfer</td>
<td>Coushatta</td>
<td>$2,300,000.00</td>
</tr>
<tr>
<td>4/13/2003</td>
<td>Check 1103</td>
<td>Kaygold</td>
<td>($991,000.00)</td>
</tr>
<tr>
<td>4/18/2003</td>
<td>Check 1113</td>
<td>Scanlon</td>
<td>($15,000.00)</td>
</tr>
<tr>
<td>4/22/2003</td>
<td>Wire Transfer</td>
<td>CCS</td>
<td>($1,300,000.00)</td>
</tr>
<tr>
<td>4/29/2003</td>
<td>Closing Balance</td>
<td></td>
<td>$1,083.93</td>
</tr>
</tbody>
</table>

From there, between May 1, 2003, and May 5, 2003, Scanlon executed a series of shareholder draws for apparently purely personal expenses that completely extinguished the typicalgraphical error.

\textsuperscript{110}Interview with Kathryn Van Hoof, former counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

\textsuperscript{111}Interview with Kathryn Van Hoof, former counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

\textsuperscript{112}Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies).

\textsuperscript{113}Id.
Tribe’s payment to AIC. Those transactions are explicated below.\footnote{These entries are taken from CCS’ accounting ledger and cross-referenced with other information in the possession of the Committee. Of all vendor transactions reflected in the ledger, only vendor transactions greater than or equal to $25,000 or traceable to any Tribe are included.}

**CAPITOL CAMPAIGN STRATEGIES ACCOUNT SNAPSHOT**

<table>
<thead>
<tr>
<th>DATE</th>
<th>DESCRIPTION</th>
<th>TO/FROM</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/1/2003</td>
<td>Balance</td>
<td></td>
<td>$1,062,845.58</td>
</tr>
<tr>
<td>4/14/2003</td>
<td>Taxes Payable</td>
<td>DC</td>
<td>($214,018.00)</td>
</tr>
<tr>
<td>4/21/2003</td>
<td>Shareholder Draw</td>
<td>Scanlon</td>
<td>($100,000.00)</td>
</tr>
<tr>
<td>4/22/2003</td>
<td>WIRE TRANSFER</td>
<td>Coushatta/AIC</td>
<td>$1,300,000.00</td>
</tr>
<tr>
<td>4/22/2003</td>
<td>Prof. Campaign; LA</td>
<td>Basswood Research</td>
<td>($15,600.00)</td>
</tr>
<tr>
<td>5/1/2003</td>
<td>Balance</td>
<td></td>
<td>$1,844,678.59</td>
</tr>
<tr>
<td>5/1/2003</td>
<td>Shareholder Draw;</td>
<td>Tony Beto, Inc.</td>
<td>($21,594.00)</td>
</tr>
<tr>
<td></td>
<td>25 Tidewater; 2310</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5/1/2003</td>
<td>Shareholder Draw; 2311</td>
<td>Dockety Design</td>
<td>($88,724.00)</td>
</tr>
<tr>
<td>5/2/2003</td>
<td>Shareholder Draw; 2312</td>
<td>Lin Sang Logistics</td>
<td>($150,000.00)</td>
</tr>
<tr>
<td>5/5/2003</td>
<td>Shareholder Draw</td>
<td>Michael Scanlon</td>
<td>($150,000.00)</td>
</tr>
<tr>
<td>5/5/2003</td>
<td>Shareholder Draw</td>
<td>Michael Scanlon</td>
<td>($991,000.00)</td>
</tr>
<tr>
<td>5/5/2003</td>
<td>Balance</td>
<td></td>
<td>$427,174.71</td>
</tr>
</tbody>
</table>

As the foregoing indicates, there were five such “shareholder draws”: May 1, 2003, to Tony Beto, Inc. for $21,594; May 1, 2003, to Dockety Design for $88,724; May 2, 2003, to Lin Sang Logistics for $150,000; and two payments, dated May 5, 2003, to Michael Scanlon for $150,000 and $991,000.

The Committee has been able to locate a Tony Beto in Lewes, Delaware. Apparently an architect, Beto has been described as having knowledge and experience with zoning procedures, particularly in Sussex County, Delaware, where Scanlon made some major real estate purchases.\footnote{See Brian Reynold-Hughes, *Proposed $35M amphitheater coming to Sussex?*, Cape Gazette, December 31, 2002, <http://www.beachpaper.com/storiesmorgue/arts/2003arts/amphitheater121302.html>; Chris Barrish, *Abramoff cohort spent millions on Sussex homes*, The News Journal, May 14, 2006, <http://www.delawareonline.com/apps/pbcs.dll/article?AID=/20060514/NEWS/605140367/1006>}. Likewise, the Committee found a company called Dockety Design Construction, a single-family housing contractor located in Rehoboth Beach, Delaware. Apparently, it
specializes in home remodeling and new home building. Finally, the Committee located a company called Linsang Logistics LLC in Silver Spring, MD. Apparently Linsang creates technology-based companies “that expand global access to information” and charters its private jet. Given that the foregoing charges are likely unrelated to any work done for the Louisiana Coushatta, they are likely purely personal in nature. With the original $2,300,000 that the Louisiana Coushatta paid AIC just about entirely extinguished, the Committee has seen no evidence that the Tribe received the intended benefit for this very large payment.

According to media reports, Scanlon and Abramoff may have used AIC for other illicit purposes, including circumventing requirements under the Foreign Agents Registration Act (“FARA”), particularly with respect to the Embassy of Malaysia. However, those activities are unrelated to the Tribes’ allegations of misconduct. Accordingly, while the Committee has information corroborative of some of those media reports, the Committee has arrived at no

---


119 During her interview with Committee staff, former Abramoff associate Stephanie Leger Short testified, “[T]he public line was that the [AIC] was a think tank; the real line was that that’s how Jack did work for Malaysia and Eritrea. Interview of Stephanie Leger Short, former associate, Greenberg Traurig, in Washington, D.C. (August 18, 2005). Looking back, Leger opined that Abramoff did work for Malaysia and Eritrea through AIC to avoid registering under FARA. Id. According to documents and financial records in the Committee’s possession, the Embassy of Malaysia made four payments of $300,000 each to AIC, on June 29, 2001, October 5, 2001, January 3, 2002, and March 13, 2002. Almost immediately afterwards, AIC made payments to an individual named Khaled Saffuri in the amount of $90,000, $45,000, and $45,000 on October 8, 2001, January 3, 2002, and March 20, 2002 respectively, apparently for “salary/consulting” purposes regarding Malaysia. Soon thereafter, each one of those payments was followed by an additional disbursement of $100,000, $210,000, $245,000, and $255,000 to Greenberg Traurig on July 5, 2001, October 8, 2001, February 22, 2002, and February 26, 2002, respectively.

Saffuri appears to have been a lobbyist at an Abramoff owned or controlled entity called the Lexington Group. At one time, Saffuri was reportedly the Assistant Executive Director of the American Muslim Council (“AMC”), where he apparently served as a lobbyist. See Greenberg Traurig document production (GTG007370-JA-P) (March 27, 2001). The AMC was apparently founded in 1990 by Abdurahman Mohamed Alamoudi, an open supporter of Palestinian terror organization Hamas. Id. A few years ago, Alamoudi was implicated in a plot to assassinate the
definitive conclusions regarding those activities.

F. Conclusion

Among the more interesting of Abramoff and Scanlon’s “gimme five” entities, that is, entities owned or controlled by Abramoff or Scanlon that they used in their kickback scheme, is the putative international think tank, AIC. With two of Scanlon’s beach buddies sitting on its board, AIC’s purpose was actually to collect fees associated with activities conducted by others and, in some case, divert those fees to entities owned or controlled by Scanlon or Abramoff. In other words, AIC was a sham. From 2001 through 2003, the Choctaw and the Louisiana Coushatta collectively paid AIC about $6,308,854. While much of this money went to vendors who actually conducted grassroots activities for the Tribes, such as Ralph Reed, as the Tribes had intended, millions were not were used for that purpose.
CHAPTER III

CAPITAL ATHLETIC FOUNDATION

ABRAMOFF: The package on the ground is $4K per person. that [sic] covers rooms, tee times and ground transportation. One idea is that we could use one of my foundations for the trip—Capital Athletic Foundation—and get and make contributions so this is easier. OK?

REED: OK but we need to discuss. It is an election year.

Email between Jack Abramoff and Ralph Reed concerning golfing junket to Scotland, May 15, 2002

RUDY: Jack wants this.
BOULANGER: What is it? I’ve never heard of it.
RUDY: It is something our friends are raising money for.
BOULANGER: I’m sensing shadiness. I’ll stop asking.

Email between Todd Boulanger and Tony Rudy concerning suggested Tribal contributions to CAF, June 20, 2002

BOZNIAK: He [CAF funds recipient Shmuel Ben Svi] did suggest that he could write some kind of letter with his Sniper Workshop Logo and letter head. It is an “educational” entity of sorts.
ABRAMOFF: no [sic] I don’t want a sniper letterhead.

Email between Jack Abramoff and Allison Bozniak, September 19, 2002

A. Introduction

At its hearings over the past two years, the Committee disclosed and discussed evidence that Jack Abramoff might have used Capital Athletic Foundation (“CAF”), his private charitable foundation, in ways grossly inconsistent with its tax exempt status and mission. Based on multiple interviews and records, the Committee conclusively finds that (1) CAF was simply another vehicle in Abramoff and Scanlon’s “gimme five” scheme; (2) Indian tribes paid CAF, directly and indirectly, knowingly and unknowingly, approximately $3,657,000; and, (3) Abramoff treated CAF as his own personal slush fund, apparently using it to evade taxes, finance lobbying activities such as a golfing trip to Scotland, purchase paramilitary equipment, and for other purposes inconsistent with CAF’s tax exempt status and stated mission.
In fact, in court filings associated with Abramoff’s guilty plea in January 2006, Abramoff pled guilty to, among other things, misusing CAF “to receive income and make expenditures for his own personal benefit” and “to conceal this income from the Internal Revenue Service and others.”\(^1\) In his plea agreement, Abramoff further admitted that he “knew that these activities constituted a misuse of these tax exempt entities.”\(^2\) For example, Abramoff confessed that he solicited money from the Saginaw Chippewa Indian Tribe of Michigan (“Saginaw Chippewa”) and a distilled beverages company, SPI Spirits, “to partially pay for a golfing trip to Scotland for himself, public officials, members of his staff and others.”\(^3\)

This Chapter will examine the nature and structure of CAF. For all years in which CAF received, directly or indirectly, Tribal funds, this Chapter will examine the circumstances surrounding the payments, and then review how Abramoff spent CAF’s funds.

### B. General Background on CAF

Abramoff registered CAF with the Internal Revenue Service as a 501(c)(3) exempt private foundation.\(^4\) At all relevant times, Abramoff and his wife were the only managing members of CAF.\(^5\) CAF reported on its 2001 and 2002 federal tax forms that four (4) Native American Tribes donated a total of $2,075,000:

**Payments by Tribes to Capital Athletic Foundation (CAF)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Tribe</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>Coushatta Tribe of Louisiana</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>2002</td>
<td>Mississippi Band of Choctaw Indians</td>
<td>$1,000,000</td>
</tr>
<tr>
<td></td>
<td>Saginaw Chippewa Indian Tribe</td>
<td>$25,000</td>
</tr>
<tr>
<td></td>
<td>Alabama Coushatta Entertainment Center</td>
<td>$50,000</td>
</tr>
</tbody>
</table>


\(^2\)Id.

\(^3\)Id. at para. 26.


\(^5\)Id.
promotes the ideals of sportsmanship by recognizing individuals and organizations across the economic spectrum that exemplify the highest values of honorable, civil and ethical behavior in their endeavors. The Foundation awards grants to support needy and deserving programs and activities that develop sportsmanship, and designates appropriate individuals as national Ambassadors of Sportsmanship. The Foundation also awards grants that specifically support sportsmanship programs and activities which serve disadvantaged youth.\(^8\)

Abramoff similarly described CAF to his colleagues. Fred Baggett, a managing shareholder of Greenberg Traurig and chairman of its national governmental affairs practice, recalled that the “CAF Foundation was something that Jack referred to a number of occasions that he and his wife were very much involved in to support inner-city children in sports ventures and sports opportunities.”\(^10\) Although Abramoff disclosed that he and his wife were CAF’s

---

\(^6\)Other Abramoff and/or Greenberg Traurig clients apparently donated during those years. In 2001, Foxcom Wireless allegedly donated $50,000. In 2002, SPI Spirits (Cyprus) allegedly donated $25,000.


\(^8\)Id. (emphasis added).

\(^9\)Id. (emphasis added).

\(^10\)Interview of Fred Baggett, partner, Greenberg Traurig, in Washington, D.C. (September 29, 2005); see also Interview of Stephanie Leger Short, former associate, Greenberg Traurig, in Washington, D.C. (August 18, 2005).
founders, he gave the impression to Baggett that it “had grown into a credible, respectable charitable foundation.”

What Abramoff did not disclose, however, was how he was actually funding and operating CAF.

C. Abramoff Attempts to Secure Federal Funding for CAF, and Fails

In 2000, it appears that Abramoff initially sought to capitalize CAF with a $5,000,000 federal earmark. In attempting to enlist the aid of then-U.S. Representative Connie Morella, Abramoff told one Jim Kaplan that “the DeLay guys want to put this grant through for the Capital Education and Athletic Foundation [CEAF], which will be a grantor organization to help build the Yeshiva in Kemp Mill.” Abramoff apparently believed the earmark could be included in the Labor-HHS Appropriations Conference Report or the VA-HUD Appropriations Conference Report. Abramoff confessed that Congressman DeLay might not know about it, but that “Tony [Rudy] [Delay’s then-Deputy Chief of Staff] and the staff are working it through for

---

11 Interview of Fred Baggett, partner, Greenberg Traurig, in Washington, D.C. (September 29, 2005). Stephanie Leger, a former Greenberg Traurig employee, told the Committee that it was well known around the office that CAF was Abramoff’s personal charity. Interview of Stephanie Leger Short, former associate, Greenberg Traurig, in Washington, D.C. (August 18, 2005).

12 Interview of Fred Baggett, partner, Greenberg Traurig, in Washington, D.C. (September 29, 2005); Interview of Stephanie Leger Short, former associate, Greenberg Traurig, in Washington, D.C. (August 18, 2005).

13 Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to James Kaplan (GTG-E000087920-21) (October 23, 2000).

14 The Committee has not determined who James Kaplan was, and what his relationship was with Congresswoman Morella and Jack Abramoff.

15 Apparently, the name Abramoff originally contemplated for the charity was the Capital Education and Athletic Foundation.

16 Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to James Kaplan (GTG-E000087920) (October 23, 2000).

17 Id.
them.""18 Abramoff even sent an email to a representative of Congresswoman Morella and claimed that the CEAF “is a worthy cause, and not a client.”19

After speaking with a Morella representative, Abramoff advised Tony Rudy: “Tony, I spoke with her guy today and they are going to try to get us a letter. Please let me know what we do next.”20 However, after reviewing CAF’s bank, accounting, and tax records, the Committee concludes that CAF never received a federal grant of any amount. Furthermore, the Committee has seen no evidence establishing that Representative Morella supported Abramoff in any way on this project.

Unable to obtain his earmark, Abramoff would turn to other means to finance CAF.

D. Abramoff and Scanlon Misappropriate Tribal Funds for CAF Seed Money in 2001

1. Abramoff and Scanlon Divert Louisiana Coushatta Money to CAF

In 2001, the single largest contributor by far listed on CAF’s federal tax return was the Coushatta Tribe of Louisiana (“Louisiana Coushatta”) for $1,000,000.21 The Committee finds, however, that the Tribe never intended to make a charitable contribution to CAF. Rather, Abramoff and Scanlon deceived the Louisiana Coushatta into making that payment as part of their “gimme five” scheme.

Scanlon set the scam in motion with an October 23, 2001, memorandum to Louisiana Coushatta counsel Kathryn Van Hoof, in which he proposed three political programs, which he collectively dubbed the “Battleground Program.”22 The program was purportedly designed to stop potential competitors, such as “Delta Downs and Pinnacle” from infringing on the Louisiana

---

18Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to James Kaplan (GTG-E000087924) (October 23, 2000). The Committee has seen no evidence that Congressman DeLay knew or authorized what Abramoff and Rudy were attempting.

19Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to pj@morella.com (GTG-E000087929) (October 23, 2000).

20Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to Tony Rudy, Office of Congressman Tom DeLay (GTG-E000087925) (October 23, 2000).

21Capital Athletic Foundation, 2001 Return of Private Foundations Form 990.

Coushatta casino’s market share\textsuperscript{23} According to Scanlon, the Tribe’s money would be used for everything from polling to opposition research to phone banking and Get Out The Vote efforts.\textsuperscript{24}

Scanlon claimed the money was necessary to manipulate Christian conservatives. In Scanlon’s words: “Simply put we want to bring out the wackos to vote \textit{against} something . . . The wackos get their information form [sic] the Christian right, Christian radio, mail, the internet and telephone trees.”\textsuperscript{25} In fact, Scanlon advised using nearly half the proposed budget to influence and mobilize “Christian conservatives and minority religious outlets.”\textsuperscript{26}

Abramoff and Scanlon had other designs for the money. One day after Scanlon’s memorandum to Van Hoof, Abramoff told Scanlon: “I want to see if we can pump up our LDA [reporting requirements under the Lobbying Disclosure Act] for the second half to make sure we don’t fall out of the top ten [lobbying firms]. I can achieve this if I can run some of the money for the Coushattas through the firm and then get it to CCS.”\textsuperscript{27}

Concerned, Scanlon asked: “Are u [sic] sure Baggett will let you rip it back out?”\textsuperscript{28}

Abramoff responded “If not, it’ll be a cold day in hell that they get this check from my grubby hands!”\textsuperscript{29}

To convince the Tribe to pay $1,000,000 into Greenberg Traurig, Scanlon explained to Van Hoof, “We broke this into two invoices – one to be paid to Greenberg Traurig for 1m, and one paid to Capitol Campaign Strategies – [Greenberg Traurig’s] public affairs entity for the balance. We usually just invoice you through Capitol Campaign Strategies so the Lawyers at the firm rest easy while we are out burning the country side.”\textsuperscript{30}

\textsuperscript{23}Id.

\textsuperscript{24}Id.

\textsuperscript{25}Id. (emphasis in original).

\textsuperscript{26}Id.

\textsuperscript{27}Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000012245) (October 24, 2001).

\textsuperscript{28}Id.

\textsuperscript{29}Id.

\textsuperscript{30}Email from Michael Scanlon, Capitol Campaign Strategies, to Kathryn Van Hoof, Coushatta Tribe of Louisiana (GTG-E000011383) (October 25, 2001).
He continued, “In this instance however we plan to do some things through the law firm umbrella due to their highly sensitive nature and confidentiality reasons. I hate hiding behind lawyers – but we are going to do some crazy stuff on this one – so I guess its ok :) :) [sic]”\(^{31}\)

In furtherance of the “gimme five” scheme, Scanlon apparently fabricated and submitted to the Louisiana Coushatta an invoice in Greenberg Traurig’s name. The invoice identified the purpose of the payment as “Public Affairs Services.”\(^{32}\) Contrary to Scanlon’s representations, Capitol Campaign Strategies (“CCS”) was not Greenberg Traurig’s public affairs entity.\(^{33}\) Nor was Scanlon authorized to prepare or send an invoice on Greenberg Traurig’s behalf.\(^{34}\) At the November 2, 2005, hearing before the Committee, Baggett testified:

**THE CHAIRMAN:** Was Mr. Scanlon authorized to send an invoice on Greenberg Traurig’s behalf?

**MR. BAGGETT:** No, sir; he was not.

. . .

**MR. BAGGETT:** – the invoice exhibit 99 purporting to be from Greenberg Traurig, “Greenberg” is misspelled.

**THE CHAIRMAN:** Okay. That is an important point. Thank you for bringing it up, Mr. Baggett. [Laughter.]

**MR. BAGGETT:** I doubt we would be issuing an invoice with our name misspelled.\(^{35}\)

Despite the lack of authorization, the Committee finds that Scanlon sent, or caused to be sent, the fabricated invoice to the Louisiana Coushatta for payment.

\(^{31}\)Id.

\(^{32}\)Greenberg Traurig document production (GTG-E000011384) (undated).

\(^{33}\)Interview of Fred Baggett, partner, Greenberg Traurig, in Washington, D.C. (September 29, 2005).

\(^{34}\)“Tribal Lobbying Matters,” *Hearings before the Committee On Indian Affairs*, 109th Cong. at 37 (November 2, 2005) (testimony of Fred Baggett, partner, Greenberg Traurig).

\(^{35}\)Id.
Based on Scanlon’s representations, the Tribe understood the $1,000,000 payment to Greenberg Traurig would be used for the Tribe’s political activities, and certainly never intended for it to be a charitable contribution:

THE CHAIRMAN: Ms. Van Hoof, was it your understanding that the $1 million was going to be used for political activities benefitting the tribe?

MS. VAN HOOF: Yes.

THE CHAIRMAN: Did the tribe authorize anyone to use that $1 million as a charitable contribution to the Capital Athletic Foundation?

MS. VAN HOOF: No.

THE CHAIRMAN: Did the tribe ever intend to make a $1 million contribution to Jack Abramoff’s personal charity?

MS. VAN HOOF: No. 36

William Worfel, former Vice Chairman of the Tribe, similarly told the Committee that the Tribal Council had never authorized that $1,000,000 to be used as a charitable contribution – to CAF or any other entity. 37 Indeed, neither Van Hoof nor Worfel had any contemporaneous knowledge of CAF. 38 At no point did Scanlon or Abramoff tell the Louisiana Coushatta that its money would be used for anything other than the Tribe’s political activities. 39 In fact, until the

36“Tribal Lobbying Matters,” Hearings before the Committee On Indian Affairs, 109th Cong. at 37 (November 2, 2005) (testimony of Kathryn Van Hoof, former counsel, Coushatta Tribe of Louisiana).

37Interview of William Worfel, former Vice Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

38Interview of Kathryn Van Hoof, former counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 23, 2005); Interview of William Worfel, former Vice Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

39Interview of Kathryn Van Hoof, former counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 23, 2005); Interview of William Worfel, former Vice Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).
Committee’s investigation, the Louisiana Coushatta did not even know it was listed as a $1,000,000 donor to CAF.  

Based on Scanlon’s misrepresentations, on October 30, 2001, the Louisiana Coushatta executed a check for $1,000,000 to Greenberg Traurig. On November 2, 2001, Greenberg Traurig received the $1,000,000 check, which it deposited into its trust account.

The next phase of the scheme required Abramoff to deceive his former employer, Greenberg Traurig. To extract the money from Greenberg Traurig’s trust account, Abramoff told the firm that the Louisiana Coushatta knew about the payment to CAF and had authorized it. On November 5, 2001, Abramoff sent an email to Baggett entitled “Coushatta million dollar check,” and noted, “It is burning a hole in my pocket. Please let’s chat about this today to get it worked out.” Sometime around that email, Abramoff called Baggett in Tallahassee, “to talk about a contribution that a tribe, the Coushatta, that a tribe wanted to make to Capital Athletic Foundation, that they had given us a check for a million dollars and wanted to put it in a trust account so we could give it to Capital Athletic Foundation.” Per Abramoff’s direction, Greenberg Traurig paid the Louisiana Coushatta’s $1,000,000 to CAF.

The Committee finds that the Louisiana Coushatta’s $1,000,000 never went to the Tribe’s political activities. It instead padded the coffers of CAF for Abramoff’s discretionary use. Notably, Abramoff did include the $1,000,000 on the Lobbying Disclosure Act filing for the Louisiana Coushatta in 2001.

40Id.

41Greenberg Traurig document production (GTG023510-ACCT) (October 30, 2001).

42Interview of Fred Baggett, partner, Greenberg Traurig, in Washington, D.C. (September 29, 2005).

43Id.

44Email from Jack Abramoff, Greenberg Traurig, to Fred Baggett, Greenberg Traurig (GTG-E000252969) (November 5, 2001).


46Id.

47Id.
The Committee harbors no doubt that the $1,000,000 was a payment obtained as part of the duo’s “gimme five” scheme. In a November 7, 2001, email entitled “Give me five,” Scanlon listed Abramoff’s take from their scheme:

The overall numbers in the amounts I owe you are exactly $1 million smaller that [sic] what we projected last month because your section of the Louisiana Battleground program was paid directly to [Greenberg Traurig] – so I took the whole thing of [sic] the chart. I did leave it on the distribution chart so you can see what the “value” of your share to date – approximately 5.4 mill. [sic] has gone to your [sic] or third party entities at your direction.48

2. Abramoff’s Misuse of CAF Funds in 2001

Despite receiving $1,248,741 in purported contributions, CAF distributed very little in the form of grants to other entities in 2001 – only $50,510.49 From the relevant bank records, it appears that Abramoff segregated most of the Tribal money into its own account and reserved it for use in the following year. From another account, into which others such as Foxcom Wireless had paid, CAF made a number of expenditures.

The largest outlay for CAF in 2001 appears to be for operating and administrative expenses:

- $102,510 for “home school program which combines academic and athletic programs for the students.”50
- $50,510 for log and web design and newspaper advertising for the benefit of the Eshkol Academy.51 The Eshkol Academy was an all boys Jewish orthodox prep school that Abramoff founded in 2001, but closed in 2003.52

49Capital Athletic Foundation, 2001 Return of Private Foundations Form 990PF.
50Id. There appears to be a discrepancy in the tax return. Statement 5 to the return cites $115,930 as the expenses spent on home school program expenses.
51Id.
52See Peter Stone, Tribes Gave To Abramoff Foundation, National Journal, March 12, 2004, at 1866; Michael S. Gerber and Albert Eisele, Republican power broker Jack Abramoff on lobbying in the Bush II era, The Hill, March 26, 2003; see also Email from Gail Halpern, May & Barnhard,
relationship with Eshkol was intimate; he was the president and his wife was the vice president, secretary, and treasurer. Media reports also claim that some of Abramoff’s children attended Eshkol.

- $3,411.32 for “Eshkol and Lexington Group work.” CAF’s ledger identifies the purpose of the payment as brochures and business cards. The Lexington Group was a for-profit venture that Abramoff undertook with a lobbyist named Khaled Saffuri and has no apparent role in CAF or its purported charitable mission.

- Almost $99,000 on consulting fees, which, on information and belief, related to Abramoff’s efforts to establish Eshkol.

- $26,060 for a school van. The records do not indicate whether the van was actually used for personal or charitable purposes.

- $10,000 payment to Sports Suites as a deposit. The Sports Suites was a limited liability company that Abramoff owned and operated and through which he leased various club boxes at several sporting venues around the region, including FedEx Field, MCI Center, and Camden Yards. Abramoff used the boxes extensively in his lobbying practice.

Curiously, listed on CAF’s 2001 tax form is an $18,057 expenditure for a thermal imager. CAF’s tax and accounting records do not indicate what possible relation a thermal imager would have to the charitable mission of CAF, or to whom it was given. Abramoff’s emails, however, illuminate the purpose and beneficiary of Abramoff’s largesse.

53See Eshkol, Inc, 2001 Form 990. Eshkol’s tax return is signed by Sam Hook as executive director for the school. Hook is a former contract employee at Greenberg Traurig, the husband of Shana Tesler, and owner and president of two other Abramoff-controlled entities, Grassroots Interactive, LLC and Federal Program Services, LLC. According to Tesler, Abramoff hired Hook to serve as interim executive director of Eshkol Academy in November 2002. She stated that Hook was paid $20,000 for serving as the interim director, and the payments may have come from the Capital Athletic Foundation.

54May & Barnhard document production (MB-002063-65) (December 31, 2001).

55Id.

For two days in 2001, Abramoff exchanged emails with a person the Committee has determined is Shmuel Ben Zvi.\(^{57}\) Ben Zvi and Abramoff were classmates at Beverly Hills in California.\(^{58}\) Apparently, Ben-Zvi later moved to the Israeli West Bank. The Committee does not know how Ben Zvi and Abramoff re-established ties.

Nevertheless, in 2001, Abramoff and Ben Zvi tried to find a source for a thermal imager.\(^{59}\) Abramoff and Ben Zvi apparently intended the thermal imager for paramilitary application, because Ben Zvi told Abramoff that “[t]he paratroop officer in charge of the area, that you see in the photo with me that I sent you is very happy that we’ll have the thermal imager.”\(^{60}\)

Ben Zvi added, “[I]f it looks like it will take a long time to get the Russian model, then we can actually use our army address to buy the U.S. made thermal imager and have a colonel or higher sign for it . . .”\(^{61}\)

The next day, trying to find a way to obtain the imager, Ben Zvi suggested that he could fax a letter “stating that I am purchasing this equipment for the IDF [Israeli Defense Force], and at the same time get a signed letter from the commander of Paratroop brigade [sic] . . .”\(^{62}\) Although CAF’s tax return indicates that Abramoff apparently purchased the thermal imager, the Committee has no further details about the transaction.

E. In 2002, Abramoff and Scanlon Scam Other Tribes Into Paying Into CAF

In 2002, reported contributions to CAF climbed to $2,569,934. CAF listed a number of substantial contributors for that year:

- Saginaw Chippewa Indian Tribe–$25,000

\(^{57}\)See Email between Jack Abramoff, Greenberg Traurig, and Shmuel Ben Zvi, Kollel Ohel Tieferet (GTG-E000089141-44) (October 18-19, 2001).


\(^{59}\)See Email between Jack Abramoff, Greenberg Traurig, and Shmuel Ben Zvi, Kollel Ohel Tieferet (GTG-E000089141-44) (October 18-19, 2001).

\(^{60}\)Id.

\(^{61}\)Id.

\(^{62}\)Id.
• Alabama-Coushatta Entertainment Center–$50,000
• National Center for Public Policy Research–$450,000
• Jack Abramoff–$991,749
• Mississippi Band of Choctaw Indians–$1,000,000

The Committee finds that most of those alleged contributions – even those not in the name of an Indian Tribe – are the fruits of Abramoff and Scanlon’s “gimme five” scheme.

1. **Abramoff Deceives The Saginaw Chippewa Indian Tribe into Partially Funding a Golfing Trip to Scotland – June Through November 2002**

   In 2002, CAF claimed $234,319 in expenses for travel, conferences, and meetings on its tax return. Yet, according to that same tax filing, Abramoff and his wife, the only two co-managing members, devoted “minimal” time each week to their positions. CAF’s tax, accounting, and bank records, suggest that $166,634.26 of that $234,319 were costs incurred for a golfing trip to Scotland.

   On or about May 15, 2002, Abramoff and his old friend and business associate Ralph Reed began planning the trip. In an email entitled “Scotland,” Abramoff wrote to Reed:

   The package on the ground is $4K per person. that [sic] covers rooms, tee times and ground transportation. One idea is that we could use one of my foundations for the trip – Capital Athletic Foundation – and get and make contributions so this is easier.

   Reed replied, “OK but we need to discuss. It is an election year.”

   Soon thereafter, Abramoff began seeking financing for the golfing trip. Abramoff asked his colleague Tony Rudy, Congressman DeLay’s former deputy chief of staff, “Hi Tony. Did you

---

63Capital Athletic Foundation, 2002 Return of Private Foundations, Form 990PF.

64Id.

65Id.


67Email between Jack Abramoff, Greenberg Traurig, and Ralph Reed, Century Strategies (GTG-E000019854) (May 15, 2002).

68Id.
get the message from the guys that Tom wants us to raise some bucks from Capital Athletic Foundation? I have six clients in for $25K. I recommend we hit everyone who cares about Tom’s requests.”

Abramoff then asked Rudy to “email [Christopher] Petras on the Sag chip request (it’ll look better coming from you as a former DeLay COS). We’z gonna make a bundle here.”

Rudy subsequently requested Petras’ email address.

Later that month, Abramoff again asked Rudy, “Please hit them both [Stoli and Sag Chip] to get checks for the Capital Athletic Foundation asap. we [sic] need to get this cash in hand. I am pushing Tigua and Choctaw. We are still short of full cost coverage (which is around $115K).”

Rudy responded, “Please give me [the] address.”

Abramoff and Rudy soon began seeking money for the Scotland golfing trip in earnest. In an email entitled “Capitol Athletic Foundation,” Rudy asked Todd Boulanger, another Abramoff associate and the manager of the Saginaw Chippewa Indian Tribe (“Saginaw Chippewa”) lobbying account at Greenberg Traurig, “Can you ask [C]hris [Petras] whether they can make a contribution. We asked for 25k.”

Apparently unfamiliar with CAF, Boulanger inquired: “What is this? I can put this on your Coushatta request list that I’m putting together during the July 4th recess . . . or I can split it

---

69Email from Jack Abramoff, Greenberg Traurig, to Tony Rudy, Greenberg Traurig (GTG-E000026455) (June 6, 2002).

70Id.

71Email from Tony Rudy, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000026450) (June 7, 2002).

72Email between Jack Abramoff, Greenberg Traurig, and Tony Rudy, Greenberg Traurig (GTG-E000076673) (June 17, 2002).

73Id.

74See Email between Todd Boulanger, Greenberg Traurig, and Tony Rudy, Greenberg Traurig (GTG-E000254778-79) (June 20, 2002).

75Id.
up ½ to Coushatta and ½ to Choctaw so it doesn’t dilute your other requests. Sag may kick in ... 25K is steep for them. I bet they’d do $5k, however. We’ll get it.”

Rudy cryptically responded, “Jack wants this.”

Boulanger inquired further, “What is it? I’ve never heard of it.”

Rudy was again vague: “It is something our friends are raising money for.”

Boulanger finally desisted: “I’m sensing shadiness. I’ll stop asking.”

Rudy confirmed Boulanger’s suspicions, “Your senses are good. If you have to say Leadership is asking, please do. I already have.”

Soon thereafter, Abramoff began hounding the Tribe for the payment. Examples include the following:

- On July 31, 2002, Abramoff reminded Petras “about getting the Capital Athletic Foundation to me asap per the delay request.”

---

76Id.

77Id.

78Id.

79Id.

80Id.

81Id.

82Email from Jack Abramoff, Greenberg Traurig, to Christopher Petras, Saginaw Chippewa Tribe of Michigan (GTG-E000026791) (September 30, 2002); Email from Jack Abramoff, Greenberg Traurig, to Christopher Petras, Saginaw Chippewa Tribe of Michigan (GTG-E000057439) (August 12, 2002).

83Email from Jack Abramoff, Greenberg Traurig, to Christopher Petras, Saginaw Chippewa Tribe of Michigan (GTG-E000026653) (July 31, 2002).
• On August 12, 2002 he asked Petras to “get me that $25K to Capital Athletic Foundation for the DeLay thing.”


• On September 12, 2002, Abramoff asked Petras about CAF, “Please keep me informed on this one.”

Throughout the process, Abramoff continued misrepresenting CAF as an independent entity. In a September 18, 2002 email entitled “where are we on the Capital Athletic Foundation,” Abramoff advised Petras, “I saw the CAF guys this morning and we are getting into a bit of an embarrassing situation.” Again, on September 30, 2002, Abramoff told Petras that “I am getting serious pressure on the Capital Athletic Foundation. Please let me know if this is going to happen, and if not, I need to try and find a replacement. I am really out of time on this and am getting called daily.”

In procuring the money from the Tribe, Abramoff apparently misrepresented the nature of CAF and how it would use the funds. According to internal Saginaw Chippewa documents, Abramoff represented that CAF “creates programs that teach leadership skills to disadvantaged

84 Email from Jack Abramoff, Greenberg Traurig, to Christopher Petras, Saginaw Chippewa Tribe of Michigan (GTG-E000057439) (August 12, 2002).

85 Email from Jack Abramoff, Greenberg Traurig, to Christopher Petras, Saginaw Chippewa Tribe of Michigan (GTG-E000026714) (August 23, 2002).

86 Email from Jack Abramoff, Greenberg Traurig, to Christopher Petras, Saginaw Chippewa Tribe of Michigan (GTG-E000026766) (September 4, 2002).

87 Email from Jack Abramoff, Greenberg Traurig, to Christopher Petras, Saginaw Chippewa Tribe of Michigan (GTG-E000026784) (September 12, 2002).

88 Email from Jack Abramoff, Greenberg Traurig, to Christopher Petras, Saginaw Chippewa Tribe of Michigan (GTG-E000026805) (September 18, 2002).

89 Email from Jack Abramoff, Greenberg Traurig, to Christopher Petras, Saginaw Chippewa Tribe of Michigan (GTG-E000026791) (September 30, 2002).
youth in the DC area in an effort to keep them off the streets and enhance their educational opportunities.\footnote{90}

Finally, on November 13, 2002, the Saginaw Chippewa wrote a check to CAF in the amount of $25,000.\footnote{91} On November 14, 2002, Abramoff received the Saginaw Chippewa check for CAF.\footnote{92} Abramoff had the check deposited on November 18, 2002.\footnote{93} Abramoff apparently concealed from the Saginaw Chippewa that CAF was his personal charity. After the Saginaw Chippewa donated $25,000 to CAF, Abramoff instructed Maury Litwack, a legislative assistant at Greenberg Traurig, to draft a thank you letter to the Tribe, and to sign it as the Program Director.\footnote{94} The Committee has not been able to verify whether the letter was actually sent and received.

Abramoff used the $25,000 from the Saginaw Chippewa and another $50,000 from the Alabama Coushatta, to partially finance a widely publicized golfing trip to Scotland. Both Abramoff and Rudy pled guilty to defrauding the Saginaw Chippewa. According to Abramoff’s plea agreement:

\begin{quote}
From June 2002 to November 2002, Abramoff and a former lobbying colleague, who was also a former congressional staffer ("Staffer A") successfully solicited the Michigan Tribe for a $25,000 payment to CAF. Instead of using the funds for CAF, Abramoff used this money for his personal and professional benefit to partially pay for a golfing trip to Scotland for himself, public officials, members of his staff, and others.\footnote{95}
\end{quote}

\footnote{90}{Saginaw Chippewa Indian Tribe of Michigan document production (no Bates number) (entitled “Minutes of the Tribal Council Special Session”) (August 22, 2002).}

\footnote{91}{Capital Athletic Foundation document production (SEN-CAF 000681) (November 13, 2002).}

\footnote{92}{Email between Christopher Petras, Saginaw Chippewa Tribe of Michigan, to Jack Abramoff, Greenberg Traurig; Holly Bowers, Greenberg Traurig; and Jennifer Boice, Greenberg Traurig (GTG-E000027002) (November 14, 2002).}

\footnote{93}{Capital Athletic Foundation document production (SEN-CAF 000681) (November 13, 2002).}

\footnote{94}{Email between Jack Abramoff, Greenberg Traurig, and Maury Litwack, Greenberg Traurig (GTG-E000001280-81) (November 19-20, 2002).}

Rudy pled similarly:

In June 2002, Rudy, at Abramoff’s direction, solicited one of Firm B’s clients, a Native American Tribe in Michigan, for a $25,000 contribution to CAF made by check . . . by falsely claiming that a public official requested them to solicit funds for the charity from their clients. Abramoff and Rudy intended to use this money for their personal and professional benefit to partially pay for a golfing trip to Scotland for Abramoff, Rudy, Representative #1, members of his staff and others, which Rudy ultimately did not attend.96

Notably, Rudy admitted in his plea agreement that he solicited money from the Saginaw Chippewa “by falsely claiming that a public official [DeLay] requested them to solicit funds for the charity from their clients.”97

2. Abramoff and Scanlon Deceive the Mississippi Band of Choctaw Indians Into Sending $1,000,000 To CAF – January and August 2002

CAF’s 2002 Form 990PF listed the Mississippi Band of Choctaw Indians (“Choctaw”) as its biggest contributor – at $1,000,000.98 According to CAF’s accounting ledger, the Tribe made two payments: (1) $500,000 on January 3, 2002; and, (2) $500,000 on August 6, 2002.99 The Committee finds, however, that Abramoff and Scanlon deceived the Tribe into paying that $1,000,000 into CAF for uses the Tribe never intended.

On December 19, 2001, Scanlon sent the Choctaw an invoice purportedly from CAF for $500,000 for “Professional Services Rendered.” Barely one week later, Abramoff was looking for the money. He asked Laura Lippy and Rodney Lane, two of his associates, “[d]id we ever get


97Id.

98Capital Athletic Foundation, 2002 Form 990PF.

99May & Barnhard document production (MB-001948) (December 31, 2002).
the [sic] $500K for Cap Athletic from Choctaw per Scanlon?”100 The payment actually arrived a few days after the New Year.101

Within two months, Abramoff and Scanlon began chasing the Choctaw for their next score for CAF. On March 3, 2002, Abramoff instructed Scanlon: “See if you can get [Nell Rogers] to send my share to Capital Athletic Foundation. She liked using that entity anyway. This is for the next payment, not the last one.”102

Scanlon continued to be the prime actor, while Abramoff skulked in the shadows. Abramoff asked Scanlon, “Can you have one of the upcoming payments from Choctaw (or one of the others) made to ‘Capital Athletic Foundation’ up to $500K? I need to get more money in there.”103

Scanlon agreed, “I will do it.”104 And, he offered to go even further, “there is another payment coming due – I can get 1 mil in there in about two weeks – IS [sic] that ok?”105

Abramoff, however, replied that “$500k is enough” for CAF.106

As time passed, and the Choctaw’s money did not arrive, Abramoff again asked Scanlon to get it done, and this time for more money. In an email entitled “Capital Athletic Foundation”, Abramoff reminded Scanlon “Please don’t forget this one. $1M in there would be good if that’s the amount you can get Nell [Rogers] to send.”107

100 Email from Jack Abramoff, Greenberg Traurig, to Laura Lippy, Greenberg Traurig, and Rodney Lane Greenberg Traurig (GTG-E000114360) (December 27, 2001).

101 Email from Gail Halpern, May & Barnhard, to Jack Abramoff, Greenberg Traurig (GTG-E000010719) (January 3, 2002).

102 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000110037) (March 3, 2002).

103 Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000110065) (March 13, 2002).

104 Id.

105 Id.

106 Id.

107 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E00010056) (March 30, 2002).
Scanlon assured Abramoff, “I’ll approach her on this today.”

Nearly two months later, the money had still not arrived. Consequently, over the next few weeks, Abramoff badgered Scanlon to have the Tribe make the payment:

- On May 23, Abramoff asked Scanlon to “find out what’s up” with the Choctaw’s payment to CAF.

- On May 29, Abramoff asked Scanlon, “Where are we on this? I did not get the CAF check.”

- On May 30, Abramoff again asked, “Anything happen with this yet?”

Abramoff became desperate, suggesting to Scanlon that he “call Nell [Rogers] today and push her on the $500K for CAF” and instructing Scanlon “to tell her that they [CAF] spent the money already with the trust that they’d get it, and that they are all over you now.”

Abramoff apparently grew increasingly frustrated by Scanlon’s failure to secure the money for him. In an email entitled “Choctaw CAF!”, Abramoff implored Scanlon, “Mike, what do we have to do to get this money in?”

When the money had still not arrived, Abramoff suggested to Scanlon that he tell Nell Rogers at Choctaw that they were “going to lose the ability to use this group [CAF] as a front if

---

108 Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000110088) (April 1, 2002).

109 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000110224) (May 23, 2002).

110 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000110212) (May 29, 2002).

111 Id.

112 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (1735978) (June 12, 2002).

113 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000110378) (July 1, 2002).
we don’t get this current.” Scanlon agreed to do so. Abramoff followed a few days later, asking Scanlon “Can you call her again today?” Finally, on August 6, 2002, a $500,000 check for CAF arrived from the Choctaw.

Despite being listed as CAF’s largest donor, the Choctaw never intended to make a charitable contribution to CAF. During the June 2005 hearing before the Committee, Rogers, who dealt with Abramoff and Scanlon, testified:

**THE CHAIRMAN:** Ms. Rogers, in 2002 the Capital Athletic Foundation, Mr. Abramoff’s private charitable foundation, reported on its tax forms that the Mississippi Band of Choctaw Indians was far and away the single biggest contributor . . . Michael Scanlon and Jack Abramoff directed the tribe to make these contributions?

**MS. ROGERS:** These were not intended as contributions, Senator. They were intended to be pass-throughs to other groups doing grassroots public advocacy work for the tribe.

**THE CHAIRMAN:** In other words, the tribe did not know that 70 percent of these moneys were going to—

**MS. ROGERS:** Not at all. They were never intended to be contributions.

**THE CHAIRMAN:** Jack Abramoff and Michael Scanlon never told you that the Capital Athletic Foundation was Mr. Abramoff’s private charity?

114 Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000057339-40) (July 5, 2002).

115 Id.

116 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000110378) (July 10, 2002).

117 Email between Jack Abramoff, Greenberg Traurig, and Laura Lippy, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000110548) (August 6, 2002); see also May & Barnhard document production (MB-001948) (December 31, 2002).
At all relevant times, the Tribe intended that the payments to CAF would pass through to grassroots organizations working to oppose the expansion of gaming in the Choctaw casino’s customer market. At no time did Abramoff or Scanlon advise the Choctaw that CAF would keep any part of the money, as a charitable contribution or otherwise. Rogers was disgusted that Abramoff would not only abuse the Tribe’s trust, but also use a charity to do it.

Neither Abramoff nor Scanlon ever told the Tribe that CAF was a charitable organization. The Tribe was led to believe that CAF “was another one of Mike’s entities that was a vehicle to be used a pass-through to grassroots groups.” Rogers understood that CAF was “something conveniently set up to use for pass-through activities.” Before the Committee’s investigation, the Tribe had no idea that Abramoff was using CAF to finance the Eshkol Academy. Based on its review of CAF’s Form 990PFs, accounting ledger, profit and loss statements, and other accounting records, the Committee finds that CAF paid none of the Choctaw’s funds to grassroots organizations and vendors as the Tribe had intended.

3. Abramoff and Scanlon Misappropriate Another $1,000,000 from the Choctaw – October 2002

Abramoff and Scanlon’s diversion of Choctaw funds, intended by the Tribe for political purposes, did not end there. In October 2002, Abramoff and Scanlon successfully deceived the Tribe into paying another $1,000,000, nearly half of which went to CAF. To accomplish this, Abramoff betrayed not just the Tribe, but also two long-time friends, and violated his fiduciary duty to a non-profit organization on whose board he sat.

---

118“Tribal Lobbying Matters,” Hearings before the Committee On Indian Affairs, 109th Cong. at 17 (June 22, 2005) (testimony of Nell Rogers, planner, Mississippi Band of Choctaw Indians).

119Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Philadelphia, Mississippi (April 27-29, 2005).

120Id.

121Id.

122Id.

123Id.

124Id.

125Id.
According to its president, Amy Ridenour, the National Center for Public Policy Research (“NCPPR”) is “a 23-year-old conservative free market non-profit institution.” Abramoff joined the NCPPR’s board in 1997. Ridenour told the Committee that “[a]t that time, I had known Jack for nearly 17 years. He was a dedicated conservative, a successful lobbyist and businessman, and his managerial skills it seemed to me at the time exceeded my own.” Abramoff introduced Ridenour and NCPPR to Chief Martin and the Choctaw in 1997.

Five years later, in October 2002, Abramoff used his position as an NCPPR director to further carry out his and Scanlon’s “gimme five” scheme. Abramoff apparently sowed the seeds months earlier at lunch with Ridenour and her husband at Abramoff’s restaurant Signatures. Ridenour testified before the Committee:

Jack shared with us details of his work doing what he called “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 to 5 years down the road, they would educate the public about the Choctaw success story.

I was very interested in what I was hearing. I noted that his 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.

---

126 “Tribal Lobbying Matters,” Hearings before the Committee On Indian Affairs, 109th Cong. at 29-30 (June 22, 2005) (testimony of Amy Ridenour, president, National Center for Public Policy Research).
127 Id.
128 Id.
129 Id.
130 Id.
131 Id.
Nothing happened for four months. Then, on October 1, Abramoff told Scanlon, “Amy Ridenour has asked if we can run any funds through them to pump up their non-email donations (they will give us back 100%). Let’s run some of the non-caf Choctaw money through them to the camps [sic].”

To induce the Tribe into making the payment, Abramoff told them that the money would be used for their grassroots activities. In her interview with Committee staff, Rogers said that the Tribe paid $1,000,000 to the NCPPR at Abramoff’s direction. The Tribe intended and understood that the money would pass-through the NCPPR to grassroots organizations and vendors trying to defeat the expansion of gaming into the Choctaw casino’s customer market. Ralph Reed’s firm Century Strategies was among the firms that, Abramoff assured Rogers, would ultimately receive part of the $1,000,000. The Tribe never intended any part of that $1,000,000 to go to CAF, Abramoff, Scanlon, or any other entity owned or controlled by Abramoff or Scanlon. Until the Committee’s investigation, the Tribe did not know that Abramoff and Scanlon had diverted the $1,000,000 for their own personal use and benefit.

Thus, on October 10, 2002, at Abramoff’s direction, NCPPR drew up a $1,000,000 invoice. The invoice Ridenour prepared listed as its purpose “contribution to the National

---

132 Id.
133 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (Bates number 1636313) (October 1, 2002).
134 Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Philadelphia, Mississippi (April 27-29, 2005).
135 Id.
136 Id.
137 Id.
138 Id.
139 “Tribal Lobbying Matters,” Hearings before the Committee On Indian Affairs, 109th Cong. at 30 (June 22, 2005) (testimony of Amy Ridenour, president, National Center for Public Policy Research).
Center for educational and research programs and activities.”

Ridenour sent the invoice to Abramoff by email. That was not the invoice that the Choctaw received, however.

Abramoff forwarded NCPPR’s original invoice to Scanlon. Someone at Scanlon’s companies apparently fabricated another invoice purportedly from the “National Center for Public Policy Research” for “Professional Services.” That was the invoice the Tribe ultimately saw and paid.

To NCPPR’s Ridenour, Abramoff explained that part of the money was a donation ultimately destined for CAF, and the rest was intended for a huge educational effort the Tribe was undertaking to educate the public on the benefits of Indian gaming, and the distinction between Indian and non-Indian gaming. According to Ridenour’s testimony before the Committee:

When the funds arrived, he [Abramoff] told me how they should be disbursed: $450,000 to the Capital Athletic Foundation as a grant; $500,000 to Capitol Campaign Strategies; and; and $50,000 to a company called Nurnberger and Associates.

I believe Capitol Campaign Strategies was to be paid for educational program services, while Ralph Nurnberger was going to help coordinate the project. Jack referred to his receiving “instructions” for the disbursements, which I took to mean recommendations from the donor, which was consistent with my belief that the Mississippi Choctaws were actively involved.

140Greenberg Traurig document production (1640098) (October 10, 2002).

141Email between Jack Abramoff, Greenberg Traurig, and Amy Ridenour, National Center for Public Policy Research (1640097) (October 10, 2002).

142Id.

143Greenberg Traurig document production (1640097-99) (October 10, 2002). The Committee observes that this invoice is similar in form and content to the invoices Scanlon sent on his companies’ behalf, usually just identifying “Professional Services” as the reason for the payment request.

144“Tribal Lobbying Matters,” Hearings before the Committee On Indian Affairs, 109th Cong. at 30-31 (June 22, 2005) (testimony of Amy Ridenour, president, National Center for Public Policy Research).
Abramoff repeatedly assured Ridenour that influencing legislation was not part of the effort. 145 Abramoff explained that the payment to CCS “was to be used for educational program services, particularly polling and telephone banks, but not necessarily exclusively; research, potentially paid advertising; I was told later petition drives, that sort of thing, but 100 percent educational program services.” 146 Abramoff told Ridenour that Nurnberger & Associates would coordinate the effort. 147

On October 17, 2002, Ridenour confirmed for Abramoff NCPPR’s receipt of the $1,000,000 dollar wire transfer from the Choctaw. 148 Two days later, Abramoff instructed Ridenour to send $450,000 to CAF and $50,000 to Nurnberger & Associates. 149

In dividing their “gimme five” spoils, Scanlon reminded Abramoff to have NCPPR send Abramoff’s share directly to CAF to avoid a taxable event. 150 When Ridenour requested invoices from CAF and Nurnberger, Abramoff directed his assistant to “make up two invoices.” 151 Abramoff further instructed that the “invoices should be generic as follows: 1. From Capital Athletic Foundation for ‘Sports and Politics’ project for $450K 2. Nurnberger and Associates (use Ralph Nurnberger’s home address) for ‘research grant’ for $50K.” 152 Abramoff similarly instructed Christopher Cathcart, Scanlon’s right-hand man at CCS, to prepare an invoice from CCS “for polling services or something like that.” 153 When Cathcart forwarded the invoice to

145 Id. at 37.
146 Id.
147 Id.
148 Email from Amy Ridenour, National Center for Public Policy Research, to Jack Abramoff, Greenberg Traurig (no Bates number) (October 17, 2002).
149 Email from Jack Abramoff, Greenberg Traurig, to Amy Ridenour, National Center for Public Policy Research (no Bates number) (October 19, 2002).
150 Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000034219) (October 21, 2002).
151 Email from Jack Abramoff, Greenberg Traurig, to Allison Bozniak, Greenberg Traurig (GTG-E000034220) (October 21, 2002).
152 Id.
153 Email from Jack Abramoff, Greenberg Traurig, to Christopher Cathcart, Capitol Campaign Strategies (GTG-E00011851) (October 21, 2002).
him, Abramoff asked him to “change this to $500K and find out from Amy is [sic] this suffices.”

NCPPR paid according to the invoices submitted by Abramoff and Scanlon. From a review of CAF’s internal business and financial records, the Committee finds that CAF performed no services benefitting the Choctaw. Similarly, from a review of CCS’s records, the Committee finds it performed no services for the $500,000 it received through NCPPR. Cathcart told the Committee that, contrary to the invoice he prepared, CCS did not provide polling or any other services to NCPPR.

The Committee finds that Abramoff fabricated the invoice from Nurnberger & Associates. During his interview with Committee staff, Nurnberger reviewed the invoice purportedly sent by his firm, Nurnberger & Associates, dated October 2002, for a “Research Grant.” Nurnberger said that he had never seen the invoice, and was certain that neither he nor his firm had ever invoiced the NCPPR for this $50,000 payment.

Nurnberger also told the Committee that at no time did he or his firm provide any service to the NCPPR requiring remuneration. The payment, according to Nurnberger, was in fact repayment of $50,000 loan that Nurnberger had made to Abramoff many years earlier for the production of the movie “Red Scorpion.” After reading articles lauding Abramoff and his success in 2002, Nurnberger approached Abramoff about repayment. Abramoff claimed he was not liquid; however, Abramoff explained that the NCPPR, of which Abramoff admitted he was a director, owed him money, and he would arrange for payment to go instead directly to Nurnberger.

In fact, the Tribe never intended to donate any of that money to Abramoff’s personal charity, to Nurnberger, or to CCS. Donald Kilgore, the Attorney General for the Choctaw,

---

154 Email from Jack Abramoff, Greenberg Traurig, to Christopher Cathcart, Capitol Campaign Strategies (GTG-E000011848) (October 22, 2002).


157 Id.

158 Id.

159 Id.

160 Id.
testified before the Committee that Abramoff told the Tribe that the entire $1,000,000 would be passed through to grassroots organizations working on issues important to the Tribe.\textsuperscript{161}

4. Abramoff’s Misuse of CAF Funds in 2002

Based on its review of the records, the Committee finds that Abramoff never passed the Choctaw’s money through CAF to grassroots groups or vendors working for the Tribe’s benefit as the Choctaw had intended. Nor did CAF perform the work itself. Abramoff instead diverted the funds to his own personal causes and concerns.

In 2002, CAF doled out $2,331,656 to various organizations. Before Abramoff shut it down, CAF’s website identified the following organizations as representative grant recipients:

- The Alexandria Police Youth Camp Foundation
- American Youth Soccer Organization
- Bethesda Chevy Chase Baseball
- Belize Youth Soccer
- Boy Scouts of America
- Columbia Heights Youth Club
- Girl Scout Council of the Nation’s Capital
- Howard County Youth Program
- JCC of Greater Washington
- Joy of Sports Foundation
- Metropolitan Police Boys and Girls Club
- Washington DC Scores
- Washington Tennis Education Foundation
- YMCA of Metropolitan Washington\textsuperscript{162}

Despite millions of dollars in “grants” that year, these organizations received a mere $500 each. Cumulatively, the organizations received $7,000, which is only 0.3% of the purported grants made that year by CAF.

Individuals and organizations Abramoff did not tout publicly were, in fact, the major beneficiaries of Abramoff’s share of the “gimme five” scheme. According to CAF’s 2002 Form 990PF, the ten top recipients were:

- Eshkol Academy–$1,857,704

\textsuperscript{161}“Tribal Lobbying Matters,” \textit{Hearings before the Committee On Indian Affairs}, 109\textsuperscript{th} Cong. at 15, 18 (June 22, 2005) (testimony of Donald Kilgore, Attorney General, Mississippi Band of Choctaw Indians).

• P’tach–$300,000
• Kollel Ohel Tieferet–$97,000
• Chabad Lubavitch–$20,000
• GIFT School–$14,500
• Toward Tradition–$10,000
• The Waldorf School of Atlanta–$6,000
• Jewish Federation of Greater Washington–$5,000
• Washington Redskins Leadership Council–$4,000
• The Voice Behind–$2,500

Despite receiving $2,254,704 – nearly all of the $2,331,656 that Abramoff had CAF dole out in “grants” in 2002 – neither Eshkol Academy, P’tach, nor Kollel Ohel Tieferet were listed among the recent recipients identified on CAF’s website. In fact, of the top ten recipients of CAF funds, only the Waldorf School and the Voice Behind were listed. Similarly, in promotional literature distributed to the public for “The Spy Game,” an event scheduled at the Spy Museum for March 26, 2003 but which apparently did not occur, the Eshkol Academy, Kollel Ohel Tieferet, and P’tach are conspicuously absent from the list of recent grant recipients.

Many of the top ten recipients of CAF largesse in 2002 had close ties to Abramoff:

• The single largest beneficiary of money was the Eshkol Academy, the middle school and high school for Orthodox Jews founded in 2001 by Abramoff. He and his wife were the only members of the board of directors. The money allegedly was used for teaching facilities, instructors, and an ice rink. In concealing his use of CAF to fund Eshkol, Abramoff told Greenberg Traurig’s Baggett that he was personally funding the Eshkol Academy. Abramoff’s school, Eshkol Academy, received nearly 80% of the funds Abramoff had CAF distribute as “grants.”

\[163\] Capital Athletic Foundation, 2002 Form 990PF.


\[165\] Id.

\[166\] Email from Gail Halpern, May & Barnhard, to Mimi Stansbury (MB-002043) (November 7, 2002).

\[167\] Capital Athletic Foundation, 2002 Form 990PF.

\[168\] Interview of Fred Baggett, Chair, National Government Affairs Practice, Greenberg Traurig, in Washington, D.C. (September 29, 2005).
• Toward Tradition is “a non-profit (501.c.3), educational organization working to advance our nation toward the traditional Judeo-Christian values that defined America’s creation and became the blueprint for her greatness.” During 2002, Abramoff sat on the Board of Directors of Toward Tradition. Toward Tradition is headed by Rabbi Daniel Lapin, a long-term Abramoff friend.

• Rabbi David Lapin received $60,529 from CAF for “consulting” services. According to news reports, Rabbi David Lapin is Daniel Lapin’s brother, and another long-time Abramoff friend.

• The Jewish Federation of Greater Washington describes itself as “the voice of the Jewish community in and around the nation’s capital since 1925.” The Jewish Federation of Greater Washington is the “operating agency” of the Torah School of Greater Washington, which is located at 12721 Goodhill Road in Silver Spring, Maryland. Records filed with the Maryland Secretary of State show that Abramoff was/is the registered agent for the Torah School of Greater Washington. The Torah School of Greater Washington is a Jewish school for Kindergarten through sixth grade.


170 Id.

171 Id.

172 Capital Athletic Foundation, 2002 Form 990.

173 See Rick Anderson, Meet the Lapin Brothers, Seattle Weekly, May 11, 2005 at 11. According to Seattle Weekly, Daniel Lapin allegedly received a $1.2 million no-bid government contract with the Northern Marianas, an Abramoff client during his days at the law and lobbying firm of Preston, Gates, Ellis & Rouvelas Meeds. Id.


176 Maryland Department of Assessments and Taxation.

• In 2004, the Voice Behind claimed to be “a faith-based, 501c3 [sic] non-profit creative organization dedicated to creating, commissioning, and celebrating transcendent works of art and media.”

According to a press release, The Voice Behind, in collaboration with Abramoff, the Capital Athletic Foundation, and others hosted the premier of “the Best of the Damah Film Festival: Spiritual Experiences in Film” in Washington, D.C. The Committee has not been able to confirm whether this event actually occurred.

The second largest recipient, P’tach, is a school in Brooklyn, New York for Jewish children with learning disabilities. Among CAF’s donations to P’tach were $275,500 for P’Tach to purchase a new facility for its GIFT High School, Gutmann Institute for Child Development, and for administrative offices, and $47,500 for a deposit on a proposed campus in Marriottsville, Maryland.

The third largest recipient, Kollel Ohel Tiefert, is a purported educational institution in Israel; according to CAF’s 2002 990 Tax Return, the grant was supposedly used for education, athletics, and security. Based on its review of the documents, the Committee finds that the Kollel Ohel Tiefert was nothing more than an entity established on paper to conceal the ultimate recipient of CAF grants: Shmuel Ben Zvi.

As noted above, in 2001 CAF apparently purchased a thermal imager for one Shmuel Ben Zvi for paramilitary use in the Israeli West Bank. In 2002, CAF sent money to Ben Zvi in Israel, simply listing it as a transfer. Additional entries reflect that the payments were for a “new


179Id.

180Id.


182Letter from Brian Caplan, P’tach, to Capital Athletic Foundation, c/o Mr. And Mrs. Jack Abramoff (GTG001764-JA-P) (March 12, 2002) (concerning $14,500 gift); Letter from Brian Caplan, P’tach, to Capital Athletic Foundation, c/o Mr. And Mrs. Jack Abramoff (GTG001762-JA-P) (July 11, 2002) (concerning $47,500 gift); Letter from Brian Caplan, P’tach, to Capital Athletic Foundation, c/o Mr. And Mrs. Jack Abramoff (GTG001761-JA-P) (August 14, 2002) (concerning $257,5000 donation).

183May & Barnhard document production (MB-001952) (December 31, 2002).
Jeep.”\textsuperscript{184} Gail Halpern, Abramoff’s tax advisor, labeled the purchases for Ben Zvi as “spy equipment.”\textsuperscript{185} According to one former Abramoff friend, Abramoff allegedly procured “rifle scope for settlers” in Israel.\textsuperscript{186} The Committee thus finds that in 2002, Abramoff was making jeep payments for Ben Zvi and paying him a stipend from CAF funds.\textsuperscript{187}

At some point, Abramoff began getting pressure to “clean up” the books of CAF to conform, at least on paper, CAF’s expenditure with some legitimate charitable purpose. When Abramoff proposed changing how the payments were made, Allison Bozniak, one of Abramoff’s former assistants at Greenberg Traurig, reported to Abramoff:

I spoke with Shmuel [Ben Zvi] and he is a little afraid to begin changing things with the bank since they set up the loan for the jeep based on the 2K payments each month for the last year. They regarded the 2k as a sign that the transfers were stable and felt that these consistent payments, plus the letter from Jack made the loan a good risk.

He studies half a day at a place called “Kollel” but he doesn’t think that they even have a bank account as it really doesn’t pay it’s [sic] members. He also has no way to set this up with a Yeshiva at the moment.\textsuperscript{188}

---

\textsuperscript{184}\textit{Id.}

\textsuperscript{185}Email from Gail Halpern, May & Barnhard, to Jack Abramoff, Greenberg Traurig (GTG-E00001186) (November 5, 2002).

\textsuperscript{186}Email from Don Feder to Jack Abramoff, Greenberg Traurig (GTG-E000020082) (July 2, 2002).

\textsuperscript{187}See May & Barnhard document production (MB-001952) (December 31, 2002); see also Email from Allison Bozniak, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig, and Gail Halpern, May & Barnhard (GTG-E00008858) (September 19, 2002) (referring to payments used for jeep); Email from Gail Halpern, May & Barnhard, to Jack Abramoff, Greenberg Traurig (GTG-E000011885) (November 5, 2002) (requesting Abramoff cut “Shmuelspy equipment and his monthly stipend ($3560) ...”); Email from Jack Abramoff, Greenberg Traurig, to Gail Halpern, May & Barnhard (GTG-E000088619-21) (December 24, 2002) (“I cannot cut him off from the stipend and the jeep payment.”).

\textsuperscript{188}Email between Allison Bozniak, Greenberg Traurig, and Jack Abramoff, Greenberg Traurig, and Gail Halpern, May & Barnhard (GTG-E000088582) (September 19, 2002).
Bozniak proposed a solution, “He did suggest that he could write some kind of letter with his Sniper Workshop Logo and letter head. It is an ‘educational’ entity of sorts.”

Abramoff could only respond, “No, don’t do that. I don’t want a sniper letterhead.”

Abramoff’s use of CAF continued to raise alarm among his tax advisors. On November 11, 2002, Halpern wrote specifically about the payments to Ben Zvi:

[W]e need to work this into the tax exempt purpose of the Foundation. More to come on this subject in an email tomorrow or so. [The accounting firm of May and Barhard] is finishing the 2001 return and read me the riot act on some of the stuff that we are doing. We need to “fix” the holes.

Abramoff’s solution was not to cease the questionable activity; rather, he chose to conceal it with a paper transaction. Abramoff advised Ben Zvi, “The other thing is that, if possible, it would be easier for me to get you funds through a kollel over there or something like that. my [sic] accountant is very unhappy with the way we have done this, through our foundation which was not set up for these kinds of activities.”

Ben Zvi advised Abramoff, “Anyone can have a Kollel here. If I set up the account name in the name of a Kollel and send you papers with a Kollel stationary would that work?”

When Abramoff shared Ben Zvi’s hardship with his tax planner Gail Halpern, Halpern suggested ways to make the transaction pass muster on paper, although she knew the ultimate recipient and use of the payments.

---

189 Id.

190 Id.

191 Email from Gail Halpern, May & Barnhard, to Jack Abramoff, Greenberg Traurig (GTG-E000088599) (November 11, 2002).

192 Email between Jack Abramoff, Greenberg Traurig, and Shmuel Ben Zvi, Kollel Ohel Tieferet (GTG-E000088186) (December 23, 2002).

193 Email between Jack Abramoff, Greenberg Traurig, and Shmuel Ben Zvi, Kollel Ohel Tieferet (GTG-E000088183) (December 23, 2002).

194 Id.
Nearly one month later, Abramoff asked Ben Zvi to “set up an account for a kollel and get me the info so we can send the $ [sic] there from now on.” Later that same day, Halpern advised Abramoff on the need to route the money through another institution:

[B]ut let’s try to figure it out in a way where we don’t screw up the foundation. we [sic] need to get the money to a 501c3 [sic] or an educational institution, not directly to him. can [sic] you ask him if he can work something out w/ the kollel so the money goes from the kollel to him?

When Ben Zvi reported to Abramoff that the bank from which he had obtained the loan for the jeep insisted the money continue to go through Ben Zvi’s account, Abramoff responded:

They are being ridiculous. tell [sic] them that all the money will come into the Kollel account, which can be in their bank. Same amount of money, but CAF cannot make the payments directly to you. must [sic] be to the kollel.

Ben Zvi soon succeeded. On December 27, 2002, in an email entitled “CAF/Shmuel payments,” he sent wiring information to Abramoff for the “KOLLEL OHEL TIFERET (For: Shmuel Ben Zvi).”

When Abramoff advised Halpern that Ben Zvi would do the kollel, Halpern instructed, “[H]e needs to give us the name and bank account info. and [sic] can the jeep payments go to the kollel as well, as well as all the other military expenses that don’t look good on the Foundation’s books?” Halpern further suggested that “at the end of the year, he’ll need to write us a letter on

---

195 Email from Jack Abramoff, Greenberg Traurig, to Shmuel Ben Zvi, Kollel Ohel Tiferet (GTG-E000088623) (December 24, 2002).

196 Email from Gail Halpern, May & Barnhard, to Jack Abramoff, Greenberg Traurig (GTG-E000088619) (December 24, 2002).

197 Email between Jack Abramoff, Greenberg Traurig, and Shmuel Ben Zvi, Kollel Ohel Tiferet (GTG-E000088618) (December 26, 2002).

198 Email from Shmuel Ben Zvi, Kollel Ohel Tiferet, to Jack Abramoff, Greenberg Traurig (GTG-E000088616) (December 27, 2002).

199 Email from Gail Halpern, May & Barnhard, to Jack Abramoff, Greenberg Traurig (GTG-E000088619) (December 24, 2002) (emphasis added).
Kollel stationary thanking the Foundation for the money to promote their educational purpose.\textsuperscript{200}

Of the nearly $100,000 booked on CAF’s ledger as contributions to Kollel Ohel Tiferet, not all were payments to Ben Zvi either directly or through the Kollel account. Listed under the Kollel entry of CAF’s ledgers are sizable reimbursements of a number of Greenberg Traurig employees: Allison Bozniak, Hillel Broder, Holly Bowers, and Laura Lippy.\textsuperscript{201} The reimbursements appear to be for the purchase of “books,” “videos,” “supplies,” “camera,” “light/photon supplies,” “custom suit expense” and “lights and alarms,” apparently intended for paramilitary use.\textsuperscript{202}

The “custom suit expense” on CAF’s books is curious. The “custom suit” is a ghili suit, that is, camouflage apparel, typically used by snipers. According to one email from Ben Zvi to Hillel Broder, apparently a former Greenberg Traurig employee:

\begin{quote}
Hillel, I want to order a GHILLI SUIT [sic]. from [sic] this company so that we have a basic structure to copy from.

These are made well and will help us to no end.

I want to get the FULL MILITARY GHILI SUIT [sic] in (light) BROWN DICIDOUS [sic] colors just like the one display in the photo on their site.

The sizes go by BDU (battle dress uniform) So [sic] the bottom should be XXX long and the top should be XXXX long.

Now the order form on their site gives a bubba misa about these suits needing a special state department licence and blah, blah, blah.

These suits are used by goyim who do alot [sic] of hunting. PLEASE [sic] don’t get freaked out about this warning, suits of similar design can be bought from any of the hunting supply catalogs.
\end{quote}

\textsuperscript{200} Id.

\textsuperscript{201} May & Barnhard document production (MB-001952) (December 31, 2002).

\textsuperscript{202} Id.
Anyway when you box it up and send it to me, send it as THE GRANDMOTHER TREE COSTUME [sic] for the play POCAHONTAS [sic].

Ben Zvi further advised that should Broder need “to call them and they ask you what you need it for just tell them that it is a present for a relative who goes DEER HUNTING [sic].” Scribbled upon the return email is one word: “Orderd” [sic].

Broder also apparently ordered other sniper paraphernalia for Ben Zvi, for which he was reimbursed by CAF. According to invoices from Blackhawk Industries, Inc., Broder purchased tactical hydration tubes, web gear, shooters mats, sniper mats, and sniper cleaning kits. Holly Bowers, Abramoff’s assistant, apparently paid for some of the items Broder ordered for Ben Zvi. On July 23, 2002, Bowers listed in her daily wrap-up list on item 12: “Gave Hillel my credit card number to order the anti-terrorism literature for your friend in Israel.” Bowers similarly included in her August 12, 2002 list in item 14: “Gave Hillel my credit card to order things for Shmuel.”

Other, curious expenditures are on CAF’s accounting ledger. To name a few,

- Abramoff spent another $10,000 on The Lexington Group in April and May 2002.

________________________________________

203 Email from Shmuel Ben Zvi, Kollel Ohel Tieferet, to Hillel Broder, Greenberg Traurig (GTG008442-JA-P) (July 29, 2002).

204 Email from Shmuel Ben Zvi, Kollel Ohel Tieferet, to Hillel Broder, Greenberg Traurig (GTG008442-JA-P) (July 29, 2002).

205 Email from Shmuel Ben Zvi, Kollel Ohel Tieferet, to Hillel Broder, Greenberg Traurig (GTG008442-JA-P) (July 29, 2002).


207 Email from Holly Bowers, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000059454) (July 23, 2002).

208 Email from Holly Bowers, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000026750-51) (August 12, 2002).

209 May & Barnhard document production (MB-001946) (December 31, 2002).
legislative representation.” Abramoff described it as “just something I have set up with a guy who GT [Greenberg Traurig] would not hire but who will do a lot of business.”

- Abramoff spent $50,000 on an ice rink for Eshkol.
- In 2002, CAF spent $67,685 on a Spy Museum Fundraiser. Despite the large expenditures, the fundraiser apparently never occurred.
- CAF funds were apparently paid to Livsar, the company that owned and operated Abramoff’s Signatures restaurant. On January 3, 2002, Rodney Lane, Abramoff’s former assistant who left Greenberg Traurig to set up the restaurant, advised Abramoff of a “5 minute transfer from CAF to Livsar.”

F. In 2003, Abramoff Funnels Tribal Money Through Conduits to CAF

CAF’s 2003 Form 990PF does not list any Tribe as a donor. The major donors listed on CAF’s 2003 Form 990PF are:

- Kaygold, LLC – $47,891
- IIA – $500,000
- National Center for Public Policy Research – $250,000
- Atlantic Research & Analysis – $950,000
- Sony Electronics, Inc. – $6,000

---

210 See The Lexington Group (visited July 8, 2004) <http://www.lexingtongroupusa.com> (The website also claimed that The Lexington Group was partnered with Greenberg Traurig).

211 Email from Jack Abramoff, Greenberg Traurig, to Gail Halpern, May & Barnhard (GTG-E000011514) (February 26, 2002).

212 May & Barnhard document production (MB-001946) (December 31, 2002).


214 Interview of Fred Baggett, Chair, National Government Affairs Practice, Greenberg Traurig, in Washington, D.C. (September 29, 2005).

215 Email from Rodney Lane, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000107574) (January 3, 2002).

216 See Capital Athletic Foundation, 2003 Form 990PF.
Nevertheless, the Committee has found substantial evidence establishing that the alleged contributions from Kaygold and Atlantic Research & Analysis (“ARA”) were actually funds from Indian Tribes.

1. Kaygold Sends Tribal Funds to CAF

According to Kaygold’s bank statements, Kaygold’s primary source of income was Scanlon’s companies. Thus, the $47,891 “contribution” was actually fruits of the “gimme five” scheme.

2. Abramoff and Scanlon Use ARA as a Conduit to Funnel Louisiana Coushatta Funds to CAF

From its review of banking and accounting records, the Committee finds that the money allegedly from ARA is actually money from the Louisiana Coushatta. Scanlon’s right-hand man, Christopher Cathcart, apparently set up ARA solely to run through payments from the Louisiana Coushatta.

As he had in 2001, Scanlon started this scam with another memorandum. According to a January 21, 2003, memorandum prepared by Scanlon for then-Tribal Vice-Chairman William Worfel on the Louisiana Political Program, ARA was allegedly established as a front entity to provide cover to Worfel and then-Chief Poncho politically by concealing that the Louisiana Coushatta was still paying Scanlon. Scanlon attached invoices to the memorandum “that direct the funds to several different entities that will play different roles in this campaign along with a letter from Me/CCS informing the tribe that I will no longer be providing the political services to the tribe as I have in the past.” Regarding ARA specifically, Scanlon wrote:

ARA will be the entity to conduct all the market analysis, polling, district research, opposition research and general strategy. ARA will also be that primary funding entity for the campaign; Meaning that this is where the lions share of the money will go, and then

---

217 Capital Athletic Foundation, 2003 Form 990PF.


219 Id.
ARA can sub-contract or hire CCS to conduct strategic functions for the campaign.\textsuperscript{220}

On January 21, 2003, the same day as his memorandum to Worfel, Scanlon asked Cathcart, “Can you get A [sic] DBA on the Scanlon CM account that is Atlantic Research and Analysis.”\textsuperscript{221}

The next day, Cathcart informed Scanlon: “[I] am going to have JD [Scanlon’s accountant Jeremy Diehl] set up a new llc [sic] for ara [sic] ... reason is that ScM has its own unique tax status as a commercial real estate lessor, [S]o, added liability protection and smarter for tax reasoins [sic] to keep separate. [W]ill not impact our ability to collect the dough from coush [Coushatta].”\textsuperscript{222}

Two hours later, Scanlon authorized Cathcart to establish the new entity.\textsuperscript{223} The Committee has found no corporate registration or other filing for ARA in Maryland, Delaware, or the District of Columbia establishing that ARA was ever incorporated. The Committee has determined that ARA opened a bank account on or about April 1, 2003.\textsuperscript{224}

Meanwhile, Abramoff and Scanlon were on the move. In an apparent effort to avoid taxes on his take, Abramoff wanted Scanlon to have the Coushatta send his share of the “gimme five” funds directly to CAF. Abramoff told Halpern, his tax adviser, that he would soon have $1,000,000 for CAF “directly from Coushatta.”\textsuperscript{225}

Abramoff directed Scanlon: “Please make sure the next $1M from Coushatta for me goes to Eshkol Academy directly. Please tell them that we are ’using the school as our conduit for

\textsuperscript{220}Id.

\textsuperscript{221}Email between Michael Scanlon, Capitol Campaign Strategies, and Christopher Cathcart, Capitol Campaign Strategies (no Bates number) (January 21-22, 2003).

\textsuperscript{222}Id.

\textsuperscript{223}Id.

\textsuperscript{224}See Wachovia document production (D00519-20) (April 1, 2003 – April 30, 2003) (bank account statement for Atlantic Research & Analysis, which is the first such statement for ARA and shows a $0.00 opening balance on 04/01/03).

\textsuperscript{225}Email from Jack Abramoff, Greenberg Traurig, to Gail Halpern, May & Barnhard (GTG-E000012166) (March 30, 2003).
some activities.’ If that won’t fly with them, use CAF, or National Center for Public Policy Research.”

The following month, Abramoff asked Scanlon “did we get the Coushatta money?” and implored Scanlon, “Can you please please please get it written to Eshkol Academy?” Abramoff against suggested that Scanlon “[t]ell them that’s our front group to cover some of this.”

Scanlon agreed to do so.

On or about April 15, 2003, Scanlon submitted a $2,000,000 invoice to the Louisiana Coushatta in the name of ARA, along with invoices from his other groups. The address listed on the invoice for ARA – 53 Baltimore Avenue, Rehoboth Beach, DE 19971 – was the clapboard house from which another Scanlon entity, the American International Center, operated. Worfel, the Louisiana Coushatta’s Vice-Chairman at the time, was led to believe that ARA was “just another entity of Greenberg . . . that they operate under.” Worfel understood ARA was one of many front-groups that Abramoff and Scanlon used so the Tribe’s political opposition would not know what they were doing.

Abramoff still wanted Scanlon to have the Tribe send his part of the “gimme five payments” to CAF. While Scanlon awaited arrival of the funds, Abramoff told Scanlon, “I

________________________

226 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000034571) (February 20, 2003).

227 Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000252852) (March 18, 2003).

228 Id.

229 Id.


232 Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 14, 2005).

233 Id.

234 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (no Bates number) (April 16, 2003).
really need to get those funds into Eshkol asap.” Scanlon advised Abramoff that he could not guarantee the payment would go to CAF, and was certain the money would not be routed directly to Eshkol because he could not find “any invoices on the school.”

On May 1, 2003, ARA received a $2,000,000 wire transfer from the Louisiana Coushatta. Scanlon advised Abramoff in a May 5 email entitled “Coush!”: “Hey FYI – Coushatta has paid for the Louisiana 2003 program in full now. If its ok – I think it would be wise to hold back a bit for a rainy day (100 or so to cover operations), other than that please tell me where to send the funds.”

Abramoff instructed Scanlon to send it to CAF.

When Abramoff did not receive the money, he asked Scanlon on May 6, “Did we get this money yet? I am in urgent need of funds.”

Scanlon assured Abramoff that he would “have a check tomorrow at your office via courier!”

True to his word, on May 7, 2003, Scanlon instructed Cathcart to “cut a check to Capital Athletic Foundation for 950k.” Cathcart responded, “950? Wow. It will come from atlantic

---

235 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (no Bates number) (April 28, 2003).

236 Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (no Bates number) (April 28, 2003).


238 Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (no Bates number) (May 5, 2003).

239 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (no Bates number) (May 5, 2003).

240 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (no Bates number) (May 6, 2003).

241 Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (no Bates number) (May 6, 2003).

242 Email from Michael Scanlon, Capitol Campaign Strategies, to Christopher Cathcart, Capitol Campaign Strategies (no Bates number) (May 7, 2003).
research [sic]. I will pay Ccs [sic] out of the rest.”

According to ARA’s bank records, ARA executed a check for $950,000. Abramoff deposited the $950,000 into CAF’s bank account on May 8, 2003.

3. Abramoff’s Use of CAF Funds in 2003

In 2003, Abramoff used CAF as he had before. According to the 2003 Form 990, Abramoff directed CAF to pay:

- Eshkol Academy $2,366,512
- Beis Avrohom Chaim $251,242
- Kollel Ohel Tiferet $44,220
- American Friends of Lubavitch
- The DeLay Foundation $25,000
  For Kids
- Bais Yaakov Brooklyn $20,000

Total $2,716,974

Abramoff’s Eshkol Academy was again the biggest beneficiary, receiving 87% of CAF’s grants. Kollel Ohel Tiferet, the paper entity established by Abramoff’s friend in Israel, received another $44,000.

Beis Avrohom Chaim is another Abramoff entity that received CAF funding. According to the articles of incorporation, Beis Avrohom Chaim was incorporated in June 2003 under Maryland law as a religious corporation. The trustees were Jack Abramoff and his wife; Shana Tesler, a former Greenberg Traurig employee who worked closely with Abramoff; and, her

---

243 Email from Christopher Cathcart, Capitol Campaign Strategies, to Michael Scanlon, Capitol Campaign Strategies (no Bates number) (May 7, 2003).

244 Wachovia document production (D00521-22) (May 1, 2003 – May 30, 2003).


246 Beis Avrohom Chaim, Articles of Incorporation.
According to Beis Avrohom Chaim’s General Ledger, total contributions from CAF totaled $251,242 in 2003. Two payments made on July 10, 2003, for $241,250 are described as contributions from CAF. Another payment on August 5, 2003, for $2,500 is described as payment by CAF for professional services. A final payment of $7,492 on August 8, 2003 is described as mortgage recordation fees related to a mortgage closing. The total listed on Beis Avrohom Chaim’s general ledger – $251,242 – matches the amount of donations listed on CAF’s Form 990.

Incorporated as a religious corporation, Beis Avrohom Chaim appears to be a holding company for real estate. According to a deed filed in Montgomery County, Maryland, on July 10, 2003, Beis Avrohom Chaim purchased property at 800 Edelblut Drive, Silver Spring Maryland (close to Abramoff’s home) for $845,000. On CAF’s 2003 Form 990, Abramoff described Beis Avrohom Chaim as a “religious organization, [that] provides religious services for the congregation and housing for the Eshkol Academy student athletes.”

---

247 Id. For reasons unknown to the Committee, Rodney Lane, Abramoff’s former executive assistant who was instrumental in setting up the Signatures restaurant, subsequently replaced Abramoff’s wife as a trustee. See Articles of Amendment for a Religious Corporation, for Beis Avrohom Chaim.

248 Id.


250 Id.

251 Id.

252 Id.

253 Compare May & Barnhard document production (MB-00255) (December 31, 2003), with Capital Athletic Foundation, 2003 Form 990.

254 Deed, July 10, 2003 between Benjamin L. Allen, PR and Marie-Louise Allen Kempe, PR of the Estate of Marie Louise Allen, Estate no. W-37905 as to ½ interest and Marie Louise Allen and James S. Allen, by Benjamin L. Allen, his Attorney-in-fact, as to ½ interest, as tenants in common as to the whole to Beis Avrohom Chaim. The property is apparently down the street from Abramoff’s home.

255 Capital Athletic Foundation, 2003 Form 990PF.
As it had for 2002, for 2003 CAF also listed substantial expenses associated with travel, conferences, and meeting: $251,163. Abramoff used approximately $150,000 of CAF’s funds to finance another trip to Scotland. Abramoff also spent over $100,000 on the Spy Museum Event that apparently did not take place.

G. Conclusion

Despite the self-serving statements about “ethical conduct” and helping “disadvantaged youth” on CAF’s website, the Committee finds that Abramoff used CAF as his personal slush fund. In pleading guilty to tax evasion, Abramoff admitted that he “misrepresented the receipt of diverted funds [from the Tribes] as charitable donations and mischaracterized personal and business expenditures as being used for a tax exempt purpose." He further confessed that he “engaged in similar evasive conduct for the tax years 2001 and 2003. Due to this and other evasive conduct, Abramoff attempted to evade approximately $1,724,054 in individual income taxes for the 2001 through 2003 tax years.”

256 Id.
257 Id. at para. 39.
258 Id.
260 Id. at para. 41.
PART III
CHAPTER I
COUNCIL OF REPUBLICANS FOR ENVIRONMENTAL ADVOCACY

Who writes $50,000 checks to people they don’t know if it wasn’t what Jack—Jack said these people have a lot of money, they want to give to Republicans, they’re taking my advice, and they really just don’t want to be bothered with executive directors [like me]. Fine, and then they sent their checks in. And then what did these disappointed people think they were going to get, and you tell me who’s committing fraud .... I mean it all fit ....

Deposition testimony of CREA President Italia Federici to Committee staff, October 7, 2005

You are an environmental organization. You come into a lot of money from Indian tribes. My guess is that that money had nothing to do with generosity, or had very little to do with energy or the environment, but had a lot to do with Mr. Abramoff saying to his contacts in these tribes, ‘I want you to stick money into Ms. Federici’s organization,’ and they did.

Comments from Committee Vice-Chairman Byron Dorgan to CREA President Italia Federici during Committee hearing, November 17, 2005

A. Background

Among the issues investigated by the Committee is whether monies paid by the Tribes at Jack Abramoff or Michael Scanlon’s direction, to or through particular entities, were used for purposes intended by the Tribes. In that context, the Committee is concerned about “contributions” that some of the Tribes made at Abramoff’s direction to an organization called the Council of Republicans for Environmental Advocacy (“CREA”) and, in particular, the circumstances under which they made those contributions.

CREA was created in 1997 by Italia Federici. In her deposition with Committee staff, Federici stated that she originally formed the organization in the memory of her mother. According to Federici, her mother passed away two weeks before former Interior Secretary Gale


2Id.
Norton’s 1996 campaign for the U.S. Senate ended. (Federici testified that she worked on Norton’s failed Senate campaign “from the day that it started to the day that it ended.”) Federici stated that her mother “liked the notion, my idea of a Republican environmental organization, so I decided to kind of honor her memory by creating CREA in 1997.” Subsequently, Norton and anti-tax activist Grover Norquist came on board as CREA’s honorary national co-chairmen.

According to Federici, CREA later closed “because we reorganized when we moved out here [to Washington, D.C.] in 1999 and [prominent Republican lawyer] Ben Ginsburg became our general counsel and he said, I want to reincorporate you guys in the District [of Columbia].”

It did so. After having been registered as a 527 political fund-raising entity, it reorganized as a 501(c)(4) non-profit organization. According to CREA’s website, its mission is

3 Id. During her deposition, Federici recalled first working with Norton on her race for Colorado attorney general, after a volunteer stint on the 1994 Jeb Bush for Governor campaign. Id. Federici testified that she later worked on Norton’s failed 1996 U.S. Senate campaign “from the day that it started to the day that it ended.” Id.

4 Id.

5 Id. In her deposition, Federici could not recall having drawn a salary from the CREA from 1997-2000. Id. In 2001, she believed that “her income tax return said that [she] made like $25,000.” Id. And, in 2002, she believed that she “might have made like 56 [thousand dollars]” and $85,000 in 2003. Id. It is noteworthy that Federici’s salary from the CREA appears to have spiked during the period that Abramoff’s Tribal clients contributed to the CREA.

6 Id. Federici described, in her deposition with Committee staff, that Norquist was instrumental to the CREA by including the CREA in his Wednesday policy meetings and introducing the CREA to Newt Gingrich, who served as CREA’s “first kickoff speaker ever, which was huge.” Id. She further described Norquist as “[j]ust always helpful, [providing] good advice.” Id. According to an email dated January 8, 1999, Federici met Abramoff “at a football game with ... Norquist.” Email between Susan Ralston, Greenberg Traurig, and Jack Abramoff, Greenberg Traurig, “Call from” (GTG-E000079149) (January 8, 1999).


8 Id.

9 Originally called the Coalition of Republicans for Environmental Advocacy, in mid-2000, CREA was renamed the Council of Republicans for Environmental Advocacy and registered as both a 527 political fund-raising entity and as a D.C.-based 501(c)(4), a nonprofit organization that may engage in some lobbying activities. Josephine Hearn, DOJ subpoenas GOP group, The Hill, March 1, 2005. However, last year, CREA reportedly edited a reference
“to foster environmental protection by promoting fair, community[-]based solutions to environmental challenges, highlighting Republican environmental accomplishments and building on our Republican tradition of conservation.”

1. Abramoff Has His Tribal Clients Pay CREA

In testimony before the Committee, Federici revealed that, from 2001 through 2003, Abramoff or his clients “contributed” in total about $500,000 to CREA. Evidence obtained by the Committee indicates that Abramoff directed some of his Tribal clients to “contribute” to CREA, occasionally under false pretenses. For example, to induce the Ysleta del Sur Pueblo of Texas (“Tigua”) into giving $25,000 to CREA in 2002, Abramoff told a Tribal representative that CREA was “a DeLay organization.”

In March 2002, the Mississippi Band of Choctaw Indians (“Choctaw”) contributed $50,000 to CREA. In soliciting the Tribe for that contribution, Abramoff told that Tribe that CREA did work “in terms of liberalizing environmental rules and that was an activity the Tribe wanted to support.”

In 2001, the Coushatta Tribe of Louisiana (“Louisiana Coushatta”) gave $50,000 and $100,000 in 2002. Of the $50,000 that the Tribe paid CREA in 2001, it paid at least $25,000 in

on its website referring to it as a 501(c)(4), replacing the text with more vague language. Id.

Website, Council of Republicans for Environmental Advocacy, “Mission Statement.” http://www.crea-online.org/2222-20.html (last visited, June 3, 2006). Since its inception, CREA has met skepticism from other environmental groups. See Josephine Hearn, DOJ subpoenas GOP group, The Hill, March 1, 2005. For example, Republicans for Environmental Protection called the group a “greenscam” in 1998 after it was revealed that the group received significant funding from the mining, logging, chemical and coal industries. Id.

Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 109th Cong. at 38-40 (November 17, 2005).

See Interview of Marc Schwartz, president, Partners Group Consultants, by telephone (February 22, 2005).

Interview of Nell Rogers, planner, Mississippi Band of Choctaw, in Choctaw, Mississippi (April 27, 2005).

Interview of Nell Rogers, planner, Mississippi Band of Choctaw, in Choctaw, Mississippi (April 27, 2005).

Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).
connection with a private fund-raiser, held on September 24, 2001.\textsuperscript{16} During that dinner, Tribal Chief Lovelin Poncho met Norton and other senior Administration officials.\textsuperscript{17}

In his interview, former Louisiana Coushatta Vice-Chairman William Worfel testified that the $25,000 that the Tribe paid to CREA was actually intended to support a “national park research study” that Interior was supposedly conducting—a “pet project.”\textsuperscript{18} He was told that the Choctaw had contributed, or intended to contribute, $25,000 to CREA in support of the study\textsuperscript{19} and that “Interior then would look and always consider you [that is, the Tribe] friends because you went out on a limb, you went out, reached in your pockets and helped a pet project of the U.S. Department of the Interior when they was [sic] strapped for funds.”\textsuperscript{20}

The Committee has seen no evidence that this study was ever conducted. Worfel never saw this study and does not know whether such a study was actually conducted.\textsuperscript{21} Former Interior Deputy Secretary J. Steven Griles testified at a Committee hearing that he too is unaware of such a study and is highly skeptical about whether one was ever conducted.\textsuperscript{22}

Apparently, Abramoff used a different pretext to induce the Saginaw Chippewa Indian Tribe (“Saginaw Chippewa”) to contribute at least $50,000 to CREA. In his interview with Committee staff, former Tribal Council member David Otto recalled that former Tribal legislative director Chris Petras told him that CREA was a group with which then-Interior Secretary Norton was “involved.”\textsuperscript{23} Petras said that supporting a project the Secretary was

\textsuperscript{16}Id.

\textsuperscript{17}Id.

\textsuperscript{18}Id. See “Tribal Lobbying Matters” \textit{Hearings before the Committee on Indian Affairs}, 109\textsuperscript{th} Cong. at 45 (November 2, 2005).

\textsuperscript{19}Id. See Interview of Nell Rogers, planner, Mississippi Band of Choctaw, in Choctaw, Mississippi (April 27, 2005).

\textsuperscript{20}Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

\textsuperscript{21}“Tribal Lobbying Matters” \textit{Hearings before the Committee on Indian Affairs}, 109\textsuperscript{th} Cong. at 50-53 (November 2, 2005).

\textsuperscript{22}See id. at 107 (“I do not have any recollection of that today at all. At some point in my background, somebody may have told me something, but I was not at Interior, and I cannot imagine conducting a poll for Interior, Senator.”).

\textsuperscript{23}Interview of David Otto, former council member, Sagniaw Chippewa Indian Tribe, in Washington, D.C. (August 27, 2004).
involved with would “look good” for the Tribe, according to Otto.\textsuperscript{24} Otto also recalled that he was told that doing so would help them with appropriations for their school, drug abuse center, senior center, and other facilities.\textsuperscript{25}

Documents reflect that after Norton became Secretary, Abramoff told Petras (and members of his own lobbying team) that Norton supported CREA. In an attempt to get the Tribe to financially support the September 2001 CREA fund-raiser, Abramoff pitched CREA to Petras as “hav[ing] been incredibly helpful on certain specific tribal issues.”\textsuperscript{26} He also identified CREA as “[Secretary] Norton’s main group outside the department.”\textsuperscript{27} Having sold CREA on Petras (who was to approach the Tribal Council for a contribution), Abramoff directed his assistant to amend a requested contribution list he was sending to the Saginaw Chippewa to “add in $50,000 for CREA and put a note in the candidate column as follows: Sec. Norton.”\textsuperscript{28}

The Committee has seen no evidence that Abramoff’s representations about Norton’s interest in CREA are true. Nor has the Committee seen any evidence to suggest that Norton knew of, much less sanctioned, Abramoff’s or anyone else’s using her name in seeking fees and donations from Native Americans.\textsuperscript{29} However, it is clear that, at some point, Abramoff came to believe that CREA President Italia Federici had special access at Interior and that she was willing to use it for his or his clients’ benefit. That is reflected in numerous documents, described in this Chapter, illustrating how Abramoff repeatedly went to Federici urgently asking for her help with

\textsuperscript{24}Id.

\textsuperscript{25}Id.

\textsuperscript{26}Email from Jack Abramoff, Greenberg Traurig, to Chris Petras, Saginaw Chippewa Indian Tribe (GTG-E000105234) (September 20, 2001).

\textsuperscript{27}Id.

\textsuperscript{28}Email from Jack Abramoff, Greenberg Traurig, to Allison Bozniak, Greenberg Traurig (GTG-E000107697) (January 31, 2002).

\textsuperscript{29}Federici, Griles and Norton’s former counselor at Interior, Michael Rossetti, have testified that Norton had no relationship with CREA after Norton became Interior Secretary. Deposition of Italia Federici, president, Council of Republicans for Environmental Advocacy, in Washington, D.C. (October 7, 2005); Interview of J. Steven Griles, former deputy secretary, Department of the Interior, in Washington, D.C. (October 20, 2005); Interview of Michael Rossetti, former counselor to the Secretary, Department of the Interior, in Washington, D.C. (October 28, 2005). In addition, Federici testified that she never had any conversations with Norton between 2001 and 2004 about any of Abramoff’s Tribal clients. Deposition of Italia Federici, president, Council of Republicans for Environmental Advocacy, in Washington, D.C. (October 7, 2005).
Interior on pending matters affecting his much-valued Tribal clients. It is also reflected in how much he had these same clients “donate” to CREA. It is further corroborated by a number of internal business communications between Abramoff and his team members that reflect his belief.

A notable example of such communications is an email, dated January 3, 2002, entitled “Italia Meeting,” from Abramoff to members of his team. In this document, Todd Boulanger, a senior member of Abramoff’s team asked, "Can [Italia] get shit in the President’s budget to [C]ongress?”

Abramoff responded, "I don’t think she has juice beyond [I]nterior." Another example is an email between Abramoff and Boulanger, dated February 12, 2002, entitled “Political Contribution Requests.” In that email, the two discussed including CREA in a political contribution request list they were submitting to the Saginaw Chippewa. Abramoff wrote Boulanger, “Todd, did we not request money for CREA from them? That’s our access to Norton. We need $ for them more than many of these others.”

Still another example is an email from Abramoff to business associate and Signatures partner Rodney Lane, entitled “CREA—Freshman Reception.” There, the two discussed “comping” a CREA function. Ultimately, Abramoff replied, referring to Federici, “[u]nfortunately, she is critical to me.” This email is typical of others, such as an email dated June 27, 2002, that describes Abramoff’s reluctantly “comping” CREA functions—at least some of which appear to have been attended by Members of Congress, senior Administration officials, or their senior staff. The Committee finds that only one person could have induced Abramoff so convincingly into believing that Federici had stroke at Interior that he directed his Tribal clients to provide substantial contributions to what she herself described as a “mom and pop non-

30 Email between Todd Boulanger, Greenberg Traurig, and Jack Abramoff, Greenberg Traurig (GTG-E000107575) (January 3, 2002).

31 Id.

32 Email between Jack Abramoff, Greenberg Traurig, and Todd Boulanger, Greenberg Traurig (GTG-E000025072) (February 12, 2002).

33 Id.

34 Email between Jack Abramoff, Greenberg Traurig, and Rodney Lane (GTG-E000105191) (March 4, 2003).

35 Id.

36 See, e.g., Email from Jack Abramoff, Greenberg Traurig, to Rodney Lane (GTG-E000105140) (June 27, 2002).
profit—Italia Federici. What she said or did to so induce him into this belief is one question, among others, that this Chapter attempts to answer.

2. Federici Promises to Help Abramoff in Exchange for, or Because of, CREA Contributions

When she testified before the Committee, Federici attempted to explain the Tribes’ largesse to her organization by saying that Abramoff told her that his Tribal clients were concerned that over the decades, Democrats became dominant in electoral politics. So, according to Federici, Abramoff told her that those Tribes had become used to giving very “heavily to one political party and ... wanted to diversify.” They wanted to make sure that they were giving “more evenhandedly.”

As an explanation for why Abramoff’s clients gave so much to CREA within such a short period of time, this is unconvincing. There is no doubt that Abramoff directed his Tribal clients to contribute to CREA. The question is why? Why would Abramoff have had his much-valued Tribal clients (whom he relied on as a significant source of sizeable federal campaign contributions as well as millions in federal lobbying revenue to Greenberg Traurig, secret “gimme five” partnership income with Scanlon, contributions to run his Jewish boys’ school in Maryland; and capital to float his restaurants) pay so much to this obscure organization?

---


38 Id.

39 Id.

40 Id.

41 In somewhat surprising testimony, it seems that Federici too found this rationale implausible. While discussing Abramoff’s explanation as to why his tribal clients were willing to make sizeable contributions to CREA without directly discussing with her CREA’s mission or work, the following exchange occurred during Federici’s deposition. “FEDERICI: Who writes $50,000 checks to people they don’t know if it wasn’t what Jack—Jack said these people have a lot of money, they want to give to Republicans, they’re taking my advice, and they really just don’t want to be bothered with executive directors [like me]. Fine, and then they sent their checks in. And then what did these disappointed people think they were going to get, and you tell me who’s committing fraud ... I mean it all fit .... STAFF: [Mr. Abramoff] told you that? FEDERICI: Yes ....” Id. Why, given her concerns, Federici continued to accept these contributions remains unclear. The Committee defers to law enforcement authorities to determine (1) whether, in connection with their contributions to CREA, the Tribes were in fact defrauded and, (2) if they were defrauded, who did so or conspired to do so.

328
Documents in the Committee’s possession suggest that Abramoff did so because of, or in exchange for, special favors that Federici had promised to do for him or his Tribal clients at Interior.

B. Abramoff and Federici Start Working Together

In her deposition with Committee staff, Federici recalled first reaching out to Abramoff, on the advice of friends, to try to persuade him to participate in a real estate investment deal. In the course of discussing that deal, they first discussed CREA. On January 30, 2001, it appears that Federici held herself out to Abramoff as having access to the political appointment process being undertaken by the incoming Administration:

I very much appreciate your generous offers regarding CREA and I’ve been working on the document you requested regarding grassroots and strategy. I look forward to sharing it with you when you return. According to the folks I’ve talked with, Gale is expected to be confirmed with about 80 votes .... Jeanne Adkins (my friend from [Colorado]) has been offered the CFO position. She and I are talking later about other positions and she will continue to discuss resumes with appropriate contacts ....

Abramoff got the hint. After having offered to help raise money for CREA, he responded, “Thanks so much Italia. Please let me know what I can do to help Dennis Stevens, Mark Zachares (Office of Insular Affairs) and Tim Martin (Bureau of Indian Affairs) be placed. Look forward to hearing form [sic] you regarding CREA.” Apparently, these were individuals

42 See id.

43 See id.

44 Email between Italia Federici, Council of Republicans for Environmental Advocacy, to Jack Abramoff, Greenberg Traurig (GTG-E000105164) (January 30, 2001) (emphasis added). Federici construed these “generous offers” from Abramoff to mean “[in] general, let’s get you funded, let’s get some support for you guys, this looks like a really good idea.” Deposition of Italia Federici, president, Council of Republicans for Environmental Advocacy, in Washington, D.C. (October 7, 2005).

45 See id.

who Abramoff, for his own reasons, wanted placed in the Administration.\footnote{47}

According to an email dated March 1, 2001—just seven days before the President nominated Griles for the second highest position at Interior, Abramoff met with Griles.\footnote{48} Apparently, Federici was present—later reporting to Abramoff that “[a]fter I retrieved my coat I ended up sharing a cab with Steve [Griles]. He really enjoyed meeting you and was grateful for the strategic advice on BIA and Insular Affairs. You definitely made another friend.”\footnote{49}

\footnote{47}During Federici’s deposition with Committee staff, staff specifically asked her, “Did you ever help Mr. Abramoff in getting any particular person into the U.S. Department of the Interior at transition in 2000 after the election?” Deposition of Italia Federici, president, Council of Republicans for Environmental Advocacy, in Washington, D.C. (October 7, 2005). She responded, “No. Like everyone else in Washington, Jack was forwarding me names of people he thought [then-Interior Secretary] Gale [Norton] would love .... [Abramoff would ask] Hey it would be great if she could interview this person or that person.” \textit{Id.} Documents in the Committee’s possession suggest what Abramoff had in mind. For example, in a contemporaneous email from Abramoff to former Christian Coalition Executive Director Ralph Reed, Abramoff asked Reed for help placing him on the Interior transition team, noting, “this [sic] would be really key for future clients for both of us. Let’s discuss.” Email from Jack Abramoff, Preston Gates Ellis & Rouvelas Meeds, to Ralph Reed, Century Strategies, “Interior Dept [sic] transition team” (GTG-E000022954) (October 24, 2000). Reed responded, “ok.” \textit{Id.}

\footnote{48}See Email between Italia Federici, Council of Republicans for Environmental Advocacy, and Jack Abramoff, Greenberg Traurig, “Thanks from me and Steve and Invitation” (GTG-E000037865) (March 1, 2001).

\footnote{49}\textit{Id.} While Griles vaguely recalls having met Abramoff “sometime before becoming Deputy Secretary,” he specifically recalls first meeting him at the September 2001 private dinner for CREA. \textit{See Interview of J. Steven Griles, former Deputy Secretary, U.S. Department of the Interior, in Washington, DC (October 20, 2005).} Griles could not remember what he talked with Abramoff about—only that he “spoke and said hello to everyone who was there.” \textit{Id.} A few weeks after that dinner, Abramoff prepared a letter to Griles, thanking him for “calling me today” and expressing appreciation for “your help with the [Commonwealth of the Northern Marianas Islands (“CNMI”)] governor’s race and ensuring that the President does NOT endorse anyone in that race, in particular the liberal “Republican” Juan Babuata, who is running against the Speaker and former chairman of the Bush campaign there, Ben Fitial.” Email from Jack Abramoff, Greenberg Traurig, to J. Steven Griles, U.S. Department of the Interior; to Laura Lippy, Greenberg Traurig, “FW: Letter” (GTG-E000105260) (October 18, 2001) (emphasis in original). At his deposition, Griles had no recollection of having had any conversations with Abramoff about the CNMI, Fitial or “anything like that with the White House.” \textit{Interview of J. Steven Griles, former Deputy Secretary, U.S. Department of the Interior, in Washington, D.C. (October 20, 2005).} Furthermore, Griles insisted that “if [he] would have done something on that, [he] would think that [he] would recall it today.” \textit{Id.} In his draft letter to Griles, Abramoff went
Abramoff responded, in part: “Thank you so much for everything. I am so glad we are working together.”

According to records recently released by the Secret Service, Abramoff visited the White House on March 6, 2001—two days before Griles’ nomination. After Griles was nominated but before he was confirmed, documents suggest, Abramoff tried to approach Griles about tribal issues, in particular, about the BIA’s tribal insurance policy.

Also in this interim, Abramoff worked with Federici on some special projects. For example, according to an email dated April 10, 2001, entitled “Ben Fitial seeing Secretary Norton,” Federici tried to help Abramoff get a photo opportunity for Ben Fitial with Secretary Norton. Fitial had successfully run for governor of the Commonwealth of the Northern Marinas Islands (“CNMI”) and reportedly pressured senior CNMI officials to hire Abramoff. In this email, Federici and Abramoff discussed that the Secretary was not doing “photo-ops” with anyone. In that context, Federici promised Abramoff that she would “try to figure out what exactly is going on over there.” Interestingly, Federici also offered to cover Fitial’s travel

50Email between Italia Federici, Council of Republicans for Environmental Advocacy, and Jack Abramoff, Greenberg Traurig, “Thanks from me and Steve and Invitation” (GTG-E000037865) (March 1, 2001).


52See e.g., Email from Jack Abramoff, Greenberg Traurig, to Italia Federici, Council of Republicans for Environmental Advocacy, “Subject: urgent tribal issue” (SENCREA 00018) (March 20, 2001).


54Id.

55Id.
expenses to Washington, D.C. in the future and “schedule [a] meeting with Gale.”

Likewise, in an email dated May 7, 2001, entitled, “[former Louisiana Coushatta Chairman] Chief Poncho,” Federici asked Abramoff, “[i]s there something that I can do to say thank you for [Chief Poncho’s] support for CREA - besides the time with Sec. Norton?”

On July 18, 2001, less than a week after Griles arrived in office, Abramoff wrote former Louisiana Coushatta counsel Kathryn Van Hoof and an associate covering the Tribe:

> I have a call into our guy Steve Griles, the Deputy Secretary and his assistant has a memo on the situation .... Just so I am clear when he and I do hook up, what is our full wish list at this point other than to inform him of the situation on the ground and the need, possibly, to get some positive signals from Norton to the Governor.

He concluded, “Just want to make sure I make all the asks we need.”

Afterwards, with Abramoff apparently having induced at least one of his Tribal clients into contributing to CREA in connection with the September 2001 private dinner, Federici wanted to help with Abramoff’s book of business. In an email dated January 2, 2002, entitled “dates for another dinner [sic],” Federici proposed to Abramoff another CREA dinner at a private

56 Id.

57 Email from Italia Federici, Council of Republicans for Environmental Advocacy, to Jack Abramoff, Greenberg Traurig (GTG-E000105174) (May 7, 2001). This is similar to an email dated a few months later, January 26, 2002, entitled “Hi Italia.” There, Abramoff asked Federici whether she had “any word on getting the Chief a meeting with Gale?” Email between Jack Abramoff, Greenberg Traurig, to Italia Federici, Council of Republicans for Environmental Advocacy (SENCREA 10/04 000018) (January 26, 2002). In response, Federici offered, “I meet with folks tomorrow and I will call you tomorrow in the early evening.” Id.

58 The Senate confirmed Griles as Deputy Secretary of the U.S. Interior Department on July 12, 2001.


60 Id.
residence. According to this email, Federici offered to “target” intergovernmental relations officials from agencies that Abramoff “need[ed] to work with on CNMI and Indian issues.” Abramoff was amenable to the idea. In a similar email, Federici held out the possibility that she could get Abramoff together with Griles and former Assistant Secretary for Indian Affairs Neil McCaleb for a small lunch or dinner. Abramoff responded, “A small lunch with Steve would be huge for us, since we really need to get to know him.” There can be no doubt that a “CREA dinner” that focused on Abramoff’s lobbying needs and “target[ed]” agencies that Abramoff “need[s] to work with on CNMI and Indian issues” had little to do with CREA’s tax exempt purpose.

C. Contributions in Exchange for Access?

A number of records indicate that Federici promised to help Abramoff’s clients in contemplation of continued contributions from Abramoff’s clients to CREA. Among those records is a January 9, 2003, email between Federici and Abramoff, entitled “help??!!,” in which Federici asked Abramoff, “I hate to bother you with this right now, but I was hoping to ask about a possible contribution for CREA ... [we] have started out the new year with practically nada. I thought I’d see if there was any way you could help us reach out to some of your folks who were so generous last year?”

Abramoff responded, “Absolutely. We’ll get that moving asap. [REDACTED] are

-----------------------------------------------------------------------------------------------------------------

61Email between Italia Federici, Council of Republicans for Environmental Advocacy, and Jack Abramoff, Greenberg Traurig (GTG-E000253568) (January 2, 2002).

62Id.

63Id.

64Email between Italia Federici, Council of Republicans for Environmental Advocacy, to Jack Abramoff, Greenberg Traurig (GTG-E000105067) (January 3, 2002).

65Id. The Committee notes the apparent inconsistency between Abramoff’s statement in this email and other older emails (some of which the Committee has cited to above) in which Abramoff professes to have a close relationship with Griles.

66Email between Italia Federici, Council of Republicans for Environmental Advocacy, and Jack Abramoff, Greenberg Traurig (GTG-E000253568) (January 2, 2002).

67Email between Italia Federici, Council of Republicans for Environmental Advocacy, and Jack Abramoff, Greenberg Traurig (GTG-E000105202) (January 9, 2003).
coming to DC [REDACTED] so I’ll hit them immediately."\(^{68}\)

But, he continued, “By the way[,] Gov Foster ... just sent Gale another letter pushing a new compact he signed for J[ena]. Can you make sure Steve [Griles] knows about this and puts the kibosh on it? Thanks."\(^{69}\)

Federici promised, “I will tell him where they are now - and with whom. Thanks Jack!”\(^{70}\)

Likewise, in an email from Abramoff to Federici, dated January 21, 2003, entitled “Intel from Dept of Int/BIA,” Abramoff asked Federici if she could help him get inside information on BIA action on a pending matter affecting the Louisiana Coushatta, one of Abramoff’s clients and a major contributor to CREA.\(^{71}\) In the very next sentence, he told Federici that a contribution from one of his clients was on the way: “I’ll have it in a week or so. I’m still working on the rest.”\(^{72}\)

In response, Federici wrote, “Thanks Jack! I will ask about the timing and content and call you.”\(^{73}\)

Similarly, in an April 3, 2003, email entitled, “urgent alert - DOI Proposes Policy Changes in Compact Review Process,” Abramoff attached a memo on this issue to an email to Federici and wrote, “If this attached memo is correct, someone over at BIA is doing some really odd things. Any way to see if this is something coming from the top? All of our tribes are very agitated about this one.”\(^{74}\)

In response, Federici wrote, “I will definitely see what I can find out. I hate to bug you,

\(^{68}\) Id.

\(^{69}\) Id.

\(^{70}\) Email from Italia Federici, Council of Republicans for Environmental Advocacy, to Jack Abramoff, Greenberg Traurig (SENCREA 10/04 000057) (January 9, 2003).

\(^{71}\) Email from Jack Abramoff, Greenberg Traurig, to Italia Federici, Council of Republicans for Environmental Advocacy (SENCREA 10/04 000062) (January 21, 2003).

\(^{72}\) Email between Jack Abramoff, Greenberg Traurig, and Italia Federici, Council of Republicans for Environmental Advocacy (SENCREA 10/04 000062) (January 21, 2003).

\(^{73}\) Id.

\(^{74}\) Email between Jack Abramoff, Greenberg Traurig, and Italia Federici, Council of Republicans for Environmental Advocacy (SENCREA 10/04 [illegible]) (April 3, 2003).
but is there any news about a possible contribution from [REDACTED]?” 75

Additionally, in an email from Abramoff to Federici, dated April 10, 2003, Federici discussed the costs associated with a CREA program. In response, Abramoff wrote, “I met last night with [a client]. They offered [REDACTED] but I felt badly asking them since they are not getting any cooperation yet. Perhaps once the court case clears in a few weeks Steve [Griles] might be able to grab control of this. [T]hey are great folks.” 76

Another example is contained in two emails from Abramoff to Federici, dated May 1, 2003. There, referring to a matter pending before Interior, Abramoff told Federici that the BIA is “about to screw the Coushattas, and the other tribes there as well” and asked “[c]an you bring this to [Steve Griles’] attention? We MUST get this stopped.” 77 About an hour later, Abramoff reported to Federici that one of his clients was going to send over a contribution to CREA the following week. 78

In an email dated August 2, 2003, and entitled “Saginaw Cost Share,” Federici responded to an email from Abramoff regarding an apparently unrelated tribal issue pending before Interior. 79 There, Federici invited Abramoff to call her “if there is an urgent matter” and said that she will “try to talk to someone about this first thing.” 80

Still another example can be seen in the email between Abramoff and Federici, dated January 26, 2002, entitled, “Hi Italia.” There, Abramoff asked Federici for an update on getting the chief of one of his Tribal clients a meeting with then-Secretary Norton. 81 In the very next sentence, he gave Federici an update on a contribution to CREA from one of his clients. 82

---

75 Id.

76 Email from Jack Abramoff, Greenberg Traurig, to Italia Federici, Council of Republicans for Environmental Advocacy (SENCREA 10/04 000094) (April 10, 2003).

77 Email between Jack Abramoff, Greenberg Traurig, and Italia Federici, Council of Republicans for Environmental Advocacy (SENCREA 10/04 000100) (May 1, 2003).

78 Id.

79 Email between Italia Federici, Council of Republicans for Environmental Advocacy, and Jack Abramoff, Greenberg Traurig (SENCREA 10/04 000110) (August 2, 2003).

80 Id.

81 Email between Jack Abramoff, Greenberg Traurig, and Italia Federici, Council of Republicans for Environmental Advocacy (SENCREA 10/04 000018) (January 26-27, 2002).

82 Id.
same email stream, he insisted that Federici needed to get information related to the Jena Band’s efforts to get a compact, to Griles “immediately.”83 A few weeks later, in an email, dated February 15, 2002, between Abramoff and Scanlon, entitled “shit,” Abramoff described a phone call he received from Federici about information she obtained from Griles about the Jena deal.84

In testimony before the Committee, Federici attempted to explain away her solicitousness for Abramoff’s practice as generosity or, in her words, “to be nice”—acts of kindness in the face of complaints by Abramoff, “consistent ... over the course of years,” that the Bureau of Indian Affairs (“BIA”) was “in the back pocket of people who didn’t like him” and that his work-product and clients were not being treated fairly by Interior.85 Federici maintained that she was sympathetic to Abramoff’s concerns about not being able to get a meeting on a timely basis or get answers to basic questions.86 And, she insisted, with her friend Griles serving as the chief operating officer at Interior, she was happy to help a friend.87

Federici’s explanation is unconvincing. The documents described above suggest that Federici promised to help Abramoff with Interior because of, or in exchange for, Abramoff’s directing his clients to contribute to CREA.88 Indeed, contributions from Abramoff’s Tribal clients were critical to CREA. During a Committee hearing, Federici admitted that Abramoff and his clients contributed about $500,000 over the relevant period. Also, during his deposition, Griles told Committee staff that one evening Federici called him very upset after money from Abramoff’s clients stopped coming in.89 Griles recalled that Federici complained that because “Jack is not giving us funds anymore,” she had to “go back and find more money in order to keep

83 Id.

84 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000010914) (February 15, 2002).

85 Deposition of Italia Federici, president, Council of Republicans for Environmental Advocacy, in Washington, D.C. (October 7, 2005). According to Federici, Abramoff elaborated that “his work product and his clients were being mistreated and not treated equitably, not treated the way other lobbyists’ clients were being treated.” Id.

86 Id.

87 See id.

88 It is notable that, during her deposition, Federici admitted that she never mentioned Abramoff’s concerns about BIA being “in the back pocket” of others, to Griles. Id.

89 Interview of J. Steven Griles, former Deputy Secretary, U.S. Department of the Interior, in Washington, D.C. (October 20, 2005).
Griles recalled simply telling Federici that she had to go back to contributors who helped her in the past.  

Federici’s explanation that she was motivated strictly by friendship and generosity is also belied by at least one occasion when Federici apparently lied to Abramoff about a promise to communicate with Griles. In an email, dated September 24, 2002, Abramoff asked Federici for a favor: to ask Griles to mention him to a Tribe with which Griles was meeting. To this request, Federici responded, “I will remind him about that and I’m sure he’d love to mention your help.” However, in her deposition, Federici dismissed the email, saying that she did not approach Griles about this because she actually thought Abramoff’s request was “cheesy.” But, she never told Abramoff that she decided not to do as she had originally promised. Why not? Likely to ensure that Abramoff would continue directing his clients to make significant contributions to CREA.

Vice Chairman Dorgan summarized Federici’s testimony, and the Committee’s skepticism of her testimony, at a recent hearing: “You are an environmental organization. You come into a lot of money from Indian tribes. My guess is that that money had nothing to do with generosity, or had very little to do with energy or the environment, but had a lot to do with Mr. Abramoff saying to his contacts in these tribes, ‘I want you to stick money into Ms. Federici’s organization,’ and they did.”

At the same hearing, the Vice Chairman succinctly described the Committee’s belief of why Abramoff’s clients contributed so much to CREA, as follows:

I am just telling you that our records are full of these things. It is full
of references to the duties that you were performing [or promised to perform] for Mr. Abramoff. Those duties had to do with the term ‘juice’ that also exists in our set of records. You had ‘juice.’ You got paid for that ‘juice’ by having Mr. Abramoff direct funds to your organization, and you spent a lot of time in your correspondence back and forth with Mr. Abramoff about what you are doing; not about the environment; not about energy; [but about] all of these issues that have to do with Mr. Abramoff. It looks to me like you were working for Mr. Abramoff and you were getting money from Indian tribes to do it. That’s what it looks like to me.”

He also observed, “The way you describe it in this testimony is the Indian tribes are generous; Jack is generous; everybody is generous. That is unbelievable to me.” It is unbelievable to the Committee.

D. What did Federici Do for Abramoff at Interior?

In her deposition with Committee staff, Federici said that she could only remember talking to Abramoff about three issues—a “school cost-share” issue, relating to the Saginaw Chippewa; the Gun Lake Tribe’s land-into-trust application; and the Jena Band’s attempts at getting land-into-trust and a compact in Louisiana.

For the Saginaw Chippewa, Abramoff asked Federici to help him with former Interior Deputy Secretary Griles on a “school cost share program.” This was one context that, according to Federici, Abramoff told her that the BIA was in the back-pocket of people who did not like him and that his clients were not being treated fairly. Consequently, Federici testified, she felt bad for Abramoff and thought she could help with Griles. But, when Abramoff sometimes asked her to get Griles to “kill” this or “put the kibosh” on that, she never told him

---

97 Id. at 32.

98 Id. at 33.


100 Email from Jack Abramoff, Greenberg Traurig, to Italia Federici, Council of Republicans for Environmental Advocacy (SENCREA 10/04 000110) (August 21, 2003).

that she would not do any of it or ever correct him, she said. She wasn’t “going to correct a 50-year old, male, conservative activist leader, [and] you know, donor.”

About the “school cost share” program, Federici denied having had a substantive conversation with Griles. According to Federici, she merely mentioned to Griles, “Is anybody paying attention to what’s going on with the school cost share?” Otherwise, she recalled only having repeated Abramoff’s “line” that excluding the Saginaw was “unfair”; that his “[clients] weren’t being treated adequately”; and that “[M]embers of Congress are worked into a frenzy.” Regarding her interaction with Griles on these and similar issues, Federici insisted, “[T]hese were not conversations. These were mentions and sort of heads-up ....”

The Gun Lake Tribe’s application for land-into-trust also had the potential to negatively affect the Saginaw Chippewa. Federici could only recall that Abramoff told her that Interior was “directly going against what Steve wanted.” However, Federici has no recollection of having talked with Griles about that issue.

Finally, regarding the Jena Band’s efforts to get a compact and land-into-trust, which would have harmed the Louisiana Coushatta, Federici testified that Abramoff told her that key conservatives, including James Dobson and Ralph Reed, were writing in opposition. As a result, Federici recalls, she just made sure that Griles knew that “conservatives were upset” and were calling into Interior in droves. According to Federici, the foregoing reflects her memory about her discussions with Abramoff about matters affecting his clients and her communications.
However, documents indicate that Federici at least promised Abramoff that she would liaise with Griles more extensively than she has admitted to the Committee. For example, according to a September 24, 2002, email, Abramoff asked Federici to talk to Griles about a “Tigua water issue.” Federici responded, “I am calling right now.” Similarly, in an email dated December 4, 2002, entitled “[G]un [L]ake [I]ndian [T]ribe [C]asino,” Abramoff complained to Federici about developments relating to this Tribe and conveyed to Federici a strategy, regarding that Tribe’s environmental impact report, to shut down its land-into-trust application. Federici responded, “I will call [Steve Griles] asap.” Also, in another email dated December 6, 2002, entitled “Gun Lake: New Hope For Gun Lake Casino,” Abramoff urged Federici, “[T]his is what we have to stop.” Federici responded, “seeing him at 4pm today.”

In a related email dated March 6, 2003, and entitled “Saginaw Chippewa Tribe—School Cost Share,” Abramoff asked Federici “if [she] can call Steve on this.” She responded, “got it.” Additionally, in an email from Abramoff to Federici, dated December 2, 2002, entitled “Jena Band: Panel, Logansport asked to speak on proposed casino - Shreveport Times,” Abramoff wrote, “It seems that the Jena are on the march again. [I]f you can, can you make sure Steve squelches this again?” Federici responded, “Thanks for the update. I’ll bring it up

112 Id.

113 Email between Jack Abramoff, Greenberg Traurig, and Italia Federici, Council of Republicans for Environmental Advocacy (SENCREA 10/04 035) (September 24, 2002).

114 Id.

115 Email between Jack Abramoff, Greenberg Traurig, and Italia Federici, Council of Republicans for Environmental Advocacy (GTG-E000024441) (December 4, 2002).

116 Id.

117 Email from Jack Abramoff, Greenberg Traurig, to Italia Federici, Council of Republicans for Environmental Advocacy (SENCREA 10/04 000041) (December 6, 2002).

118 Id.

119 Email from Jack Abramoff, Greenberg Traurig, to Italia Federici, Council of Republicans for Environmental Advocacy (GTG-E000027919) (March 6, 2003).

120 Id.

121 Email from Jack Abramoff, Greenberg Traurig, to Italia Federici, Council of Republicans for Environmental Advocacy (SENCREA 10/04 000039) (December 2, 2002).
Likewise, in an email from Abramoff to Scanlon, dated February 15, 2002, entitled “shit,” Abramoff wrote that he “just got a call from [Federici].” According to that email, Federici apparently provided Abramoff with then-nonpublic information she indicated that she had gotten from Griles that “as of now, Norton is going to sign the Jena deal.” Similarly, in an email dated January 21, 2003, entitled “Intel from dept of Int/BIA,” Abramoff asked Federici if there is “any way to find out” when and how the BIA will respond to a letter from Governor Foster about a new Jena casino. Federici responded, “Thanks, Jack! I will ask about the timing and content and call you ...” Abramoff also reached out to Federici about the Jena Band’s casino proposal in another email, dated March 9, 2003, entitled “Jena Choctaw Update.” Then, Federici responded, “I will call you on Monday with whatever I can find out.” These emails stand for a modest, but important, proposition: that Abramoff repeatedly asked Federici to contact Griles on issues important to his clients—the same clients that contributed to CREA—and that Federici promised to help.

In attempting to explain away those emails, Federici suggested that she did not necessarily follow-through on Abramoff’s requests. She explained that after she received such “hair-on-fire” emails from Abramoff requesting that she talk to Griles, she would say “I’ll call” or “something like that.” But, Federici testified, “[a]nd if I said yes, I’ll try to call Steve, and I couldn’t reach Steve, it’s not like anybody was, you know, necessarily—it could just completely drop off his plate until the next hair-on-fire email, you know. I just figured Jack was throwing

---

122 Id.

123 Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000010914) (February 15, 2002).

124 Id.

125 Email from Jack Abramoff, Greenberg Traurig, to Italia Federici, Council of Republicans for Environmental Advocacy (SENCREA 10/04 000062) (January 21, 2003).

126 Id.

127 Email from Jack Abramoff, Greenberg Traurig, to Italia Federici, Council of Republicans for Environmental Advocacy (SENCREA 10/04 000075) (March 9, 2003).

128 Id.


130 Id.
Federici elaborated as follows:

I would say, I’ll call. But the gist of the email. If he would say—Jack, I think some of them are almost comical. It’s like his hair is on fire: Oh my God, this is happening and that’s happening. By the way, great to see you tonight. It’s like, you know, you go back and you read some of these. So, if he said, you know, I’m having a problem, this problem with the Saginaw thing, again with the school cost share, this Saginaw thing, this Saginaw thing, can you—or the Jena, you know .... I mean, I would just take that information and digest it down into what it, the components that it actually was, which is Jack’s worried about Jena. And ... if I said I would call Steve I would try to reach him. But if he was traveling or giving a speech or something and a few days passed, I wouldn’t try to take it back up again. I mean, again it’s something I was just doing to be polite to Jack. It’s not my job, and I was actually doing CREA work.

Federici underscored that while she originally helped Abramoff with his Tribal clients vis-a-vis Griles “to be nice, ... after the Saginaw thing it was just, it was way too stressful and, frankly, not my job.” But, having repeatedly promised Abramoff that she would speak with Griles on matters at Interior affecting his Tribal clients, she was all too willing to continue accepting significant tribal “contributions” from Abramoff.

E. What, If Anything, Griles Did for Abramoff’s Clients Is Unclear

Griles repeatedly testified that Abramoff had no special access to him. In his

\[\text{133} \text{Id.}\]

\[\text{134} \text{Id.}\]

\[\text{135} \text{Id.}\] Federici elaborated, “The whole cost share, just the whole like—you know, to the best of my recollection it was like oh my God, Senator this and Senator that, the Senate’s leaving in a half an hour and this is going to expire, and why are they doing this, that, and the other thing. And it was just like, you know—I think my initial response to that was, I don’t care. And then, you know: But you have to care; it’s about money for school for poor kids and it’s $3 million, this is terrible. I mean, it was just way over the top. It was too much pressure on me.” Id.

\[\text{134} \text{“Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 109}^{\text{th}} \text{Cong. at 89 (November 2, 2005). See, e.g., “Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 109}^{\text{th}} \text{Cong. at 89 (November 2, 2005) (testimony of J. Steven Griles, former deputy secretary, Department of the Interior); Letter from Barry M. Hartman, Esq.} \]
deposition, Griles agreed that “[Abramoff] was another lobbyist with whom he did business. Just as [he] did business with many others in town.”

However, some evidence suggesting that Griles may have assisted Abramoff gives rise to concern. Former Louisiana Coushatta Tribal councilman William Worfel testified that Abramoff told him that he would approach Griles about stopping the Jena Band of Choctaw Indians’ attempt to get a compact in Louisiana. Worfel recalls that Abramoff ultimately told him that Griles helped kill, or helped convince the Secretary to reject, the Jena compact.

During his interview, Worfel also told staff that Abramoff’s lobbying associate Stephanie Leger Short told him that Griles was also supposed to help the Tribe with economic development grants. In her interview, Short, who formerly managed the Louisiana Coushatta account for Abramoff, testified that Abramoff described Griles as “[his] guy” and was always “going to call Griles” and “get on Griles.” Based on Abramoff’s comments, Short understood that Abramoff and Griles were “close”: “When things got hairy with Coushatta, it was always [that Abramoff] was going to call Griles and see what he could do.” Regarding the Louisiana Coushatta, Griles’ name came up mostly during the Jena Band’s efforts in Logansport and Vinton, Louisiana. It also came up, according to Short, on an Agua Caliente tax issue and an issue
regarding the Choctaw.\textsuperscript{142} According to Worfel, Abramoff said that Griles was willing to help the Tribe because of its “contribution” to CREA, which made the Tribe “a friend of Interior.”\textsuperscript{143}

Worfel also stated that Abramoff told him that he interviewed Griles for his position at Interior and, in fact, helped him get his job there.\textsuperscript{144} He also recalled that Abramoff mentioned Griles’ name many times and said that they were “close.”\textsuperscript{145} From his conversations with Abramoff, Worfel thought of Griles as Abramoff’s “point man” or “inside man” at Interior: “[t]hat was his person. Boom, he could pick up the phone and Griles—it was like Griles worked for him.”\textsuperscript{146} At his interview, Worfel told Committee investigators, “The only thing I can tell you is I’ve said Steve Griles’ name about 20 times since we started this [interview]. [In the context of getting help for the Tribe,] Jack Abramoff said Steve Griles’ name maybe 200 times.”\textsuperscript{147} Worfel’s recollection about what Abramoff told him about how Griles could help his Tribe is consistent with the accounts of other Tribal representatives.

Notwithstanding the testimony and documents described above, Griles could recall only one or two conversations with Federici concerning Abramoff’s Tribal clients.\textsuperscript{148} In that conversation, Griles remembered Federici saying only something to the effect of “I was talking [to] Jack Abramoff, he really would like for you to give him a call.”\textsuperscript{149} Griles said he believed that this communication may have been related to “an Indian insurrection question.”\textsuperscript{150} Nor does Griles recall Federici’s asking him to help Abramoff’s clients.\textsuperscript{151}

Griles denied talking with Federici about matters that, according to documents, Abramoff

\begin{footnotesize}
\begin{itemize}
\item[142] Id.
\item[143] Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13, 2005).
\item[144] Id.
\item[145] Id.
\item[146] Id.
\item[147] Id.
\item[148] Interview of J. Steven Griles, former Deputy Secretary, U.S. Department of the Interior, in Washington, D.C. (October 20, 2005).
\item[149] Id.
\item[150] Id.
\item[151] Id.
\end{itemize}
\end{footnotesize}
asked her to discuss with him. In his interview, Griles stated, “I don’t recall Ms. Federici ever mentioning Gun Lake to me.” Similarly, Griles held that he did not “recall ever having a discussion on a Tigua tribe or a water issue with anyone.” Griles also stated that he did not “recall receiving any information from Ms. Federici on Bay Hills [sic].” Likewise, when asked about Abramoff or Federici asking him to pull [BIA personnel] from the Choctaw elections, Griles asserted “I don’t recall ever hearing of the issue.” Griles’ recollection failed him again when he stated “I don’t recall any discussion with [Abramoff] about Mashpee. I didn’t do tribal recognitions.” Correspondingly, Griles did not “recall a conversation with [Federici] either” regarding the Mashpee recognition. Griles later declared, “I don’t recall today having any discussions with [Federici] about [the Jena Band compact].”

Committee staff tried to explore the precise nature of Griles’ relationship with Abramoff and whether Griles did anything to further the interests of Abramoff’s clients on matters pending at Interior. To that end, a discussion about a binder ensued. During his interview, Griles stated that one day he returned to his office to find a mysterious binder with no name on his desk. After inquiring where the binder came from, his secretary told him that it had been delivered to the front desk, and he decided to “just [flip] through it.” Skimming the documents he discovered that the notebook was actually a packet of information about the Jena Band and “looked like it had letters – congressional letters, it had studies or something in it.” Accordingly, Griles remembered asking Sue Ellen Wooldridge, Counselor to the Interior Secretary, what to do with the notebook and was informed that it was now a federal record and that he had “no option except to give it to Interior lawyer Michael Rossetti.” Griles maintained

152 Id.
153 Id.
154 Id.
155 Id.
156 Id.
157 Id.
158 Id.
159 Id.
160 Id.
161 Id.
162 Id.
that he gave the notebook to Rossetti and “didn’t endorse its contents.”

Rossetti, however, has a different recollection of those events. Rossetti recalled that only after “some time” and “a series of questions that took much longer to get to that answer than I would have thought was necessary,” Griles actually told him where the binder came from: from a member of Congress by way of a chief of staff by way of a lobbyist “who turned out to be Mr. Abramoff.”

Griles strenuously disagreed: “I did not say it came from Mr. Abramoff. I did not say it came from Congress. I speculated that it could have come from any of those sources. I did not know and I do not know today where it came from.” Griles testified that the conversation concluded with his advising Rossetti “to please make sure the Secretary knew that there were all sides of this issue, and please brief her on that.”

With regard to the charge that Griles tried to insinuate himself in matters pending at Interior affecting Abramoff’s tribal clients, Rossetti’s account is again fundamentally different from Griles’. Rossetti recalls that Griles became involved with the Jena’s land-into-trust application issue the second time it was brought up at Interior. Rossetti testified that Griles had several discussions with him during which Griles requested to be involved in his meetings with career employees and the Secretary about a possible decision on the Tribe’s application. Rossetti said that those discussions took place twice in a hallway and in Rossetti’s office and that

---

163Id.

164“Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 109th Cong. at 91 (November 2, 2005) (Griles’ testimony).

165Id. at 92 (Rossetti’s testimony). In an interview with Committee staff, former Abramoff associate Stephanie Leger Short indicated that she prepared the binder. Interview of Stephanie Leger Short, former associate, Greenberg Traurig, by telephone (June 16, 2006). She explained that in the binder, which was actually one of about 15 or so, she inserted letters opposing the Jena Band’s land-into-trust application, applicable sections of the Indian Gaming Regulatory Act (“IGRA”), and other related documents. Id. She also noted that, while some copies went to members of the Louisiana delegation, she was “99 percent sure” that Abramoff was supposed to get a copy to the U.S. Department of the Interior. Id. But, she had no recollection of Abramoff’s mentioning Griles at the time. Id.

166“Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 109th Cong. at 92 (November 2, 2005).

167Id. at 99.

168Id.
he thought that it was unusual that Griles was so concerned about those meetings.\footnote{Id.} He speculated that Griles was worried that some secret discussion might be taking place.\footnote{Id.} Rossetti stated that he assured Griles that Griles would be there at the meeting.\footnote{Id.}

Rossetti testified that Griles’ attendance at a meeting regarding Abramoff’s clients came up again.\footnote{Id.} At that time, Rossetti asked Griles, “[w]hy is this issue so important to you?”\footnote{Id.} According to Rossetti, Griles simply replied, “I just want to be at the meeting.”\footnote{Id.} On a third occasion, Rossetti asked Griles, “[w]hat’s your deal? What do I need to know? Are there any outside voices that I need to know about?”\footnote{Id.} At that point, according to Rossetti, Griles “turned purple” and immediately left.\footnote{Id.} Ultimately, Rossetti said, Griles told him that he did not have to be at that meeting and did not attend.\footnote{Id.}

Relevant to understanding the full extent of Griles’ relationship with Abramoff are any communications that Griles may have had with Abramoff about possibly working at Greenberg Traurig. According to a July 17, 2003, email from Abramoff to Federici, whatever direct line of communication Abramoff had with Griles was disrupted:

Hi there. Are you around for a chat? I am in a most difficult situation regarding Interior and need your advice. Steve [Griles] is nothing but a gentleman and great guy to me, but he can’t (or at least won’t) discuss any of my clients with me. The [sic] problem is that, since he won’t do so, and since you are not able to chat with him now, I am left in a real dilemma. I can’t deliver anything from Interior for my clients. It is as if the Clinton guys are back in power. I don’t know what to do. I have a few clients that need answers, basic

\cite{Id.}
\cite{Id.}
\cite{Id.}
\cite{Interview of Michael Rossetti, former counselor to the Secretary, U.S. Department of the Interior, in Washington, D.C. (October 28, 2005).}
\cite{Id.}
\cite{Id.}
\cite{Id.}
\cite{Id.}
\cite{Id.}
\cite{Id.}
answers, from Interior, and I have no one to chat with. What should I do?"\textsuperscript{178}

But, subsequently, on September 9, 2003, Abramoff wrote to some of his associates: “This cannot be shared with anyone not on the distribution list. I met with [Griles] tonight. He is ready to leave Interior and will most likely be coming to join us ... I expect that he will be with us in 90-120 days.”\textsuperscript{179}

Apparently, on or about January 12, 2004, Griles and Abramoff met with Greenberg Traurig lobbying practice head Fred Baggett.\textsuperscript{180} In testifying before the Committee, Griles stated that “[a]t the end of [the meeting], they said, we would like for you to join our firm.” Griles insisted that he merely “politely listened” and replied, “I’m not leaving the Federal Government.” Griles testified that he had made the determination that he was going to serve...

\textsuperscript{178}Email from Jack Abramoff, Greenberg Traurig, to Italia Federici, Council of Republicans for Environmental Advocacy, “FW: Griles” (SENCREA 10/04 000108) (July 17, 2003). While Federici’s answer to this email is unknown, she recalled this email during her deposition. Deposition of Italia Federici, president, Council of Republicans for Environmental Advocacy, in Washington, D.C. (October 7, 2005). She testified that she never asked Abramoff or Griles about why Griles was not “discussing [Abramoff’s] clients with [him]”: “I didn’t ask Jack because I didn’t want to pry and I didn’t raise it with Steve [Griles] because I knew better.” \textit{Id.} She elaborated, “I [knew] that if Steve’s not going to talk with somebody he’s not going to talk with them ....” \textit{Id.}

\textsuperscript{179}Email from Jack Abramoff, Greenberg Traurig, to Kevin Ring; Todd Boulanger; Michael Williams; and Duane Gibson, Greenberg Traurig; “Griles” (Bates number 56340) (September 9, 2003). Exactly when and where this conversation occurred, much less what was discussed, remains unclear.

\textsuperscript{180}See Event Reminder from Jack Abramoff, Greenberg Traurig, to self, “Steve Griles and Fred Baggett—Sigs” (Bates number 100878) (undated) (indicating that meeting was to occur on “Mon 1/12/2004 [from 5:00 p.m.- 6:00 p.m.]”). Griles best recollection is that this meeting might have occurred sometime in 2003. \textit{See} Interview of J. Steven Griles, former Deputy Secretary, U.S. Department of the Interior, in Washington, D.C. (October 20, 2005).

\textsuperscript{181}“Tribal Lobbying Matters” \textit{Hearings before the Committee on Indian Affairs, 109th} Cong. at 104 (November 2, 2005). \textit{But see} Interview of J. Steven Griles, former Deputy Secretary, U.S. Department of the Interior, in Washington, D.C. (October 20, 2005) (attributing statement to “[e]ither [Abramoff or Baggett] or both”).

\textsuperscript{182}\textit{Id.} \textit{See also} “Tribal Lobbying Matters” \textit{Hearings before the Committee on Indian Affairs, 109th} Cong. at 104 (November 2, 2005).
through “the 4 years of the President before [he] left.”  According to Griles, he then returned to Interior and spoke with the agency ethics officer and the deputy ethics officer at Interior about the discussion. Griles remembered that these ethics officials told him that this meeting triggered no waiver or recusal obligations—he did not have to do anything.  

In contrast to Griles’ recollection that “they,” that is, Abramoff and Baggett, told him that “we would like for you to join our firm,” in his interview with Committee staff, Baggett described the meeting as merely “introductory” and maintained that he never talked to Griles about coming to work at Greenberg Traurig. Baggett also indicated that he had no knowledge about Abramoff (or anyone else at Greenberg Traurig) having had employment discussions with Griles.

Days after the meeting at Signatures, on February 3, 2004, Abramoff followed-up with his associates about the prospect of Griles’ joining Greenberg Traurig, writing simply, “Has decided he cannot leave the administration before the election.” Griles categorically denied having had any other conversations with Abramoff about possibly working at Greenberg Traurig, other than this meeting.

Based on the information in its possession, the Committee cannot definitively conclude what, if anything, Griles did to assist Abramoff’s clients on matters then pending at Interior. In its totality, the information described above supports relatively modest propositions, namely, that Abramoff believed that he had influence over Griles, either directly or through Federici; that Abramoff told others that he had a robust relationship with Griles or had some influence over

183Id.

184Interview of J. Steven Griles, former Deputy Secretary, U.S. Department of the Interior, in Washington, D.C. (October 20, 2005); “Tribal Lobbying Matters” Hearings before the Committee on Indian Affairs, 109th Cong. at 104 (November 2, 2005).

185Interview of J. Steven Griles, former Deputy Secretary, U.S. Department of the Interior, in Washington, D.C. (October 20, 2005); “Tribal Lobbying Matters” Hearings before the Committee on Indian Affairs, 109th Cong. at 104 (November 2, 2005).

186Interview of Fred Baggett, director, Greenberg Traurig, in Washington, D.C. (September 29, 2005).

187Id.

188Email from Jack Abramoff, Greenberg Traurig, to DCCasino, Greenberg Traurig, “Griles” (Tracking Number 3707795) (February 3, 2004).

decision-making at Interior; and that it was likely on that basis that he may have directed his Tribal clients to “contribute” to CREA. However, it must be carefully said that, without more evidence, it is plausible that, in fact relying on his relationship with Federici, Abramoff may have simply exaggerated his access to Griles to his clients.

In any event, given the paucity of evidence in the Committee’s possession, the Committee is unable to arrive at any definitive conclusions as to the veracity of Griles’ testimony on his relationship, and interaction, with Abramoff during all times relevant. And, without a good faith basis for concern that Griles may have been untruthful with the Committee, further exploration is beyond the scope of the investigation. However, it should be noted that the Committee is troubled by the marked inconsistency between the Griles’ and Rossetti’s testimonies on the narrow issue of whether Griles tried to insinuate himself in decision-making processes affecting any of Abramoff’s Tribal clients. It is also concerned about the implications of some of the fragmentary evidence discussed above.

F. Conclusion

Over the last two years, the Committee’s investigation has sought to determine, among other things, whether monies paid by the Tribes at Abramoff or Scanlon’s direction to or through various entities were ultimately used for purposes intended by those Tribes. In the case of CREA, by Federici’s own admission, Abramoff and or his clients contributed about $500,000 to the organization between 2001 and 2003.

From the evidence discussed above, it appears that some of the Tribes were induced into paying CREA because Abramoff told them, among other things, that those payments would get them favorable treatment at Interior. The evidence also suggests that Federici may have led Abramoff into believing that she had pull at Interior and that she would use it in exchange for, or because of, contributions by Abramoff’s Tribal clients to CREA. Unfortunately, the extent to which Federici actually sought to influence Interior on pending matters affecting Abramoff’s clients remains unclear. Also unclear is what, if anything, Griles (who Abramoff believed was Federici’s contact at Interior) might have done on behalf of Abramoff’s clients at Interior and (if Griles did anything) what his motives for doing so might have been.

Against that backdrop, the Committee is concerned about the veracity of Federici’s testimony on several important areas, discussed above. Additional inquiry into those areas by

---

A part of Federici’s testimony that concerns the Committee relates to the nature of CREA. When Federici appeared before the Committee on November 17, 2005, a Member asked her whether any of monies paid to CREA as contributions were ultimately used for purely personal purposes. “Tribal Lobbying Matters,” Hearings before the Committee on Indian Affairs, 109th Cong., at 49 (November 17, 2005). In response, Federici said, “No; not to the best of my recollection.” Id. at 38-40. Elsewhere in the hearing, Federici responded to a similar
question, stating, “No. I mean if money from CREA goes to me, it is salary or reimbursement.” *Id.* at 49. Therefore, an outstanding fact question is whether any of those expenses, for which Federici sought and received reimbursement, were purely personal in nature. Elsewhere, Federici testified, “But Senator, I was not abusing non-profit resources, okay?” *Id.* at 40.
PART IV

Recommendations

A. Introduction

Over the past two years, the Committee on Indian Affairs (the “Committee”) has
developed a robust legislative record on the facts and circumstances surrounding Jack Abramoff
and Michael Scanlon’s relationship with and representation of the Mississippi Band of Choctaw
Indians (“Choctaw”), the Coushatta Tribe of Louisiana (“Louisiana Coushatta”), the Saginaw
Chippewa Indian Tribe (“Saginaw Chippewa”), the Agua Caliente Band of Cahuilla Indians
(“Agua Caliente”), the Ysleta del Sur Pueblo of Texas (“Tigua”), and the Pueblo of Sandia
(collectively, “Tribes”). After careful consideration of that record, the Committee makes the
following observations and recommendations.

B. Contracting for Legal, Lobbying and Other Professional Services

1. No New or Revised Federal Legislation Needed

The Committee has exhaustively examined Abramoff and Scanlon’s “gimme five”
scheme, by which the two bilked the Tribes out of tens of millions of dollars. Without doubt, the
depth and breadth of their misconduct was astonishing. Nevertheless, with respect solely to the
kickbacks from Scanlon to Abramoff, the Committee concludes that existing federal criminal
statutes are sufficient to deter and punish such misconduct.

Indeed, there is no better support for the Committee’s conclusion than Abramoff’s and
Scanlon’s guilty pleas. On November 17, 2005, Scanlon pled guilty to, among other things,
conspiracy (1) to defraud some of the Tribes under 18 U.S.C. §§ 1341 and 1343; and, (2) to
defraud and deprive some of the Tribes of Abramoff’s honest services under 18 U.S.C. §§ 1341,
1343, and 1346. On January 3, 2006, Abramoff pled guilty to, among other things, (1)
conspiracy to commit mail and wire fraud under 18 U.S.C. §§ 1341 and 1343; (2) conspiracy to
commit honest services wire and mail fraud, under 18 U.S.C. §§ 1341, 1343, and 1346; (3)
honest services mail fraud under 18 U.S.C. §§ 1341 and 1346.

That Abramoff and Scanlon perpetrated their kickback scheme against Indian tribes does
not change the applicability or effectiveness of those statutes as tools to deter and punish such
misconduct. The Committee sees no basis for treating Indian tribes differently than other
similarly aggrieved parties in this respect. The Committee thus finds no reason or basis to carve
out or create a special category for fraud against Indian tribes under federal law.
2. Best Practices Recommendations

Although the Committee does not believe that additional federal legislation is required to address Abramoff and Scanlon’s misconduct, it does recommend that tribes consider adopting their own laws to help prevent a similar tragedy. Over many years and innumerable scandals, the federal and state governments learned difficult lessons regarding appropriate decision-making processes when contracting for services. From these lessons a consensus has developed around core good governance principles. These principles embody a philosophy that focuses on providing sufficient information to constituents regarding the basis for decisions made by government officials, thereby fostering trust and confidence that governmental decisions are being made based on the best interests of the government and not of the individual decisionmakers. Accordingly, the federal and state governments have enacted laws and regulations addressing issues relating to contracting for services and conflicts of interests.

Some Indian tribes have already adopted laws and regulations addressing some or all of these matters, while a significant number have not. The Committee strongly encourages those tribes that have not adopted such laws and regulations to enact laws and regulations that embrace the principles contained in the following recommendations. The Committee notes, however, that it is not recommending that Congress enact legislation mandating tribes to enact laws dealing with these subjects, but that the tribal governments themselves consider the following recommendations and determine for themselves whether enacting such laws might benefit the tribe and its members. Tribal governments, as the government closest and most responsive to tribal members, are best able to develop laws and regulations that appropriately take into account the unique history, cultural and legal authorities of a particular tribe.

a. Contracting for legal, lobbying and other services should follow a specific, open and competitive process

Tribal governments should consider adopting laws applicable to contracting for legal, lobbying or other professional services, at least when the cost of the services will exceed, or has the potential of exceeding, a certain threshold amount. Contracting for these services should not be an ad hoc decision of the tribal council or a tribal official but instead should follow a process that requires decision-makers to assess what it is that the tribe needs; determine the kinds of skills, experience and expertise the contractor must have in order to meet those needs; solicit contracting proposals from the applicable community of contractors or providers, based on a clearly articulated set of requirements; evaluate the responsive proposals in light of the stated requirements; perform appropriate background checks on responding contractors and providers; and document the contracting decision in writing.

b. Contracting rules should be structured to prevent conflicts of interest

Even a fair and open contracting process can be abused. Accordingly, contracting rules
should include provisions calculated to prevent improper considerations in the contracting process – such as prohibitions against contracting decision-makers from receiving anything of value from persons or firms seeking to obtain or renew contracts with the tribe; requirements that tribal campaign contributions (including contributions of services or assistance) at or above a certain threshold dollar amount be publicly disclosed; or rules prohibiting tribal council members from voting on any measure relating to a contract where the contractor has contributed to his or her campaign for office. Tribes should consider examining whether, under any circumstances, a firm that provides legal, lobbying or other professional services to the tribe should ever be allowed to contribute money, services or anything of value to the campaign of anyone running for tribal office, or to provide professional services to a tribal official in his or her personal capacity apart from the services being provided to the tribe or to the official in his or her official capacity.

c. Contracting and conflict of interest rules should include appropriate sanctions

To ensure an adequate level of compliance with contracting and conflict of interest rules, there should be appropriate sanctions in place for violations of the rules. Apart from laws criminalizing the receipt of kickbacks and fraud (which many, if not most, tribes have already enacted), tribes should consider enacting laws that would render professional contracts awarded in violation of the contracting or conflict of interest rules to be void or voidable; subject a contractor found to have violated the rules to a contracting bar period or for egregious violations even a permanent bar; and make violation of the conflict of interest rules by a tribal official grounds for civil sanctions such as fines, suspension or even removal from office.

d. Tribes should consider working with tribal organizations and educational institutions to develop model codes and education programs addressing contracting and conflicts of interest.

Tribes should consider working with their regional or national tribal organizations or with universities, colleges and law schools to develop model codes or laws to address contracting and conflict of interest issues, as well as “good government” education programs for elected and non-elected tribal officials designed to improve decision-making and avoid conflicts of interest in general but in the contracting process in particular.

C. Integrity of Tribal Elections

In its investigation, the Committee determined that certain non-tribal members insinuated themselves into and influenced tribal governmental elections. These non-tribal members did so with the intent or understanding that should their allies prevail, they would receive lucrative lobbying contracts from the respective tribe. Examples of these egregious actions include recruiting candidates for tribal governmental positions, organizing and funding comprehensive electioneering efforts, and providing monetary and other assistance to recall successful
candidates who were unfavorable to the non-tribal members.

Tribal elections are internal tribal governmental matters that are governed by the laws of each tribe. The Committee, however, is concerned that the economic success of certain tribes and the increasing number of contracts tribes enter into with outside entities may lead to an increase in the efforts of non-tribal members to interfere with or influence tribal elections.

Based on these concerns, the Committee recommends that tribal governments should consider adopting or revising laws applicable to their elections that govern the scope of involvement by non-tribal members and entities. Tribal governments should consider adopting laws that address the following issues:

• Whether, and to what extent, non-members may contribute to campaigns for tribal office.
• Whether, and to what extent, non-members may provide non-monetary support in campaigns for tribal office.
• Limitations on the amount of monetary contributions any person or entity can make to a tribal campaign.
• Reporting requirements for donors and recipients of monetary contributions in tribal elections.
• Prohibiting persons or entities that make monetary contributions to candidates in tribal elections from entering into contracts with the tribe for a specific period of time after the election.

The Committee is aware that some tribes already have comprehensive election laws that address these issues, including prohibiting non-tribal members from making monetary contributions to tribal elections. The Committee commends these efforts as further examples of strong tribal governance and encourages tribes that have not yet adopted laws governing tribal elections to do so.

D. Tribal Political Contributions

Integral to Jack Abramoff’s lobbying practice were the substantial political contributions that he requested or directed his Tribal clients to make, and for which he and his team members attempted to take credit. Whenever he pitched his services, he would discuss the need for the Tribe to make substantial political contributions.

Whether following Abramoff’s advice or not, Abramoff’s tribal clients made substantial political contributions during the time he represented them. The sizeable aggregate campaign contributions by some of Abramoff’s tribal clients has focused attention on the treatment of Indian tribes under campaign finance law. This has resulted in calls to restrict tribal campaign contributions. Proposals to limit contributions range from treating Indian tribes like
“individuals” for purposes of imposing aggregate caps on their contributions from tribal funds, to treating tribes like corporations, which cannot use treasury funds for contributions but can instead establish separate segregated funds, also known as political action committees (“PACs”), to receive limited voluntary contributions.

Many tribes object to these proposed restrictions on their political contributions, arguing that they are truly unique entities that should not be equated to individuals or corporations. They further argue that they are particularly impacted by Congressional actions, and must be afforded the opportunity to participate in the political process by using tribal funds for political contributions.

On February 8, 2006, the Committee held an Oversight Hearing on Indian Tribes and the Federal Election Campaign Act to examine this issue. The Federal Election Commission (“FEC”) testified at this hearing that Indian tribes are subject to the same contribution limitations and prohibitions in the federal campaign law as are other unincorporated associations. In instances where a tribe is acting through a corporation or federal government contractor, those tribal entities are governed by the same rules generally applicable to corporations and federal government contractors. Additionally, the FEC informed the Committee that political committees, including candidate and general party committees, must report contributions from Indian tribes.

Concerns were raised by many of the witnesses testifying before the Committee about difficulties in researching and monitoring tribal political contributions. These difficulties do not appear to be unique to Indian tribes, but also exist with respect to researching and monitoring contributions from individual donors and other entities.

The Committee believes that it is prudent to increase the level of transparency with regards to all political contributions, including those from Indian tribes. Thus, after considering the record before it, the Committee recommends, at a minimum, the following either be implemented by rule by the Federal Election Commission or law enacted by Congress.

- Tribes should be required to register with the FEC, which will assign each tribe a unique identifier, for the purpose of better tracking tribal campaign contributions.
- Contributions should be made only in the tribe’s name as it appears on its registration on file with the FEC.
- The contributions must be reported by the recipient in the Tribe’s name.

In the opinion of the Committee, based on the extensive legislative record and the February 8, 2006, hearing, these public disclosure recommendations adequately protect the public trust and confidence in the Federal election system, without unduly excluding Indian tribes from participating in that system.
E. Referrals to Other Committees

1. Possible Misuse of Tax Exempt Organizations

In the course of its investigation, this Committee uncovered numerous instances of nonprofit organizations that appeared to be involved in activities unrelated to their mission as described to the Internal Revenue Service. In addition, the Committee observed that a number of nonprofit organizations were used as instruments to channel money from one entity to another in an effort to obscure the source of funds, the eventual use of funds, and to evade tax liability on funds. Finally, the Committee also observed tax exempt organizations apparently serving as or being used as extensions of for-profit lobbying operations.

Recognizing that oversight of nonprofit organizations under the Internal Revenue Code is not within the jurisdiction of the Senate Committee on Indian Affairs, the Committee, at the request of the Senate Committee on Finance, transmitted a number of relevant documents pertaining to this issue to the Senate Committee on Finance on February 9, 2006. Those documents are included in this Report in the supporting documents following the text of the Report.

The Committee believes that the evidence it uncovered raises serious issues involving nonprofit organizations, not only with regard to compliance with existing federal revenue laws, but also with regard to whether existing federal revenue laws should be altered to prevent or discourage such activity. The Committee therefore recommends that the Senate Committee on Finance investigate, hold hearings, and report to the Senate on its findings and recommendations on these issues.