

“GIMME FIVE”— INVESTIGATION OF TRIBAL LOBBYING MATTERS

FINAL REPORT

BEFORE THE

COMMITTEE ON INDIAN AFFAIRS

ONE HUNDRED AND NINTH CONGRESS

SECOND SESSION

JUNE 22, 2006

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“GIMME FIVE”— INVESTIGATION OF TRIBAL LOBBYING MATTERS

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Practice, Greenberg Traurig

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Greenberg Traurig

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Norton, Gale
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Chippewa Indian Tribe

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President, Partners Group Consultants;
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Pueblo of Texas

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Council member, Coushatta Tribe of Louisiana

Sickey, Kevin

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former associate, Greenberg Traurig

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Sub-Chief, Saginaw Chippewa Indian Tribe

Stetter, Aaron

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former outside counsel, Coushatta Tribe of Louisiana

van Horne, Jon

former associate, Greenberg Traurig

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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

Aeneas Enterprises

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

Archives

a company that owned Stacks, formerly a kosher deli located in Washington, D.C.

Beis Avrohom Chaim

a company used to acquire real estate

Capital Athletic Foundation (“CAF”)

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

Eshkol Academy

See Capital Athletic Foundation, supra.

Grassroots Interactive (“GRI”)

See Aeneas Enterprises, supra.

Kaygold

a company used to collect “consulting fees” from entities owned or controlled by Scanlon

Lexington Group

a company that performed lobbying-type services

Livsar Enterprises

a company that owned Signatures, formerly a restaurant-bar located in Washington, D.C.

Sports Suites

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

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

OTHER

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

Oversight 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

Oversight 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, Abram off'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

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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.”²

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.”³

“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?”⁴

Abramoff’s response was brief: “Sounds like a plan, but let’s discuss when we are together.”⁵

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.”⁶ 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

²*Id.*

³*Id.*

⁴*Id.*

⁵*Id.*

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)."⁷

Abramoff responded, "OK, let's chat when we are next together. Meanwhile, let's get some more fucking money!"⁸

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.⁹ This helped Greenberg Traurig generate a 500 percent increase in lobbying fees over the previous year.¹⁰ With that increase, Greenberg Traurig reportedly vaulted into the top ten Washington lobbying firms—jumping from sixteenth place to fourth.¹¹ While Abramoff's impact on "K Street"¹² 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 than 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).

⁹John Bresnahan, *Jack Doubles Down*, Washington Business Forward, November/December 2002 (citing estimates provided by Abramoff).

¹⁰*Id.*

¹¹*Id.*

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.¹³ With Abramoff were Greenberg Traurig spokesperson Jill Perry and associates Todd Boulanger, Kevin Ring, Allen Foster, and Jon van Horne.¹⁴ 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.”¹⁵

Abramoff deftly answered—truthfully but non-responsively: “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.”¹⁶

Schmidt pushed: “Okay, but you basically recommend to these tribes that they hire him?”¹⁷

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.”¹⁸

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

¹⁴*Id.*

¹⁵*Id.*

¹⁶*Id.*

¹⁷*Id.*

¹⁸*Id.*

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?”¹⁹

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.”²⁰

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?”²¹

Even a pregnant pause here might be looked on with some suspicion. So, Abramoff had no choice: “No. No, I don’t”²²

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.²³ 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.”²⁴

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.”²⁵ He added, “[Abramoff] should [file suit for slander] after what happened a couple of

¹⁹*Id.*

²⁰*Id.*

²¹*Id.*

²²*Id.*

²³Email from Jack Abramoff, Greenberg Traurig, to Candace Patencio, Agua Caliente of Cauhilla Band (GTG-E000057926) (February 3, 2004).

²⁴*Id.*

²⁵Email 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.”²⁶

Likely appreciating that the thrust of the pending *Post* story was true, Abramoff could only offer, “Where are you now?”²⁷

Boulanger answered, “Going to bed. I’m really [sic] in a terrible mood.”²⁸

Abramoff could only reply, “Me too.”²⁹

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

²⁶Email 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,³⁰ 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 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-a-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 Coshatta 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, with Abramoff.

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

²Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005). During his interview, Chief Phillip Martin expressed similar feelings of betrayal caused by Abramoff and Scanlon. Interview of Phillip Martin, Chief, Mississippi Band of Choctaw Indians, in Washington, D.C. (May 17, 2005).

scattered over a five-county area in East-Central Mississippi.³ The Tribal capital is in Choctaw, Mississippi.⁴ The majority of Tribal members are full-blood, Choctaw language speaking.⁵

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.⁶ 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.⁷

The Tribe has developed a stable governmental structure providing a full panoply of governmental services.⁸ These include a school system, police and fire protection services, courts, hospitals, clinics, and housing.⁹

For many years the Choctaw struggled to survive. By 1964, ninety percent of the Tribe's population lived in poverty.¹⁰ The Choctaw's situation improved when Chief Phillip Martin began a campaign to bring economic development to the reservation.¹¹ 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 1994.¹² 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.*

¹⁰*Choctaw Chronology* (visited March 21, 2006) <<http://www.choctaw.org/history/chronology.htm>> (providing a detailed chronology of Choctaw history).

¹¹*Id.*

¹²*Id.*

announced an expansion to include another casino, the Golden Moon, and a shopping complex.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.¹⁴ The annual Tribal payroll is over \$1,237,000 and covers many non-member employees.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.¹⁶ In the beginning, Chief Martin of the Choctaw preferred to lobby Congress himself.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.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

¹³*Id.*

¹⁴"Tribal Lobbying Matters," *Hearings Before the Committee on Indian Affairs*, 109th Cong. at 52 (June 22, 2005) (testimony of Chief Phillip Martin, Mississippi Band of Choctaw Indians); *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).

¹⁵*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).

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

¹⁷Interview 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).

¹⁸*Id.*

level.¹⁹

Moreover, tribes apparently began to see a slew of proposed legislation they believed were inimical to their interests.²⁰ 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.²¹ Confronted with this legislation and a sea of unknown faces in Congress, the Choctaw decided to hire outside lobbyists.²²

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.²³ Aware that Abramoff had once been a Republican activist, Rogers’ friend suggested she speak with Abramoff.²⁴

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.²⁵ 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.²⁶ The Tribe decided to contact Preston Gates.²⁷

After a brief telephone call, Meeds and Abramoff traveled to the Choctaw reservation.²⁸

¹⁹“Tribal Lobbying Matters,” *Hearings Before the Committee on Indian Affairs*, 109th Cong. at 12 (June 22, 2005) (testimony of Nell Rogers, planner, Mississippi Band of Choctaw Indians).

²⁰Interview 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.²⁹ 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.’”³⁰

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.³¹ They therefore hired Preston Gates.³² 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.”³³

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.³⁴ 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.”³⁵

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.”³⁶ 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.*

³⁴See Jim Vandehei, *Rain Dance, Mississippi’s Choctaw Find an Unlikely Ally In a GOP Stalwart*, The Wall Street Journal, July 3, 2000.

³⁵*ATR opposes all tax increases as a matter of principle.* (visited May 21, 2006) <<http://www.atr.org/home/about/index.html>>.

³⁶*Id.*

members.”³⁷ The Choctaw apparently paid ATR a total of \$60,000 in 1996 to oppose the UBIT tax.³⁸

Abramoff and his colleagues at Preston Gates eventually succeeded in their efforts, and the UBIT tax failed in the Senate.³⁹

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 \$25,000.⁴⁰ Rogers believed that the payment was in furtherance of ATR’s opposition to a sales tax issue at the time.⁴¹ 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

³⁷Interview 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).

³⁹Interview 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.’⁴²

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.⁴³ The payments were intended for grassroots work and the anti-tax program in 1999.⁴⁴ 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.’⁴⁵

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.⁴⁶ 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.’⁴⁷ The Tribe paid NCPPr \$5,000 in 1999.⁴⁸ Others who attended were representatives from think tanks including Doug Bandow from the Cato Institute.⁴⁹

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

⁵⁰Interview 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.*

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

⁵⁷Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).

proposals throughout the Gulf Coast⁵⁸ that would have increased gaming, thereby diminishing the Choctaw casino's market share.⁵⁹ 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.⁶⁰

In March 1999, Abramoff and his associate, Shawn Vasell, spoke with Reed about the Choctaw's grassroots needs.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."⁶² Reed promised to "build a strong grassroots network across the state against the extension of video poker and [REDACTION]."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."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."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

⁵⁸The 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.

⁵⁹*Id.*

⁶⁰*Id.*

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

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

⁶³*Id.*

⁶⁴*Id.*

⁶⁵*Id.*

community, and state elected officials.⁶⁶

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.”⁶⁷

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.”⁶⁸

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.⁶⁹

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.”⁷⁰

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.”⁷¹ Abramoff then asked, “Any chance that a wire from Choctaw directly would be OK?”⁷² Reed’s response is unknown; however, the Committee has seen no evidence that the Choctaw paid Reed or his firms

⁶⁶*Id.*

⁶⁷*Id.*

⁶⁸Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to Ralph Reed, Century Strategies (GTG-E000111956) (March 29, 1999).

⁶⁹Email between Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, and Ralph Reed, Century Strategies (GTG-E000111992) (April 4, 1999).

⁷⁰Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to Ralph Reed, Century Strategies (Bates number 7029) (April 6, 1999) (Ralph Reed document production).

⁷¹Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to Ralph Reed, Century Strategies (GTG-E000111977) (April 9, 1999).

⁷²*Id.*

directly.

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.⁷³ 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.”⁷⁴

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.”⁷⁵ Reed assured Abramoff, “We are opening the bomb bay doors and holding nothing back. If victory is possible, we will achieve it,”⁷⁶ and, one day later, again promised, “All systems are go on our end and nothing is being held back.”⁷⁷

By May 10, 1999, the Choctaw had paid Reed \$1,300,000 through Preston Gates, with another \$50,000 outstanding.⁷⁸ 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.⁷⁹ 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).

⁷⁵*Id.*

⁷⁶*Id.*

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.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].”⁸¹ Thus, in the fall of 1999, Abramoff reminded himself to “call Ralph re Grover doing pass through.”⁸² When Abramoff suggested the Choctaw start using ATR as a conduit, the Tribe agreed.⁸³

In late 1999, the Choctaw paid ATR \$325,000.⁸⁴ 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”).⁸⁵ Norquist explained that he sent the money to CALL because the Tribe wanted to block gambling competition in Alabama.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:

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.⁸⁷

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

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

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

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

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

⁸⁴*Id.*

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

⁸⁶*Id.*

⁸⁷Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).

group.⁸⁸ Abramoff later advised Reed that “Rabbi Lapin [head of Toward Tradition] does not have a c4”⁸⁹ and asked Reed for “the name of the c4 you want to use (include address) and we’ll divide it among the three groups.”⁹⁰ Within days, Abramoff advised Reed that Amy Ridenour, president of NCPPR, “does not have a c4, only a c3, so we are back to ATR only.”⁹¹ Abramoff asked Reed, “Let me know if it will work just to do this through ATR until we can find another group.”⁹²

Though Reed did not respond, on February 2, 2000, Abramoff informed Reed, “We’ll have \$300K for Monday and more shortly thereafter.”⁹³ This project apparently was centered on opposing a video poker initiative.⁹⁴ 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.”⁹⁵

During this time, Abramoff advised Reed that the Choctaw might be limited in the amount of money it could devote to his activities.⁹⁶ In response, Reed assured Abramoff that he

⁸⁸See 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).

⁸⁹Abramoff’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.

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

⁹¹Email 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.*

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

⁹⁴See 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.

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

⁹⁶See 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.”⁹⁷

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.”⁹⁸ This money, too, came from the Choctaw.⁹⁹ Norquist kept another \$25,000 from the second transfer, which apparently surprised Abramoff.¹⁰⁰

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.”¹⁰¹

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?”¹⁰²

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.”¹⁰³

Rogers did not speak with anyone at ATR about using ATR as a conduit.¹⁰⁴ 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.¹⁰⁵ Based on everything Rogers

⁹⁷*Id.*

⁹⁸Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to Ralph Reed, Century Strategies (GTG-E000020467) (February 17, 2000).

⁹⁹Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).

¹⁰⁰Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to himself (GTG-E000078903) (February 22, 2000).

¹⁰¹Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to Nell Rogers, Mississippi Band of Choctaw Indians (GTG-E000110996) (March 2, 2000).

¹⁰²Email between Susan Ralston, Preston, Gates, Ellis & Rouvelas Meeds, and Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds (GTG-E000110996) (March 3, 2000).

¹⁰³*Id.*

¹⁰⁴Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).

¹⁰⁵*Id.*

knew, ATR simply served as a conduit to disguise the source of the Choctaw money ultimately paid to grassroots groups and Reed.¹⁰⁶ Rogers told Committee staff that she understood from Abramoff that ATR was willing to serve as a conduit, provided it received a fee.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.¹⁰⁸ It was never intended as a contribution to support ATR's general anti-tax work.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.¹¹⁰

At some point, Rogers recalled that Norquist apparently began getting nervous about his role as a pass-through.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.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."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."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

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

¹⁰⁷Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Washington, D.C. (June 16, 2005). Interview of Phillip Martin, Chief, Mississippi Band of Choctaw Indians, in Washington, D.C. (May 17, 2005)

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

¹⁰⁹*Id.*

¹¹⁰*Id.*

¹¹¹*Id.*

¹¹²*Id.*

¹¹³*Id.*

¹¹⁴*Id.*

behalf and for its benefit.¹¹⁵ The Tribe has no complaints about the quality of work Reed undertook on its behalf.¹¹⁶

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.¹¹⁷ By the Committee's accounting, the Tribe paid AIC \$1,485,656 in 2001, and \$1,170,000 in 2002.¹¹⁸

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.¹¹⁹ Because of the Tribe's and Rogers' relationship with and trust in Abramoff, they asked him to recommend a grassroots specialist.¹²⁰ This time, Abramoff did not turn to Reed; he instead introduced the Tribe to Scanlon.¹²¹

Abramoff and Scanlon traveled together to Mississippi to meet with the Choctaw.¹²² Abramoff introduced Scanlon as an independent consultant and an expert in grassroots operations.¹²³ Abramoff claimed that Scanlon worked with the Christian community in grassroots campaigns, get out the vote campaigns and public relations campaigns.¹²⁴ 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.*

¹²⁴*Id.* Interview of Phillip Martin, Chief, Mississippi Band of Choctaw Indians, in Washington, D.C. (May 17, 2005).

dirty tricks guy.”¹²⁵

Abramoff recommended that the Tribe hire Scanlon.¹²⁶ Abramoff did not recommend anyone else.¹²⁷ Trusting in and relying on Abramoff, the Tribe did so.¹²⁸ 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.¹²⁹ 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.¹³⁰ The Choctaw never intended that any of the money it paid Scanlon would go to Abramoff.¹³¹

The Tribe, and in particular Chief Martin, were always concerned about how high Scanlon’s fees were.¹³² Rogers sometimes asked Scanlon for a reduced budget.¹³³ 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.¹³⁴ They also explained that it was “the cost of operating under the radar.”¹³⁵ In some instances, Scanlon did reduce his

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

¹²⁶*Id.*

¹²⁷Interview of Phillip Martin, Chief, Mississippi Band of Choctaw Indians, in Washington, D.C. (May 17, 2005).

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

¹²⁹*Id.*

¹³⁰*Id.*

¹³¹Interview of Phillip Martin, Chief, Mississippi Band of Choctaw Indians, in Washington, D.C. (May 17, 2005).

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

¹³³*Id.*

¹³⁴*Id.*

¹³⁵*Id.*

original, proposed budget, but not often.¹³⁶

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.”¹³⁷

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.¹³⁸ Contemporaneously, the Tribe saw evidence that Scanlon was carrying out parts of Operation Orange it had commissioned.¹³⁹ The Tribe paid roughly \$4,500,000 over two years for Scanlon’s efforts related to Operation Orange.¹⁴⁰

Over the same two years, the Tribe also paid Scanlon another \$1,000,000 for a separate project.¹⁴¹ 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.¹⁴² Scanlon told the Choctaw he was mobilizing Christian grassroots groups, such as Global Christian Outreach Network and Concerned Citizens Against Gaming Expansion.¹⁴³

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

¹³⁶*Id.*

¹³⁷Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (1131592) (October 16, 2001).

¹³⁸Interview 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.¹⁴⁴ 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.¹⁴⁵ 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

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

¹⁴⁵Discussion 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	<u>\$12,745,650</u>

Payments by Tribe to Scanlon Gould Public Affairs (SGPA)

•	04/29/02	\$1,000,000
•	10/15/02	\$1,000,000
	Total	<u>\$2,000,000</u>

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	<u>\$2,655,654</u>

Payments by Tribe to Capital Athletic Foundation (CAF)

•	01/03/02	\$500,000
•	08/05/02	\$500,000
	Total	<u>\$1,000,000</u>

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

•	10/15/02	\$1,000,000
	Total	<u>\$1,000,000</u>

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 27.¹⁴⁶ 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.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.¹⁴⁸ Any use of the funds to finance that Scotland trip was done without the Choctaw's knowledge or authorization.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 2001.¹⁵⁰ 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."¹⁵¹ Abramoff told Rogers that he would represent the tribal participants as the owners of the Sports Suites.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.¹⁵³

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

¹⁴⁷*Id.*

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

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

¹⁵⁰*Id.*

¹⁵¹*Id.*

¹⁵²*Id.*

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.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.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.”¹⁵⁶ Abramoff instructed Gertner to include a cover sheet saying, “Per my email about Alexander Strategy Group, attached please find the invoice for Liberty.”¹⁵⁷ Abramoff told the Tribe that Liberty “was another lobbying group that was going to oppose NACS [National Association of Convenience Stores]”¹⁵⁸ The Choctaw paid Liberty Consulting a total of \$25,000 in 2002.¹⁵⁹

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

¹⁵⁴*The Choctaw Revolution: Lessons for Federal Indian Policy* was a book written about the success of the Choctaw in 1998 by Peter Ferrara and published by ATR. The Choctaw reportedly paid Ferrara for his work on the book. Eamon Javers, “Op-Eds for Sale,” BusinessWeek Online (December 16, 2005).

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

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

¹⁵⁷*Id.*

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

¹⁵⁹*Id.*

was serving on Congressman DeLay's staff, as his Deputy Chief of Staff.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.¹⁶¹

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."¹⁶²

Nonetheless, after the first few *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."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

¹⁶⁰Plea Agreement, Factual Basis for the Plea at para. 7, *U.S. v. Tony C. Rudy* (D.C. District Court, March 31, 2006) (CR-06-082).

¹⁶¹*Id.*

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

¹⁶³Interview 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.’¹⁶⁴

¹⁶⁴Interview 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 total [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 the 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

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

²*Id.*

³*Id.*

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

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

⁶See *Id.*

⁷See *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 18th 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.*

¹¹A fuller discussion of this transaction is contained in Part III, Chapter 1, Section A, entitled, "Council of Republicans for Environmental Advocacy: Background."

¹²*Early Records Show Coushatta Living in Northern Alabama*, (visited March 20, 2006) <http://www.carencrohighschool.org/LA_Studies/indian/coushatta/alabama.htm> (discussing the early history of the Coushatta); *A History of the Sovereign Nation of the Coushatta Tribe of Louisiana*, (visited March 19, 2006), <http://www.coushattatribe.org/history.html>.

¹³"Tribal Lobbying Matters," *Hearings before the Committee on Indian Affairs*, 109th Cong. at 11 (November 2, 2005).

a vast area across the South.¹⁴ The Tribe is composed of seven large clans and several more smaller clans, which form the foundation of its society.¹⁵ As members of the Creek Confederacy, the Coshatta lived in an agriculturally based economy.¹⁶ It grew corn, peas, beans, squash, potatoes, and rice.¹⁷ Sophisticated trade networks were developed covering thousands of miles.¹⁸

In 1898, the Federal Government took land into trust for the Tribe.¹⁹ 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 Coshatta.²⁰ However, after twenty years of struggle, the Louisiana Coshatta’s federal recognition as a tribe was restored in 1973 and it held its first elections in 1985.²¹ In 1980, the current reservation near Elton, Louisiana was formally established.²²

Over the past twenty years, the Tribe has increased its reservation land base from the original 35 acres of land to 154 acres.²³ 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.

¹⁵*The Culture of the Coshatta Tribe of Louisiana*, (visited March 20, 2006) <<http://www.coshattatribela.org/culture1.html>> (describing the culture and social organization of the Louisiana Coshatta).

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.

²²*The Sovereign Nation of the Coshatta Tribe of Louisiana*, (visited March 20, 2006) <http://www.coshattatribela.org/history_chrono.html> (providing a chronology of Louisiana Coshatta history).

²³*The Government of the Sovereign Nation of the Coshatta Tribe of Louisiana*, (visited March. 20, 2006) <<http://www.coshattatribela.org/government.html>> (describing the governing structure of the Louisiana Coshatta).

governmental programs and services.²⁴ The Louisiana Coushatta have established a Tribal police department; community, health and learning centers; and other social programs.²⁵ The Tribe has enjoyed economic prosperity largely due to the success of its Grand Casino in Kinder, Louisiana, which opened in 1995.²⁶ The Louisiana Coushatta currently employs 2,800 people, with a total annual payroll in the range of \$80 million.²⁷ In addition, they contribute approximately \$7 million per year to state and local governments.²⁸

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.²⁹ 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.³⁰ But, with 2001 being a gubernatorial election year, the Tribe was concerned about its prospects for success with then-Governor Mike Foster.³¹ The Tribe was expecting a "very vigorous fight"³² and had doubts about whether its lobbyists at

²⁴*The Sovereign Nation of the Coushatta Tribe of Louisiana*, (visited March 20, 2006) <http://www.coushattatribela.org/history_chrono.html> (providing a chronology of Louisiana Coushatta history).

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.

²⁹Interview 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).

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

³¹Interview 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.³³

Sometime during this same period, two members of the Louisiana Coshatta's Tribal Council, William Worfel and Bertney Langley, called Kathryn Van Hoof, the Louisiana Coshatta's outside counsel, from a meeting of the United South and Eastern Tribes ("USET").³⁴ They told her that they had just spoken with Terry Martin, a representative of the Chitimacha Tribe of Louisiana ("Chitimacha").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.³⁶ Their names: Jack Abramoff and Michael Scanlon.³⁷ Martin suggested that they might be able to help with the Tribe's compact.³⁸

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

³³Interview of Kathryn Van Hoof, former outside counsel, Coshatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

³⁴*Id.*

³⁵Interview of Kathryn Van Hoof, former outside counsel, Coshatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

³⁶Interview of Kathryn Van Hoof, former outside counsel, Coshatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005); Interview of William Worfel, former Vice-Chairman, Coshatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005). Worfel understood that Martin and Abramoff were "tight." *Id.* He recalls that "[Abramoff and Scanlon] would talk about Terry [Martin] a lot to me" and Martin "promoted [Abramoff and Scanlon] a lot." *Id.* 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).

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

³⁸Interview of Kathryn Van Hoof, former outside counsel, Coshatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005); Interview of William Worfel, former Vice-Chairman, Coshatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

that day.³⁹ At that meeting, Martin told Van Hoof about Abramoff’s history with his Tribe.⁴⁰ 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.⁴¹ He told Van Hoof that Abramoff was well-connected and a friend of former Congressman Tom DeLay.⁴² Martin discussed the possibility that Abramoff could help the Louisiana Coushatta with its compact renegotiations.⁴³

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.⁴⁴ She then delivered an oral report to the Tribal Council on her meeting with Martin about Abramoff.⁴⁵ 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.⁴⁶ 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.⁴⁷ Van Hoof complied.⁴⁸

In anticipation of his meeting with the Tribal Council, Abramoff spoke with Van Hoof

³⁹Interview 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).

⁴⁰Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

⁴¹*Id.*

⁴²*Id.*

⁴³*Id.*

⁴⁴*Id.*

⁴⁵*Id.*

⁴⁶*Id.*

⁴⁷*Id.*

⁴⁸*Id.*

more fully about the Louisiana Coushatta's lobbying interests.⁴⁹ He was preparing a formal plan and budget proposal for the Tribal Council.⁵⁰

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.⁵¹ During the meeting, Abramoff described his background, political connections, and capabilities.⁵² In particular, he mentioned that he "knew federal Indian law," "federal legislation," and "how to get things passed through the legislature."⁵³ Referring to appropriations earmarks, Abramoff said that his team could get "line items" for the Tribe.⁵⁴

He also mentioned that he "worked with people" in the Department of Interior and with Members of Congress.⁵⁵ Abramoff specifically mentioned his relationship with Congressman DeLay and former DeLay associate Scanlon.⁵⁶ 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.⁵⁷

⁴⁹*Id.*

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

⁵¹*Id.*; 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).

⁵³*Id.*

⁵⁴*Id.* 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).

⁵⁷*Id.*; *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.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.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.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.⁶¹ Participation in events such as these and payments on “lists of suggested contributions” would, Abramoff suggested, provide name recognition and access.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.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

he could do “media blitzes,” “phone calls,” “ phone banks,” “advertising on television,” etc.); “Tribal Lobbying Matters,” *Hearings before the Committee on Indian Affairs*, 109th Cong. at 17 (November 2, 2005) (testimony of William Worfel, former Vice-Chairman).

⁵⁸Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

⁵⁹*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.” *Id.*

⁶⁰Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

⁶¹*Id.*

⁶²*Id.*; Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

⁶³Plea Agreement, Factual Basis for the Plea at para. 2, *U.S. v. Michael P.S. Scanlon* (CR-05-411) (November 17, 2005).

banks, and all that.”⁶⁴ 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.”⁶⁵

The main operational feature of Scanlon’s proposal was an elaborate political database.⁶⁶ To support that database, Scanlon said that he would provide a range of “electronic-related services.”⁶⁷ Polling would identify the likes and dislikes of those who may be inclined to support the Louisiana Coushatta’s casino.⁶⁸ 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”⁶⁹ 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.⁷⁰ Scanlon said that this would, for example, “have them flood the offices of policy makers with calls.”⁷¹

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).

⁶⁵Plea Agreement, Factual Basis for the Plea at para. 2, *U.S. v. Michael P.S. Scanlon* (CR-05-411) (November 17, 2005).

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

⁶⁷Plea Agreement, Factual Basis for the Plea at para. 2, *U.S. v. Michael P.S. Scanlon* (CR-05-411) (November 17, 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.⁷² Worfel came to believe that Scanlon’s company was a branch of Greenberg Traurig.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.”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.⁷⁵

Impressed with their proposals, the Tribal Council hired Abramoff and Scanlon as their federal lobbyist and grassroots political/media consultant, respectively.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.”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.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.⁷⁹ Van Hoof assumed that the retainer amount would decrease after the

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

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

⁷⁴*Id.*

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

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

⁷⁷Interview 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).

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

⁷⁹Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

compact period.⁸⁰ 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.⁸¹

Separately, the Tribe was to pay CCS, Scanlon's company, for grassroots activities related to the compact renegotiations—"the ground effort."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]."⁸³ The asking price, \$534,500.⁸⁴

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."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

⁸⁰*Id.*

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. *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. *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. *See id.* But, inevitably the response would be "That's the way Jack wants it to be." *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. *See Id.* She recalled, "[T]owards the end, [Tesler] and Sam [Hook] were not at Greenberg, physically, often at all." *Id.* "It was common knowledge within our group that they weren't there, but hours were on our bills." *Id.* However, where the Louisiana Coushatta and other Tribes who were so charged for these hours paid a retainer, *i.e.*, were not billed hourly, they were not injured by those billings.

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

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

⁸⁴*Id.*

⁸⁵Interview 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.”⁸⁶

In her interview, Short recalled that Worfel told her that the Tribe wanted to be the “Choctaw of Louisiana.”⁸⁷ According to Short, the Louisiana Coushatta were “in awe of the Mississippi Choctaw ... because Chief Martin has done an amazing job with his tribe”⁸⁸ “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.”⁸⁹

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.⁹⁰ From the Spring through the Fall of 2001, she did so.⁹¹ During the Fall of 2001 onward, Worfel replaced Van Hoof as the Tribe’s point of contact with Abramoff and Scanlon.⁹²

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.⁹³ That would be accomplished by Scanlon’s “political

⁸⁶*Id.*

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

⁸⁸*Id.*

⁸⁹*Id.*

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

⁹¹*Id.*

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

⁹³Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

database.”⁹⁴

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.⁹⁵

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.⁹⁶ 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.”⁹⁷

Worfel did see evidence that Scanlon’s strategy was implemented.⁹⁸ In July 2001, Governor Foster signed the compact.⁹⁹ Most of the Tribal Council, and Van Hoof, were satisfied

⁹⁴Memorandum 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”).

⁹⁵Louisiana 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!”).

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

⁹⁸Interview 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.¹⁰⁰ But, afterwards, the scope of work dramatically increased.¹⁰¹ 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.¹⁰²

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.¹⁰³ According to Worfel, "It was always one crisis after another. There were real threats and some not so real, looking back with hindsight."¹⁰⁴

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.¹⁰⁵

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

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

¹⁰¹*Id.*

¹⁰²Interview 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.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)

•	4/26/01		\$200,000
•	5/30/01		\$283,500
•	6/29/01		\$850,000
•	7/13/01		\$200,000
•	7/26/01		\$102,000
•	7/26/01		\$292,500
•	7/26/01		\$97,500
•	10/5/01		\$940,000
•	10/31/01		\$700,000
•	10/31/01		\$2,170,000
•	1/18/02		\$1,000,000
•	1/18/02		\$1,500,000
•	1/18/02		\$1,505,000
•	1/24/02		\$800,000
•	2/6/02		\$1,200,000
•	3/15/02		\$3,405,000
•	4/3/02		\$2,100,000
•	8/2/02		\$2,100,000
•	10/16/02		\$950,000
•	2/14/03		\$5,000,000
•	4/22/03	Coushatta/AIC	\$1,300,000
	Total		<u>\$26,695,500</u>

Payments by Tribe to American International Center (AIC)

•	3/16/01	Southern Underwriters	\$400,000
•	3/21/01		\$258,000
•	3/30/01		\$298,000
•	4/27/01		\$397,200

¹⁰⁶*Id.*

•	4/9/03		\$2,300,000
	Total		<u>\$3,653,200</u>

Payments by Tribe to Capital Athletic Foundation (CAF)

•	11/13/01	Greenberg Traurig	\$1,000,000
•	5/8/03	Atlantic Research & Analysis	\$950,000
	Total		<u>\$1,950,000</u>

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.”¹⁰⁷

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.¹⁰⁸ Abramoff specifically proposed that the Tribe work with former Christian Coalition Executive Director Ralph Reed.¹⁰⁹ According to Van Hoof, Abramoff understood that gaming opponents, like Christian conservatives, would of course eschew direct contributions from the Tribe.¹¹⁰ 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.”¹¹¹

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

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

¹⁰⁹*Id.*

¹¹⁰*Id.*

¹¹¹Interview 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.¹¹² 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.¹¹³ Furthermore, Worfel recalled, Van Hoof told him that Reed would "supposedly get a lot of pastors or preachers or ministers ... together."¹¹⁴ But, once again, Worfel recalled Van Hoof cautioning him that Reed "did not want his name being revealed."¹¹⁵

Against that backdrop, Abramoff asked whether the Tribe had any business through which payments to Reed could be made.¹¹⁶ In a meeting that included Louisiana businessman Aubrey Temple, Temple volunteered the use of one of his businesses as a conduit.¹¹⁷ It was an apparently moribund insurance company called Southern Underwriters.¹¹⁸ So, on or about March 16, 2001, the Tribe paid \$400,000 to AIC., a Scanlon-controlled entity, through Southern Underwriters.¹¹⁹ From Abramoff, Van Hoof understood that AIC was an entity that supported anti-gaming efforts, which the Tribe could support.¹²⁰ 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.¹²¹ She also understood that, by paying Reed through AIC, the Tribe's identity as the original source of those funds would be disguised.¹²² When the

¹¹²*Id.*

¹¹³*Id.*

¹¹⁴*Id.*

¹¹⁵*Id.*

¹¹⁶Interview 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).

¹²²Interview 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”).⁵ There are also fragments of information that suggest that they might have done so with the Coushatta Tribe of Louisiana (“Louisiana Coushatta”).⁶ 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.⁷ Their current reservation, Isabella Reservation, was established under the Treaty of October 18, 1864, and is adjacent to the city of Mt. Pleasant, Michigan.⁸ 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.⁹ According to the 2000 census, the tribal

⁵A 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 by [sic] me a brand new cadillac!” *Id.*

⁷*Ojibwe History* (visited March 20, 2006) <<http://www.tolatsga.org/ojib.html>> (detailing the history of the Ojibwe peoples).

⁸*The Saginaw Chippewa Tribe of Michigan* (visited March 16, 2006) <<http://www.itcmi.org/thehistorytribal6.html>> (discussing the history of the Saginaw Chippewa).

⁹*Brief History of the Saginaw Chippewa Indian Tribal Culture* (visited March 20, 2006) <<http://www.sagchip.org/culture/index.htm>> (providing the history of the Saginaw Chippewa); *The Saginaw Chippewa Tribe of Michigan* (visited March 16, 2006) <<http://www.itcmi.org/thehistorytribal6.html>> (discussing the history of the Saginaw Chippewa).

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

¹⁰*U.S. Census Bureau Profile of General Demographic Characteristic of the Saginaw Chippewa* (visited March 20, 2006) <http://factfinder.census.gov/servlet/QTTable?_bm=y&-reg=DEC_2000_SFAIAN_DP1:04S|53S:&-qr_name=DEC_2000_SFAIAN_DP1&-ds_name=DEC_2000_SFAIAN&-geo_id=01000US&-lang=en&-format=&-CONTEXT=qt> (listing the population of people claiming Saginaw Chippewa heritage).

¹¹*Id.*

¹²*Id.*

¹³*Ojibwe History* (visited March 20, 2006) <<http://www.tolatsga.org/ojib.html>> (detailing the history of the Ojibwe peoples).

¹⁴*Brief History of the Saginaw Chippewa Indian Tribal Culture* (visited March 20, 2006) <<http://www.sagchip.org/culture/index.htm>> (providing the history of the Saginaw Chippewa); *Where You Live: Saginaw Chippewa Indian Tribe* (visited March 21, 2006) <<http://www.epa.gov/region5/tribes/tribepages/saginaw.htm>> (providing a brief history of the Saginaw Chippewa).

¹⁵*The Saginaw Chippewa Tribe of Michigan* (visited March 16, 2006) <<http://www.itcmi.org/thehistorytribal6.html>> (discussing the history of the Saginaw Chippewa).

¹⁶*Id.*

¹⁷*Soaring Eagle Casino Has Soared Over \$3 Billion Since Opening in 1998* (visited March 20, 2006) <http://www.mybaycity.com/scripts/Article_ViewB.cfm?ArticleID=499&NewspaperID=0>

in 1997.¹⁸ 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.¹⁹ The Tribe currently employs over 4,000 people.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.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.”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.²³ According to Petras, his responsibilities were “[t]o

(discussing the success of the Soaring Eagle Casino).

¹⁸Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (September 13, 2004). *See also Michigan’s Tribal Gaming Industry Continues to Grow* (visited March 20, 2006) <<http://www.casinocitytimes.com/article.cfm?ContentAndContributorID=17588>> (discussing the growth of the Soaring Eagle Casino); *Tribal quality of life boosted by casino revenues* (visited March 20, 2006) <<http://www.indiancountry.com/content.cfm?id=1096412563>> (discussing the expansion of the Soaring Eagle Casino).

¹⁹*Casino rivals step up efforts to lure gamblers* (visited March 20, 2006) <<http://gamblingmagazine.com/articles/27/27-126.htm>> (estimating Soaring Eagle Casino’s revenue); *Tribe, region benefit from casino revenues* (visited March 20, 2006) <<http://www.sagchip.org/tribalobserver/article.asp?article=1204>> (providing an estimate of Soaring Eagle Casino’s revenue).

²⁰*Soaring Eagle Casino Has Soared Over \$3 Billion Since Opening in 1998* (visited March 20, 2006) <http://www.mybaycity.com/scripts/Article_ViewB.cfm?ArticleID=499&NewspaperID=0> (discussing the success of the Soaring Eagle Casino).

²¹“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).

²²*Id.*

²³*Id.* at 38.

basically work with the tribal council on policy issues [and] conduct research.”²⁴ 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.²⁵ In 1999, the Tribe had hired Rosenthal to serve as its Democratic lobbyist; the Tribe was now looking for a new Republican counterpart.²⁶

Petras went on the Internet and typed in “cue words, basically ‘tribes’ and ‘lobbyist.’”²⁷ Of the names that came up, he contacted three firms and traveled with Sawmick to D.C. to meet with them.²⁸ Around May 2000, they met Abramoff, who was then at Preston Gates Ellis & Rouvelas Meeds.²⁹ During that meeting, Abramoff brought in Scanlon.³⁰ In his interview with staff, then-Sub-Chief David Otto recalled that Abramoff gave an “impressive” presentation to the Tribal Council.³¹ 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.³²

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.*

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

³¹Interview of David Otto, former Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (August 27, 2004).

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.³³ And, Sprague told staff, in his interview, that Petras “brought in” Abramoff.³⁴

By January 2001, with the Tribe having already hired Abramoff, members of the Tribal Council discussed retaining Rosenthal as its Washington representative.³⁵ 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.”³⁶

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.”³⁷

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.”³⁸

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.

³³Interview of David Otto, former Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (August 27, 2004).

³⁴Interview 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.*

³⁵Email 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.³⁹ 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).”⁴⁰

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.”⁴¹

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.”⁴²

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 camapigns [sic] soon, so I could run his general election to make sure we get or [sic] give me five!”⁴³

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.⁴⁴ That group became known as the “Slate of Eight.”⁴⁵ Otto believes that Petras came up with the “Slate of Eight” concept and

³⁹Email 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.*

⁴⁴Interview of David Otto, former Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (August 27, 2004).

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.⁴⁶ In fact, Otto recalled, Petras said that Scanlon helped on that Tribe's elections.⁴⁷ 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).⁴⁸

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!!!"⁴⁹

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

(no Bates number) (October 26, 2001) (Draft Flier, "Tribal Council Members Otto and Kahgegab Announce Formation of New Slate of Candidates to run [sic] in Saginaw Chippewa Tribal Elections—Slate of 8 Will Run on Platform of Reform"); Capitol Campaign Strategies document production (no Bates number) (November 15, 2001) (another Draft Flier, entitled "Slate of 8"); Capitol Campaign Strategies document production (no Bates number) (April 7, 2002) (Draft Press Release, entitled "Chief Maynard Kahgegab, Jr. and Saginaw Chippewa Tribal Council Host Second Community Meeting"); Capitol Campaign Strategies document production (no Bates number) (April 7, 2002) (Draft Talking Points for Chief Maynard Kahgegab, Jr.); Capitol Campaign Strategies document production (no Bates number) (August 26, 2002) (Draft Community Meeting Agenda); Capitol Campaign Strategies document production (no Bates number) (October 30, 2002) (Draft Press Release, entitled "Zogby Poll says Michigan Voters Trust Tribes, Oppose More Gaming"); Capitol Campaign Strategies document production (no Bates number) (undated) (Draft Flier, from "David Otto, Slate of 8 Member," entitled "Slate of 8"); Capitol Campaign Strategies document production (no Bates number) (undated) (another Draft Press Release, "Tribal Council Members Otto and Kahgegab Announce Formation of New Slate of Candidates to run [sic] in Saginaw Chippewa Tribal Elections—Slate of 8 Will Run on Platform of Reform"); Capitol Campaign Strategies document production (no Bates number) (undated) (Draft Mailer from Chief Maynard Kahgegab to Mr. John Doe); Capitol Campaign Strategies document production (no Bates number) (undated) (Draft Mailer conveying "brief update" by Chief Kahgegab to Tribal Members).

⁴⁶Interview of David Otto, former Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (August 27, 2004).

⁴⁷*Id.*

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

⁴⁹Email 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.”⁵⁰ Petras, who set up the meeting, told Otto that Scanlon could help show them how to get elected.⁵¹ The purpose of the meeting, which was held at a Bob Evans restaurant, was to help them craft a campaign for that race.⁵² During that meeting, the idea of the Slate of Eight was hatched—Petras made up the slate concept and Scanlon made up the name.⁵³ Petras, Scanlon and Otto discussed the upcoming elections, election strategy, how to get their names out, and issue mailers.⁵⁴ Both Scanlon and Petras gave advice at that meeting.⁵⁵ Afterwards, Otto reported to the other members of the Slate of Eight who were not in attendance, on his meeting with Petras and Scanlon.⁵⁶ At that follow-up meeting, they discussed how Scanlon could help them get elected.⁵⁷

Otto did not recall whether there was an express *quid pro quo* between Scanlon and the Slate of Eight during the strategy meeting.⁵⁸ It was certainly generally understood that Scanlon would help Otto and the other members of the Slate of Eight in the election.⁵⁹ In addition, he conceded, there was a “non-verbal understanding that Scanlon would like a chance to work for

⁵⁰Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (September 13, 2004). *See also* Interview of David Otto, former Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (August 27, 2004).

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

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

⁵³*Id.*

⁵⁴Interview of David Otto, former Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (August 27, 2004).

⁵⁵*Id.*

⁵⁶*Id.*

⁵⁷*Id.*

⁵⁸*Id.*

⁵⁹*Id.*

the Tribe.”⁶⁰

At least two batches of mailings were sent out on behalf of the Slate of Eight.⁶¹ 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.”⁶² Likewise, an October 26, 2001, press release, also apparently drafted by CCS, announced that the “Slate of 8 Will Run on Platform of Reform.”⁶³ According to that release, “The Slate of 8 represents honesty, integrity and vision—something that the Committee for Responsible Government unfortunately completely lacks.”⁶⁴ 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.”⁶⁵ 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.”⁶⁶

In connection with the Slate of Eight campaign, then-Scanlon associate, Brian Mann, served as a liaison between Petras and Scanlon.⁶⁷ 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.*

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

⁶³Capitol Campaign Strategies document production (no Bates number) (entitled “Tribal Council Members Otto and Kahgegab Announce Formation of New State of Candidates to run in Saginaw Chippewa Tribal Elections”) (October 26, 2001).

⁶⁴*Id.*

⁶⁵*Id.*

⁶⁶*Id.*

⁶⁷Deposition of Brian Mann, former director, American International Center, in Washington, D.C. (March 31, 2005).

Maynard's behalf."⁶⁸ 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.*

⁷⁴Interview of David Otto, former Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (August 27, 2004).

⁷⁵*Id.*

⁷⁶See 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).

⁷⁷Interview of David Otto, former Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (August 27, 2004).

expenses is unclear, the Tribe has seen some estimates as high as \$100,000.⁷⁸ 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.”⁷⁹ He however agreed that, while “there is no way to tell exactly how much was spent,” CCS was never reimbursed for its costs.⁸⁰

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?”⁸¹

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.”⁸²

Scanlon was optimistic about success: “If we don’t win after all this – we never had a chance!”⁸³

Seemingly pleased, Abramoff replied: “Looks like you have it well in hand. I smell victory! I smell gimme five!!!”⁸⁴

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,

⁷⁸Email from Steven Braga, Esq., Baker Botts, to Saginaw Chippewa Indian Tribe (no Bates number) (March 30, 2006) (conveying responses from Scanlon to questions posed by Tribe). Interview of David Otto, former Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (August 27, 2004).

⁷⁹Email from Steven Braga, Esq., Baker Botts, to Saginaw Chippewa Indian Tribe (no Bates number) (March 30, 2006).

⁸⁰*Id.*

⁸¹Email 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.⁸⁵ Otto understood that CCS was “handling the Slate of Eight” like a major election.⁸⁶ On election night, Cathcart joined Otto and the Slate of Eight at a local Bennigans restaurant.⁸⁷ According to Otto, Cathcart met and drove around with him and Kahgegab that evening.⁸⁸

CCS associate Amy Biederman was assigned to write speeches for Slate of Eight member Maynard Kahgegab.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, 2001.⁹⁰ 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!!!!”⁹¹ Abramoff was concerned, because he could not “handle losing two elections in the space of 4 days!”⁹²

⁸⁵*Id.*

⁸⁶*Id.*

⁸⁷*Id.*

⁸⁸*Id.*

⁸⁹*See* Interview of Brian Mann, former director, American International Center, in Washington, D.C. (March 3, 2006); Interview of Christopher Cathcart, former associate, Capital Campaign Strategies, in Washington, D.C. (October 6, 2004). *See* Capitol Campaign Strategies document production (no Bates number) (undated) (Draft Power Point Slides, “Saginaw Chippewa Indian Tribe of Michigan, “Chief’s Report”); Capitol Campaign Strategies document production (no Bates number) (undated) (Draft Speech, entitled “7:00 p.m.—Chief’s Report”).

⁹⁰Capitol 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”).

⁹¹Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000012251) (November 2, 2001).

⁹²Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (November 5, 2001) (GTG-E000012287). What the other election was, is unclear.

On November 6, 2001, all but one member of the Slate of Eight prevailed.⁹³ 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.”⁹⁴

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.”⁹⁵

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.”⁹⁶

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!”⁹⁷

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!”⁹⁸

⁹³Interview 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).

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

⁹⁵Email 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!”⁹⁹

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.”¹⁰⁰

He openly stated, “We had Scanlon up there running our slate.”¹⁰¹

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.”¹⁰² During his interview with Committee staff, the head of Greenberg Traurig’s national lobbying practice, who among others received that email, could not recall having read it.¹⁰³

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.¹⁰⁴ The involvement of non-Indians in tribal elections is, as another Council Member

⁹⁹*Id.*

¹⁰⁰Email 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.*

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

¹⁰⁴Interview of David Otto, former Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (August 27, 2004).

said, “unheard of.”¹⁰⁵

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 \$150,000.¹⁰⁶ 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.¹⁰⁷ 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?¹⁰⁸

¹⁰⁵“Tribal Lobbying Matter,” *Hearings before the Committee on Indian Affairs*, 108th Cong. at 53 (September 29, 2004) (prepared statement of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe).

¹⁰⁶Saginaw Chippewa document production (no Bates number) (Engagement Letter from Jack Abramoff, Greenberg Traurig, to Chief Maynard Kahgegab, Saginaw Chippewa Indian Tribal Council, December 6, 2001).

¹⁰⁷Saginaw Chippewa document production (no Bates number) (Engagement Letter from Jack Abramoff, Greenberg Traurig, to Chief Maynard Kahgegab, Saginaw Chippewa Indian Tribal Council, December 4, 2002); 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).

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 cant [sic] 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 cant [sic] believe they laid a goose-egg."¹⁰⁹

However, always optimistic about their partnership prospects, Abramoff offered encouragement: "We'll get it!"¹¹⁰

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."¹¹¹

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."¹¹²

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.¹¹³ In response, Sprague remembered, Abramoff only said he knew him and that Scanlon was a professional.¹¹⁴ 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.¹¹⁵ Over the next two years, the Tribe would pay CCS about

¹⁰⁹*Id.*

¹¹⁰*Id.*

¹¹¹Email between Todd Boulanger, Greenberg Traurig, and Jack Abramoff, Greenberg Traurig (GTG-E000024701) (January 18, 2002).

¹¹²*Id.*

¹¹³Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (September 13, 2004).

¹¹⁴*Id.*

¹¹⁵Interview 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).

\$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	<u>\$10,007,000</u>

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.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."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

¹¹⁶*See, e.g., id.*

¹¹⁷Capitol 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.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.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.”¹²⁰ The total cost of Operation Redwing, \$4,207,000.¹²¹

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.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.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.”¹²⁴ And, “[i]f all 4 entities become operational the financial impact will be

¹¹⁸*Id.*

¹¹⁹*Id.*

¹²⁰*Id.*

¹²¹*Id.*

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

¹²³*Id.*

¹²⁴*Id.*

devastating, so much so that we can not even measure its impact.”¹²⁵ 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 loose [sic] \$200 million dollars annually.”¹²⁶ The bases of these apparently irreconcilable conclusions are unclear. The cost of this program, an additional \$3,455,000.¹²⁷

In his interview with staff, Tribal Sub-Chief Bernie Sprague disagreed with CCS’ analysis. He said that “[e]veryone knew there are three southern [t]ribes that will eventually open casinos” and that “[they] are in different stages of development.”¹²⁸ According to Sprague, when they open, they will only affect a small percentage of the Saginaw’s market, between 10 and 17 percent.¹²⁹ He noted that the Tribe ultimately executed four contracts with CCS, which related to (1) building the CCS database; (2) opposing “racino”¹³⁰ 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.¹³¹ 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.¹³²

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.*

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

¹²⁹*Id.*

¹³⁰The 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).

¹³¹Interview 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.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.”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.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.”¹³⁶

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

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

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

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

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

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

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."¹³⁸

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."¹³⁹

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."¹⁴⁰

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."¹⁴¹

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."¹⁴²

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."¹⁴³

¹³⁸*Id.*

¹³⁹*Id.*

¹⁴⁰*Id.*

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

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

¹⁴³Capitol Campaign Strategies document production (no Bates number) (entitled "Saginaw Chippewa Indian Tribe of Michigan Public Relations Plan") (April 5, 2002) (emphasis in original).

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.”¹⁴⁴

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.”¹⁴⁵ In particular, CCS intended to “identify opportunities to promote the Tribal Council’s agenda through targeted media and Saginaw Chippewa-sponsored events and activities.”¹⁴⁶ 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.”¹⁴⁷ 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.”¹⁴⁸ 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.”¹⁴⁹

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

¹⁴⁴*Id.*

¹⁴⁵*Id.*

¹⁴⁶*Id.*

¹⁴⁷*Id.*

¹⁴⁸*Id.*

¹⁴⁹*Id.*

also developed a comprehensive timeline for the entire meeting.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.”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]”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.¹⁵³

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

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

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

¹⁵³Email 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?”¹⁵⁴

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 [sic] 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.¹⁵⁵

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.”¹⁵⁶ 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.”¹⁵⁷ Documents reflecting the work that CCS did for the tribal council is attached to the end of this report.

¹⁵⁴*Id.*

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

¹⁵⁶Capitol Campaign Strategies document production (no Bates number) (entitled “Saginaw Chippewa Indian Tribe of Michigan Communications Program 2003”) (2003).

¹⁵⁷*Id.*

In December 2003, the Saginaw Chippewa held new elections.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.¹⁵⁹ The newly elected Tribal council decided not to retain Abramoff and Scanlon as their lobbyist and public relations specialist, respectively.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.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.¹⁶² Just days after the election, Petras had also repeatedly tried to get the new Tribal council to pay Scanlon.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."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.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

¹⁵⁸Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (September 13, 2004).

¹⁵⁹*Id.*

¹⁶⁰*Id.*

¹⁶¹Letter from Chief Audrey Falcon, Saginaw Chippewa Indian Tribe, to Michael Scanlon, Capital Campaign Strategies (January 23, 2004).

¹⁶²Letter from Robert K. Tompkins, counsel to Capitol Campaign Strategies, Patton Boggs, to Sean Reed, general counsel, Saginaw Chippewa Indian Tribe (February 6, 2004).

¹⁶³Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (June 13, 2006).

¹⁶⁴Email from Steven Braga, Esq., Baker Botts, to Saginaw Chippewa Indian Tribe (March 30, 2006) (conveying responses from Scanlon to questions posed by Tribe).

¹⁶⁵Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (September 13, 2004).

Petras.¹⁶⁶

In an attempt to regain power, former chief Maynard Kahgegab and former sub-chief Robert Pego sought to have the new council recalled.¹⁶⁷ 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.¹⁶⁸ 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 11th for the vacant seat, we may actually have a majority and can at a minimum get Rosenthal fired.

This is confidential, obviously.¹⁶⁹

¹⁶⁶From 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).

¹⁶⁷Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (September 13, 2004).

¹⁶⁸Email from Steven Braga, Esq., Baker Botts, to Saginaw Chippewa Indian Tribe (March 30, 2006) (conveying responses from Scanlon to questions posed by Tribe).

¹⁶⁹Email 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.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."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."¹⁷² Kahgegab and Pego's efforts, apparently with assistance from Petras and Abramoff, to have the newly elected council recalled failed.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.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.

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

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

¹⁷²*Id.*

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

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

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.¹⁷⁵ 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 sky box tickets for sporting events and concerts at area stadiums.¹⁷⁶ On one such visit, Petras had his photograph taken with, separately, President George W. Bush and his chief political advisor Karl Rove.¹⁷⁷

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.¹⁷⁸ In his interview with staff, tribal Sub-Chief Bernie Sprague stated that Petras traveled to Washington about every two weeks.¹⁷⁹ Sprague regarded the purpose of those trips as dubious.¹⁸⁰ Former Abramoff associate Stephanie Leger Short agreed that Petras was "around a lot"—"at least once a month, if not more."¹⁸¹ 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."¹⁸²

¹⁷⁵See 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).

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

¹⁷⁹*Id.*

¹⁸⁰*Id.*

¹⁸¹*Id.*

¹⁸²Interview 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,”¹⁸³ 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.¹⁸⁴

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.”¹⁸⁵

Abramoff offered some consolation, “I will set up the Grover meeting. What a loser.”¹⁸⁶

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].”¹⁸⁷

Abramoff wrote Boulanger, “Host an official for dinner at Signatures? What the hell is this?”¹⁸⁸

¹⁸³*Id.*

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

¹⁸⁵*Id.*

¹⁸⁶*Id.*

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

¹⁸⁸Email 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.”¹⁸⁹

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 INOUE: 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 INOUE: Did you feel that it was proper or improper?

MR. PETRAS: It was at Christmas. [Laughter]¹⁹⁰

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.¹⁹¹ 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!”¹⁹²

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).

¹⁹²E-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.”¹⁹³ He also stated that he did “not recall any discussion regarding bringing in Mr. Scanlon to run any type of campaign.”¹⁹⁴ 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.”¹⁹⁵

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.¹⁹⁶ To Cathcart, this “looked fishy and smelled fishy.”¹⁹⁷ 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.

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

¹⁹⁷Interview 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].”¹⁹⁸

Days later, Petras apparently “came to [CCS’] offices today asking again that we help in the council elections scheduled for next Tuesday, October 14th.”¹⁹⁹ 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.”²⁰⁰ In this document, Cathcart memorialized that “[Petras] was very upset by this line of discussion”²⁰¹ 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.”²⁰² 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.”²⁰³ 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.²⁰⁴ The Committee

¹⁹⁸Capitol Campaign Strategies document production (BB/SC 08552) (entitled “Memorandum, from Christopher Cathcart, Capitol Campaign Strategies, to file, ‘MI Elections’”) (October 1, 2003).

¹⁹⁹Capitol Campaign Strategies document production (BB/SC 08547) (entitled “Memorandum, from Christopher Cathcart, Capitol Campaign Strategies, to file, ‘MI Elections’”) (October 6, 2003).

²⁰⁰*Id.*

²⁰¹*Id.*

²⁰²Capitol Campaign Strategies document production (BB/SC 08551) (entitled “Memorandum, from Christopher Cathcart, Capitol Campaign Strategies, to file, ‘Tribal Council Election in Michigan’”) (October 7, 2003).

²⁰³Capitol Campaign Strategies document production (BB/SC 08549) (entitled “Memorandum, from Michael Scanlon, Capitol Campaign Strategies, to file, ‘Saginaw Chippewa/Chris Petras’”) (October 9, 2003) (carbon-copying Cathcart).

²⁰⁴Email 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.²⁰⁵ Petras apparently provided Scanlon with negative personal information about that member.²⁰⁶ 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.²⁰⁷

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.²⁰⁸ 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.²⁰⁹ 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.²¹⁰ 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.

²¹⁰Interview of David Otto, former Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (August 27, 2004).

Sprague told staff that Petras “brought in Abramoff.”²¹¹

Petras likewise testified that “[t]here were no efforts on my behalf to try to push either way any type of political contribution.”²¹² 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.”²¹³

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.”²¹⁴ According to Otto, Petras also said that supporting a project the Secretary was involved with would “look good for the Tribe.”²¹⁵ 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.”²¹⁶

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.²¹⁷ 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.”²¹⁸ After having told Petras about

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

²¹²“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).

²¹³*Id.*

²¹⁴Interview of David Otto, former Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (August 27, 2004).

²¹⁵*Id.*

²¹⁶*Id.*

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

²¹⁸Email 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."²¹⁹

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."²²⁰ 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?!?!?!"²²¹

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."²²²

Scanlon asked, "What's a troglodyte?"²²³

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

²¹⁹Email 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).

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

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

²²³Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG-E000002365) (December 17, 2001).

basically.”²²⁴

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.”²²⁵

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.”²²⁶

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.²²⁷

Scanlon retorted that the tribe “are just friggin cheap – and losers –”²²⁸

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.”²²⁹

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

²²⁴*Id.*

²²⁵Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000002363) (December 18, 2001).

²²⁶Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000026246) (March 13, 2002).

²²⁷*Id.*

²²⁸*Id.*

²²⁹Email 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.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."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."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."²³³

Abramoff replied, "That's why he has a mullet."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 everyday²³⁵

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. Ahahahahhahhaahhaha. If he would [sic] only cut that

²³⁰Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000001175) (June 5, 2002).

²³¹Email from Jack Abramoff, Greenberg Traurig, to Rodney Lane (GTG-E000024633) (May 24, 2001).

²³²Email from Jack Abramoff, Greenberg Traurig, to Todd Boulanger, Greenberg Traurig (GTG-E000027857) (February 18, 2003).

²³³Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG-000024691) (December 12, 2002).

²³⁴*Id.*

²³⁵Email between Todd Boulanger, Greenberg Traurig, and Jack Abramoff, Greenberg Traurig (GTG-E000027698) (March 16, 2003).

hair.”²³⁶

Abramoff replied, “Then he wouldn’t look like an Indian, though.”²³⁷

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.²³⁸

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*Id.*

²³⁷*Id.*

²³⁸“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?”¹

Abramoff pushed back a little: “I’m sorry I don’t understand, tribal elections?”²

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.”³

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?”⁴

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).

²*Id.*

³*Id.*

⁴*Id.*

you guys bringing in Scanlon, in sort of unfolding”⁵

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.”⁶

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.⁷ In 1876, the Federal Government deeded into trust 32,000 acres of the Tribe’s ancestral homeland as the Agua Caliente Indian Reservation.⁸

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.⁹ The villages were permanent; however, groups would leave periodically to hunt, gather, or trade, setting up temporary camps for several weeks at a time.¹⁰

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.¹¹ Cahuilla society was divided

⁵*Id.*

⁶*Id.*

⁷“Tribal Lobbying Matters,” *Hearings Before the Committee on Indian Affairs*, 108th Cong. at 51 (September 29, 2004) (Prepared statement of Richard M. Milanovich, Chairman, Agua Caliente Band of Cahuilla Indians).

⁸*Id.*

⁹ *Cultural History* (visited Mar. 22, 2006) <<http://www.aguacaliente.org/index.php?PID=CULTURAL>> (describing the cultural history of the Cahuilla).

¹⁰*Id.*

¹¹ *Id.*

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

The Agua Caliente adopted its constitution and by-laws in 1955.¹⁷ The Agua Caliente Tribal Council consists of five members: chairman, vice chairman, secretary, and two members.¹⁸ The chairman, vice-chairman, and secretary serve 2-year terms and members serve a 1-year term.¹⁹ Under the Tribe's constitution, action is taken by a majority vote of the Tribal Council.²⁰

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

¹²*Id.*

¹³ *Homepage* (visited Mar. 22, 2006)
<<http://www.aguacaliente.org/index.php?PID=TRIBALHOME>> (providing a brief introduction to Cahuilla history).

¹⁴ *Cultural History* (visited Mar. 22, 2006)
<<http://www.aguacaliente.org/index.php?PID=CULTURAL>> (describing the cultural history of the Cahuilla).

¹⁵*Id.*

¹⁶*Id.*

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

¹⁸*Id.*

¹⁹*Id.*

²⁰*Id.*

²¹ *Political History* (visited March 22, 2006)
<<http://www.aguacaliente.org/index.php?PIC=POLITICAL>> (describing the political history of the Cahuilla).

One, opened in 1995, is located on the hot springs for which the Tribe was named.²² The other casino opened in 2001.²³

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.²⁴ Michael Chapman, an enrolled member of the Menominee Indian Tribe of Wisconsin, had arranged the introduction.²⁵ Chapman had claimed to be “very good friends” with Candace Patencio (“C. Patencio”) and Virginia Siva, members and Tribal leaders²⁶ of the Agua Caliente.²⁷

Abramoff had become acquainted with Chapman through Michael Smith, then a lobbyist in Greenberg Traurig’s Washington, D.C. governmental affairs practice.²⁸ Smith and Chapman

²² *Miller & Schroeder Completes \$70 Million Debt Financing for Agua Caliente Band of Cahuilla Indians* (visited March 22, 2006) <<http://www.casinocitytimes.com/news/article.cfm?contentID=123148>> (discussing the financial history of the Cahuilla casinos).

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.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:

[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.³⁰

On C. Patencio, Chapman provided the following information:

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.³¹

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

They [C. Patencio and Siva] are also related to the Tribe's Treasurer [Moraino Patencio] – so if they prevail in their election pursuits in March – they will have controlling interest on the Tribal Council.³²

²⁹Interview of Michael Chapman, by telephone (March 31, 2006).

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

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).

³²Email from Michael Chapman to Jack Abramoff, Greenberg Traurig (GTG-E000056764) (January 22, 2002). In her interview, C. Patencio confirmed that she, Moraino Patencio, 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.³³ 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.³⁴ 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.³⁵

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.³⁶ She simply met with him because Chapman had suggested she do so.³⁷ According to C. Patencio, she only knew that Abramoff was a movie producer who had produced “red something.”³⁸

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.³⁹ Indeed, after speaking with C. Patencio about arranging the meeting, Chapman reported to Abramoff that they are “eager to hear what you think.”⁴⁰

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.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.⁴² C. Patencio served on the Tribal Council for five years.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").⁴⁴ That, according to C. Patencio, was why she became so interested in having the Tribe hire Abramoff.⁴⁵ In addition to her dissatisfaction with Pace-Capstone, C. Patencio was at odds with the Tribe's Chairman and Vice Chairman.⁴⁶ Although she had just met Abramoff, C. Patencio shared this information with him.⁴⁷

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

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

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

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

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.

⁴⁵*Id.*

⁴⁶*Id.*

⁴⁷*Id.*

⁴⁸*Id.*

⁴⁹*Id.*

dinner.⁵⁰

The following month, in Washington, D.C., Abramoff met again with C. Patencio, M. Patencio, and Siva.⁵¹ The three Tribal members were attending meetings of the National Congress of American Indians and the National Indian Gaming Association.⁵² 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).”⁵³

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.”⁵⁴ 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!”⁵⁵ Abramoff forwarded Chapman’s email to Scanlon, noting “[l]et’s discuss this.”⁵⁶ 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.*

⁵²Email 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.”).

⁵³Email from Michael Smith, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000056872) (February 16, 2002).

⁵⁴Email from Michael Chapman to Jack Abramoff, Greenberg Traurig (GTG-E000056872) (February 16, 2002).

⁵⁵Email from Michael Chapman to Jack Abramoff, Greenberg Traurig (GTG-E000056867) (February 17, 2002).

⁵⁶*Id.*

you to him – and then we could all have dinner).⁵⁷

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

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

⁵⁸*Id.*

⁵⁹*Id.*

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

⁶¹*Id.*

⁶²*Id.*

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

⁶⁴Email between Michael Chapman and Jack Abramoff, Greenberg Traurig (GTG-E000059253) (February 26, 2002).

help them.”⁶⁵

Separately, Abramoff forwarded Chapman’s email to Scanlon and suggested, “You should call them for tomorrow and get together to discuss strategy.”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.⁶⁷

While at Signatures, Abramoff, C. Patencio, M. Patencio and Siva discussed Abramoff possibly representing the Tribe.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.”⁶⁹

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

⁶⁵*Id.*

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

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

⁶⁸Interview 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).

⁶⁹Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000057184) (February 27, 2002).

restaurant in Washington, D.C.⁷⁰ There she learned that Scanlon was in public relations.⁷¹ She believed that Scanlon worked for Abramoff, that he was a member of “Jack’s team.”⁷² 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.⁷³ In fact, C. Patencio denied that Abramoff and Scanlon offered to help in her election; instead, she claimed, “things kinda fell in place.”⁷⁴

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?”⁷⁵

Abramoff instructed Scanlon, “Yes, go for it big time.”⁷⁶

And, so Scanlon did. He sat down with his team and said, “We’re going to California to work on the election.”⁷⁷ 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.⁷⁸ 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-

⁷⁰Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006).

⁷¹*Id.*

⁷²*Id.*

⁷³*Id.*

⁷⁴*Id.*

⁷⁵Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG-E000057254) (March 5, 2002).

⁷⁶*Id.*

⁷⁷Interview of Christopher Cathcart, associate, Capitol Campaign Strategies, in Washington, D.C. (October 6, 2004).

⁷⁸*Id.*

door campaigning, and prepared the candidates for the community meeting.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."⁸⁰

Meanwhile, Abramoff asked C. Patencio, "how are we doing?"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."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.⁸³ C. Patencio confirmed that Scanlon either developed, or had a hand in developing, the themes of her election campaign.⁸⁴ From the records uncovered by the Committee, those themes were "honesty, effectiveness, and experience."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"

⁷⁹Capitol Campaign Strategies document production (no Bates number) (entitled "Agua Caliente Tribal Chairman and Council Election GOTV Timeline") (undated).

⁸⁰Email 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).

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

⁸²*Id.*

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

⁸⁴*Id.*

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.⁸⁶

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."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.⁸⁸ It also identified two days over which Scanlon's team would assist C. Patencio and Siva in door-to-door campaigning.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.⁹⁰

The third document was entitled, "Tribal Election 2002 Agua Caliente Band of Cahuilla Indians."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."⁹² The campaign was purportedly designed to put the candidates "in contact with every voter at least five times over the next 7 days."⁹³ Scanlon and his team divided potential voters

⁸⁶Capitol Campaign Strategies document production (BB/AC 005407-12) (entitled "Virginia Siva Talking Points Community Meeting") (March 10, 2002).

⁸⁷Capitol Campaign Strategies document production (no Bates number) (entitled "Agua Caliente Tribal Chairman and Council Election GOTV Timeline") (undated).

⁸⁸*Id.*

⁸⁹*Id.*

⁹⁰Capitol Campaign Strategies document production (no Bates number) (entitled "Candidate's Timeline") (undated).

⁹¹*See* Capitol Campaign Strategies document production (no Bates number) (entitled "Tribal Election 2002 Agua Caliente Band of Cahuilla Indians") (undated).

⁹²*Id.*

⁹³*Id.*

into three tiers, and supposedly tailored their candidates' messages to each tier.⁹⁴ The campaign plan consisted of four general components: (1) mail; (2) door-to-door; (3) phones; and, (4) a candidates meeting.⁹⁵

1. Mail

The strategy memorandum claimed to “have developed three separate mail pieces” to articulate the candidates' message.⁹⁶ The first was “a personalized letter from you, explaining why you are a superior candidate for your position.”⁹⁷ The second was “a comparison piece that draws distinctions between you and your opponents.”⁹⁸ 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.”⁹⁹

Among the documents discovered by the Committee is a draft letter from C. Patencio regarding the 2002 election.¹⁰⁰ 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.¹⁰¹ The Committee found essentially the same text on letterhead reading “Candace Patencio Candidate for Member of the Tribal Council.”¹⁰²

Similarly, the Committee found another draft letter, for Siva, on her bid for Tribal Chairman.¹⁰³ 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.*

¹⁰²Capitol Campaign Strategies document production (no Bates number) (entitled “draft letter from Candace Patencio”) (March 8, 2002).

¹⁰³*See* Capitol Campaign Strategies document production (no Bates number) (entitled “Dear Friend”) (undated).

who is dedicated to working for you.”¹⁰⁴ This draft letter, too, was apparently in final form on letterhead reading “Virginia Siva Sincere Leadership Inspired Results.”¹⁰⁵

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.¹⁰⁶

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.”¹⁰⁷ Scanlon claimed, “This is your chance to prove that you are the candidates who are truly working for the tribal members.”¹⁰⁸

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.¹⁰⁹ 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.¹¹⁰ 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.¹¹¹

¹⁰⁴*Id.*

¹⁰⁵Capitol Campaign Strategies document production (no Bates number) (entitled “Virginia Siva Sincere Leadership Inspired Results”) (March 8, 2002).

¹⁰⁶Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006).

¹⁰⁷Capitol Campaign Strategies document production (no Bates number) (entitled “Tribal Election 2002 Agua Caliente Band of Cahuilla Indians”) (undated).

¹⁰⁸*Id.*

¹⁰⁹Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006).

¹¹⁰Interview of Christopher Cathcart, associate, Capitol Campaign Strategies, in Washington, D.C. (October 6, 2004).

¹¹¹Interview 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.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.¹¹³ Among the documents reviewed by the Committee were a catering menu and a credit card authorization form from the Wyndham Palm Springs Hotel.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.¹¹⁵ For C. Patencio, the flyer once again stressed the campaign themes of "honesty, effectiveness, and experience" that Scanlon had developed.¹¹⁶ Likewise, Siva's flyer emphasized "Sincere Leadership" and "Inspired Results."¹¹⁷

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

¹¹²*Id.*

¹¹³*Id.*

¹¹⁴*See* Capitol Campaign Strategies document production (no Bates number) (entitled "Menu and Credit Card Authorization Form") (undated).

¹¹⁵Capitol 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).

¹¹⁶Capitol Campaign Strategies document production (no Bates number) (entitled "Candace Patencio MEET CANDACE PATENCIO!!) (undated).

¹¹⁷Capitol Campaign Strategies document production (no Bates number) (entitled "Virginia Siva MEET VIRGINIA SIVA!!) (undated).

¹¹⁸Capitol Campaign Strategies document production (BB/AC 005407-12) (March 10, 2002).

attended the meeting, most of whom were her family members.¹¹⁹

The elections were held on March 18, 2002; while Patencio won her race, Siva did not.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.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.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."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!!!)."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."¹²⁵

¹¹⁹Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006).

¹²⁰Email between Michael Smith, Greenberg Traurig, and Jack Abramoff, Greenberg Traurig (GTG-E000059267) (March 19, 2002).

¹²¹*Id.*

¹²²Email between Jack Abramoff, Greenberg Traurig, and Candace Patencio, Agua Caliente Band of Cahuilla Indians (GTG-E000057264) (April 1-2, 2002).

¹²³*Id.* (emphasis added).

¹²⁴*Id.* (emphasis added).

¹²⁵*Id.*

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.”¹²⁶

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.”¹²⁷

At the time of Abramoff’s email to C. Patencio, the Tribe had a conflict-of-interest ordinance in place.¹²⁸ 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.”¹²⁹

M. Patencio first brought up Abramoff at a meeting or study session.¹³⁰ 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.¹³¹

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!!!”¹³² Two days later, Abramoff wrote an email to Scanlon with the subject

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

¹²⁷*Id.*

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

¹²⁹*Id.*

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

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

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

line, “can you smell money?”¹³³ 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).

¹³⁴*Id.*

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).

¹³⁸*Id.*

¹³⁹*Id.*

Abramoff made arrangements for himself and Scanlon to travel by private jet to Palm Springs for their meeting with the Tribal Council.¹⁴⁰ 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!”¹⁴¹ 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.”¹⁴²

Thus, on June 27, Abramoff instructed his assistant Allison Bozniak to send a retainer agreement to M. Patencio.¹⁴³ The retainer agreement called for a flat fee of “\$150,000.00 per month plus reasonable out-of-pocket expenses.”¹⁴⁴ 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.”¹⁴⁵

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.”¹⁴⁶ 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.”¹⁴⁷

¹⁴⁰Email between Jack Abramoff, Greenberg Traurig, and Ilisa Gertner, Greenberg Traurig (GTG-E000059370) (June 17, 2002).

¹⁴¹Email from Jack Abramoff, Greenberg Traurig, to DCCon (GTG-E000059329) (June 26, 2002).

¹⁴²Email from Jack Abramoff, Greenberg Traurig, to Michael Smith, Greenberg Traurig (GTG-E000059332) (June 27, 2002).

¹⁴³Email from Jack Abramoff, Greenberg Traurig, to Allison Bozniak, Greenberg Traurig (GTG-E000057922-23) (June 27, 2002).

¹⁴⁴*Id.*

¹⁴⁵*Id.*

¹⁴⁶Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000059428) (July 2, 2002).

¹⁴⁷Email 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[.]"¹⁴⁸

For the meeting, Scanlon prepared a document he called "Agua Caliente Global Political Strategy."¹⁴⁹ 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."¹⁵⁰

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."¹⁵¹ Scanlon described the first tier as "compil[ing], classify[ing] and organiz[ing] the tribe's existing natural resources into a national political network."¹⁵² Scanlon described the second part as "identify[ing], classify[ing], and organiz[ing] allies of the tribe."¹⁵³ According to Scanlon, "[b]oth will be imported into your new custom built political databases."¹⁵⁴

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

¹⁴⁸Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000057339) (July 5, 2002).

¹⁴⁹Capitol Campaign Strategies document production (no Bates number) (entitled "Agua Caliente Global Political Strategy") (July 8, 2002) (prepared by Michael Scanlon, Capitol Campaign Strategies).

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 network¹⁵⁵

Scanlon boasted that with this customized database, he could “reach out and mobilize tens of thousands of voters almost instantaneously.”¹⁵⁶ Scanlon represented that “[t]his is an extremely powerful tool that is absolutely necessary if we are to be successful.”¹⁵⁷

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 [sic] 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 [sic] 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.¹⁵⁸

The total cost of Scanlon’s proposal: \$5.4 million, with another \$2 million, should an “advertising fight” occur.¹⁵⁹

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

¹⁵⁵*Id.*

¹⁵⁶*Id.*

¹⁵⁷*Id.*

¹⁵⁸*Id.*

¹⁵⁹*Id.*

membership.¹⁶⁰ Before Abramoff and Scanlon made their pitch at the membership meeting, Abramoff finally met Chapman in person.¹⁶¹

Abramoff and Scanlon met with the Tribal Council on July 8, and the Tribal membership on July 9.¹⁶² 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.¹⁶³ 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.¹⁶⁴

Abramoff built-up Scanlon, calling him “one of the top political and grass roots public affairs people in the United States”.¹⁶⁵ As he had before, Abramoff traded on the name of the Mississippi Band of Choctaw Indians (“Choctaw”).¹⁶⁶ 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.¹⁶⁷

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

¹⁶⁰Email from Holly Bowers, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000059380) (July 5, 2002).

¹⁶¹Email from Jack Abramoff, Greenberg Traurig, to Michael Chapman (GTG-E000059404) (July 8, 2002).

¹⁶²See Email from Holly Bowers, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000059380) (July 5, 2002).

¹⁶³Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006).

¹⁶⁴Interview 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.*

have the same interests or same market share . . .”¹⁶⁸ Abramoff later continued: “If we work together with you we would not work for any other Tribe in California. That would be our approach.”¹⁶⁹

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.¹⁷⁰

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.”¹⁷¹ Scanlon described his operations as the “ground army for what Jack does.”¹⁷² 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).

¹⁷²Agua 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.*

¹⁷⁶Interview 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.¹⁸¹ 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.”¹⁸² The cost: “\$150,000.00 per month plus reasonable out-of-pocket expenses.”¹⁸³

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.”¹⁸⁴ Meanwhile, C. Patencio called to report to Abramoff on what was happening.¹⁸⁵

On July 24, 2002, Scanlon apparently submitted a letter agreement between Scanlon Gould Public Affairs and the Tribe.¹⁸⁶ 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.”¹⁸⁷ The letter agreement described the scope of the activities by

¹⁸¹Agua Caliente document production (AC 0276-78) (July 9, 2002).

¹⁸²*Id.*

¹⁸³*Id.*

¹⁸⁴Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG-E000059386) (July 16, 2002).

¹⁸⁵*Id.*

¹⁸⁶Agua Caliente document production (AC 0287-89) (July 24, 2002).

¹⁸⁷*Id.*

reference to Scanlon Gould's July 8, 2002 proposal.¹⁸⁸ 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."¹⁸⁹ 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."¹⁹⁰

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."¹⁹¹ Abramoff and his team used the Tribe's contributions to get "credit for delivering checks to certain members."¹⁹²

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.*

¹⁹¹Email from Jack Abramoff, Greenberg Traurig, to Duane Gibson, Greenberg Traurig (GTG-E000057541) (September 18, 2002).

¹⁹²Email 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.¹⁹³

The Tribal Council approved the Tribe's participation in the sports suites program in December 2002,¹⁹⁴ and paid \$300,000 into the program.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?¹⁹⁶

Abramoff responded, “Absolutely!”¹⁹⁷

In less than two years, the Tribe Greenberg Traurig \$3,079,816 in fees and expenses.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

¹⁹³Email 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).

¹⁹⁴Email 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).

¹⁹⁶Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG-E000056773) (December 10, 2002).

¹⁹⁷*Id.*

¹⁹⁸These figures do not include political, charitable, and other contributions the Agua Caliente made at Abramoff's request.

with Abramoff.¹⁹⁹

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.”²⁰⁰

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.”²⁰¹ The Tribe hired Scanlon “to help the tribe with respect to pending gaming compact issues in California.”²⁰²

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.²⁰³ Scanlon subcontracted lobbyists and attorneys.²⁰⁴ Per his agreement, he operated as a turnkey operation.²⁰⁵ 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).

²⁰¹“Tribal Lobbying Matters,” *Hearings Before the Committee on Indian Affairs*, 108th Cong. at 21 (September 29, 2004) (statement of Richard Milanovich, chairman, Agua Caliente Band of Cahuilla Indians).

²⁰²*Id.*

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)

its efforts.²⁰⁶

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.²⁰⁷ As employees would come to the tables, Scanlon's employees would brief them and ask them to sign letters to the Governor.²⁰⁸ Scanlon also had opinionmaker letters written to the Governor.²⁰⁹ That work was subcontracted out to Lunde Burger.²¹⁰ After examining Scanlon's work, the Tribe does not believe that Scanlon actually performed the work he had proposed when he pitched his

²⁰⁶*See, e.g.* Capitol Campaign Strategies document production (BB/AC04990-92) (January 29, 2003); Capitol Campaign Strategies document production (BB/AC04993) (February 6, 2003); Capitol Campaign Strategies document production (March 12, 2003) (BB/AC04995); Capitol Campaign Strategies document production (BB/AC04996-98) (March 17, 2003); Capitol Campaign Strategies document production (BB/AC05000); Capitol Campaign Strategies document production (BB/AC05002-04) (March 26, 2003); Capitol Campaign Strategies document production (BB/AC05010) (April 2, 2003); Capitol Campaign Strategies document production (BB/AC05012-15) (April 24, 2003); Capitol Campaign Strategies document production (BB/AC05004-48) (May 14, 2003); Capitol Campaign Strategies document production (BB/AC05050-54); Capitol Campaign Strategies document production (BB/AC05068-69) (July 10, 2003); Capitol Campaign Strategies document production (BB/AC05070) (July 22, 2003); Capitol Campaign Strategies document production (BB/AC05072-73) (July 24, 2003); Capitol Campaign Strategies document production (BB/AC05074-75) (August 4, 2003); Capitol Campaign Strategies document production (BB/AC05076-77) (August 14, 2003); Capitol Campaign Strategies document production (BB/AC05078-80) (August 26, 2003); Capitol Campaign Strategies document production (BB/AC05081) (September 8, 2003); Capitol Campaign Strategies document production (BB/AC05082) (October 15, 2003); Capitol Campaign Strategies document production (BB/AC05083) (November 17, 2003); Capitol Campaign Strategies document production (no Bates number-BB/AC05084) (November 24, 2003); Capitol Campaign Strategies document production (BB/AC05085-86) (December 3, 2003); Capitol Campaign Strategies document production (BB/AC05087-88) (December 4, 2003); Capitol Campaign Strategies document production (BB/AC05089) (December 16, 2003); Capitol Campaign Strategies document production (BB/AC05090) (December 26, 2003).

²⁰⁷Interview of Christopher Cathcart, associate, Capitol Campaign Strategies, in Washington, D.C. (October 6, 2004).

²⁰⁸*Id.*

²⁰⁹*Id.*

²¹⁰*Id.*

contract to the Tribe.²¹¹

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

²¹¹Interview of Richard M. Milanovich, Chairman, Agua Caliente Band of Cahuilla Indians, by telephone (September 16, 2004).

²¹²Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000057616) (October 24, 2002).

²¹³Email from Candace Patencio, Agua Caliente Band of Cahuilla Indians, to Jack Abramoff, Greenberg Traurig (GTG-E000057834) (January 14, 2003).

²¹⁴Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000057847-49) (January 29, 2003).

²¹⁵*Id.*

Candace wins and bye bye Barbara and Richard.”²¹⁶

Meanwhile, Scanlon and Cathcart discussed how to impact C. Patencio’s election: “[w]ant 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.”²¹⁷

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.”²¹⁸ In response, Scanlon maintained that he had “been all over this for weeks” and already had “a pretty good plan in place.”²¹⁹

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.²²⁰

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:

[O]n the Agua bill, there are two items – \$10K for consulting from

²¹⁶*Id.*

²¹⁷Email from Christopher Cathcart, Capitol Campaign Strategies, to Michael Scanlon, Capitol Campaign Strategies (January 21, 2003).

²¹⁸Email between Michael Chapman and Jack Abramoff, Greenberg Traurig (GTG-E000057842-43) (February 9, 2003).

²¹⁹Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000057842) (February 10, 2003).

²²⁰Interview 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).

²²²*Id.*

²²³*Id.*

²²⁴*Id.*

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.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."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.²²⁸ Chapman claimed that Abramoff did not make this offer, until after Abramoff and Scanlon had secured contracts with the Tribe.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."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 tranche. 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."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."²³²

Chapman confirmed to Committee staff that Abramoff had Greenberg Traurig pay him

²²⁶*Id.*

²²⁷Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000057372) (July 9, 2002).

²²⁸Interview of Michael Chapman, by telephone (March 31, 2006).

²²⁹*Id.*

²³⁰Email from Michael Chapman to Jack Abramoff, Greenberg Traurig (GTG-E000059446) (July 24, 2002).

²³¹Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000059446) (July 24, 2002).

²³²Email from Jack Abramoff, Greenberg Traurig, to Michael Chapman (GTG-E000059444) (July 24, 2002).

\$10,000/month.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.”²³⁴

Per Abramoff and Gibson’s instructions, Greenberg Traurig paid Chapman a total of \$171,482.48²³⁵ over the course of the Agua Caliente retainer. The payments are detailed below:

Payments from Greenberg Traurig to Michael Chapman

•	09/13/02	\$10,489.81
•	10/10/02	\$10,000.00
•	11/25/02	\$10,000.00
•	02/04/03	\$10,000.00
•	03/11/03	\$10,000.00
•	03/17/03	\$10,000.00
•	04/11/03	\$10,000.00
•	07/08/03	\$10,000.00
•	08/06/03	\$20,992.67
•	08/11/03	\$10,000.00
•	09/22/03	\$10,000.00
•	10/31/03	\$10,000.00
•	12/19/03	\$20,000.00
•	01/26/04	\$10,000.00
•	03/03/04	\$10,000.00
	Total	<u>\$171,482.48</u>

Except one request for expense reimbursement,²³⁶ the invoices from Chapman to Greenberg Traurig listed the purpose of the payment request as “Retainer which is associated

²³³Interview of Michael Chapman, by telephone (March 31, 2006).

²³⁴See Michael Chapman document production (no Bates number) (September 2002 through March 2004) (Invoices from Michael Chapman to Jack Abramoff).

²³⁵Greenberg Traurig document production (GTG 005390-ACCT-AC) (undated) (Greenberg Traurig Vendor Payments Report for Michael Chapman; Fifteen Greenberg Traurig checks to Michael Chapman, dated September 13, 2002 to March 3, 2004; Invoices from Michael Chapman to Greenberg Traurig, dated September 3, 2002 through March 2004).

²³⁶Michael 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."²³⁷ According to Chapman, Abramoff told him how to characterize and phrase the invoices to Greenberg Traurig.²³⁸ On internal Greenberg Traurig accounting forms, Abramoff described the payment as a consulting fee.²³⁹

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.²⁴⁰ He said he had substantive conversations with Chapman about issues affecting the Tribe before Congress.²⁴¹

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.²⁴² 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.²⁴³ 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.²⁴⁴ Chapman did say he spoke with Gibson about once every other week, and did exchange e-mails with him.²⁴⁵ Chapman said that Gibson was interested in expanding Greenberg Traurig's tribal business, and solicited Chapman for his suggestions for other, potential accounts.²⁴⁶

²³⁷Michael Chapman document production (no Bates number) (entitled "Invoices from Michael Chapman to Greenberg Traurig") September 3, 2002 through February 2004.

²³⁸Interview of Michael Chapman, by telephone (March 31, 2006). *See* Interview of Duane Gibson, former associate, Greenberg Traurig, in Washington, D.C. (September 12, 2002).

²³⁹*See* Greenberg Traurig document production (GTG-005416-ACCT-AC) (April 10, 2003) (Check Requests, signed by Jack Abramoff).

²⁴⁰Interview of Duane Gibson, former associate, Greenberg Traurig, in Washington, D.C. (March 17, 2006).

²⁴¹*Id.*

²⁴²Interview 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.²⁴⁷ 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.²⁴⁸ C. Patencio, however, did not know the amount, or that Abramoff was paying Chapman from the Tribe's retainer.²⁴⁹

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.²⁵⁰ 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!"²⁵¹ Chapman continued, "I rely on your instincts and sense of necessity to guide my motivations!"²⁵²

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

²⁴⁷Interview of Michael Chapman, by telephone (March 31, 2006).

²⁴⁸Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006).

²⁴⁹Interview of Candace Patencio, former council member, Agua Caliente Band of Cahuilla Indians, by telephone (April 25, 2006).

²⁵⁰Email between Allison Bozniak, Greenberg Traurig and Jack Abramoff, Greenberg Traurig (GTG-E000034178) (September 12, 2002).

²⁵¹Email 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!²⁵³

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.²⁵⁴ 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	<u>\$66,690.42</u>

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.²⁵⁵ So the Tribe was probably not injured in any

²⁵³Email from Michael Chapman to Michael Scanlon, Capitol Campaign Strategies (GTG-E000057596) (October 9, 2002).

²⁵⁴*See, e.g.* Greenberg Traurig document production (GTG005518-ACCT-AC) (January 2, 2003). Julie Doolittle’s husband is Congressman John T. Doolittle.

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, 2003.²⁵⁶ The event was supposed to honor Jim Kimsey, AOL Founding CEO and Chairman, with CAF’s “Lifetime Achievement Award.”²⁵⁷ The CAF advertised that participants would “win up to \$50,000 in prizes.”²⁵⁸ Prizes included airline vouchers, portable DVD players, digital cameras, and tickets for Wizards [basketball], Caps [hockey], and Redskins [football] games.²⁵⁹ Abramoff also considered a trip to Scotland as a prize.²⁶⁰

The Spy 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.²⁶¹

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).

²⁵⁶Email from Joe Reeder, Greenberg Traurig, to Rudy DeLeon (GTG-E000121933) (March 7, 2003).

²⁵⁷*Id.*

²⁵⁸*Id.*

²⁵⁹Email between Allison Bozniak, Greenberg Traurig, and Jack Abramoff, Greenberg Traurig (GTG-E000121929) (March 7-9, 2003).

²⁶⁰Email 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.²⁶² 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."²⁶³

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?"²⁶⁴

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."²⁶⁵

Abramoff replied, "Thanks. just [sic] make sure she is not unpaid at any point or told that her payment is dependent on anything."²⁶⁶

When Doolittle told Crisler, that she "was not aware that my retainer was dependent on the payment from a client,"²⁶⁷ Abramoff assured her, "It is absolutely not dependent."²⁶⁸ He then assured Doolittle, "I will speak with Linsey to get this moving."²⁶⁹

²⁶²Email between Julie Doolittle, Sierra Dominion Financial Solutions, and Linsey Crisler, Greenberg Traurig (GTG-E000069554) (June 30, 2003).

²⁶³*Id.*

²⁶⁴Email from Jack Abramoff, Greenberg Traurig, to Linsey Crisler, Greenberg Traurig (GTG-E000069554) (July 7, 2003).

²⁶⁵Email from Linsey Crisler, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000069550) (July 7, 2003).

²⁶⁶Email from Jack Abramoff, Greenberg Traurig, to Linsey Crisler, Greenberg Traurig (GTG-E000069550) (July 7, 2003).

²⁶⁷Email from Julie Doolittle, Sierra Dominion Financial Solutions, to Linsey Crisler, Greenberg Traurig (GTG-E000069555) (July 6, 2003).

²⁶⁸Email from Jack Abramoff, Greenberg Traurig, to Julie Doolittle, Sierra Dominion Financial Solutions (GTG-E000069555) (July 6, 2003).

²⁶⁹Email 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 any appointed role in Tribal government.²⁷⁷

²⁷⁰Interview of Richard Milanovich, Chairman, Agua Caliente Band of Cahuilla Indians, by telephone (September 16, 2004).

²⁷¹*Id.*

²⁷²*Id.*

²⁷³*Id.*

²⁷⁴*Id.*

²⁷⁵Interview of Duane Gibson, former associate, Greenberg Traurig, in Washington, D.C. (March 17, 2006).

²⁷⁶"Tribal Lobbying Matters," *Hearings Before the Committee on Indian Affairs*, 108th Cong. at 52 (September 29, 2004) (Prepared statement of Richard M. Milanovich, Chairman, Agua Caliente Band of Cahuilla Indians).

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 Quivera, 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).

⁴*The Tigua Indians of Texas* (visited March 23, 2006)
<<http://www.texasindians.com/tigua.htm>> (providing a basic history of the Tigua).

⁵*Tigua Indians* (visited March 23, 2006)
<<http://www.tsha.utexas.edu/handbook/online/articles/TT/bmt45.html>> (detailing the history of the Tigua); Thomas A. Green, *Folk History and Cultural Reorganization: A Tigua Example*, *The Journal of American Folklore* v. 89, no. 353, pp. 310-18 (1976).

⁶*The Tigua Indians of Texas* (visited March 23, 2006)
<<http://www.texasindians.com/tigua.htm>> (providing a basic history of the Tigua).

⁷*Id.*; *Clayhound Web* (visited March 23, 2006)
<<http://www.clayhound.us/sites/ysleta.htm>> (describing the history of the Tigua).

⁸*Tigua Indians* (visited March 23, 2006)
<<http://www.tsha.utexas.edu/handbook/online/articles/TT/bmt45.html>> (detailing the history of the Tigua).

they built their Pueblo and a mission, which is now the oldest mission in Texas.⁹ Through extreme poverty and deceit by land hungry speculators, the Tigua lost all of this land.¹⁰ However, in 1967 the State of Texas finally recognized the Tigua as a tribe.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.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.¹³ In 1983, however, Texas became concerned that its trust relationship with the Tribe violated state constitutional law.¹⁴ Consequently, the United States and the Tribe began the process of granting the Tribe federal trust status.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.¹⁶

In 1993, the Tigua opened its Speaking Rock Casino near El Paso, Texas.¹⁷ This casino offered bingo games and Las Vegas-style gaming activities, and was a significant source of revenue for the Tribe.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

⁹*The Tigua Indians of Texas* (visited March 23, 2006) <<http://www.texasindians.com/tigua.htm>> (providing a basic history of the Tigua); *Tigua Indians* (visited March 23, 2006) <<http://www.tsha.utexas.edu/handbook/online/articles/TT/bmt45.html>> (detailing the history of the Tigua).

¹⁰*Tigua Indians* (visited March 23, 2006) <<http://www.tsha.utexas.edu/handbook/online/articles/TT/bmt45.html>> (detailing the history of the Tigua).

¹¹*Id.*

¹²*Texas v. del Sur Pueblo*, 220 F.Supp.2d 668, 673 (W.D. Tex. 2001).

¹³*Id.*

¹⁴*Id.*

¹⁵*Id.*

¹⁶*Id.*

¹⁷*Id.*

¹⁸*Id.*

operate the casino.¹⁹ 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.”²⁰ 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 2002.²¹

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 Coshatta Tribe of Louisiana (“Louisiana Coshatta”) long understood that legalized gaming in Texas would erode its casino’s customer base and revenue.²² The majority of the Louisiana Coshatta casino’s customers are from Texas, particularly the Houston area.²³

While the State of Texas was pursuing its case to close the Tigua’s Speaking Rock Casino,²⁴ press reports indicated that another tribe, the Alabama-Coshatta, was considering

¹⁹*Id.*

²⁰25 U.S.C.S. § 1300g-6 (2001).

²¹ *Fifth Circuit Rules Against Tribe in State of Texas v. Ysleta Del Sur Pueblo* (visited Mar. 23, 2006) <http://www.indiangaming.org/info/pr/press-releases-2002/texas-v-ysleta.shtml> (describing the Tigua casino, Speaking Rock Casino); *Texas v. del Sur Pueblo*, 220 F.Supp.2d 668 (W.D. Tex. 2001).

²²“Tribal Lobbying Matters,” *Hearings before the Committee on Indian Affairs*, 109th Cong. at 113 (November 2, 2005) (prepared statement of David Sickey, Councilman, Coshatta 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. Cornyn²⁹ 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

²⁵Email from Brian Mann, American International Center, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000000626) (November 22, 2001) (attaching Gary Susswein, *Two More Tribes Are Ready To Join Casino Battle*, Austin American Statesman, November 22, 2001).

²⁶“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). *Accord* “Tribal Lobbying Matters,” *Hearings before the Committee on Indian Affairs*, 109th Cong. at 19 (November 2, 2005) (statement of William Worfel, former Vice Chairman, Coushatta Tribe of Louisiana).

²⁷Interview of William Worfel, former vice-chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

²⁸*Id.*

²⁹Cornyn is Texas Senator John Cornyn, who was then the Attorney General for the State of Texas.

³⁰Email 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.”³³

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.”³⁴ The Tigua also ran a similar full-page ad in *The Washington Post*, in the form of a letter to the President.³⁵

Upon reading about the Tigua’s public relations campaign, Reed advised Abramoff, “[sic] strongly suggest we start doing patch-throughs to perry and cornyn. [W]e’re getting killed on the phones.”³⁶ Apparently, Scanlon had already started.³⁷ Reed again claimed he had already mobilized 50 pastors to provide “moral support” to then-Texas Attorney General Cornyn.³⁸

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?”³⁹

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).

³⁴Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E00023240-41) (November 13, 2001) (attaching Gary Scharrer, *Tiguas seek support with state, DC ads*, El Paso Times, November 13, 2001).

³⁵*Id.* 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).

³⁷*Id.*

³⁸*Id.*

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.’⁴⁰

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?”⁴¹

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.”⁴²

On January 7, 2002, Reed reported on his discussions with the Attorney General’s Office, adding “[h]ope these developments help with client”.⁴³ 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.⁴⁴ 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.⁴⁵

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.

⁴¹Email between Jack Abramoff, Greenberg Traurig, and Ralph Reed, Century Strategies (GTG-E000023491-93) (December 5, 2001).

⁴²*Id.*

⁴³Email from Ralph Reed, Century Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000010854) (January 7, 2002).

⁴⁴*Id.*

⁴⁵Email 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).

⁴⁷Interview of Carlos Hisa, Lieutenant Governor, Ysleta del Sur Pueblo, in El Paso, Texas (October 28, 2004).

⁴⁸*Id.*

[REDACTION].⁴⁹

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."⁵⁰ 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!"⁵¹

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.⁵² 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.⁵³ 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."⁵⁴

To Schwartz, Abramoff appeared to have the right credentials. Abramoff claimed to be a close friend of Congressman Tom DeLay.⁵⁵ He also discussed his friendship with Reed,

⁴⁹Marc Schwartz document production (no Bates number) (February 4, 2002) (Memorandum from Norman J. Gordon, Esq., Diamond, Rash, Gordon & Jackson, to Tom Diamond, Esq., Diamond, Rash, Gordon & Jackson).

⁵⁰Email from Ralph Reed, Century Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E006970-JA) (February 5, 2002).

⁵¹Email 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).

⁵³Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

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).

⁵⁵Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

recounting some of their history together at College Republicans.⁵⁶ When Schwartz observed that Reed was an ideologue, Schwartz recalled that Abramoff laughingly replied “as far as the cash goes.”⁵⁷ Abramoff also mentioned his representation of the Mississippi Band of Choctaw Indians (“Choctaw”) and his ability to get appropriations for them.⁵⁸

Abramoff “offered the service of both himself and his firm at no charge.”⁵⁹ He later expressed a hope that the Tribe would hire him, if he succeeded in achieving a Federal legislative fix.⁶⁰

After his call with Schwartz, Abramoff told Scanlon, “Fire up the jet baby, we’re going to El Paso!!”⁶¹

Scanlon replied, “I want all their MONEY!!!”⁶²

Later that day, Reed sent Abramoff the Saturday copy of an *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.”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

⁵⁶*Id.*

⁵⁷*Id.*

⁵⁸*Id.*

⁵⁹“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).

⁶⁰*Id.*

⁶¹Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E0075991) (February 6, 2002).

⁶²*Id.*

⁶³Email from Ralph Reed, Century Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E006969-JA) (February 6, 2002).

meeting on Tuesday.”⁶⁴ 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.”⁶⁵

Before meeting with Abramoff, the Tigua undertook some due diligence, reviewing stories about Abramoff in *The New York Times* and *The Wall Street Journal*.⁶⁶ The articles described Abramoff as an “uber lobbyist.”⁶⁷ 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.”⁶⁸ 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.⁶⁹

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

⁶⁴Marc 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).

⁶⁵Marc 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).

⁶⁶“Tribal Lobbying Matters,” *Hearings before the Committee on Indian Affairs*, 108th Cong. at 235 (November 17, 2004) (statement of Carlos Hisa, Lieutenant Governor, Ysleta del Sur Pueblo).

⁶⁷Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

⁶⁸“Tribal Lobbying Matters,” *Hearings before the Committee on Indian Affairs*, 108th Cong. at 235 (November 17, 2004) (statement of Marc Schwartz, president, Partners Group Consultants).

⁶⁹Interview of Carlos Hisa, Lieutenant Governor, Ysleta del Sur Pueblo, in El Paso, Texas (October 28, 2004).

emergency request to the United States Supreme Court.⁷⁰ Concerned by the Tigua's latest actions, Scanlon wrote to Abramoff: "Uh oh?" and Abramoff responded, "We have to strategize on this one."⁷¹

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.⁷² Abramoff said that Scanlon was Congressman DeLay's former spokesman.⁷³ 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.⁷⁴

During their conversation, Abramoff never called Scanlon his business partner.⁷⁵ 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."⁷⁶ 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.⁷⁷ To the contrary, when Schwartz asked whether Scanlon Gould was connected to Abramoff, Abramoff replied "no."⁷⁸

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).

⁷¹*Id.*

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).

⁷³Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

⁷⁴*Id.*

⁷⁵*Id.*

⁷⁶*Id.*

⁷⁷*Id.*

⁷⁸*Id.*

Tribe again surfaced. Reed had reported that the Tigua was prepared to close its casino.⁷⁹ Reed highlighted for Abramoff “major victory . . . but note they plan a legislative battle now that they have lost in the courts.”⁸⁰

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.”⁸¹

Abramoff and Scanlon met with the Tigua Tribal Council on February 12, 2002.⁸² Ironically, it was the same day that the Tigua’s casino was going to close.⁸³ The meeting occurred at the Tribal Administration Building, and lasted forty-five (45) minutes.⁸⁴ Attendees at the meeting included the Tribe’s then-Governor Albert Alvidrez, Schwartz, and Tribal attorney Tom Diamond.⁸⁵ 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.⁸⁶

The Tribe had no idea that Abramoff, Scanlon, and Reed had just worked to ensure the closure of its casino.⁸⁷ According to Hisa, Alvidrez said that Abramoff disclosed his friendship

⁷⁹Email 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.

⁸⁴Interview of Tom Diamond, Esq., Diamond, Rash, Gordon & Jackson, outside counsel, Ysleta del Sur Pueblo, in El Paso, Texas (October 28, 2004).

⁸⁵“Tribal Lobbying Matters,” *Hearings before the Committee on Indian Affairs*, 108th Cong. at 231 (November 17, 2004) (statement of Carlos Hisa, Lieutenant Governor, Ysleta del Sur Pueblo).

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.”⁸⁸ 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.⁸⁹

Abramoff also disclosed his representation of the Louisiana Coushatta, but said the Louisiana Coushatta did not have any problem with the Tigua.⁹⁰ Abramoff bragged about getting the Choctaw millions of dollars in appropriations.⁹¹

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.’”⁹² 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.⁹³ 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.⁹⁴

Abramoff said that Scanlon did the groundwork on his projects.⁹⁵ When Schwartz asked

⁸⁸Interview of Carlos Hisa, Lieutenant Governor, Ysleta del Sur Pueblo, in El Paso, Texas (October 28, 2004).

⁸⁹Interview of Tom Diamond, Esq., Diamond, Rash, Gordon & Jackson, outside counsel, Ysleta del Sur Pueblo, in El Paso, Texas (October 28, 2004).

⁹⁰Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

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).

⁹³Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

⁹⁴“Tribal Lobbying Matters,” *Hearings before the Committee on Indian Affairs*, 108th Cong. at 242 (November 17, 2004) (statement of Carlos Hisa, Lieutenant Governor, Ysleta del Sur Pueblo).

⁹⁵Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

whether Abramoff used Scanlon exclusively, Abramoff said that he liked to use Scanlon for the tough fights: “He always gets results”, recalled Schwartz⁹⁶

At that first meeting, Scanlon said he worked in public affairs and direct response.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.⁹⁸ Scanlon claimed he was “DeLay’s guy” and had an ongoing relationship with Congressman DeLay.⁹⁹

Abramoff and Scanlon proposed a nationwide political campaign for the Tigua.¹⁰⁰ The duo brought a laptop with an example of the database they were proposing to construct for the Tigua.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.¹⁰² But the Tribe would have to make contributions to grease the process: “You have to have some friends,” Schwartz recalled Abramoff saying.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.”¹⁰⁴ Abramoff described Scanlon’s role as a submarine: once the bill passed, opponents would try to strip it or repeal it.¹⁰⁵ Abramoff said that Scanlon’s operation would then surface,

⁹⁶*Id.*

⁹⁷*Id.*

⁹⁸*Id.*

⁹⁹*Id.*

¹⁰⁰*Id.*

¹⁰¹*Id.*

¹⁰²*Id.*; Interview of Carlos Hisa, Lieutenant Governor, Ysleta del Sur Pueblo, in El Paso, Texas (October 28, 2004).

¹⁰³Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

¹⁰⁴*Id.*

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."¹⁰⁶ Scanlon would implement this "submarine strategy" through the database he was supposedly going to construct for the Tribe.¹⁰⁷

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.¹⁰⁸ Abramoff said he had done this arrangement before: he would work *pro bono*, but Scanlon had to be paid.¹⁰⁹

Speaking about the grassroots efforts, Scanlon said there was a necessity of money.¹¹⁰ Scanlon was going to write a proposal for the Tigua.¹¹¹ Schwartz recalled Abramoff saying "you won't pay me, you'll pay him a lot", indicating Scanlon.¹¹² 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."¹¹³ Abramoff said his efforts "couldn't exist without Scanlon."¹¹⁴ 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.¹¹⁵

During that same meeting, Scanlon represented that his part in the campaign "would be

¹⁰⁶*Id.*; Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

¹⁰⁷Interview of Tom Diamond, Esq., Diamond, Rash, Gordon & Jackson, outside counsel, Ysleta del Sur Pueblo, in El Paso, Texas (October 28, 2004).

¹⁰⁸Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

¹⁰⁹*Id.*

¹¹⁰*Id.*

¹¹¹*Id.*

¹¹²*Id.*

¹¹³*Id.*

¹¹⁴*Id.*

¹¹⁵*Id.*

expensive, essential and exclusive.”¹¹⁶ The Tribe had no understanding that Scanlon would pay Abramoff out of the funds paid to him by the Tribe.¹¹⁷ The Tribe never paid Abramoff any money.¹¹⁸ In discussing the project, Abramoff conveyed a sense of urgency.¹¹⁹ 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.¹²⁰

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.¹²¹

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.”¹²² Forwarding Schwartz’s email to Scanlon, Abramoff commented, “ This guy NEEDS us to save his ass!”¹²³

After Abramoff and Scanlon’s trip to El Paso, Abramoff pushed the Tigua to decide on Scanlon.¹²⁴ Abramoff said that “bills were moving, timing is critical, he needed Scanlon

¹¹⁶“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).

¹¹⁷*Id.* at 242 (testimony of Carlos Hisa, Lieutenant Governor, Ysleta del Sur Pueblo).

¹¹⁸*Id.*

¹¹⁹Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

¹²⁰*Id.*

¹²¹Interview of Carlos Hisa, Lieutenant Governor, Ysleta del Sur Pueblo, in El Paso, Texas (October 28, 2004).

¹²²Email from Marc Schwartz, Partners Group Consultants, to Jack Abramoff, Greenberg Traurig (GTG-E006968-JA) (February 13, 2002).

¹²³Email from Jack Abramoff, Greenberg Traurig to Michael Scanlon, Capitol Campaign Strategies (GTG-E006968-JA) (February 13, 2002).

¹²⁴Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

ASAP.”¹²⁵ 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.¹²⁶ At this point, Abramoff did not specify which lawmakers would help, or where the contributions would go.¹²⁷

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].”¹²⁸ 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!”¹²⁹

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.¹³⁰

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.”¹³¹ 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.*

¹²⁸Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG-E000010895) (February 16-17, 2002).

¹²⁹*Id.*

¹³⁰Greenberg 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.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.”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.”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.”¹³⁵ Scanlon requested a total amount of \$5.4 million to execute its strategy.¹³⁶

On February 19, 2002, the *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.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!”¹³⁸ Abramoff could hardly contain his excitement: “Is life great or what!!!”¹³⁹ Mere minutes later, Abramoff sent another email to Scanlon: “1 hour 45 minutes and

¹³²*Id.*

¹³³*Id.*

¹³⁴*Id.*

¹³⁵*Id.*

¹³⁶*Id.*

¹³⁷Email from Brian Mann, American International Center, to Michael Scanlon, *et. al.*, Capitol Campaign Strategies (GTG-E000001141) (February 19, 2002).

¹³⁸Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG-E000001141) (February 19, 2002).

¹³⁹*Id.*

counting my friend.”¹⁴⁰

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, 2002.¹⁴¹ Abramoff was alone; Scanlon supposedly had health problems and was unable to attend.¹⁴²

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.¹⁴³ Later that day, through Schwartz, the Tribal council requested that the cost of Operation Open Doors be reduced to \$4.2 million.¹⁴⁴ Abramoff accepted the Tribe’s counter-offer on Scanlon Gould’s behalf.¹⁴⁵

On March 5, 2002, the Tribe executed a contract with Scanlon Gould for the implementation of Operation Open Doors.¹⁴⁶ 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	<u>\$4,200,000</u>

Having collected about \$4,200,000 from the Tigua during the relevant period, Scanlon

¹⁴⁰Email from Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000001140) (February 19, 2002).

¹⁴¹“Tribal Lobbying Matters,” *Hearings before the Committee on Indian Affairs*, 108th Cong. at 232 (November 17, 2004) (statement of Carlos Hisa, Lieutenant Governor, Ysleta del Sur Pueblo).

¹⁴²Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

¹⁴³“Tribal Lobbying Matters,” *Hearings before the Committee on Indian Affairs*, 108th Cong. at 232 (November 17, 2004) (statement of Carlos Hisa, Lieutenant Governor, Ysleta del Sur Pueblo).

¹⁴⁴*Id.*

¹⁴⁵*Id.*

¹⁴⁶Contract between Ysleta del Sur Pueblo and Scanlon Gould Public Affairs (March 5, 2002) (no Bates number).

secretly kicked back to Abramoff about \$1,850,000—about 50% of his total profit from the Tribe.¹⁴⁷ The Tribe never knew that Scanlon would pay Abramoff with the Tribe’s money¹⁴⁸, and had no way of knowing of the scam the duo was running.¹⁴⁹

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.”¹⁵⁰ Abramoff repeatedly emphasized that his involvement in the effort needed to be kept secret.¹⁵¹ 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.¹⁵² According to Schwartz, Abramoff explained that the lawmakers who would advance the legislative measure required secrecy.¹⁵³

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

¹⁴⁷Discussion 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.

¹⁴⁸“Tribal Lobbying Matters,” *Hearings before the Committee on Indian Affairs*, 108th Cong. at 242 (November 17, 2004) (testimony of Carlos Hisa, Lieutenant Governor, Ysleta del Sur Pueblo).

¹⁴⁹*Id.* at 238.

¹⁵⁰Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

¹⁵¹*Id.*

¹⁵²Interview of Carlos Hisa, Lieutenant Governor, Ysleta del Sur Pueblo, in El Paso, Texas (October 28, 2004).

¹⁵³“Tribal Lobbying Matters,” *Hearings before the Committee on Indian Affairs*, 108th Cong. at 229 (November 17, 2004) (statement of Marc Schwartz, president, Partners Group Consultants).

moving forward anyway and taking their fucking money.”¹⁵⁴

Another key component of the program, so Abramoff claimed, were the political contributions that Abramoff directed the Tigua to make.¹⁵⁵ Abramoff gave the Tribe a list of contributions at the moment he made his presentation.¹⁵⁶ According to Schwartz, “Those checks were required by Mr. Abramoff, directed that the Tribe do those immediately.”¹⁵⁷

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.¹⁵⁸ Abramoff told Schwartz that the Tribe needed to make the contributions to have lawmakers carry the Tribe’s water.¹⁵⁹ Schwartz recalled Abramoff plainly saying that unless the Tribe made contributions, “it will not work” and “they will not vote for us.”¹⁶⁰

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 soon¹⁶¹

¹⁵⁴Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000053576) (February 25, 2002).

¹⁵⁵“Tribal Lobbying Matters,” *Hearings before the Committee on Indian Affairs*, 108th Cong. at 229 (November 17, 2004) (statement of Marc Schwartz, president, Partners Group Consultants).

¹⁵⁶*Id.* at 237.

¹⁵⁷*Id.*

¹⁵⁸Interview of Marc Schwartz, president, Partners Group Consultants, by telephone (November 14, 2004).

¹⁵⁹*Id.*

¹⁶⁰*Id.*

¹⁶¹Email 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.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."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."¹⁶⁴

Two days later, Abramoff exclaimed to Scanlon, "Just met with Ney!!! We're f'ing gold!!!! He's going to do Tigua."¹⁶⁵

At the hearing before the Committee, Schwartz testified that Abramoff reported in March 2002 that he and his staff had spoken to Representative Bob Ney, who allegedly agreed to carry the Tigua provision by placing it in the Election Reform Bill.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

¹⁶²"Tribal Lobbying Matters," *Hearings before the Committee on Indian Affairs*, 108th Cong. at 236 (November 17, 2004) (testimony of Carlos Hisa, Lieutenant Governor, Ysleta del Sur Pueblo).

¹⁶³Email between Tony Rudy, Greenberg Traurig, and Jack Abramoff, Greenberg Traurig (GTG-E000089648) (March 18, 2002).

¹⁶⁴*Id.*

¹⁶⁵Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000076443) (March 20, 2002).

¹⁶⁶"Tribal Lobbying Matters," *Hearings before the Committee on Indian Affairs*, 108th 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

¹⁶⁷Interview of Honorable Robert W. Ney, Member, United States House of Representatives, in Washington, D.C. (November 12, 2004).

¹⁶⁸*Id.*

¹⁶⁹*Id.*

¹⁷⁰Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

¹⁷¹Email from Mayra Zilio, to Jack Abramoff, Greenberg Traurig (GTG-E000089431) (February 8, 2002).

¹⁷²Email 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.

¹⁷³Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

¹⁷⁴*Id.*

¹⁷⁵*Id.*

¹⁷⁶*Id.*

the Tigua.¹⁷⁷ Abramoff said that Volz had convinced Congressman Ney that supporting the effort was the right thing to do.¹⁷⁸

Schwartz met Volz twice while working on the Tigua issue.¹⁷⁹ He also spoke to him in conference calls with Abramoff.¹⁸⁰ According to Schwartz, Volz told him that Congressman Ney got involved in the Tigua project because of Volz.¹⁸¹ Volz was supposedly talking with Congressman Ney or his staff daily, Schwartz told Committee staff in his interview.¹⁸² Volz told Schwartz that he was working with Congressman Ney's Chief of Staff and knew him by name.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.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.¹⁸⁵ Abramoff said it was imperative that the Tribe send checks that day.¹⁸⁶

Abramoff and Schwartz had another conversation about the contributions.¹⁸⁷ Volz was

¹⁷⁷Interview of Marc Schwartz, president, Partners Group Consultants, by telephone (November 14, 2004).

¹⁷⁸*Id.*

¹⁷⁹Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

¹⁸⁰*Id.*

¹⁸¹*Id.*

¹⁸²*Id.*

¹⁸³*Id.*

¹⁸⁴Interview of Honorable Robert W. Ney, Member, House of Representatives, in Washington, D.C. (November 12, 2004).

¹⁸⁵Interview of Marc Schwartz, president, Partners Group Consultants, by telephone (February 22, 2005).

¹⁸⁶*Id.*

¹⁸⁷*Id.*

present during this conversation, Schwartz recalled.¹⁸⁸ During the conversation, Volz chimed in that the checks needed to be delivered quickly.¹⁸⁹ 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.”¹⁹⁰ “This is not what I think you should do; this is what Bob needs to be done”, Schwartz remembered Abramoff saying.¹⁹¹

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.¹⁹² 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 Account¹⁹³

On April 12, 2002, Abramoff informed Schwartz that the Tigua language would be included in the Election Reform Bill.¹⁹⁴

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.*

¹⁹²Email from Allison Bozniak, Greenberg Traurig, to Marc Schwartz, Partners Group Consultants (no Bates number) (March 26, 2002).

¹⁹³Tigua 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).

¹⁹⁴Interview 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.”¹⁹⁵

Scanlon assured Abramoff, “Will do onthis [sic]. Ill [sic] give udatelater [sic].”¹⁹⁶

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.”¹⁹⁷

On April 18, 2002 Abramoff reported to Volz that “Dodd is ready.”¹⁹⁸ He explained, “We need to get to Ney to give him the green light to raise it with Dodd whenever he wants.”¹⁹⁹

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.”²⁰⁰

The next day, Rudy urged Abramoff, “We better get folks to talk to dodd [sic].”²⁰¹

Abramoff assured Rudy, “We’re all set. he [sic] is ready and Ney knows to chat with him now.”²⁰²

¹⁹⁵Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000089650) (March 30, 2002).

¹⁹⁶Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000089670) (April 1, 2002).

¹⁹⁷Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000089681) (April 15, 2002).

¹⁹⁸Email between Jack Abramoff, Greenberg Traurig, and Neil Volz, Greenberg Traurig (GTG-E000089698) (April 18, 2002).

¹⁹⁹*Id.*

²⁰⁰*Id.*

²⁰¹Email 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]?”²⁰³

Including Volz in the exchange, Abramoff replied, “I think so. Ney told Neil he was going to tell him, right Neil?”²⁰⁴

Volz reported that “Ney told vinovich last night and I will talk through with Paul on the golf course Sunday.”²⁰⁵

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.²⁰⁶ 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.²⁰⁷

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.²⁰⁸ Scanlon told Lunde that he was going to have an amendment inserted into the House version of Election

²⁰³Email between Tony Rudy, Greenberg Traurig, and Jack Abramoff, Greenberg Traurig, and Neil Volz (GTG-E000089703-04).

²⁰⁴*Id.*

²⁰⁵*Id.*

²⁰⁶*See* Capitol Campaign Strategies document production (BB/TI 000824-25) (January 9, 2003).

²⁰⁷*See id.*

²⁰⁸Interview 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.²⁰⁹ Lunde told Scanlon that the Democratic National Committee (“DNC”) had issued a resolution supporting the Tigua’s sovereignty.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.²¹¹

Scanlon asked Lunde who knew Senator Dodd and could get the DNC’s position to him.²¹² Lunde identified Lottie Shackelford.²¹³ Since Scanlon did not know Shackelford, he asked Lunde to have her advise Dodd’s office on the DNC’s position.²¹⁴

Lunde apparently called Shackelford about this in the fall of 2002.²¹⁵ 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.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.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.²¹⁸

After speaking with Lunde, Shackelford called Sheryl Cohen, Senator Dodd’s Chief of

²⁰⁹*Id.*

²¹⁰*Id.*

²¹¹*Id.*

²¹²*Id.*

²¹³*Id.*

²¹⁴*Id.*

²¹⁵Interview of Lottie Shackelford, Democratic political consultant, in Washington, D.C. (November 12, 2004). Lunde could not recall when he first reached out to Shackelford. Interview of Brian Lunde, formerly, Lunde & Burger, by telephone (November 16, 2004).

²¹⁶*Id.*; Interview of Lottie Shackelford, Democratic political consultant, in Washington, D.C. (November 12, 2004).

²¹⁷Interview of Brian Lunde, formerly, Lunde & Burger, by telephone (November 16, 2004).

²¹⁸*Id.*; Interview of Lottie Shackelford, Democratic political consultant, in Washington, D.C. (November 12, 2004).

Staff, to make her aware of the DNC resolution.²¹⁹ 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.²²⁰ There was no discussion of the Tribe’s casino or the language that would allow the Tribe to re-open its casino.²²¹ Shackelford told Committee staff she never spoke to Senator Dodd directly about the Tigua.²²²

Cohen does not recall specifics of her conversations with Shackelford about the Tigua.²²³ Nevertheless, Cohen was clear she would have deemed any rider about the Tigua a “non-starter”, because it was not relevant to the bill.²²⁴ 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.²²⁵ 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.²²⁶

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.”²²⁷

²¹⁹*Id.*

²²⁰*Id.*

²²¹*Id.*

²²²*Id.*

²²³Interview of Sheryl Cohen, chief of staff, Senator Christopher J. Dodd, in Washington, D.C. (November 16, 2004).

²²⁴*Id.*

²²⁵Interview of Lottie Shackelford, Democratic political consultant, in Washington, D.C. (November 12, 2004).

²²⁶Interview of Brian Lunde, formerly, Lunde & Burger, by telephone (November 16, 2004).

²²⁷Marc Schwartz document production (no Bates number) (June 5, 2002) (Memorandum from Marc Schwartz, Partners Group Consultants, to Governor Albert Alvidrez, Lt. Governor Carlos Hisa, and Tribal Council, Ysleta del Sur Pueblo).

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.”²²⁸

Meanwhile, Abramoff instructed Volz to give him regular updates on Election Reform.²²⁹

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.”²³⁰

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.”²³¹ 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.”²³²

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 . . .²³³

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.*

²²⁹Email between Jack Abramoff, Greenberg Traurig, and Neil Volz, Greenberg Traurig (GTG-E000089758) (June 12, 2002).

²³⁰*Id.*

²³¹Email from Neil Volz, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig, and Tony Rudy, Greenberg Traurig (GTG-E000089523) (July 10, 2002).

²³²*Id.*

²³³Email 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.”²³⁴

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!!!²³⁵

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.²³⁶ 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.”²³⁷

Schwartz reported that “it doesn’t appear that the conference report will make it to the floor before recess.”²³⁸ Consequently, Abramoff sought a meeting between the Tigua and Congressman Ney.²³⁹

²³⁴Marc Schwartz document production (no Bates number) (July 18, 2002) (Memorandum from Marc Schwartz, Partners Group Consultants, to Tribal Council, Ysleta del Sur Pueblo).

²³⁵Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000076719) (July 25, 2001).

²³⁶Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (February 22, 2005).

²³⁷Marc Schwartz document production (no Bates number) (July 26, 2002) (Memorandum from Marc Schwartz, Partners Group Consultants, to Governor Albert Alvidrez, Lt. Governor Carlos Hisa, and Tribal Council, Ysleta del Sur Pueblo).

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?"²⁴⁰

Reed responded, "OK but we need to discuss. It is an election year."²⁴¹

About a week later, Rudy informed Abramoff that "Ney may want to do Scotland."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!"²⁴³

When Rudy confirmed that he was trying, Abramoff asked him to "stay on this feverishly."²⁴⁴

Abramoff asked the Tigua to finance the trip. In an email to Schwartz entitled "our friend", Abramoff wrote:

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

²⁴⁰Email between Jack Abramoff, Greenberg Traurig, and Ralph Reed, Century Strategies (GTG-E000019854) (May 15, 2002).

²⁴¹*Id.*

²⁴²Email from Tony Rudy, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000089721) (May 23, 2002).

²⁴³Email from Jack Abramoff, Greenberg Traurig, to Tony Rudy, Greenberg Traurig (GTG-E000089736-37) (June 4, 2002).

²⁴⁴*Id.*

[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.²⁴⁵

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.²⁴⁶ 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.²⁴⁷ Abramoff never mentioned that CAF was a private charity or that he was involved in CAF.²⁴⁸ Abramoff described CAF as a group that arranged educational trips, junkets, and further described CAF as “a group that paid for golf outings.”²⁴⁹

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

²⁴⁵Email from Jack Abramoff, Greenberg Traurig, to Marc Schwartz, Partners Group Consultants (GTG-E000076582) (June 7, 2001).

²⁴⁶“Tribal Lobbying Matters,” *Hearings before the Committee on Indian Affairs*, 108th Cong. at 240 (November 17, 2004) (statement of Marc Schwartz, president, Partners Group Consultants).

²⁴⁷*Id.*

²⁴⁸Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

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 tot his 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

²⁵⁰Marc Schwartz document production (no Bates number) (July 10, 2002) (Memorandum from Marc Schwartz, Partners Group Consultants, to Lt. Governor Carlos Hisa, Ysleta del Sur Pueblo).

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.²⁵⁴ Of the trip, Congressman Ney said the CAF sponsored it, and that Abramoff did not tell him CAF was his private foundation.²⁵⁵ Congressman Ney said the purpose of the trip was to raise money for underprivileged kids in Scotland and Washington, D.C.²⁵⁶ The itinerary consisted of golfing, meeting two parliamentarians, and watching the Marine Band.²⁵⁷

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."²⁵⁸ Abramoff set up the meeting for early August 2002.²⁵⁹

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."²⁶⁰

On August 14, 2002, representatives of the Tigua and Alabama-Coushatta met with Congressman Ney in Washington, D.C.²⁶¹ Both Schwartz and Hisa recalled that the meeting

²⁵⁴Interview of Honorable Robert W. Ney, Member, United States House of Representatives, in Washington, D.C. (November 12, 2004).

²⁵⁵*Id.*

²⁵⁶*Id.*

²⁵⁷*Id.*

²⁵⁸"Tribal Lobbying Matters," *Hearings before the Committee on Indian Affairs*, 108th Cong. at 229 (November 17, 2004) (statement of Marc Schwartz, president, Partners Group Consultants).

²⁵⁹*Id.*

²⁶⁰*Id.*

²⁶¹Marc 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.²⁶² 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.”²⁶³ 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.²⁶⁴

Schwartz also told the Committee that Congressman Ney gave them assurances that he was working to help the Tigua.²⁶⁵ Thereafter, Schwartz recalled Congressman Ney giving Lt. Governor Hisa and another tribal council member a tour of his hearing room.²⁶⁶ 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.”²⁶⁷ 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.²⁶⁸ 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.”²⁶⁹

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.*

²⁶⁷Interview 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).

²⁶⁸Interview of Carlos Hisa, Lieutenant Governor, Ysleta del Sur Pueblo, in El Paso, Texas (October 28, 2004).

²⁶⁹*Id.*

hug.²⁷⁰ 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."²⁷¹

During his interview with Committee staff, Congressman Ney said he was not familiar with the Tigua.²⁷² He could not recall ever meeting with any member of the Tigua.²⁷³ When asked about a possible two-hour meeting, Congressman Ney said he "wouldn't even meet with the President for two hours."²⁷⁴ 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.²⁷⁵ 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.²⁷⁶

A little over one month later, Schwartz reported to the Tribal Council on another

²⁷⁰Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

²⁷¹*Id.*

²⁷²Interview of Honorable Robert W. Ney, Member, United States House of Representatives, in Washington, D.C. (November 12, 2004).

²⁷³*Id.*

²⁷⁴*Id.*

²⁷⁵"Tribal Lobbying Matters," *Hearings before the Committee on Indian Affairs*, 108th Cong. at 229 (November 17, 2004) (statement of Marc Schwartz, president, Partners Group Consultants).

²⁷⁶*Id.* at 252 (prepared statement of Hon. Christopher J. Dodd, U.S. Senator from Connecticut).

conversation that he had with Abramoff.²⁷⁷ 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.”²⁷⁸

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.”²⁷⁹

However, there was never any language helping the Tigua in any draft that came across the desk of Senator Dodd’s staff.²⁸⁰ Congressman Ney confirmed that no such language was ever inserted.²⁸¹

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.²⁸² 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.²⁸³ Maher recalled telling Vinovich that “that was not where his boss was.”²⁸⁴ According to Maher, Vinovich did not press the issue further.²⁸⁵

²⁷⁷Marc Schwartz document production (no Bates number) (September 19, 2002) (Memorandum from Marc Schwartz, Partners Group Consultants, to Governor Albert Alvidrez, Lt. Governor Carlos Hisa, and Tribal Council, Ysleta del Sur Pueblo).

²⁷⁸*Id.*

²⁷⁹“Tribal Lobbying Matters,” *Hearings before the Committee on Indian Affairs*, 108th Cong. at 230 (November 17, 2004) (statement of Marc Schwartz, president, Partners Group Consultants).

²⁸⁰Interview of Sheryl Cohen, chief of staff, Senator Christopher J. Dodd, in Washington, D.C. (November 16, 2004).

²⁸¹Interview of Honorable Robert W. Ney, Member, United States House of Representatives, in Washington, D.C. (November 12, 2004).

²⁸²Interview of Shawn Maher, legislative director, Senator Chris Dodd, in Washington, D.C. (November 16, 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?”²⁸⁶

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.”²⁸⁷ 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.”²⁸⁸

Schwartz told Committee staff that on October 8, the Tribe had a conference call with Congressman Ney that lasted 20-30 minutes.²⁸⁹ During that teleconference, Congressman Ney blamed Senator Dodd for the demise of the Tigua’s provision.²⁹⁰

On October 8, the Tigua Tribal Council had a conference call with Congressman Ney, Jack Abramoff, Tom Diamond and Marc Schwartz.²⁹¹ 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.”²⁹² During the call, according to Schwartz, Congressman Ney apologized for the Tigua provision not making it in the bill.²⁹³ Schwartz also recalled that Congressman Ney complained about Senator Dodd and expressed outrage over his alleged last-minute withdrawal of support.²⁹⁴ Congressman Ney said he would not give up and

²⁸⁶Email between Marc Schwartz, Partners Group Consultants, to Jack Abramoff, Greenberg Traurig (no Bates number) (October 7, 2002).

²⁸⁷*Id.*

²⁸⁸*Id.*

²⁸⁹Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

²⁹⁰*Id.*

²⁹¹*Id.* See also “Tribal Lobbying Matters,” *Hearings before the Committee on Indian Affairs*, 108th Cong. at 230 (November 17, 2004).

²⁹²*Id.*

²⁹³Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

²⁹⁴*Id.*

he would work to get the Tigua language on other measures in 2003, Schwartz recollected.²⁹⁵ And, according to Schwartz, he also thanked the Tribe for its support and contributions.²⁹⁶

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.²⁹⁷ 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.²⁹⁸

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.²⁹⁹ The original pool of insureds were Indian tribes, Alaskan Natives, and black church elders.³⁰⁰

Abramoff told Gibson that Ralph Reed was going to be the entree for the black churches, because Reed "knows the Southern Black Christian community."³⁰¹ Apparently, Abramoff pitched the idea to Reed, who thought it was viable.³⁰²

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.*

²⁹⁹Interview of Duane Gibson, Greenberg Traurig, in Washington, D.C. (March 17, 2006).

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

³⁰³Interview of Duane Gibson, Greenberg Traurig, in Washington, D.C. (March 17, 2006).

³⁰⁴*Id.*

³⁰⁵*Id.*

³⁰⁶“Tribal Lobbying Matters,” *Hearings before the Committee on Indian Affairs*, 108th Cong. at 235 (November 17, 2004) (statement of Carlos Hisa, Lieutenant Governor, Ysleta del Sur Pueblo).

³⁰⁷*Id.* at 236.

³⁰⁸Email 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*, 108th Cong. at 236 (November 17, 2004) (statement of Marc Schwartz, president, Partners Group Consultants).

³¹⁰*Id.*

in the Committee's investigation.³¹¹ In the event that Committee counsel or investigators called the Tribe, Abramoff wanted the Tribe to speak with his lawyers first.³¹² Abramoff said that the Tribe had tribal sovereignty and that the Tribe did not need to cooperate with the Committee.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.³¹⁴

N. Conclusion

The \$4.2 million that the Tribe regrettably paid Scanlon could have lasted the Tribe for another year.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.³¹⁶ The Tribe would have dedicated much of the money to education and health care.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.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."³¹⁹

³¹¹"Tribal Lobbying Matters," *Hearings before the Committee on Indian Affairs*, 108th Cong. at 247 (November 17, 2004); *see also* Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

³¹²"Tribal Lobbying Matters," *Hearings before the Committee on Indian Affairs*, 108th Cong. at 247 (November 17, 2004).

³¹³Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

³¹⁴*Id.*

³¹⁵Interview of Carlos Hisa, Lieutenant Governor, Ysleta del Sur Pueblo, in El Paso, Texas (October 28, 2004).

³¹⁶*Id.*

³¹⁷*Id.*

³¹⁸*Id.*

³¹⁹"Tribal Lobbying Matters," *Hearings before the Committee on Indian Affairs*, 108th Cong. at 244 (November 17, 2004).

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: “No kidding. [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!”¹

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.² 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).

²*Sandia Pueblo Mountain Claim*, (visited May 11, 2006) <http://www.sandiapueblo.nsn.us/mountain/mtn_claim.html>; Interview of Stuart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

1859.³ The correction would designate the main ridge of the Sandia Mountain as the Pueblo's eastern boundary.⁴ 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, 2002.⁵

The settlement agreement was of monumental importance to the Tribe.⁶ Having the Sandia Mountain as its boundary signified more than a property settlement.⁷ 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.⁸

According to the former Governor of the Tribe, Stuart Paisano, the Pueblo of Sandia have 481 enrolled members.⁹ 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.¹⁰ The Tribe has 23,000 acres and their native language is Tigua.¹¹ Their economy has transitioned

³*Sandia Pueblo Mountain Claim*, (visited May 11, 2006)
<http://www.sandiapueblo.nsn.us/mountain/mtn_claim.html>.

⁴*Id.*

⁵*Id.*; Greenberg Traurig document production (GTG-E000002775-76) (undated).

⁶*Sandia Pueblo Mountain Claim*, (visited May 11, 2006)
<http://www.sandiapueblo.nsn.us/mountain/mtn_claim.html>.

⁷*Id.*

⁸*Why 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).

¹⁰*Id.*

¹¹*Id.*

in the last thirty years from mining and federal assistance to Class III gaming.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.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.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.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.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.¹⁷

One of the Washington lobbyists who was of particular interest to the Tribe was Kevin Ring.¹⁸ Several of Mielke's partners were familiar and impressed with Ring's work for other

¹²*Id.*

¹³*Id.*

¹⁴Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

¹⁵Interview of Stewart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

¹⁶*Id.*

¹⁷Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

¹⁸*Id.*

Tribes.¹⁹ 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.²⁰ In pitching his services, Abramoff stressed his Republican connections, going back to his days working on grassroots activities for President Reagan.²¹ Scanlon was described as DeLay's former communications director and someone who helped with elections in competitive Congressional districts.²²

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.²³ 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.²⁴

Mielke also recalled that, during these sessions, Scanlon pitched the database as "a key component" of the program.²⁵ Mielke said that Scanlon specifically characterized "the software [as] the army, which would mean 10,000 soldiers who could be counted on."²⁶ Paisano remembered Scanlon describing the database as "customized" and necessary "to effectively do public relations [for the proposed project]."²⁷

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 Stewart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

²¹Interview 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.*

²⁷Interview of Stewart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

was to achieve success.²⁸ 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].”²⁹

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.”³⁰ Paisano said he was left with the impression that Scanlon worked for Greenberg Traurig.³¹

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.³² 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.³³ The Tribe considered which prospective lobbyist gave it the greatest assurances: “That was a question: ‘can you guarantee this?’”³⁴ “Abramoff and Scanlon had the most bravado and said that while they couldn’t guarantee that, they’ve never lost,” Mielke

²⁸Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

²⁹*Id.*; Interview of Stewart 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 (GTG-E000003054) (March 20-21, 2002) (“I told [Ring] that he would split the profit (what I told him was 10%) with you 50-50.”).

³⁰Interview of Stewart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

³¹*Id.*

³²Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

³³*Id.*

³⁴*Id.*

observed.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.³⁶ Ultimately, the Tribe selected Abramoff and Ring at Greenberg Traurig, and entered into a separate contract with Scanlon to conduct the grassroots effort.³⁷

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.³⁸ The total payment was due ten days later.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.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:

SCANLON: [Ring] asked if we got the wire yet in an email. I

³⁵*Id.*

³⁶Interview of Stewart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

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).

³⁸Pueblo 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).

³⁹*Id.*

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....⁴¹

Ring’s “finder’s fee” was apparently in violation of an outside income policy at his firm Greenberg Traurig.⁴² 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.”⁴³ One of those Baggett named was Kevin Ring.⁴⁴ 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.⁴⁵

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).

⁴³*Id.*

⁴⁴*Id.*

⁴⁵Interview of Stewart 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]

⁴⁶Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

⁴⁷*Id.*

⁴⁸Pueblo of Sandia document production (SP-S 00046) (March 14, 2002) (letter of agreement between Scanlon Gould Public Affairs and Pueblo of Sandia of New Mexico).

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.*

⁵⁰Interview of Stuart 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).

⁵¹Interview of Stuart 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).

⁵²Interview of Stuart 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).

⁵³Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (September 28, 2005).

⁵⁴Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

product.⁵⁵ 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!!!!⁵⁶

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

⁵⁵Interview of Stewart 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).

⁵⁶Email 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 mother fuckers 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.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 2004.⁵⁸

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.⁵⁹ They also felt that the Tribe was aggrieved by Abramoff and Scanlon's failure to disclose their financial arrangement.⁶⁰ And, they were frustrated by the poor quality of Scanlon's grassroots activities and felt that Scanlon's status reports were inadequate.⁶¹

⁵⁷Email between Jack Abramoff, Greenberg Traurig, and Kevin Ring, Greenberg Traurig, (GTG-E000003763) (March 4, 2003).

⁵⁸Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

⁵⁹Interview of Stewart 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).

⁶⁰Interview of Stewart 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).

⁶¹Interview of Stewart 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 no 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 Cough—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.¹ 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

²Plea Agreement, Factual Basis for Plea, *U.S. v. Michael P.S. Scanlon*, (Dist. D.C., November 11, 2005) (CR-05-411); Plea Agreement, Factual Basis for Plea, *U.S. v. Jack A. Abramoff* (Dist. D.C., January 3, 2006) (CR 06-001).

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 thre [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.”⁷

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.”⁸

“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?”⁹

Abramoff’s response was brief: “Sounds like a plan, but let’s discuss when we are together.”¹⁰

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.”¹¹

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).

⁸*Id.*

⁹*Id.*

¹⁰*Id.*

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!"¹²

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!"¹³ 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.¹⁴

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."¹⁵

Ultimately, Scanlon reported that Abramoff would get "a total of 2.1 [million]."¹⁶

Abramoff heaped praise on his partner, "How can I say this strongly enough: YOU IZ DA MAN."¹⁷

¹²Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies, "RE: Nell" (1109861) (August 16, 2001).

¹³Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig, "RE: [REDACTED]" (1118666) (September 2, 2001).

¹⁴Brody 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 at A1.

¹⁵Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E0000113995) (September 10, 2001).

¹⁶Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E0000113847) (September 10, 2001).

¹⁷Email 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!”¹⁸

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.”¹⁹

Scanlon agreed, “Any time—any time—any time!!! We usually come back from these trips rich men!”²⁰

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!).”²¹

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”).²² That seems to constitute about half of Scanlon’s total profit from the

¹⁸*Id.*

¹⁹Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies, “RE: [REDACTED]” (Bates numbers 1131487-88) (October 17, 2001).

²⁰*Id.*

²¹Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000024563) (January 16, 2002).

²²In 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**

	DATE	PAYEE	AMOUNT	PAYOR
•	4/30/01	Abramoff	\$75,000	CCS
•	5/20/01	CAF	\$182,000	CCS
•	6/10/01	Abramoff	\$50,000	CCS
•	10/4/01	Abramoff	\$100,000	CCS
•	10/25/01	Abramoff	\$428,000	CCS
•	11/7/01	CAF	\$1,000,000	Coushatta through Greenberg Traurig
•	12/19/01	Abramoff	\$300,000	CCS
•	12/31/01	Abramoff	\$1,718,125	CCS
•	1/1/02	CAF	\$500,000	Choctaw
•	2/22/02	Kaygold	\$2,779,925	CCS
•	3/21/02	Abramoff	\$4,080,997	CCS
•	4/8/02	Kaygold	\$2,138,025	CCS
•	5/30/02	Abramoff	\$16,397	CCS
•	6/12/02	Kaygold	\$150,000	CCS
•	7/12/02	Kaygold	\$800,000	CCS
•	7/12/02	Kaygold	\$20,000	CCS
•	7/12/02	Kaygold	\$44,000	CCS
•	8/6/02	CAF	\$500,000	Choctaw
•	9/16/02	Kaygold	\$2,266,250	CCS
•	10/17/02	CAF & Nurnberger	\$500,000	Choctaw through NCPFR
•	11/11/02	Kaygold	\$1,078,649	CCS
•	12/03/02	Kaygold	\$87,907	CCS
•	12/31/02	Kaygold	\$1,000,146	CCS
•	12/31/02	Kaygold	\$53,000	CCS
•	2/19/03	Kaygold	\$1,965,000	CCS

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.

•	4/13/03	Kaygold	\$991,000	AIC
•	5/7/03	CAF	\$950,000	Atlantic Research & Analysis
•	10/27/03	Kaygold	\$750,000	CCS
•	Total		<u>\$24,524,421</u>	

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 Cauhilla 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.²³ CCS was first started up “to help Scanlon collect [consulting] fees.”²⁴ 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

²³The 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.”

²⁴Interview of Christopher Cathcart, former associate, Capitol Campaign Strategies, in Washington, D.C. (October 6, 2004).

Kidan, have admitted to defrauding.²⁵

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

•	4/30/01	Abramoff	\$75,000
•	5/20/01	CAF	\$182,000
•	6/10/01	Abramoff	\$50,000
•	10/4/01	Abramoff	\$100,000
•	10/25/01	Abramoff	\$428,000
•	12/19/01	Abramoff	\$300,000
•	12/31/01	Abramoff	\$1,718,125
•	2/22/02	Kaygold	\$2,779,925
•	3/21/02	Abramoff	\$4,080,997
•	4/8/02	Kaygold	\$2,138,025
•	5/30/02	Abramoff	\$16,397
•	6/12/02	Kaygold	\$150,000
•	7/12/02	Kaygold	\$800,000
•	7/12/02	Kaygold	\$20,000
•	7/12/02	Kaygold	\$44,000
•	9/16/02	Kaygold	\$2,266,250
•	11/11/02	Kaygold	\$1,078,649
•	12/03/02	Kaygold	\$87,907
•	12/31/02	Kaygold	\$1,000,146
•	12/31/02	Kaygold	\$53,000
•	2/19/03	Kaygold	\$1,965,000
•	10/27/03	Kaygold	\$750,000
•	Total		<u>\$20,083,421</u>

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.

²⁵Plea Agreement, Factual Basis for Plea at para.1, *U.S. v. Jack A. Abramoff* (S.D. Fla. January 4, 2006) (CR 05-60204 HUCK).

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.²⁶ They understood that disclosing their arrangement to those clients would likely jeopardize the contracts for services, CCS' profit margin, or both.²⁷

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.²⁸ Sprague remembered that Abramoff only answered that he knew him and his relationship with Scanlon was professional.²⁹

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.³⁰ Schwartz recalled that Abramoff answered "no."³¹ In fact, telling Schwartz that Scanlon had "his own" company, Abramoff referred to Scanlon as merely "an associate."³² Schwartz also recalled asking Abramoff whether he used Scanlon exclusively.³³ Without bringing up his financial arrangement with Scanlon, Abramoff answered non-responsively: he liked to use Scanlon for the tough fights

²⁶Plea Agreement, Factual Basis for Plea at para. 9, *U.S. v. Jack A. Abramoff* (Dist. D.C., January 3, 2006) (CR 06-001).

²⁷*Id.*

²⁸Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe of Michigan, in Washington, D.C. (September 13, 2004).

²⁹*Id.*

³⁰Interview with Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

³¹*Id.*

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)

³³Interview with Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

because “[h]e always [got] results.”³⁴

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.³⁵

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.³⁶

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.³⁷ 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.³⁸

³⁴*Id.*

³⁵Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, Choctaw, Mississippi (April 27-29, 2005).

³⁶*See* 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, Coshatta Tribe of Louisiana, in Washington, D.C. (September 13, 2005); Interview of Stewart 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).

³⁸*Id.* *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.”³⁹ In that context, Abramoff indicated, Scanlon had been “extremely helpful to [him] and his clients.”⁴⁰ Baggett also remembered that Abramoff indicated “[h]ow valuable [Scanlon] was, that he was essential to being able to provide services to his clients.”⁴¹

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]).”⁴² 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.”⁴³

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.”⁴⁴

³⁹Interview 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.*

⁴²Email from Jack Abramoff, Greenberg Traurig, to Rodney Lane (GTG-E000011577) (March 15, 2002).

⁴³*Id.*

⁴⁴Email 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.”⁴⁵

Abramoff responded, “It’s just not going to happen.”⁴⁶

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.⁴⁷ 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.”⁴⁸ 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.”⁴⁹

⁴⁵*Id.*

⁴⁶Email 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.

⁴⁷Plea Agreement, Factual Basis for Plea, *U.S. v. Jack A. Abramoff* (Dist. D.C., January 3, 2006) (CR 06-001). See Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe, 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 of 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 Vice-President, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13, 2005); Interview of Stewart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

⁴⁸Interview of Christopher Cathcart, former associate, Capitol Campaign Strategies, in Washington, D.C. (October 6, 2004).

⁴⁹Email 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 camapaigns [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 wil [sic] do. NO CASH - NO INK BABY!”⁵⁴

⁵⁰Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000028079) (October 5, 2001).

⁵¹*Id.*

⁵²*Id.*

⁵³Email 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.”⁵⁵

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.”⁵⁶

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.”⁵⁷ 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.”⁵⁸

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.”⁵⁹ 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.”⁶⁰

⁵⁵*Id.* (emphasis added).

⁵⁶*Id.* (emphasis added).

⁵⁷*Id.*

⁵⁸Agua Caliente document production (no Bates number) (“Verbatim Transcript—Tribal Council Meeting of Tuesday, July 9, 2002”) (July 20, 2004) (excerpt only).

⁵⁹Interview 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

⁶¹Interview with Tom Diamond, Esq., Diamond, Rash, Gordon & Jackson, outside counsel, Ysleta del Sur Pueblo, in El Paso, Texas (October 28, 2004).

⁶²Interview with Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

⁶³*Id.* Plea Agreement, Factual Basis for Plea at para. 6, *U.S. v. Jack A. Abramoff* (Dist. D.C., January 3, 2006) (CR-06-001); Plea Agreement, Factual Basis for Plea at 2, *U.S. v. Michael P.S. Scanlon* (Dist. D.C., November 11, 2005) (CR 05-411).

⁶⁴Interview with Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

⁶⁵*Id.*

⁶⁶*Id.*

⁶⁷*Id.*

⁶⁸Interview with Tom Diamond, Esq., Diamond, Rash, Gordon & Jackson, outside counsel, Ysleta del Sur Pueblo of Texas, in El Paso, Texas (October 28, 2004).

⁶⁹Interview with Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

guy.”⁷⁰

Abramoff’s interest in having the Pueblo of Sandia hire Scanlon was particularly keen. Both then-Tribal Governor Stuart 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.⁷¹ 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.⁷²

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.⁷³ 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.”⁷⁴ 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.⁷⁵ Also, when the Choctaw were late in paying Scanlon, more often than not Abramoff inquired about the status of the payments to Scanlon.⁷⁶

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 Stuart 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 Stuart 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] Griles’s ass.”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.”⁷⁸ During this period, the Louisiana Coushatta were interested in doing business there.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.”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?”⁸¹

Likewise, on December 2, 2002, Abramoff discussed the prospect of racinos in Michigan with Petras.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

⁷⁷Email from Todd Boulanger, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000025046) (February 14, 2002).

⁷⁸Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000025046) (February 14, 2002).

⁷⁹See Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

⁸⁰Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG-E000001244) (October 10, 2002).

⁸¹*Id.*

⁸²Email 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.⁸³

A few minutes later, Scanlon chimed in, “I love you.”⁸⁴

And, Abramoff replied, “I’ll follow up with him in a day.”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*Id.*

⁸⁴Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000010716) (December 2, 2002).

⁸⁵Email 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

⁸⁶Plea Agreement, Factual Basis for Plea at para. 6, *U.S. v. Michael P.S. Scanlon* (Dist. D.C., November 11, 2005) (CR-05-411); Plea Agreement, Factual Basis for Plea, *U.S. v. Jack A. Abramoff* at para. 8-9 (Dist. D.C., January 3, 2006) (CR 06-001).

⁸⁷Plea Agreement, Factual Basis for Plea at para. 6, *U.S. v. Michael P.S. Scanlon* (Dist. D.C., November 11, 2005) (CR-05-411); Plea Agreement, Factual Basis for Plea, *U.S. v. Jack A. Abramoff* at para. 8-9 (Dist. D.C., January 3, 2006) (CR 06-001).

⁸⁸Capitol 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

Project	Total	Projected Expenditures	Net
Delta Downs	\$3,300,000	\$300,000	\$3,000,000
Jena Band	\$1,505,000	\$100,000	\$1,405,000
[PROJECT A]	\$4,850,000	\$850,000	\$4,000,000
[PROJECT B]	\$1,750,000	\$100,000	\$1,650,000
TOTALS	\$11,405,000	\$1,350,000	\$10,055,000

Aggregating the costs and profits for all the projects listed above, the foregoing describes an expected net profit of about 88 percent.⁹¹ 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 \$400,000.⁹² This document also suggests that Scanlon originally projected his "partner dollar share" here to be \$2,400,000.⁹³ 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.⁹⁴ 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.⁹⁵ With CCS' netting \$450,000 on that project, Abramoff's cut was \$225,000.⁹⁶ Finally, according to another document, entitled "02 CCS Project Break Downs" Scanlon projected that his pre-tax share of the \$10,055,000 net

⁹¹*Id.*

⁹²Capitol Campaign Strategies document production (no Bates number) (entitled "2002 GMF Breakdowns") (undated).

⁹³*Id.*

⁹⁴Plea Agreement, Factual Basis for Plea at para. 20, *U.S. v. Jack A. Abramoff* (Dist. D.C., January 3, 2006) (CR-06-001).

⁹⁵ Capitol Campaign Strategies document production (no Bates number) (entitled "Saginaw Wave Two") (undated)

⁹⁶*Id.*

from all the projects listed there, would equal \$5,027,000.⁹⁷

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.”⁹⁸ 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.⁹⁹

On or about August 1, 2002, the Louisiana Coushatta paid CCS \$2,100,000, as Scanlon

⁹⁷Capitol Campaign Strategies document production (no Bates number) (entitled “02 CCS Project Break Downs”) (undated).

⁹⁸Capitol Campaign Strategies document production (BB/LC 007285) (July 26, 2002).

⁹⁹*Id.*

requested.¹⁰⁰ 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.¹⁰¹

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.¹⁰² 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 \$370,000.¹⁰³

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.¹⁰⁴

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

¹⁰⁰Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies).

¹⁰¹*Id.*

¹⁰²*Id.*

¹⁰³*Id.*

¹⁰⁴*Id.*

about October 10, 2002.¹⁰⁵

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.¹⁰⁶ According to that same document, Scanlon projected a net \$1,732,000 on that project and estimated Abramoff's cut at \$866,250.¹⁰⁷ 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.¹⁰⁸ With CCS' projecting to net \$2,235,000 on that project, he estimated Abramoff's cut here at \$1,117,500.¹⁰⁹ 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.

c. 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."¹¹⁰

¹⁰⁵*Id.*

¹⁰⁶Capitol Campaign Strategies document production (no Bates number) (undated) (entitled "JA Nets - Coush Jena Aug").

¹⁰⁷*Id.*

¹⁰⁸Capitol Campaign Strategies document production (no Bates number) (undated) (entitled "AC Wave One"). Scanlon also set aside another \$38,000 as a "plane expense." *See id.*

¹⁰⁹*Id.*

¹¹⁰Memorandum 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.”¹¹¹ 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.”¹¹² Scanlon offered, “In my opinion if you execute this program, you will be in position to achieve all of your political objectives.”¹¹³ Accordingly, Scanlon laid out his Louisiana and Texas “political program.”¹¹⁴

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).”¹¹⁵

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.*

¹¹⁴*See generally id.*; Capitol Campaign Strategies document production (BB/LC 017923) (October 23, 2001) (carbon-copying Abramoff).

¹¹⁵Email 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."¹¹⁶

Scanlon replied, "Coushatta is an absolute cake walk. Your cut on the project as proposed is at least 800k."¹¹⁷

All in all, Scanlon reported that Abramoff would get at that time "1.5. mil on top of the 660. For a toal [sic] of 2.1."¹¹⁸

Abramoff heaped praise on his partner, "How can I say this strongly enough: YOU IZ DA MAN."¹¹⁹

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!"¹²⁰

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."¹²¹ However, Scanlon assured Abramoff: "But we came in way under budget bumping your total on the texas [sic] project up to 600k."¹²²

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."¹²³

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).

¹¹⁷*Id.*

¹¹⁸*Id.*

¹¹⁹Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E0000113847) (September 10, 2001) (emphasis in original).

¹²⁰*Id.*

¹²¹Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E0000113927) (October 5, 2001).

¹²²*Id.*

¹²³*Id.*

how to make that happen.”¹²⁴

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.”¹²⁵ 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.”¹²⁶ 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.¹²⁷ But, how did CCS spend this money? CCS’ own records indicate that a small part was paid to outside vendors for actual work.¹²⁸ 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.¹²⁹

¹²⁴*Id.*

¹²⁵*See* Memorandum from Michael Scanlon, Capitol Campaign Strategies, to Kathryn Van Hoof, Coushatta Tribe of Louisiana, “Louisiana Political Budget Outline” (BB/LC 017923) (October 23, 2001) (carbon-copying Abramoff).

¹²⁶*See id.*

¹²⁷Diehl & 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.”

¹²⁸Diehl & 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.¹³⁰ That month, Scanlon reportedly bought a \$1.6 million beach house in Rehoboth Beach, which he completely renovated.¹³¹

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:¹³²

CAPITOL CAMPAIGN STRATEGIES ACCOUNT SNAPSHOT

DATE	DESCRIPTION	TO/FROM	AMOUNT
10/30/2001	Balance		\$83,249.00
10/31/2001	Consulting Fees	Coushatta	\$700,000.00
10/31/2001	Consulting Fees	Coushatta	\$2,170,000.00
10/31/2001	Balance		\$2,953,249.04
11/2/2001	Professional Campaign; Alabama; 1278	Lunde & Berger	(\$25,000.00)
11/2/2001	Professional Campaign; 1279	Red Sea	(\$11,236.02)

to Scanlon, apparently elated at the prospect of minimizing costs, “Call Ralph and get him moving. He’ll do it for the \$100K. we’z in the money!!!” Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000023050) (October 8, 2001). Later that month, Scanlon wrote Abramoff, “Once [the Tribe] pay[s] we let Ralph loose, and bring Texas home.” Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig, L.L.P (GTG-E000012181) (October 15, 2001). Abramoff responded, “U da[] man!” Email from Jack Abramoff, Greenberg Traurig and Michael Scanlon, Capitol Campaign Strategies (GTG-E000012181) (October 15, 2001).

¹³⁰Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies).

¹³¹Brody 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 at A1.

¹³²The 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.

11/2/2001	Professional Campaign; 1280	Basswood Research	(\$11,270.00)
11/2/2001	Shareholder Draw; 1289	Michael Scanlon	(\$1,400,000.00)
11/8/2001	Professional Campaign; Coushatta TX Program; 1301	Capitol Media	(\$100,000.00)
11/8/2001	Professional Campaign; 1304	Capitol Media	(\$350,000.00)
11/9/2001	Shareholder Draw/Wedding	Michael Scanlon	(\$50,000.00)
11/15/2001	Consulting Fees	Choctaw	\$2,350,000.00
11/15/2001	Shareholder Draw/Wedding	Michael Scanlon	(\$1,563,740.39)
11/26/2001	Shareholder Draw/Bama Race	Michael Scanlon	(\$75,000.00)
11/26/2001	Professional Campaign/Texas	Lunde & Berger	(\$13,000.00)
11/26/2001	Professional Campaign/Alabama	Lunde & Berger	(\$130,000.00)
11/27/2001	Money Market		(\$2,923,485.08)
11/27/2001	Shareholder Draw/Wedding	Michael Scanlon	(\$5,000.00)
11/27/2001	Shareholder Draw; Michael Wedding	Michael Scanlon	(\$60,000.00)
11/27/2001	Balance		\$174,560.77
11/30/2001	Balance		\$68,995.57
12/12/2001	Shareholder Draw; Preferred Account	Legg Mason Wood	(\$50,000.00)
12/19/2001	Referral Expense; 1396	Jack Abramoff	(\$300,000.00)
12/31/2001	Referral Expense; 1398	Jack Abramoff	(\$1,718,125.00)
12/31/2001	Professional Campaign	Capitol Media	(\$250,000.00)
12/31/2001	Balance		(\$2,392,137.00)
1/2/2002	Deposit	Money Market	\$2,754,942.00
1/2/2002	Balance		\$362,804.86

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.

¹³³Email 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."¹³⁴

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."¹³⁵

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)."¹³⁶

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

¹³⁴Capitol Campaign Strategies document production (BB/LC 015391) (January 6, 2002).

¹³⁵Memorandum 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 \$21,057,561.¹³⁷

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.¹³⁸ 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."¹³⁹ The relevant portion of CCS' ledger, which reflects this activity, is set out below.¹⁴⁰

CAPITOL CAMPAIGN STRATEGIES ACCOUNT SNAPSHOT

DATE	DESCRIPTION	TO/FROM	AMOUNT
1/2/2002	Balance		\$362,804.86
1/7/2002	Balance		\$505,356.94
1/18/2002	Consulting Fees	Coushatta	\$1,505,000.00
1/18/2002	Consulting Fees	Coushatta	\$1,500,000.00
1/18/2002	Consulting Fees	Coushatta	\$1,000,000.00
1/24/2002	Professional Campaign; LA; 1452	Lunde & Berger	(\$25,000.00)
1/30/2002	Shareholder Draw		(\$1,000,000.00)
1/30/2002	Shareholder Draw		(\$950,000.00)

¹³⁷According 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.

¹³⁸Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies).

¹³⁹Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies).

¹⁴⁰The 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.

2/1/2002	Balance		\$3,207,343.96
2/7/2002	Legal/Professional; Legal Work; 1476	Jon Van Horne	(\$20,000.00)
2/12/2002	Professional Campaign; LA - Jena; 1489	Lunde & Berger	(\$30,000.00)
2/14/2002	Professional Campaign	Alexander Strategies	(\$120,000.00)
2/19/2002	Consulting Fees	Saginaw Chippewa	\$1,869,831.00
2/19/2002	Professional Campaign; 1492	Capitol Media	(\$51,679.00)
2/20/2002	Professional Campaign; Final Payment; 1494	Glover Associates	(\$34,291.16)
2/21/2002	Professional Campaign; LA; 1495	Lunde & Berger	(\$75,000.00)
2/22/2002	Transfer	Money Market	(\$2,000,000.00)
2/22/2002	Referral Expense; 1496	Kaygold	(\$2,779,925.60)
2/22/2002	Balance		\$1,075,164.69
2/25/2002	Professional Campaign; Radio Buy; LA; 1498	Capitol Media	(\$60,000.00)
2/25/2002	Professional Campaign; LA Project; 1499	Capitol Media	(\$100,000.00)
2/28/2002	Consulting Fees	Choctaw	\$1,605,000.00
2/28/2002	Shareholder Draw		(\$50,000.00)
3/1/2002	Balance		\$4,343,157.00
3/1/2002	Professional Campaign; MS Bonus; 1526	Lunde & Berger	(\$50,000.00)
3/4/2002	Consulting Fees; Deposit		\$1,002,750.00
3/5/2002	Deposit	Money Market	\$2,000,000.00
3/5/2002	Consulting Fees; Deposit		\$2,100,000.00
3/5/2002	Shareholder Draw	Michael Scanlon	(\$4,753,108.94)
3/14/2002	Shareholder Draw		(\$150,000.00)
3/15/2002	Consulting Fees	Coushatta	\$3,405,000.00
3/15/2002	Consulting Fees	Sandia Pueblo	\$1,875,000.00
3/21/2002	Referral Expense; 1557	Jack Abramoff	(\$4,080,997.00)
3/21/2002	Referral Expense; 1558	Kevin Ring	(\$67,500.00)
3/22/2002	Shareholder Draw	Michael Scanlon	(\$1,000,000.00)
3/25/2002	Shareholder Draw	Michael Scanlon	(\$300,000.00)
3/25/2002	Shareholder Draw	Michael Scanlon	(\$25,000.00)
3/27/2002	Professional Campaign; Media	Red Sea	(\$33,600.00)
3/28/2002	Professional Campaign; Media	Red Sea	(\$116,680.00)
4/1/2002	Consulting Fees	Saginaw Chippewa	\$1,200,000.00
4/1/2002	Balance		\$5,730,488.93

4/2/2002	Shareholder Draw; 1573	Michael Scanlon	(\$4,350,000.00)
4/2/2002	Shareholder Draw; 1574	Michael Scanlon	(\$500,000.00)
4/4/2002	Consulting Fees	Tigua	\$1,293,180.00
4/4/2002	Consulting Fees	Coushatta	\$2,100,000.00
4/8/2002	Referral Expense; 1580	Kaygold	(\$2,138,025.00)
4/10/2002	Consulting Fees	Sandia Pueblo	\$875,000.00
4/10/2002	Professional Campaign; NM Poll 2; 1586	Frabrizio and McLaughlin	(\$10,000.00)
4/11/2002	Professional Campaign; Prof Services; 1593	Weber Company	(\$41,634.96)
4/11/2002	Professional Campaign; LA Survey; 1597	Basswood Research	(\$28,567.67)
4/15/2002	Professional Campaign; Tigua; 1615	Lunde & Berger	(\$50,000.00)
4/15/2002	Referral Expense; 1616	Kevin Ring	(\$67,500.00)
4/16/2002	Shareholder Draw	Michael Scanlon	(\$2,000,000.00)
4/16/2002	Balance		\$471,009.87

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

¹⁴¹Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG-E000010889) (January 6, 2002).

¹⁴²*Id.*

¹⁴³Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies).

¹⁴⁴*Id.*

¹⁴⁵Email 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-fiancee, Emily Miller.¹⁴⁶ This beachfront mansion reportedly had a weight room, sauna and a three-bedroom guest house.¹⁴⁷ Scanlon mounted lights on the deck so he could hold parties on the beach at night, his surfing friends have reportedly said.¹⁴⁸ He also bought vacation homes on the Caribbean island of St. Barts, including one villa he reportedly rented out for \$50,000 a week.¹⁴⁹

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?”¹⁵⁰

Referring to the Louisiana Coushatta, on April 8, 2002, Abramoff observed, “They are ripe for more pickings. We have to figure out how.”¹⁵¹

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?”¹⁵²

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

¹⁴⁶Brody 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 at A1.

¹⁴⁷*Id.*

¹⁴⁸*Id.*

¹⁴⁹*Id.*

¹⁵⁰Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000011588) (March 12, 2002).

¹⁵¹Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000252622-23) (April 8, 2002).

¹⁵²Email 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.”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.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.”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?”¹⁵⁶

On the next day, Scanlon updated Abramoff, “Hey—good day all around—we wrapped up the Sag Chip crap—We hit Cough—I think for 3 mil—and we are working gon [sic] Acaliente [sic] presentation—should be tight.”¹⁵⁷

Abramoff answered, “Thanks so much! You are a great partner. What I love about our

¹⁵³*Id.*

¹⁵⁴*Id.*

¹⁵⁵Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG-E000011737) (June 18, 2002).

¹⁵⁶*Id.*

¹⁵⁷Email 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!"¹⁵⁸ Scanlon replied, "Amen! You got it boss—we have many years ahead!"¹⁵⁹

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 phasesm [sic]."¹⁶⁰ Indeed, on July 12, 2002, after that payment arrived, CCS made three payments to Kaygold, of \$800,000; \$20,000; and \$44,000.¹⁶¹

e. Transaction #5 (October 16, 2002) - Louisiana Coushatta Pays \$950,000 and the Agua Caliente Pays \$1,745,000 to CCS

In its brazenness, 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."¹⁶²

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."¹⁶³

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."¹⁶⁴

¹⁵⁸*Id.*

¹⁵⁹*Id.*

¹⁶⁰Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000011746) (July 9, 2002).

¹⁶¹Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies).

¹⁶²Capitol Campaign Strategies document production (BB/LC 007288) (October 9, 2002) (carbon-copying Abramoff).

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.”¹⁶⁵

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 \$2,000,000.¹⁶⁶ About a day later, the Louisiana Coushatta paid CCS \$950,000, as Scanlon requested.¹⁶⁷ And, at about that same time, the Agua Caliente made another payment of \$1,745,000.¹⁶⁸ The original \$2,000,000 balance was restored in that account on or about October 25, 2002.¹⁶⁹

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.”¹⁷⁰ It also reflects a payment of \$250,000 to the Republican Governors Association and several payments on credit card bills and charter airfare.¹⁷¹ Otherwise, the only notable activity that is reflected on the ledger during this period are three “shareholder draws” taken by Scanlon, totaling \$2,200,000.¹⁷² 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.¹⁷³ 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.*

¹⁶⁶Diehl & 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.”¹⁷⁴

Scanlon answered, “No money in yet—still waiting on the wire—ill [sic] send it over as soon [sic] as it comes in—Its cool—all approved and everything—just not been executed yet.”¹⁷⁵

Abramoff replied, “Other than the AC, what next on the money train?”¹⁷⁶

Scanlon answered, “The next big money we have coming our way is Coughatta, and that will be in early January—the exact amounts I’m still hammering out.”¹⁷⁷

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.¹⁷⁸ 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.”¹⁷⁹

f. Transaction #6 (January - March 2003) - Louisiana Coughatta Pays CCS \$5,000,000

The Louisiana Coughatta’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 “Coughatta,” Abramoff wrote Scanlon, “Give me a call asap. I have some thoughts

¹⁷⁴Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000056775) (December 17, 2002).

¹⁷⁵*Id.*

¹⁷⁶*Id.*

¹⁷⁷*Id.*

¹⁷⁸Capitol 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

¹⁸⁰Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000252878) (January 21, 2003).

¹⁸¹Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000252882) (February 17, 2003).

¹⁸²*Id.*

¹⁸³*Id.*

¹⁸⁴Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000027864) (February 18, 2003).

¹⁸⁵Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies).

¹⁸⁶Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000027864) (February 18, 2003).

¹⁸⁷Email 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!”¹⁸⁸

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.”¹⁸⁹ 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.¹⁹⁰ It appears that those draws funded purely personal expenses.

CAPITOL CAMPAIGN STRATEGIES ACCOUNT SNAPSHOT

DATE	DESCRIPTION	TO/FROM	AMOUNT
1/31/2003	Balance		\$934,962.28
2/3/2003	Professional Campaign; CA Mailer; 2176	Red Sea	(\$40,154.96)
2/3/2003	Shareholder Draw; SCM; 2177	Phillip Brun	(\$44,500.00)
2/12/2003	Consulting Fees	Coushatta	\$5,000,000.00
2/12/2003	Shareholder Draw	Aviation Group	(\$44,400.00)
2/19/2003	Professional Campaign; Databases; 2201	DDC	(\$14,000.00)
2/19/2003	Professional Campaign; CA; 2203	Basswood Research	(\$15,425.00)
2/19/2003	Referral Expense	Kaygold, LLC	(\$1,965,000.00)
2/26/2003	Shareholder Draw	Michael Scanlon	(\$1,000,000.00)
2/26/2003	Shareholder Draw	Michael Scanlon	(\$965,000.00)
2/28/2003	Balance		\$1,701,290.87
3/3/2003	Shareholder Draw	Michael Scanlon	(\$20,000.00)
3/7/2003	Travel: Airfare		(\$89,537.18)

¹⁸⁸*Id.*

¹⁸⁹Email from Jack Abramoff, Greenberg Traurig, to Gail Halpern, May & Bernhard, P.C. (GTG-E000012115) (February 20, 2003).

¹⁹⁰The 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.

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
3/11/2003	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.”¹⁹¹

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?”¹⁹² 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.

¹⁹¹Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000011983) (February 28, 2003).

¹⁹²Email 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

¹⁹³Agua Caliente document production (no Bates number) (entitled "Verbatim Excerpt-Tribal Council Meeting of Tuesday, July 9, 2002") (July 20, 2004) (excerpt only).

¹⁹⁴*Id.*

¹⁹⁵Capitol Campaign Strategies document production (BB/LC 017923) (October 23, 2001) (carbon-copying Abramoff).

¹⁹⁶Email from Jack Abramoff, Greenberg Traurig, to Kathryn Van Hoof, Coushatta Tribe of Louisiana (COUSH-MiscFin-0000371) (April 12, 2001).

statewide format.”¹⁹⁷

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.¹⁹⁸ 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.¹⁹⁹ 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.²⁰⁰ Worfel also recalled that the two said that, with respect to the vendors’ employees, the databases contained contact, voter registration, and political affiliation information.²⁰¹

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.²⁰² Yet, the only information that they showed him was the election results in the district.²⁰³ Worfel also remembers that Scanlon and Cathcart told him that they could pull up opposition research data, but didn’t do so.²⁰⁴ Having presented their database to Worfel, Scanlon said he could beat any candidate with “anybody.”²⁰⁵ Worfel testified that both Scanlon and Cathcart told him that, with this database, “you can

¹⁹⁷Memorandum from Michael Scanlon, Capitol Campaign Strategies, to Kathryn Van Hoof, Coushatta Tribe of Louisiana, “Louisiana Political Budget Outline” (October 23, 2001) (carbon-copying Abramoff).

¹⁹⁸Interview 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.”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.”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.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.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

²⁰⁶*Id.*

²⁰⁷Capitol 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).

²⁰⁸*Id.*

²⁰⁹*Id.*

offensive or defensive political efforts.”²¹⁰

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.²¹¹ Scanlon’s asking price for “Operation Redwing” was \$4,207,000²¹² and for “Operation Open Doors,” \$5,400,000.²¹³

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.²¹⁴ Otto recalled that Abramoff was also in attendance.²¹⁵ 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.²¹⁶ Otto also remembered Scanlon’s saying that the database was “customized” and that the software would specifically be built for the Tribe.²¹⁷ Additionally, Otto stated that Scanlon cited the need to do mass mailings to write to members of Congress to prevent gaming

²¹⁰*Id.*

²¹¹A full description of relevant events relating to the Tigua is contained *supra* in Part 1, Chapter 5, “Ysleta del Sur Pueblo.”

²¹²Capitol 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).

²¹³Email from Jack Abramoff, Greenberg Traurig, to Marc Schwartz, Partners Group Consultants (GTG-E000076138-150) (February 18, 2002) (attaching “Operation Open Doors” proposal); Capitol Campaign Strategies document production (no bates number) (undated) (entitled “Tigua Action Plan—Cost Breakout—Talking Points”).

²¹⁴Interview 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.

²¹⁵Interview of David Otto, former Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (August 27, 2004).

²¹⁶*Id.*

²¹⁷*Id.*

competition in the area.²¹⁸ According to Otto, Scanlon represented that his company created and maintained the database.²¹⁹ On or about January 4, 2002, the Tribal Council voted to hire Scanlon to create the database for about \$1.85 million.²²⁰

Otto recalled working with Cathcart at CCS, to build up the database with lists of the Tribe's employees and members.²²¹ 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.²²² 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.²²³ Otto recalls Scanlon saying that this database would generate massive phone call and letter campaigns.²²⁴

At a subsequent meeting, Otto was shown the database.²²⁵ Otto recalled that Cathcart did some talking, as did another CCS associate David Flaherty.²²⁶ He remembered that another CCS associate named Amy Biederman was also in attendance, but did not speak much during the meeting.²²⁷ 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."²²⁸ He did not think it was worth millions of dollars.²²⁹ Otto assumed that the Tribe had immediate access to the database.²³⁰ 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.²³¹ 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.²³²

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.”²³³ Against that backdrop, he and Abramoff proposed a nationwide political campaign for the Tribe.²³⁴ 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.²³⁵

Abramoff noted, “my part is easy; the hard part is keeping this from being undone.”²³⁶ 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.”²³⁷ 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.²³⁸ With Abramoff having characterized Scanlon as “expensive but worth it,”²³⁹ Scanlon explained that he would implement this “submarine strategy” through the database that he was supposedly going to build for the tribe.²⁴⁰

Scanlon apparently designated his “right-hand man,” Christopher Cathcart to serve as his

²³¹*Id.*

²³²*Id.*

²³³Interview with Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

²³⁴*Id.*

²³⁵*Id.*

²³⁶*Id.*

²³⁷*Id.*

²³⁸*Id.*

²³⁹*Id.*

²⁴⁰Interview with Tom Diamond, Esq., Diamond, Rash, Gordon & Jackson, outside counsel, Ysleta del Sur Pueblo of Texas, in El Paso, Texas (October 28, 2004); Interview with Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

point of contract with the Tribe.²⁴¹ Working with Cathcart on the Tribe's behalf was Tribal spokesperson Marc Schwartz.²⁴² Schwartz believed that he may have had as many as 20 to 25 conversations with Cathcart.²⁴³ In his interview with Committee staff, Schwartz recalled Cathcart had described the database as "very customized."²⁴⁴ 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.²⁴⁵ Schwartz also remembered asking Cathcart how many people were working for Scanlon's company.²⁴⁶ In response, Schwartz recalled, Cathcart said "dozens" and described Scanlon's company to Schwartz as "absolute studs."²⁴⁷

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.²⁴⁸ According to Schwartz, Cathcart never mentioned that Scanlon had, or planned to use, outside vendors.²⁴⁹ 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.²⁵⁰

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.²⁵¹ Schwartz also believes that various

²⁴¹See Interview with Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

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.²⁵² After having seen the database subsequently, Schwartz considered it "extremely unremarkable."²⁵³ In his view, there was "no way" that the database required "six people working day-and-night" or that "the database was worth millions."²⁵⁴ But, the Tribe had already paid CCS \$4,200,000.²⁵⁵

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.²⁵⁶ 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.²⁵⁷

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 Coughatta Political Program," dated June 26, 2001.²⁵⁸ 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."²⁵⁹ It is also reflected in the minutes of an Agua Caliente Tribal Council meeting during which Scanlon and Abramoff pitched the database.²⁶⁰ 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.*

²⁵⁶Interview of Stewart 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).

²⁵⁷Interview of Stewart 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).

²⁵⁸Louisiana Coughatta document production (no Bates number) (June 26, 2001) (entitled, "The Coughatta Political Program," by Michael Scanlon).

²⁵⁹*Id.*

²⁶⁰Agua Caliente document production (no Bates number) (entitled "Verbatim Excerpt-Tribal Council Meeting of Tuesday, July 9, 2002") (July 20, 2004) (excerpt only).

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”²⁶¹

Scanlon also described the grassroots database as “custom built” in a draft of the “Agua Caliente Global Political Strategy,” dated July 8, 2002.²⁶² 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.”²⁶³ To “organize” and implement this strategy, Scanlon sought from the Agua Caliente \$5,400,000 and an additional set-aside of \$2,000,000.²⁶⁴

b. The Facts

In truth, Scanlon’s company neither built nor designed these databases.²⁶⁵ In fact, Scanlon merely licensed a database actually created by a vendor named Democracy Data & Communications (“DDC”).²⁶⁶ In instances where CCS charged Tribes for DDC’s databases, DDC developed them to help CCS conduct grassroots campaigns on the Tribes’ behalf.²⁶⁷ In these cases, CCS supplied DDC with information, such as membership rosters and vendor information, that CCS obtained from its Tribal clients.²⁶⁸ Then, using its own proprietary software and network design, DDC helped CCS use that information for grassroots purposes—to

²⁶¹*Id.*

²⁶²Capitol Campaign Strategies document production (no Bates number) (entitled “Agua Caliente Global Political Strategy”) (undated).

²⁶³*Id.*

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).

²⁶⁵Interview 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).

²⁶⁶Interview 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).

²⁶⁷Interview 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).

²⁶⁸Interview 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.²⁶⁹

In other words, DDC, rather than CCS, built, updated and maintained those databases, for which CCS charged its tribal clients millions of dollars.²⁷⁰ Typically, Scanlon charged each of the Tribes at least \$1,000,000 just for putting the database together; this was called the “organizational phase.”²⁷¹ 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 \$104,000.²⁷² 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.”²⁷³ He also conceded that the Tigua’s database was not customized.²⁷⁴

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”

²⁶⁹Interview 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).

²⁷⁰Interview 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).

²⁷¹*See, e.g.*, Agua Caliente document production (AC 0287) (July 24, 2002) (Letter from Michael P. Scanlon, Scanlon Gould Public Affairs, to Chairman Richard Milanovich, Agua Caliente Band of Cauhilla Indians, July 24, 2002) (describing organizational phase as “[i]nclud[ing] acquisition and design of hardware and software on behalf of the Tribe, data matching, grassroots development, online applications and political modifications”). For this, Scanlon charged the Agua Caliente \$1,875,000. *Id.* *See also* Email from Jack Abramoff, Greenberg Traurig, to Marc Schwartz, Ysleta del Sur Pueblo of Texas (GTG-E000076138-150) (February 18, 2002) (attaching “Operation Open Doors” and describing organizational phase similarly). For this, Scanlon charged the Tigua \$1,875,000. *Id.*

²⁷²Interview 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).

²⁷³Interview with Christopher Cathcart, former associate, Capitol Campaign Strategies, in Washington, D.C. (November 4, 2004).

²⁷⁴*Id.*

on the CCS account that were maintained for CCS' tribal clients.²⁷⁵ Generally, McConnon observed, customers who have such a low level of usage tend to shut off the account.²⁷⁶ McConnon recalled that CCS used DDC's services so sparingly, "it got to be a running joke in the office."²⁷⁷

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.²⁷⁸ 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."²⁷⁹ 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

²⁷⁵Interview 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).

²⁷⁶Interview 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).

²⁷⁷Interview 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).

²⁷⁸Interview 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).

²⁷⁹Email between Charles Trout, Visual Impact Productions, and Christopher Cathcart, Capitol Campaign Strategies, "democracy direct feates [sic]/functionality" (no Bates number) (August 27, 2003).

without re-learning the interface.”²⁸⁰ 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.”²⁸¹

Having examined VIP’s database, McConnon opined that it was far less capable than his company’s.²⁸² 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.²⁸³ McConnon agreed that someone at CCS apparently showed the other vendor the “access page” of his company’s database.²⁸⁴ McConnon confirmed that this would be a violation of the licensing agreement that Scanlon executed with DDC.²⁸⁵

For a version of this database, the Pueblo of Sandia paid Scanlon \$1,857,000.²⁸⁶ 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.”²⁸⁷ However, in actuality, Scanlon never provided those

²⁸⁰*Id.*

²⁸¹*Id.*

²⁸²Interview 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).

²⁸³Interview 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).

²⁸⁴Interview 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).

²⁸⁵Interview 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).

²⁸⁶Interview of Stewart 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).

²⁸⁷Capitol Campaign Strategies document production (no Bates number) (March 14, 2002) (Draft Letter from Michael Scanlon, Scanlon Gould, to Governor Stewart 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).

²⁸⁸Interview 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).

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 Stewart Paisano, Pueblo of Sandia of New Mexico (March 14, 2002) (draft).

²⁹¹Interview 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).

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.”²⁹² He continued, “Our mission is to get specifically selected groups of individuals to the polls to speak out AGAINST something.”²⁹³

According to Scanlon, “To that end, your money is best spent finding them and communicating with them on using 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.”²⁹⁴

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”²⁹⁵ 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.²⁹⁶ 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

²⁹²Capitol Campaign Strategies document production (BB/LC 017923) (October 23, 2001).

²⁹³*Id.*

²⁹⁴*Id.* (emphasis in original).

²⁹⁵Deposition of Aaron Stetter, former associate, Capitol Campaign Strategies, in Washington, D.C. (May 26, 2005).

²⁹⁶A 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

²⁹⁷Deposition of Aaron Stetter, former associate, Capitol Campaign Strategies, in Washington, D.C. (May 26, 2005).

²⁵¹*Id.*

²⁵²*See* Interview with Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Washington, D.C. (April 27-29, 2005).

²⁵³Deposition of Aaron Stetter, former associate, Capitol Campaign Strategies, in Washington, D.C. (May 26, 2005).

²⁵⁴*Id.*

²⁵⁵Capitol Campaign Strategies document production (no Bates number) (entitled “CCAGE talking points”) (undated).

²⁵⁶*Id.*

gambling to families and communities.”²⁵⁷ 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.”²⁵⁸ 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.”²⁵⁹ 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.²⁶⁰ He then handed the phones over to Amy Biederman, another CCS associate.²⁶¹ 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.²⁶²

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.”²⁶³ Stetter recalled that he stuffed these fliers in, among other places, the mailboxes of each state senator.²⁶⁴ One such flier listed the address at a Post Office in Flowwood, 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.*

²⁶⁰Deposition of Aaron Stetter, former associate, Capitol Campaign Strategies, in Washington, D.C. (May 26, 2005).

²⁶¹*See id.*

²⁶²*See id.*

²⁶³*Id.*

²⁶⁴*Id.*

cell phone” to delude the fliers’ recipients that these were bona fide grassroots organizations.²⁶⁵ In fact, Stetter noted that he chose Flowwood simply because it was close to the airport where he arrived.²⁶⁶ Scanlon insisted that P.O. Boxes be set up in the states where CCS was operating.²⁶⁷ 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.²⁶⁸ 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.²⁶⁹

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.²⁷⁰ 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.”²⁷¹

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”²⁷²

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.*

²⁶⁷*See* Interview of Christopher Cathcart, associate, Capitol Campaign Strategies, in Washington, D.C. (May 5, 2005).

²⁶⁸Deposition of Aaron Stetter, former associate, Capitol Campaign Strategies, in Washington, D.C. (May 26, 2005).

²⁶⁹Interview of Christopher Cathcart, former associate, Capital Campaign Strategies, in Washington, D.C. (May 5, 2005).

²⁷⁰Interview 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.”²⁷³ He described them as “flashes in the pan [that were designed] to appease [CCS’] clients.”²⁷⁴ 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.”²⁷⁵ With CCS associates collecting signatures “on K-Mart or Walmart parking lots,” Mann felt that those activities “didn’t amount to very much.”²⁷⁶

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.

²⁷³Interview 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

¹Brody Mullins, *Abramoff Shops Himself on K Street*, Roll Call, March 23, 2004.

²Shawn Zeller, *Lobbying & Law—K Street Cooled Off in 2002*, National Journal, April 19, 2003.

observer described it at the time as “a client with interests that are hard to decipher.”³

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”).⁴ 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.”⁵ 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 2001.⁶ 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.⁷ Otherwise, Cathcart claims, he did not know what role Abramoff had in AIC.⁸

Early in 2001, Scanlon called his long-time friend and fellow lifeguard David Grosh and

³*Id.*

⁴Plea Agreement, Factual Basis for the Plea at para. 2, *U.S. v. Michael P.S. Scanlon* (D.C. District Court, November 17, 2005) (CR-05-411); Plea Agreement, Factual Basis for the Plea at para. 4, *U.S. v. Jack A. Abramoff* (D.C. District Court, January 3, 2006) (CR-06-001).

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).

⁷*Id.*

⁸*Id.*

asked him whether he wanted to serve as a director of an “international corporation.”⁹ Grosh, who knew quite well that his background was unsuited for such a position, thought that this was a joke but finally agreed:¹⁰

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].¹¹

Scanlon then offered Grosh \$500 per month to serve as a director of AIC.¹² At some point, Grosh asked Scanlon why he selected him.¹³ According to Grosh, Scanlon answered, “because you are a political unknown.”¹⁴ 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.”¹⁵ Notably, Grosh also recalled Scanlon mentioning that he had experience “running campaigns” in countries in Asia and Central America.¹⁶

⁹Interview 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).

¹²Interview 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 2001.¹⁷ 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.”¹⁸ He also conceded that his background did not qualify him to serve on the board of “an international think tank.”¹⁹ Throughout the time that Grosh served as a director of AIC, he thought that “this was some silly game that Scanlon was playing.”²⁰

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.²¹ 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.”²²

Late in 2001 or early in 2002, Scanlon started talking to Mann about possibly working for

¹⁷Interview of David Grosh, former director, American International Center, in Washington, D.C. (February 8, 2005).

¹⁸*Id.*; *American International Center* (no longer available) <<http://www.americent.org/mission.html>> (setting forth AIC mission statement).

¹⁹Interview of David Grosh, former director, American International Center, in Washington, D.C. (February 8, 2005).

²⁰Interview of David Grosh, former director, American International Center, in Washington, D.C. (February 8, 2005).

²¹Interview 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.*

²²“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.²³ Mann was Grosh's house-mate at the time.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.²⁵ After Mann started working for Scanlon, he came to learn that Scanlon did public relations work for Indian casinos.²⁶ In particular, Scanlon claimed he conducted projects intended to help those Tribes with their market share.²⁷ In furtherance of these projects, Mann began to research, and distribute to other Scanlon employees, articles regarding Scanlon's Tribal clients.²⁸ In fact, according to Mann, "researching articles is all [he] was doing for AIC or CCS."²⁹ He was also given the authority to sign checks on behalf of AIC.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.³¹ Grosh never took that trip.³² But, Scanlon paid for Mann to fly to St. Barts about four times.³³

Grosh and Mann, who served as AIC's only directors, recalled that AIC had fewer than

²³Deposition 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).

²⁴Deposition 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).

²⁵Deposition of Brian Mann, former director, American International Center, in Washington, D.C. (March 31, 2005).

²⁶*Id.*

²⁷*Id.*

²⁸*Id.*

²⁹*Id.*

³⁰*Id.*

³¹Interview of David Grosh, former director, American International Center, in Washington, D.C. (February 8, 2005).

³²*Id.*

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 2001.³⁴ Grosh recalled that Scanlon characterized those meetings as “a paperwork formality”.³⁵ 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.”³⁶ 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.”³⁷ Mann could only recall discussing Scanlon’s acquiring, and his own cleaning, office space for AIC, and Grosh’s departure from the organization.³⁸

Records obtained by the Committee indicate that AIC held only two board meetings—on September 30 and October 30, 2001.³⁹ 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.⁴⁰

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.⁴¹ Grosh recalls, “Scanlon was always throwing around money; no one makes that much money over such a short period of time.”⁴² 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).

³⁹ Capitol Campaign Strategies document production (BB/CCS 023748-49) (September 30, 2001); Capitol Campaign Strategies document production (BB/AIC 000634) (October 30, 2001).

⁴⁰ Capitol Campaign Strategies document production (BB/CCS 023748) (September 30, 2001).

⁴¹ Interview of David Grosh, former director, American International Center, in Washington, D.C. (February 8, 2005).

⁴² *Id.*

related to Indian gaming.⁴³ Therefore, Grosh decided to leave.⁴⁴ For his “services,” Grosh was compensated in total \$2,500 to \$3,000.⁴⁵

After Grosh left AIC, Mann was, as far as he knew, its only employee.⁴⁶ In fact, according to Mann, no one other than Grosh and himself was ever paid by AIC as an employee.⁴⁷ Moreover, the only time Mann recalled Grosh “ever doing anything was helping me literally put a desk together.”⁴⁸ Otherwise, he had “no idea” what Grosh did.⁴⁹

Mann, whom Scanlon also publicly held out as a director of AIC, was (and remains) unsure about exactly what AIC did.⁵⁰ Mann testified that “[a]ll [he] knew was that [he] was providing newspaper clips,” as instructed.⁵¹ Mann readily conceded that his professional and educational background, like Grosh’s, were completely unrelated to the purported mission of AIC.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”).⁵³ Convinced that Scanlon was “a fraud,” Mann stopped working for SCM in October 2005.⁵⁴

Christopher Cathcart, who served as Scanlon’s top assistant and was therefore in a

⁴³*Id.*

⁴⁴*Id.*

⁴⁵*Id.*

⁴⁶Deposition of Brian Mann, former director, American International Center, in Washington, D.C. (March 31, 2005).

⁴⁷*Id.*

⁴⁸*Id.*

⁴⁹*Id.*

⁵⁰*Id.*

⁵¹*Id.*

⁵²*Id.*

⁵³*Id.*

⁵⁴*Id.*

position to opine about AIC with authority, said he considered AIC an alter ego of Scanlon.⁵⁵ Mann agreed that, although he was getting paid by AIC, he was in fact working for Scanlon.⁵⁶ In his mind, the two were the same.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.⁵⁸ While Cathcart and Biederman worked on the website's content, Abramoff had an outside contractor program and design it.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.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

⁵⁵Interview of Christopher Cathcart, former associate, Capitol Campaign Strategies, in Washington, D.C. (May 5, 2005).

⁵⁶ Deposition of Brian Mann, former director, American International Center, in Washington, D.C. (March 31, 2005).

⁵⁷*Id.*

⁵⁸Interview of Christopher Cathcart, former associate, Capitol Campaign Strategies, in Washington, D.C. (May 5, 2005).

⁵⁹*Id.*

⁶⁰Email between Jack Abramoff, Greenberg Traurig, and Ben Mackler, Mack Design (no Bates number) (January 19, 2002) (emphasis added).

AmericanInternationalCenter.org?”⁶¹

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.”⁶²

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.⁶³

Abramoff replied, “The 3500 option is fine with me. let’s do it.”⁶⁴

Cathcart testified that ultimately he and Biederman spent only about an hour working on the website.⁶⁵ 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 Rico⁶⁶. Cathcart believed that he may have been given some written material for the website.⁶⁷ If so, he believed that it would have included the articles of incorporation, the bylaws, and other organizational documents.⁶⁸ Cathcart likewise recalled not drafting a mission statement, which he said would have been provided to him.⁶⁹ Otherwise, according to Cathcart, he and Biederman “didn’t have much to go on.”⁷⁰ Cathcart noted that they gave Scanlon the text that they developed for final approval.⁷¹ 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.*

⁶⁵Interview of Christopher Cathcart, former associate, Capitol Campaign Strategies, in Washington, D.C. (May 5, 2005).

⁶⁶*Id.*

⁶⁷*Id.*

⁶⁸*Id.*

⁶⁹*Id.*

⁷⁰*Id.*

⁷¹*Id.*

Should have most of the content tomorrow.”⁷²

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?”⁷³ On February 13, 2002, Abramoff followed-up with Cathcart to make sure that Mackler got paid.⁷⁴

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.”⁷⁵ In each of their depositions and interviews with Committee staff, Grosh, Mann and Cathcart said they had no idea what this meant.⁷⁶

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.”⁷⁷ 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).

⁷⁵*American International Center* (no longer available)
<<http://www.amercent.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).

⁷⁷*American International Center* (no longer available)
<<http://www.amercent.org/mission.html>>.

representations, each agreed that they were false.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,”⁷⁹ admitted to being embarrassed

⁷⁸See 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).

⁷⁹Interview 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. (August 18, 2005) (limiting “right hand man” observation to CCS’ work for Louisiana Coshatta). 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.” *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.” *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.” *Id.* Cathcart also provided Mann instruction and guidance on what he should be researching. *Id.* Mann agreed that “when Scanlon wasn’t around, [Cathcart] was The Man.” *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."⁸⁰ Cathcart never thought a client would see AIC's website, although he never explained how the website would otherwise be used.⁸¹ According to Cathcart, "[e]veryone who worked with AIC knew it was the same thing as Mike [Scanlon]."⁸² In his interview with Committee staff, Cathcart claimed that he did not even know why Scanlon wanted a website.⁸³ Cathcart claimed that he thought Scanlon wanted a website "like he wanted the Range Rover."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.⁸⁵

On at least one occasion, Abramoff's employer, Greenberg Traurig, apparently tried to

\$35,000 in bonus. Letter from Charles Leeper, Esq., Spriggs & Hollingsworth, to Pablo E. Carrillo, Chief Investigative Counsel, Senate Committee on Indian Affairs (November 12, 2004). But, by December 2003, when Cathcart left CCS, he received a salary of \$105,000, plus a bonus approximating \$390,000. *Id.* During his employment with Scanlon, Cathcart received a total of about \$740,000 in compensation. *See id.*

⁸⁰Interview of Christopher Cathcart, former associate, Capitol Campaign Strategies, in Washington, D.C. (May 5, 2005).

⁸¹*Id.*

⁸²*Id.*

⁸³*Id.*

⁸⁴*Id.*

⁸⁵Other 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.⁸⁶ According to Baggett, Greenberg Traurig was “to jointly represent [it] with a gentleman named Khaled Saffuri” on “Malaysian-related interests and issues.”⁸⁷ 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.”⁸⁸ 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.”⁸⁹

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)].”⁹⁰ 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 unbeleivebal [sic] assest [sic] tou [sic] our organization, we feel that if as a vendor of ours if we are presented with such an unexplicalbe [sic] line of questioning again, we will unfortuantley [sic] review and vote on your continuing representation at our next board meeting.”⁹¹ 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.

⁸⁶Interview 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.*

⁹¹Email 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.⁹² 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.⁹³

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

1.	2/27/01	\$200,000
2.	4/9/01	\$150,000

⁹²A 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.”

⁹³Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas, Meeds, to [REDACTED] (GTG-E000018933) (May 10, 1999).

3.	5/2/01	\$175,000
4.	5/11/01	\$960,654

\$1,485,654

1.	2/22/02	\$1,000,000
2.	12/11/02	\$170,000

\$1,170,000

Total **\$2,655,654**

Louisiana Coushatta Payments to AIC

1.	3/16/01	\$400,000 ⁹⁴
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

Payments from AIC to Reed-Controlled Entities

3/16/01	Century Strategies	\$45,000
3/16/01	Century Strategies	\$350,000
3/16/01	Century Strategies	\$50,000
3/16/01	Century Strategies	\$100,000
3/22/01	Century Strategies	\$200,000
4/03/01	Century Strategies	\$198,000
4/20/01	Century Strategies	\$100,000

⁹⁴The 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.”

4/30/01	Century Strategies	\$398,000
5/02/01	Century Strategies	\$100,000
5/10/01	Century Strategies	\$750,000
Total		<u>\$2,291,000</u>

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		<u>\$1,723,029</u>

Grand Total of all Payments by Scanlon-Controlled Entities to Reed-Controlled Entities

Total		<u>\$4,014,029</u>
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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 turining [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.”⁹⁶

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?”⁹⁷

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?”⁹⁸

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 shit [sic] to shut it down!”⁹⁹

Abramoff decreed, “I agree. He is a bad version of us! no [sic] more money for him.”¹⁰⁰

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!”¹⁰¹

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).

⁹⁸*Id.* (emphasis added).

⁹⁹*Id.*

¹⁰⁰*Id.*

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.”¹⁰²

Abramoff concurred, “Let’s do it fast so we can stop throwing away money.”¹⁰³

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.”¹⁰⁴ 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.¹⁰⁵ But after February 2002, without the Tribes’ knowledge or consent, most of the money

¹⁰²*Id.*

¹⁰³*Id.*

¹⁰⁴Email 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 Coughatta 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-Coughatta’s casino in Livingston, Reed provided Abramoff with information about the possibility that the Alabama-Coughatta 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 Coughatta Chairman] Lovelin [Poncho] and [Tribal Council member] William [Worfel] ... and claim victory on this one, but warn that the [Alabama-Coughatta] are not going away we need more \$\$\$\$.” Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000020107) (July 24, 2002).

¹⁰⁵Documents, 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.¹⁰⁶ 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.”¹⁰⁷

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?”¹⁰⁸ 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.”¹⁰⁹

apparently included, among others, National Media and Millennium Marketing. *Id.*

¹⁰⁶Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27-29, 2005).

¹⁰⁷Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E0001321307) (May 2, 2001).

¹⁰⁸Email from Jack Abramoff, Greenberg Traurig, to Gail Halpern, May & Barnhard, P.C. (GTG-000012166) (March 28, 2003).

¹⁰⁹Capitol 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.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.¹¹¹ The Tribe was misled: on April 13, 2003, AIC paid Abramoff \$991,000, through his alter ego, Kaygold.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.¹¹³

AMERICAN INTERNATIONAL CENTER ACCOUNT SNAPSHOT

DATE	DESCRIPTION	TO/FROM	AMOUNT
4/1/2003	Balance		\$14,900.13
4/9/2003	Wire Transfer	Coushatta	\$2,300,000.00
4/13/2003	Check 1103	Kaygold	(\$991,000.00)
4/18/2003	Check 1113	Scanlon	(\$15,000.00)
4/22/2003	Wire Transfer	CCS	(\$1,300,000.00)
4/29/2003	Closing Balance		\$1,083.93

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

typographical error.

¹¹⁰Interview with Kathryn Van Hoof, former counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

¹¹¹Interview with Kathryn Van Hoof, former counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

¹¹²Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies).

¹¹³*Id.*

Tribe's payment to AIC. Those transactions are explicated below.¹¹⁴

CAPITOL CAMPAIGN STRATEGIES ACCOUNT SNAPSHOT

DATE	DESCRIPTION	TO/FROM	AMOUNT
4/1/2003	Balance		\$1,062,845.58
4/14/2003	Taxes Payable	DC	(\$214,018.00)
4/21/2003	Shareholder Draw	Scanlon	(\$100,000.00)
4/22/2003	WIRE TRANSFER	Coushatta/AIC	\$1,300,000.00
4/22/2003	Prof. Campaign; LA	Basswood Research	(\$15,600.00)
5/1/2003	Balance		\$1,844,678.59
5/1/2003	Shareholder Draw; 25 Tidewater; 2310	Tony Beto, Inc.	(\$21,594.00)
5/1/2003	Shareholder Draw; 2311	Dockety Design	(\$88,724.00)
5/2/2003	Shareholder Draw; 2312	Lin Sang Logistics	(\$150,000.00)
5/5/2003	Shareholder Draw	Michael Scanlon	(\$150,000.00)
5/5/2003	Shareholder Draw	Michael Scanlon	(\$991,000.00)
5/5/2003	Balance		\$427,174.71

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.¹¹⁵ Likewise, the Committee found a company called Dockety Design Construction, a single-family housing contractor located in Rehoboth Beach, Delaware. Apparently, it

¹¹⁴These 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.

¹¹⁵See 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>>.

specializes in home remodeling and new home building.¹¹⁶ 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.¹¹⁷ 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.¹¹⁸ However, those activities are unrelated to the Tribes’ allegations of misconduct. Accordingly, while the Committee has information corroborative of some of those media reports,¹¹⁹ the Committee has arrived at no

¹¹⁶*Planetblueprints.com ‘Custom Homes For a More Beautiful Planet’* (visited February 14, 2006) <http://planetblueprints.com/html/about_us.html>; *Rehoboth Beach business directory* (visited Feb. 14, 2006) <http://www.rehobothbeach.com/bus_buildersremodel.asp>.

¹¹⁷*Offsetting Expenses with Aircraft Management*, Executive Flyer Magazine, Spring 2003, <http://executiveflyer.com/EFMagazine/Vol2_Issue1/OffsettingExp_Ed.htm>.

¹¹⁸Peter H. Stone, *K Street Stumble*, National Journal, March 27, 2004, at 958-63.

¹¹⁹During 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 used for that purpose.

Saudi Crown Prince Abdullah. *See Department of Justice* (visited October 15, 2004) <http://www.usdoj.gov/opa/pr/2004/October/04_crm_698.htm> (describing Abdurahman Alamoudi's sentencing in a Terrorism Financing Case).

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)

2001	Coushatta Tribe of Louisiana	\$1,000,000
2002	Mississippi Band of Choctaw Indians	\$1,000,000
	Saginaw Chippewa Indian Tribe	\$25,000
	Alabama Coushatta Entertainment Center	\$50,000

¹Plea Agreement, Factual Basis for the Plea, at para. 37, *U.S. v. Jack A. Abramoff* (D.C. District Court, January 3, 2006) (CR-06-001).

²*Id.*

³*Id.* at para. 26.

⁴*See* Capital Athletic Foundation, 2001, 2002, and 2003 Return of Private Foundations Form 990PF; and *Internal Revenue Service* (visited May 25, 2004) <<http://www.irs.gov>> (excerpt of exempt organization search). Interestingly, on March 2, 2000, CAF changed its name to National Institute of Torah, but, on August 17, 2000, changed its name back to CAF.

⁵*Id.*

Total

\$2,075,000⁶

To the general public, CAF described itself as a youth charity in Washington, D.C.⁷ According to its website, no longer extant, CAF purportedly:

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

The website continued:

[t]he mission of the Capital Athletic Foundation is to foster character development by promoting the American ideals of sportsmanship in all endeavors. These ideals include integrity, honor, brotherhood, morality, leadership and good citizenship. Sportsmanship is ethical behavior both on and off the playing field; both in athletics and in business; both as a youth and as an adult.⁹

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

⁶Other 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.

⁷*Capital Athletic Foundation* (visited June 7, 2004) <<http://www.cathletic.org>>.

⁸*Id.* (emphasis added).

⁹*Id.* (emphasis added).

¹⁰Interview 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.”¹¹ What Abramoff did not disclose, however, was how he was actually funding and operating CAF.¹²

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.¹³ In attempting to enlist the aid of then- U.S. Representative Connie Morella, Abramoff told one Jim Kaplan¹⁴ that “the DeLay guys want to put this grant through for the Capital Education and Athletic Foundation [CEAF]¹⁵, which will be a grantor organization to help build the Yeshiva in Kemp Mill.”¹⁶ Abramoff apparently believed the earmark could be included in the Labor-HHS Appropriations Conference Report or the VA-HUD Appropriations Conference Report.¹⁷ 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

¹¹Interview 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).

¹²Interview 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).

¹³Email from Jack Abramoff, Preston, Gates, Ellis & Rouvelas Meeds, to James Kaplan (GTG-E000087920-21) (October 23, 2000).

¹⁴The Committee has not determined who James Kaplan was, and what his relationship was with Congresswoman Morella and Jack Abramoff.

¹⁵Apparently, the name Abramoff originally contemplated for the charity was the Capital Education and Athletic Foundation.

¹⁶Email 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 Coshatta Money to CAF

In 2001, the single largest contributor by far listed on CAF’s federal tax return was the Coshatta Tribe of Louisiana (“Louisiana Coshatta”) 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 Coshatta 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 Coshatta 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.

²²Capitol Campaign Strategies document production (BB/LC 017923-26) (October 23, 2001).

Coushatta casino's market share²³ 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.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 *against* something . . . The wackos get their information form [sic] the Christian right, Christian radio, mail, the internet and telephone trees."²⁵ In fact, Scanlon advised using nearly half the proposed budget to influence and mobilize "Christian conservatives and minority religious outlets."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."²⁷

Concerned, Scanlon asked: "Are u [sic] sure Baggett will let you rip it back out?"²⁸

Abramoff responded "If not, it'll be a cold day in hell that they get this check from my grubby hands!"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."³⁰

²³*Id.*

²⁴*Id.*

²⁵*Id.* (emphasis in original).

²⁶*Id.*

²⁷Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000012245) (October 24, 2001).

²⁸*Id.*

²⁹*Id.*

³⁰Email 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.*

³²Greenberg Traurig document production (GTG-E000011384) (undated).

³³Interview 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 Coshatta 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, Coshatta Tribe of Louisiana).

³⁷Interview of William Worfel, former Vice Chairman, Coshatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

³⁸Interview of Kathryn Van Hoof, former counsel, Coshatta Tribe of Louisiana, in Lecompte, Louisiana (September 23, 2005); Interview of William Worfel, former Vice Chairman, Coshatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

³⁹Interview of Kathryn Van Hoof, former counsel, Coshatta Tribe of Louisiana, in Lecompte, Louisiana (September 23, 2005); Interview of William Worfel, former Vice Chairman, Coshatta 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.⁴⁰

Based on Scanlon's misrepresentations, on October 30, 2001, the Louisiana Coushatta executed a check for \$1,000,000 to Greenberg Traurig.⁴¹ On November 2, 2001, Greenberg Traurig received the \$1,000,000 check, which it deposited into its trust account.⁴²

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.⁴³ 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."⁴⁴ 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."⁴⁵ Per Abramoff's direction, Greenberg Traurig paid the Louisiana Coushatta's \$1,000,000 to CAF.⁴⁶

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 2001.⁴⁷

⁴⁰*Id.*

⁴¹Greenberg Traurig document production (GTG023510-ACCT) (October 30, 2001).

⁴²Interview of Fred Baggett, partner, Greenberg Traurig, in Washington, D.C. (September 29, 2005).

⁴³*Id.*

⁴⁴Email from Jack Abramoff, Greenberg Traurig, to Fred Baggett, Greenberg Traurig (GTG-E000252969) (November 5, 2001).

⁴⁵Interview of Fred Baggett, partner, Greenberg Traurig, in Washington, D.C. (September 29, 2005).

⁴⁶*Id.*

⁴⁷*Id.*

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 than [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 Abramoff's

⁴⁸Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000012276) (November 7, 2001).

⁴⁹Capital Athletic Foundation, 2001 Return of Private Foundations Form 990PF.

⁵⁰*Id.* 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.

⁵¹*Id.*

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.⁵³ 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,⁵⁴ 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.⁵⁵ 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.⁵⁶ 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.

to Susan Baker (MB-002124) (September 27, 2002).

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).

⁵⁵*Id.*

⁵⁶Capital Athletic Foundation, 2001 Return of Private Foundations 990PF; *see also* May & Barnhard document production (MB-002063-65) (December 31, 2001).

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

⁵⁷See Email between Jack Abramoff, Greenberg Traurig, and Shmuel Ben Zvi, Kollel Ohel Tieferet (GTG-E000089141-44) (October 18-19, 2001).

⁵⁸Email between Jack Abramoff, Greenberg Traurig, and Shmuel Ben Zvi, Kollel Ohel Tieferet (GTG-E000080536-37) (July 15-16, 2003).

⁵⁹See 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–\$1,000,000⁶³

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.⁶⁴ 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.⁶⁵ 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.⁶⁶

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.⁶⁷

Reed replied, “OK but we need to discuss. It is an election year.”⁶⁸

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.

⁶⁴*Id.*

⁶⁵*Id.*

⁶⁶May & Barnhard document production (MB-002063-65) (December 31, 2001); May & Barnhard document production (MB-001940-41) (January-December 2002).

⁶⁷Email between Jack Abramoff, Greenberg Traurig, and Ralph Reed, Century Strategies (GTG-E000019854) (May 15, 2002).

⁶⁸*Id.*

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."⁶⁹

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."⁷⁰

Rudy subsequently requested Petras' email address.⁷¹

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)."⁷²

Rudy responded, "Please give me [the] address."⁷³

Abramoff and Rudy soon began seeking money for the Scotland golfing trip in earnest.⁷⁴ 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."⁷⁵

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).

⁷⁰*Id.*

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).

⁷³*Id.*

⁷⁴*See* Email between Todd Boulanger, Greenberg Traurig, and Tony Rudy, Greenberg Traurig (GTG-E000254778-79) (June 20, 2002).

⁷⁵*Id.*

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."⁷⁶

Rudy cryptically responded, "Jack wants this."⁷⁷

Boulanger inquired further, "What is it? I've never heard of it."⁷⁸

Rudy was again vague: "It is something our friends are raising money for."⁷⁹

Boulanger finally desisted: "I'm sensing shadiness. I'll stop asking."⁸⁰

Rudy confirmed Boulanger's suspicions, "Your senses are good. If you have to say Leadership is asking, please do. I already have."⁸¹

Soon thereafter, Abramoff began hounding the Tribe for the payment.⁸² Examples include the following:

- On July 31, 2002, Abramoff reminded Petras "about getting the Capital Athletic Foundation to me asap per the delay request."⁸³

⁷⁶*Id.*

⁷⁷*Id.*

⁷⁸*Id.*

⁷⁹*Id.*

⁸⁰*Id.*

⁸¹*Id.*

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.”⁸⁴
- On August 23, 2002, Abramoff asked Petras “any progress on the Capital Athletic Foundation?”⁸⁵
- On September 4, 2002, Abramoff asked Petras: “any progress.”⁸⁶
- On September 12, 2002, Abramoff asked Petras about CAF, “Please keep me informed on this one.”⁸⁷

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.”⁸⁸ 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.”⁸⁹

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

⁸⁴Email from Jack Abramoff, Greenberg Traurig, to Christopher Petras, Saginaw Chippewa Tribe of Michigan (GTG-E000057439) (August 12, 2002).

⁸⁵Email from Jack Abramoff, Greenberg Traurig, to Christopher Petras, Saginaw Chippewa Tribe of Michigan (GTG-E000026714) (August 23, 2002).

⁸⁶Email from Jack Abramoff, Greenberg Traurig, to Christopher Petras, Saginaw Chippewa Tribe of Michigan (GTG-E000026766) (September 4, 2002).

⁸⁷Email from Jack Abramoff, Greenberg Traurig, to Christopher Petras, Saginaw Chippewa Tribe of Michigan (GTG-E000026784) (September 12, 2002).

⁸⁸Email from Jack Abramoff, Greenberg Traurig, to Christopher Petras, Saginaw Chippewa Tribe of Michigan (GTG-E000026805) (September 18, 2002).

⁸⁹Email 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.”⁹⁰

Finally, on November 13, 2002, the Saginaw Chippewa wrote a check to CAF in the amount of \$25,000.⁹¹ On November 14, 2002, Abramoff received the Saginaw Chippewa check for CAF.⁹² Abramoff had the check deposited on November 18, 2002.⁹³ 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.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:

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.⁹⁵

⁹⁰Saginaw Chippewa Indian Tribe of Michigan document production (no Bates number) (entitled “Minutes of the Tribal Council Special Session”) (August 22, 2002).

⁹¹Capital Athletic Foundation document production (SEN-CAF 000681) (November 13, 2002).

⁹²Email 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).

⁹³Capital Athletic Foundation document production (SEN-CAF 000681) (November 13, 2002).

⁹⁴Email between Jack Abramoff, Greenberg Traurig, and Maury Litwack, Greenberg Traurig (GTG-E000001280-81) (November 19-20, 2002).

⁹⁵Plea Agreement, Factual Basis for the Plea, at para. 7, *U.S. v. Jack A. Abramoff* (D.C. District Court, January 3, 2006) (CR-06-001).

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

⁹⁶Plea Agreement, Factual Basis for the Plea, at para. 17, *U.S. v. Tony C. Rudy* (D.C. District Court, March 31, 2006) (CR-06-082).

⁹⁷*Id.*

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

¹⁰⁰Email from Jack Abramoff, Greenberg Traurig, to Laura Lippy, Greenberg Traurig, and Rodney Lane Greenberg Traurig (GTG-E000114360) (December 27, 2001).

¹⁰¹Email from Gail Halpern, May & Barnhard, to Jack Abramoff, Greenberg Traurig (GTG-E000010719) (January 3, 2002).

¹⁰²Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000110037) (March 3, 2002).

¹⁰³Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000110065) (March 13, 2002).

¹⁰⁴*Id.*

¹⁰⁵*Id.*

¹⁰⁶*Id.*

¹⁰⁷Email 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.”¹⁰⁸

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.¹⁰⁹
- On May 29, Abramoff asked Scanlon, “Where are we on this? I did not get the CAF check.”¹¹⁰
- On May 30, Abramoff again asked, “Anything happen with this yet?”¹¹¹

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.”¹¹²

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?”¹¹³

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

¹⁰⁸Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000110088) (April 1, 2002).

¹⁰⁹Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000110224) (May 23, 2002).

¹¹⁰Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000110212) (May 29, 2002).

¹¹¹*Id.*

¹¹²Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (1735978) (June 12, 2002).

¹¹³Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000110378) (July 1, 2002).

we don't get this current."¹¹⁴ Scanlon agreed to do so.¹¹⁵ Abramoff followed a few days later, asking Scanlon "Can you call her again today?"¹¹⁶ Finally, on August 6, 2002, a \$500,000 check for CAF arrived from the Choctaw.¹¹⁷

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?

¹¹⁴Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000057339-40) (July 5, 2002).

¹¹⁵*Id.*

¹¹⁶Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000110378) (July 10, 2002).

¹¹⁷Email 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.¹¹⁹ 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.¹²⁰ Rogers was disgusted that Abramoff would not only abuse the Tribe's trust, but also use a charity to do it.¹²¹

Neither Abramoff nor Scanlon ever told the Tribe that CAF was a charitable organization.¹²² 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."¹²³ Rogers understood that CAF was "something conveniently set up to use for pass-through activities."¹²⁴ Before the Committee's investigation, the Tribe had no idea that Abramoff was using CAF to finance the Eshkol Academy.¹²⁵ 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).

¹²⁰*Id.*

¹²¹*Id.*

¹²²*Id.*

¹²³*Id.*

¹²⁴*Id.*

¹²⁵*Id.*

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.”¹²⁶ Abramoff joined the NCPPr’s board in 1997.¹²⁷ 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.”¹²⁸ Abramoff introduced Ridenour and NCPPr to Chief Martin and the Choctaw in 1997.¹²⁹

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.¹³⁰ 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.¹³¹

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.¹³² 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 camans [sic].”¹³³

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.¹³⁴ 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.¹³⁵ Ralph Reed’s firm Century Strategies was among the firms that, Abramoff assured Rogers, would ultimately receive part of the \$ 1,000,000.¹³⁶ 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.¹³⁷ 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.¹³⁸

Thus, on October 10, 2002, at Abramoff’s direction, NCPPR drew up a \$1,000,000 invoice.¹³⁹ The invoice Ridenour prepared listed as its purpose “contribution to the National

¹³²*Id.*

¹³³Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (Bates number 1636313) (October 1, 2002).

¹³⁴Interview 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.”¹⁴⁰ Ridenour sent the invoice to Abramoff by email.¹⁴¹ That was not the invoice that the Choctaw received, however.

Abramoff forwarded NCPPR’s original invoice to Scanlon.¹⁴² Someone at Scanlon’s companies apparently fabricated another invoice purportedly from the “National Center for Public Policy Research” for “Professional Services.”¹⁴³ 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.¹⁴⁴

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).

¹⁴²*Id.*

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.*

¹⁴⁸Email from Amy Ridenour, National Center for Public Policy Research, to Jack Abramoff, Greenberg Traurig (no Bates number) (October 17, 2002).

¹⁴⁹Email from Jack Abramoff, Greenberg Traurig, to Amy Ridenour, National Center for Public Policy Research (no Bates number) (October 19, 2002).

¹⁵⁰Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000034219) (October 21, 2002).

¹⁵¹Email from Jack Abramoff, Greenberg Traurig, to Allison Bozniak, Greenberg Traurig (GTG-E000034220) (October 21, 2002).

¹⁵²*Id.*

¹⁵³Email 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.”¹⁵⁴

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.¹⁵⁵

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.¹⁵⁶

Nurnberger also told the Committee that at no time did he or his firm provide any service to the NCPPR requiring remuneration.¹⁵⁷ 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.”¹⁵⁸ After reading articles lauding Abramoff and his success in 2002, Nurnberger approached Abramoff about repayment.¹⁵⁹ 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.¹⁶⁰

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,

¹⁵⁴Email from Jack Abramoff, Greenberg Traurig, to Christopher Cathcart, Capitol Campaign Strategies (GTG-E000011848) (October 22, 2002).

¹⁵⁵Interview of Christopher Cathcart, former employee, Capitol Campaign Strategies, in Washington, D.C. (May 5, 2005).

¹⁵⁶Interview of Ralph Nurnberger, president, Nurnberger & Associates, in Washington, D.C. (June 21, 2005).

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.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 Washington¹⁶²

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

¹⁶¹“Tribal Lobbying Matters,” *Hearings before the Committee On Indian Affairs*, 109th Cong. at 15, 18 (June 22, 2005) (testimony of Donald Kilgore, Attorney General, Mississippi Band of Choctaw Indians).

¹⁶²*Capital Athletic Foundation* (visited June 7, 2004) <<http://www.capathletic.org>>.

- 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—\$2,500¹⁶³

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.¹⁶⁴ 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.¹⁶⁵

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.¹⁶⁶ The money allegedly was used for teaching facilities, instructors, and an ice rink.¹⁶⁷ In concealing his use of CAF to fund Eshkol, Abramoff told Greenberg Traurig’s Baggett that he was personally funding the Eshkol Academy.¹⁶⁸ Abramoff’s school, Eshkol Academy, received nearly 80% of the funds Abramoff had CAF distribute as “grants.”

¹⁶³Capital Athletic Foundation, 2002 Form 990PF.

¹⁶⁴See *Capital Athletic Foundation* (visited June 7, 2004) <<http://www.capathletic.org>>.

¹⁶⁵*Id.*

¹⁶⁶Email from Gail Halpern, May & Barnhard, to Mimi Stansbury (MB-002043) (November 7, 2002).

¹⁶⁷Capital Athletic Foundation, 2002 Form 990PF.

¹⁶⁸Interview 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.”¹⁶⁹ During 2002, Abramoff sat on the Board of Directors of Toward Tradition.¹⁷⁰ Toward Tradition is headed by Rabbi Daniel Lapin, a long-term Abramoff friend.¹⁷¹
- Rabbi David Lapin received \$60,529 from CAF for “consulting” services.¹⁷² According to news reports, Rabbi David Lapin is Daniel Lapin’s brother, and another long-time Abramoff friend.¹⁷³
- The Jewish Federation of Greater Washington describes itself as “the voice of the Jewish community in and around the nation’s capital since 1925.”¹⁷⁴ 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.¹⁷⁵ Records filed with the Maryland Secretary of State show that Abramoff was/is the registered agent for the Torah School of Greater Washington.¹⁷⁶ The Torah School of Greater Washington is a Jewish school for Kindergarten through sixth grade.¹⁷⁷

¹⁶⁹Toward Tradition: Mission Statement (visited June 13, 2006) <<http://www.towardtradition.org/mission.htm>>.

¹⁷⁰*Id.*

¹⁷¹*Id.*

¹⁷²Capital Athletic Foundation, 2002 Form 990.

¹⁷³See 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.*

¹⁷⁴*The Jewish Federation of Greater Washington: About Us*, (visited June 7, 2006) <http://shalomdc.org/section_display.html?ID=31> (explanatory parenthetical needed).

¹⁷⁵*The Jewish Information and Referral Service*, (visited June 7, 2006) <<http://www.jirs.org>> (explanatory parenthetical needed).

¹⁷⁶Maryland Department of Assessments and Taxation.

¹⁷⁷*Torah School of Greater Washington*, (visited June 7, 2006) <<http://www.tsgw.org/>>.

- 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.”¹⁷⁸ Its vision was a “creative renaissance that illumines the good, the true, and the beautiful through excellence and artistry for the glory of God, the service of neighbor, and the renewal of culture.”¹⁷⁹ 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..¹⁸⁰ 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.¹⁸¹ 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.¹⁸²

The third largest recipient, Kolliel Ohel Tieferet, 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 Kolliel 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.¹⁸³ Additional entries reflect that the payments were for a “new

¹⁷⁸*The Voice Behind*, (visited June 28, 2004) <<http://www.voicebehind.org>>.

¹⁷⁹*Id.*

¹⁸⁰*Id.*

¹⁸¹*P’tach: About P’tach*, (visited June 13, 2006) <<http://www.ptash.org/about.php>>.

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.”¹⁸⁴ Gail Halpern, Abramoff’s tax advisor, labeled the purchases for Ben Zvi as “spy equipment.”¹⁸⁵ According to one former Abramoff friend, Abramoff allegedly procured “rifle scope for settlers” in Israel.¹⁸⁶ The Committee thus finds that in 2002, Abramoff was making jeep payments for Ben Zvi and paying him a stipend from CAF funds.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.¹⁸⁸

¹⁸⁴*Id.*

¹⁸⁵Email from Gail Halpern, May & Barnhard, to Jack Abramoff, Greenberg Traurig (GTG-E00001186) (November 5, 2002).

¹⁸⁶Email from Don Feder to Jack Abramoff, Greenberg Traurig (GTG-E000020082) (July 2, 2002).

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 “Shmuel spy 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.”).

¹⁸⁸Email 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.”¹⁸⁹

Abramoff could only respond, “No, don’t do that. I don’t want a sniper letterhead.”¹⁹⁰

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.¹⁹¹

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.”¹⁹²

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?”¹⁹³

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.¹⁹⁴

¹⁸⁹*Id.*

¹⁹⁰*Id.*

¹⁹¹Email from Gail Halpern, May & Barnhard, to Jack Abramoff, Greenberg Traurig (GTG-E000088599) (November 11, 2002).

¹⁹²Email between Jack Abramoff, Greenberg Traurig, and Shmuel Ben Zvi, Kollel Ohel Tieferet (GTG-E000088186) (December 23, 2002).

¹⁹³Email 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.”¹⁹⁵ 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?¹⁹⁶

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.¹⁹⁷

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).”¹⁹⁸

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?”¹⁹⁹ Halpern further suggested that “at the end of the year, he’ll need to write us a letter on

¹⁹⁵Email from Jack Abramoff, Greenberg Traurig, to Shmuel Ben Zvi, Kollel Ohel Tieferet (GTG-E000088623) (December 24, 2002).

¹⁹⁶Email from Gail Halpern, May & Barnhard, to Jack Abramoff, Greenberg Traurig (GTG-E000088619) (December 24, 2002).

¹⁹⁷Email between Jack Abramoff, Greenberg Traurig, and Shmuel Ben Zvi, Kollel Ohel Tieferet (GTG-E000088618) (December 26, 2002).

¹⁹⁸Email from Shmuel Ben Zvi, Kollel Ohel Tieferet, to Jack Abramoff, Greenberg Traurig (GTG-E000088616) (December 27, 2002).

¹⁹⁹Email 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.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.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.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:

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 buba 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.

²⁰⁰*Id.*

²⁰¹May & Barnhard document production (MB-001952) (December 31, 2002).

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].²⁰³

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].”²⁰⁴ Scribbled upon the return email is one word: “Orderd” [sic].²⁰⁵

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.²⁰⁶ 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.”²⁰⁷ Bowers similarly included in her August 12, 2002 list in item 14: “Gave Hillel my credit card to order things for Shmuel.”²⁰⁸

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 2002.²⁰⁹ On its website, The Lexington Group claimed to practice “in all areas of

²⁰³Email from Shmuel Ben Zvi, Kollel Ohel Tieferet, to Hillel Broder, Greenberg Traurig (GTG008442-JA-P) (July 29, 2002).

²⁰⁴Email from Shmuel Ben Zvi, Kollel Ohel Tieferet, to Hillel Broder, Greenberg Traurig (GTG008442-JA-P) (July 29, 2002).

²⁰⁵Email from Shmuel Ben Zvi, Kollel Ohel Tieferet, to Hillel Broder, Greenberg Traurig (GTG008442-JA-P) (July 29, 2002).

²⁰⁶Greenberg Traurig document production (GTG008438-JA-P/GTG008439-JA-P) (entitled “Packing List from Blackhawk Industries, Inc. To Hillel Broder”) (August 6, 2002).

²⁰⁷Email from Holly Bowers, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000059454) (July 23, 2002).

²⁰⁸Email from Holly Bowers, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000026750-51) (August 12, 2002).

²⁰⁹May & Barnhard document production (MB-001946) (December 31, 2002).

legislative representation.”²¹⁰ 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.”²¹¹

- Abramoff spent \$50,000 on an ice rink for Eshkol.²¹²
- In 2002, CAF spent \$67,685 on a Spy Museum Fundraiser.²¹³ Despite the large expenditures, the fundraiser apparently never occurred.²¹⁴
- 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.”²¹⁵

F. In 2003, Abramoff Funnels Tribal Money Through Conduits to CAF

CAF’s 2003 Form 990PF does not list any Tribe as a donor.²¹⁶ 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

²¹⁰See *The Lexington Group* (visited July 8, 2004) <<http://www.lexingtongroupusa.com>> (The website also claimed that The Lexington Group was partnered with Greenberg Traurig).

²¹¹Email from Jack Abramoff, Greenberg Traurig, to Gail Halpern, May & Barnhard (GTG-E000011514) (February 26, 2002).

²¹²May & Barnhard document production (MB-001946) (December 31, 2002).

²¹³May & Barnhard document production (MB-001940) (January-December 2002).

²¹⁴Interview of Fred Baggett, Chair, National Government Affairs Practice, Greenberg Traurig, in Washington, D.C. (September 29, 2005).

²¹⁵Email from Rodney Lane, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000107574) (January 3, 2002).

²¹⁶See Capital Athletic Foundation, 2003 Form 990PF.

- Jack Abramoff – \$400,000²¹⁷

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.²¹⁸ 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.”²¹⁹ 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

²¹⁷Capital Athletic Foundation, 2003 Form 990PF.

²¹⁸Capitol Campaign Strategies document production (no Bates number) (entitled “Louisiana 2002[sic] Political Program” (undated) (erroneously date stamped “9/21/2005”).

²¹⁹*Id.*

ARA can sub-contract or hire CCS to conduct strategic functions for the campaign.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.”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 reasons [sic] to keep separate. [W]ill not impact our ability to collect the dough from Cough [Coushatta].”²²²

Two hours later, Scanlon authorized Cathcart to establish the new entity.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, 2003.²²⁴

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.”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

²²⁰*Id.*

²²¹Email between Michael Scanlon, Capitol Campaign Strategies, and Christopher Cathcart, Capitol Campaign Strategies (no Bates number) (January 21-22, 2003).

²²²*Id.*

²²³*Id.*

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).

²²⁵Email 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.’²²⁶

The following month, Abramoff asked Scanlon “did we get the Coughatta money?” and implored Scanlon, “Can you please please please get it written to Eshkol Academy?”²²⁷ Abramoff again suggested that Scanlon “[t]ell them that’s our front group to cover some of this.”²²⁸ Scanlon agreed to do so.²²⁹

On or about April 15, 2003, Scanlon submitted a \$2,000,000 invoice to the Louisiana Coughatta in the name of ARA, along with invoices from his other groups.²³⁰ 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.²³¹ Worfel, the Louisiana Coughatta’s Vice-Chairman at the time, was led to believe that ARA was “just another entity of Greenberg . . . that they operate under.”²³² 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.²³³

Abramoff still wanted Scanlon to have the Tribe send his part of the “gimme five payments” to CAF.²³⁴ While Scanlon awaited arrival of the funds, Abramoff told Scanlon, “I

²²⁶Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000034571) (February 20, 2003).

²²⁷Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000252852) (March 18, 2003).

²²⁸*Id.*

²²⁹*Id.*

²³⁰Capitol Campaign Strategies document production (no Bates number) (entitled “Atlantic Research and Analysis INVOICE”) (April 15, 2003).

²³¹See Chris Barrish, *Abramoff Cohort Spent Millions on Sussex Homes*, The New Journal, May 16, 2006.

²³²Interview of William Worfel, former Vice-Chairman, Coughatta Tribe of Louisiana, in Washington, D.C. (September 14, 2005).

²³³*Id.*

²³⁴Email 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.”²³⁵ 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.”²³⁶

On May 1, 2003, ARA received a \$2,000,000 wire transfer from the Louisiana Coughatta.²³⁷ Scanlon advised Abramoff in a May 5 email entitled “Cough!”: “Hey FYI – Coughatta 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.”²³⁸

Abramoff instructed Scanlon to send it to CAF.²³⁹

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.”²⁴⁰

Scanlon assured Abramoff that he would “have a check tomorrow at your office via courier!”²⁴¹

True to his word, on May 7, 2003, Scanlon instructed Cathcart to “cut a check to Capital Athletic Foundation for 950k.”²⁴² Cathcart responded, “950? Wow. It will come from atlantic

²³⁵Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (no Bates number) (April 28, 2003).

²³⁶Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (no Bates number) (April 28, 2003).

²³⁷Wachovia document production (D00521-22) (May 1, 2003 – May 30, 2003).

²³⁸Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (no Bates number) (May 5, 2003).

²³⁹Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (no Bates number) (May 5, 2003).

²⁴⁰Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (no Bates number) (May 6, 2003).

²⁴¹Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (no Bates number) (May 6, 2003).

²⁴²Email 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.”²⁴³ According to ARA’s bank records, ARA executed a check for \$950,00.²⁴⁴ Abramoff deposited the \$950,000 into CAF’s bank account on May 8, 2003.²⁴⁵

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	\$10,000
• The DeLay Foundation For Kids	\$25,000
• Bais Yaakov Brooklyn	\$20,000
Total	<u>\$2,716,974</u>

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.²⁴⁶ The trustees were Jack Abramoff and his wife; Shana Tesler, a former Greenberg Traurig employee who worked closely with Abramoff; and, her

²⁴³Email from Christopher Cathcart, Capitol Campaign Strategies, to Michael Scanlon, Capitol Campaign Strategies (no Bates number) (May 7, 2003).

²⁴⁴Wachovia document production (D00521-22) (May 1, 2003 – May 30, 2003).

²⁴⁵May & Barnhard document production (MB-000252) (December 31, 2003).

²⁴⁶Beis Avrohom Chaim, Articles of Incorporation.

husband Sam Hook.²⁴⁷ The principal place of worship listed in its articles of incorporation is Abramoff's home address.²⁴⁸

According to Beis Avrohom Chaim's General Ledger, total contributions from CAF totaled \$251,242 in 2003.²⁴⁹ Two payments made on July 10, 2003, for \$241,250 are described as contributions from CAF.²⁵⁰ Another payment on August 5, 2003, for \$2,500 is described as payment by CAF for professional services.²⁵¹ A final payment of \$7,492 on August 8, 2003 is described as mortgage recordation fees related to a mortgage closing.²⁵² The total listed on Beis Avrohom Chaim's general ledger – \$251,242 – matches the amount of donations listed on CAF's Form 990.²⁵³

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 Abram off's home) for \$845,000.²⁵⁴ 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."²⁵⁵

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.*

²⁴⁹May & Barnhard document production (MB-00255) (December 31, 2003).

²⁵⁰*Id.*

²⁵¹*Id.*

²⁵²*Id.*

²⁵³*Compare* May & Barnhard document production (MB-00255) (December 31, 2003), with Capital Athletic Foundation, 2003 Form 990.

²⁵⁴Deed, 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.

²⁵⁵Capital Athletic Foundation, 2003 Form 990PF.

As it had for 2002, for 2003 CAF also listed substantial expenses associated with travel, conferences, and meeting: \$251,163.²⁵⁶ Abramoff used approximately \$150,000 of CAF's funds to finance another trip to Scotland.²⁵⁷ Abramoff also spent over \$100,000 on the Spy Museum Event that apparently did not take place.²⁵⁸

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.”²⁵⁹ 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.”²⁶⁰

²⁵⁶*Id.*

²⁵⁷May & Barnhard document production (MB-000250) (January-December 2003).

²⁵⁸*Id.*

²⁵⁹Plea Agreement, Factual Basis for the Plea, at para. 39, *U.S. v. Jack A. Abramoff* (D.C. District Court, January 3, 2006) (CR-06-001).

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.¹ In her deposition with Committee staff, Federici stated that she originally formed the organization in the memory of her mother.² According to Federici, her mother passed away two weeks before former Interior Secretary Gale

¹Deposition of Italia Federici, president, Council of Republicans for Environmental Advocacy, in Washington, D.C. (October 7, 2005).

²*Id.*

Norton's 1996 campaign for the U.S. Senate ended.³ (Federici testified that she worked on Norton's failed Senate campaign "from the day that it started to the day that it ended."⁴) 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."⁵ Subsequently, Norton and anti-tax activist Grover Norquist came on board as CREA's honorary national co-chairmen.⁶

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]."⁷

It did so.⁸ After having been registered as a 527 political fund-raising entity, it reorganized as a 501(c)(4) non-profit organization.⁹ 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).

⁷Deposition of Italia Federici, president, Council of Republicans for Environmental Advocacy, in Washington, D.C. (October 7, 2005).

⁸*Id.*

⁹Originally 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.”¹⁰

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.¹¹ 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.”¹²

In March 2002, the Mississippi Band of Choctaw Indians (“Choctaw”) contributed \$50,000 to CREA.¹³ 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.”¹⁴

In 2001, the Coshatta Tribe of Louisiana (“Louisiana Coshatta”) gave \$50,000 and \$100,000 in 2002.¹⁵ 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.*

¹⁰Website, 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.*

¹¹“Tribal Lobbying Matters,” *Hearings before the Committee on Indian Affairs*, 109th Cong. at 38-40 (November 17, 2005).

¹²*See* Interview of Marc Schwartz, president, Partners Group Consultants, by telephone (February 22, 2005).

¹³Interview of Nell Rogers, planner, Mississippi Band of Choctaw, in Choctaw, Mississippi (April 27, 2005).

¹⁴Interview of Nell Rogers, planner, Mississippi Band of Choctaw, in Choctaw, Mississippi (April 27, 2005).

¹⁵Interview of William Worfel, former Vice-Chairman, Coshatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

connection with a private fund-raiser, held on September 24, 2001.¹⁶ During that dinner, Tribal Chief Lovelin Poncho met Norton and other senior Administration officials.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.”¹⁸ He was told that the Choctaw had contributed, or intended to contribute, \$25,000 to CREA in support of the study¹⁹ 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.”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.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.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.”²³ Petras said that supporting a project the Secretary was

¹⁶*Id.*

¹⁷*Id.*

¹⁸*Id.* See “Tribal Lobbying Matters” *Hearings before the Committee on Indian Affairs*, 109th Cong. at 45 (November 2, 2005).

¹⁹*Id.* See Interview of Nell Rogers, planner, Mississippi Band of Choctaw, in Choctaw, Mississippi (April 27, 2005).

²⁰Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13-14, 2005).

²¹“Tribal Lobbying Matters” *Hearings before the Committee on Indian Affairs*, 109th Cong. at 50-53 (November 2, 2005).

²²See *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.”).

²³Interview of David Otto, former council member, Sagniaiw Chippewa Indian Tribe, in Washington, D.C. (August 27, 2004).

involved with would “look good” for the Tribe, according to Otto.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.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.”²⁶ He also identified CREA as “[Secretary] Norton’s main group outside the department.”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.”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.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

²⁴*Id.*

²⁵*Id.*

²⁶Email from Jack Abramoff, Greenberg Traurig, to Chris Petras, Saginaw Chippewa Indian Tribe (GTG-E000105234) (September 20, 2001).

²⁷*Id.*

²⁸Email from Jack Abramoff, Greenberg Traurig, to Allison Bozniak, Greenberg Traurig (GTG-E000107697) (January 31, 2002).

²⁹Federici, 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?”³⁰

Abramoff responded, “I don’t think she has juice beyond [I]nterior.”³¹ 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.³² 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.”³³

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.³⁴ Ultimately, Abramoff replied, referring to Federici, “[u]nfortunately, she is critical to me.”³⁵ 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.³⁶ 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-

³⁰Email between Todd Boulanger, Greenberg Traurig, and Jack Abramoff, Greenberg Traurig (GTG-E000107575) (January 3, 2002).

³¹*Id.*

³²Email between Jack Abramoff, Greenberg Traurig, and Todd Boulanger, Greenberg Traurig (GTG-E000025072) (February 12, 2002).

³³*Id.*

³⁴Email 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”³⁷—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.³⁸ 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.”³⁹ They wanted to make sure that they were giving “more evenhandedly.”⁴⁰

As an explanation for why Abramoff’s clients gave so much to CREA within such a short period of time, this is unconvincing.⁴¹ 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?

³⁷Deposition of Italia Federici, president, Council of Republicans for Environmental Advocacy, in Washington, D.C. (October 7, 2005).

³⁸*Id.*

³⁹*Id.*

⁴⁰*Id.*

⁴¹In 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.

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.⁴² In the course of discussing that deal, they first discussed CREA.⁴³ 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 contacts⁴⁴

Abramoff got the hint. After having offered to help raise money for CREA,⁴⁵ 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."⁴⁶ Apparently, these were individuals

⁴²*See id.*

⁴³*See id.*

⁴⁴Email 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.*

⁴⁶Email between Italia Federici, Council of Republicans for Environmental Advocacy, to Jack Abramoff, Greenberg Traurig (GTG-E000105164) (January 30, 2001).

who Abramoff, for his own reasons, wanted placed in the Administration.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.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.”⁴⁹

⁴⁷During 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.” *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.” *Id.*

⁴⁸See 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).

⁴⁹*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. 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.” *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.” 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.” *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.”⁵⁰

According to records recently released by the Secret Service, Abramoff visited the White House on March 6, 2001—two days before Griles’ nomination.⁵¹ 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.⁵²

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.⁵³ 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.⁵⁴ In that context, Federici promised Abramoff that she would “try to figure out what exactly is going on over there.”⁵⁵ Interestingly, Federici also offered to cover Fitial’s travel

further, writing, “I also appreciate anything you can do to prod things forward to get Mark Zachares into position at OIA.” 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). The Committee has seen no evidence that this letter was ever sent.

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).

⁵¹Press Release, Judicial Watch, *U.S. Secret Service Releases to Judicial Watch White House Logs Detailing Abramoff Visits—Logs Appear to be Incomplete, Show 2 Documented Visits Available on Judicial Watch’s Internet Site*, www.judicialwatch.org, <http://www.judicialwatch.org/abramoff-docs.shtml> May 10, 2006 (linking to “Abramoff Secret Service Logs”).

⁵²*See 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).

⁵³Email between Italia Federici, Council of Republicans for Environmental Advocacy, and Jack Abramoff, Greenberg Traurig (GTG-E000105287) (April 10, 2001).

⁵⁴*Id.*

⁵⁵*Id.*

expenses to Washington, D.C. in the future and “schedule [a] meeting with Gale.”⁵⁶

Likewise, in an email dated May 7, 2001, entitled, “[former Louisiana Coughatta 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 [?].”⁵⁷

On July 18, 2001, less than a week after Griles arrived in office,⁵⁸ Abramoff wrote former Louisiana Coughatta 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?⁵⁹

He concluded, “Just want to make sure I make all the asks we need.”⁶⁰

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.*

⁵⁷Email 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.*

⁵⁸The Senate confirmed Griles as Deputy Secretary of the U.S. Interior Department on July 12, 2001.

⁵⁹Email from Jack Abramoff, Greenberg Traurig, to Kathryn Van Hoof, Coughatta Tribe of Louisiana, and Shawn Vasell, Greenberg Traurig, “Status” (COUSH-MiscKVH-0001529) (July 18, 2001).

⁶⁰*Id.*

residence.⁶¹ 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.”⁶² Abramoff was amenable to the idea.⁶³ 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.⁶⁴ Abramoff responded, “A small lunch with Steve would be huge for us, since we really need to get to know him.”⁶⁵ 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”⁶⁶ 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?”⁶⁷

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).

⁶²*Id.*

⁶³*Id.*

⁶⁴Email between Italia Federici, Council of Republicans for Environmental Advocacy, to Jack Abramoff, Greenberg Traurig (GTG-E000105067) (January 3, 2002).

⁶⁵*Id.* 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.*

⁷⁰Email 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).

⁷²Email between Jack Abramoff, Greenberg Traurig, and Italia Federici, Council of Republicans for Environmental Advocacy (SENCREA 10/04 000062) (January 21, 2003).

⁷³*Id.*

⁷⁴Email 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 In the

⁷⁵*Id.*

⁷⁶Email from Jack Abramoff, Greenberg Traurig, to Italia Federici, Council of Republicans for Environmental Advocacy (SENCREA 10/04 000094) (April 10, 2003).

⁷⁷Email between Jack Abramoff, Greenberg Traurig, and Italia Federici, Council of Republicans for Environmental Advocacy (SENCREA 10/04 000100) (May 1, 2003).

⁷⁸*Id.*

⁷⁹Email between Italia Federici, Council of Republicans for Environmental Advocacy, and Jack Abramoff, Greenberg Traurig (SENCREA 10/04 000110) (August 2, 2003).

⁸⁰*Id.*

⁸¹Email 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.*

⁸⁴Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000010914) (February 15, 2002).

⁸⁵Deposition 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.*

⁸⁸It 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.*

⁸⁹Interview of J. Steven Griles, former Deputy Secretary, U.S. Department of the Interior, in Washington, D.C. (October 20, 2005).

[CREA's] activities going."⁹⁰ Griles recalled simply telling Federici that she had to go back to contributors who helped her in the past.⁹¹

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.⁹² To this request, Federici responded, "I will remind him about that and I'm sure he'd love to mention your help."⁹³ 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."⁹⁴ But, she never told Abramoff that she decided not to do as she had originally promised.⁹⁵ 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."⁹⁶

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

⁹⁰*Id.*

⁹¹*Id.*

⁹²Deposition of Italia Federici, president, Council of Republicans for Environmental Advocacy, in Washington, D.C. (October 7, 2005). *See also* Email from Jack Abramoff, Greenberg Traurig, to Italia Federici, Council of Republicans for Environmental Advocacy (GTG-E000105153) (September 24, 2002).

⁹³*Id.*

⁹⁴Deposition of Italia Federici, president, Council of Republicans for Environmental Advocacy, in Washington, D.C. (October 7, 2005).

⁹⁵*Id.*

⁹⁶"Tribal Lobbying Matters" *Hearings before the Committee on Indian Affairs*, 109th Cong. at 31 (November 17, 2005).

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.”⁹⁷

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.”⁹⁸ 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.⁹⁹

For the Saginaw Chippewa, Abramoff asked Federici to help him with former Interior Deputy Secretary Griles on a “school cost share program.”¹⁰⁰ 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.¹⁰¹ 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.

⁹⁹Deposition of Italia Federici, president, Council of Republicans for Environmental Advocacy, in Washington, D.C. (October 7, 2005).

¹⁰⁰Email from Jack Abramoff, Greenberg Traurig, to Italia Federici, Council of Republicans for Environmental Advocacy (SENCREA 10/04 000110) (August 21, 2003).

¹⁰¹Deposition of Italia Federici, president, Council of Republicans for Environmental Advocacy, in Washington, D.C. (October 7, 2005).

that she would not do any of it or ever correct him, she said.¹⁰² She wasn't "going to correct a 50-year old, male, conservative activist leader, [and] you know, donor."¹⁰³

About the "school cost share" program, Federici denied having had a substantive conversation with Griles.¹⁰⁴ According to Federici, she merely mentioned to Griles, "Is anybody paying attention to what's going on with the school cost share [?]"¹⁰⁵ 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."¹⁰⁶ 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"¹⁰⁷

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."¹⁰⁸ However, Federici has no recollection of having talked with Griles about that issue.¹⁰⁹

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.¹¹⁰ As a result, Federici recalls, she just made sure that Griles knew that "conservatives were upset" and were calling into Interior in droves.¹¹¹ According to Federici, the foregoing reflects her memory about her discussions with Abramoff about matters affecting his clients and her communications

¹⁰²*Id.*

¹⁰³*Id.*

¹⁰⁴*Id.*

¹⁰⁵*Id.*

¹⁰⁶*Id.*

¹⁰⁷*Id.*

¹⁰⁸*Id.*

¹⁰⁹*Id.*

¹¹⁰*Id.*

¹¹¹*Id.*

with Griles about those issues.¹¹²

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.”¹¹³ Federici responded, “I am calling right now.”¹¹⁴ 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.¹¹⁵ Federici responded, “I will call [Steve Griles] asap.”¹¹⁶ 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.”¹¹⁷ Federici responded, “seeing him at 4pm today.”¹¹⁸

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.”¹¹⁹ She responded, “got it.”¹²⁰ 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?”¹²¹ Federici responded, “Thanks for the update. I’ll bring it up

¹¹²*Id.*

¹¹³Email 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).

asap!”¹²²

Likewise, in an email from Abramoff to Scanlon, dated February 15, 2002, entitled “shit,” Abramoff wrote that he “just got a call from [Federici].”¹²³ 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.”¹²⁴ 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.¹²⁵ Federici responded, “Thanks, Jack! I will ask about the timing and content and call you”¹²⁶ Abramoff also reached out to Federici about the Jena Band’s casino proposal in another email, dated March 9, 2003, entitled “Jena Choctaw Update.”¹²⁷ Then, Federici responded, “I will call you on Monday with whatever I can find out.”¹²⁸ 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.¹²⁹ 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.”¹³⁰ 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.*

¹²⁹ Deposition of Italia Federici, president, Council of Republicans for Environmental Advocacy, in Washington, D.C. (October 7, 2005).

¹³⁰*Id.*

stuff against the wall. Maybe somebody else sorted it out.”¹³¹ 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.¹³²

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.”¹³³ 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.¹³⁴ In his

¹³¹*Id.*

¹³²*Id.*

¹³³*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.*

¹³⁴“Tribal Lobbying Matters,” *Hearings before the Committee on Indian Affairs*, 109th Cong. at 89 (November 2, 2005). *See, e.g.*, “Tribal Lobbying Matters,” *Hearings before the Committee on Indian Affairs*, 109th 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.”¹³⁵

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.¹³⁶ Worfel recalls that Abramoff ultimately told him that Griles helped kill, or helped convince the Secretary to reject, the Jena compact.¹³⁷

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.¹³⁸ 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.”¹³⁹ 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.”¹⁴⁰ Regarding the Louisiana Coushatta, Griles’ name came up mostly during the Jena Band’s efforts in Logansport and Vinton, Louisiana.¹⁴¹ It also came up, according to Short, on an Agua Caliente tax issue and an issue

counsel to J. Steven Griles, Kirkpatrick & Lockhart Nicholson Graham, to Pablo E. Carrillo, Esq, Chief Investigative Counsel, U.S. Senate Committee on Indian Affairs, January 3, 2006; Letter from Barry M. Hartman, Esq., counsel to J. Steven Griles, Kirkpatrick & Lockhart Nicholson Graham, to the Honorable John McCain, U.S. Senate Committee on Indian Affairs, April 6, 2006.

¹³⁵Interview of J. Steven Griles, former Deputy Secretary, U.S. Department of the Interior, in Washington, D.C. (October 20, 2005) (“That was my vision, and there was nothing unique about it.”).

¹³⁶Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13, 2005).

¹³⁷*Id.*

¹³⁸*Id.*

¹³⁹Interview of Stephanie Leger Short, former associate, Greenberg Traurig, in Washington, D.C. (August 18, 2005).

¹⁴⁰*Id.*

¹⁴¹*Id.*

regarding the Choctaw.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.”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.¹⁴⁴ He also recalled that Abramoff mentioned Griles’ name many times and said that they were “close.”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.”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.”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.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.”¹⁴⁹ Griles said he believed that this communication may have been related to “an Indian insurrection question.”¹⁵⁰ Nor does Griles recall Federici’s asking him to help Abramoff’s clients.¹⁵¹

Griles denied talking with Federici about matters that, according to documents, Abramoff

¹⁴²*Id.*

¹⁴³Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13, 2005).

¹⁴⁴*Id.*

¹⁴⁵*Id.*

¹⁴⁶*Id.*

¹⁴⁷*Id.*

¹⁴⁸Interview of J. Steven Griles, former Deputy Secretary, U.S. Department of the Interior, in Washington, D.C. (October 20, 2005).

¹⁴⁹*Id.*

¹⁵⁰*Id.*

¹⁵¹*Id.*

asked her to discuss with him. In his interview, Griles stated, “I don’t recall Ms. Federici ever mentioning Gun Lake to me.”¹⁵² Similarly, Griles held that he did not “recall ever having a discussion on a Tigua tribe or a water issue with anyone.”¹⁵³ Griles also stated that he did not “recall receiving any information from Ms. Federici on Bay Hills [sic].”¹⁵⁴ 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.”¹⁵⁵ Griles’ recollection failed him again when he stated “I don’t recall any discussion with [Abramoff] about Mashpee. I didn’t do tribal recognitions.”¹⁵⁶ Correspondingly, Griles did not “recall a conversation with [Federici] either” regarding the Mashpee recognition.¹⁵⁷ Griles later declared, “I don’t recall today having any discussions with [Federici] about [the Jena Band compact].”¹⁵⁸

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.¹⁵⁹ 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.”¹⁶⁰ 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.”¹⁶¹ 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.”¹⁶² 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.”¹⁶³

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.”¹⁶⁴

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.”¹⁶⁵ 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.”¹⁶⁶

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.¹⁶⁷ 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.¹⁶⁸ Rossetti said that those discussions took place twice in a hallway and in Rossetti’s office and that

¹⁶³*Id.*

¹⁶⁴“Tribal Lobbying Matters,” *Hearings before the Committee on Indian Affairs*, 109th Cong. at 91 (November 2, 2005) (Griles’ testimony).

¹⁶⁵*Id.* 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).

¹⁶⁷*Id.* at 99.

¹⁶⁸*Id.*

he thought that it was unusual that Griles was so concerned about those meetings.¹⁶⁹ He speculated that Griles was worried that some secret discussion might be taking place.¹⁷⁰ Rossetti stated that he assured Griles that Griles would be there at the meeting.¹⁷¹

Rossetti testified that Griles' attendance at a meeting regarding Abramoff's clients came up again.¹⁷² At that time, Rossetti asked Griles, "[w]hy is this issue so important to you?"¹⁷³ According to Rossetti, Griles simply replied, "I just want to be at the meeting."¹⁷⁴ 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?"¹⁷⁵ At that point, according to Rossetti, Griles "turned purple" and immediately left.¹⁷⁶ Ultimately, Rossetti said, Griles told him that he did not have to be at that meeting and did not attend.¹⁷⁷

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

¹⁶⁹*Id.*

¹⁷⁰*Id.*

¹⁷¹Interview of Michael Rossetti, former counselor to the Secretary, U.S. Department of the Interior, in Washington, D.C. (October 28, 2005).

¹⁷²*Id.*

¹⁷³*Id.*

¹⁷⁴*Id.*

¹⁷⁵*Id.*

¹⁷⁶*Id.*

¹⁷⁷*Id.*

answers, from Interior, and I have no one to chat with. What should I do?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.”¹⁷⁹

Apparently, on or about January 12, 2004, Griles and Abramoff met with Greenberg Traurig lobbying practice head Fred Baggett.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.”¹⁸¹ Griles insisted that he merely “politely listened” and replied, “I’m not leaving the Federal Government.”¹⁸² Griles testified that he had made the determination that he was going to serve

¹⁷⁸Email 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.” *Id.* She elaborated, “I [knew] that if Steve’s not going to talk with somebody he’s not going to talk with them” *Id.*

¹⁷⁹Email 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.

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. *See* Interview of J. Steven Griles, former Deputy Secretary, U.S. Department of the Interior, in Washington, D.C. (October 20, 2005).

¹⁸¹“Tribal Lobbying Matters” *Hearings before the Committee on Indian Affairs*, 109th Cong. at 104 (November 2, 2005). *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”).

¹⁸²*Id.* *See also* “Tribal Lobbying Matters” *Hearings before the Committee on Indian Affairs*, 109th Cong. at 104 (November 2, 2005).

through “the 4 years of the President before [he] left.”¹⁸³ 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.¹⁸⁴ Griles remembered that these ethics officials told him that this meeting triggered no waiver or recusal obligations—he did not have to do anything.¹⁸⁵

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.¹⁸⁶ Baggett also indicated that he had no knowledge about Abramoff (or anyone else at Greenberg Traurig) having had employment discussions with Griles.¹⁸⁷

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.”¹⁸⁸ Griles categorically denied having had any other conversations with Abramoff about possibly working at Greenberg Traurig, other than this meeting.¹⁸⁹

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

¹⁸³*Id.*

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).

¹⁸⁷*Id.*

¹⁸⁸Email from Jack Abramoff, Greenberg Traurig, to DCCasino, Greenberg Traurig, “Griles” (Tracking Number 3707795) (February 3, 2004).

¹⁸⁹*See* Interview of J. Steven Griles, former Deputy Secretary, U.S. Department of the Interior, in Washington, D.C. (October 20, 2005).

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.¹⁹⁰ Additional inquiry into those areas by

¹⁹⁰A 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

the appropriate authorities appears warranted.

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.