

# Files in Gingrich Case Detail Misstatements

## Speaker Repeatedly Failed to Admit Problems

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In his final opportunity to defend his client Friday night before the House ethics committee, an attorney for Newt Gingrich conceded that the speaker had made "glaringly inconsistent" statements to the panel's investigative subcommittee about a politically oriented college course financed with tax-exempt funds.

The concession was among the most dramatic of any Gingrich representative. The speaker in December admitted to having provided inaccurate information to the ethics panel. The full ethics committee on Friday voted 7 to 1, just two hours after the comments by Gingrich attorney J. Randolph Evans, to recommend a \$300,000 penalty and a formal reprimand of the speaker, concluding a week of partisan wrangling that convulsed the Capitol. The committee vote is likely to be followed by approval of the sanctions by the full House when it votes on the recommendation Tuesday.

The ethics panel's subcommittee originally accepted special counsel James M. Cole's proposal that Gingrich be charged with submitting information he "knew or should have known" was false. But in exchange for Gingrich admitting his guilt, the panel altered the charge, deleting the word "knew," in what amounted to a plea bargain.

A review of the committee's toughly worded 214-page report and of a six-inch stack of investigative documents released yesterday shows that Gingrich re-

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### DOCUMENTS, From A1

peatedly declined to acknowledge the inaccuracies in statements he made to the ethics subcommittee until last November—weeks after the panel had announced publicly that it was expanding the inquiry to include the veracity of his answers to investigators.

The documents released yesterday also contain new references to the importance Gingrich placed on using a college course he taught, called Renewing American Civilization, to further his grand plan to win a Republican majority in the House. And they disclose that one foundation used to fund an earlier televised town meeting transferred to GOPAC, the political action committee Gingrich then headed, \$42,500 more than it had borrowed. The subcommittee was unable to interview the accountant involved because she asserted "a constitutional privilege," the committee report said.

Gingrich's dealings with the ethics committee in this case began in mid-1993 when he sought permission from the panel to teach the course at Kennesaw State College in his congressional district.

Internal GOPAC documents cited in the committee report show that GOPAC officials helped organize, raise money for and market the course to Republican groups so Gingrich could disseminate his political message. Gingrich did not disclose that in meeting with an ethics committee lawyer.

He told Cole last July that his intended use of the course was partisan. But he added, "As long as the course itself was nonpartisan . . . I don't believe I had an obligation to tell the Ethics Committee what my political strategies were."

Various Gingrich memorandums released yesterday make clear that he intended the course to be a key element in his political activities. In a

handwritten memorandum dated March 29, 1993, and addressed to "the various Gingrich staffs," Gingrich writes: "I believe the vision of renewing American civilization will allow us to orient and focus our activities for a long time to come." The course, he wrote, should not be seen "as an end in itself or as an isolated phenomenon."

During Friday's ethics committee hearing, Cole said the document, entitled "Renewing American Civilization as a defining concept," showed

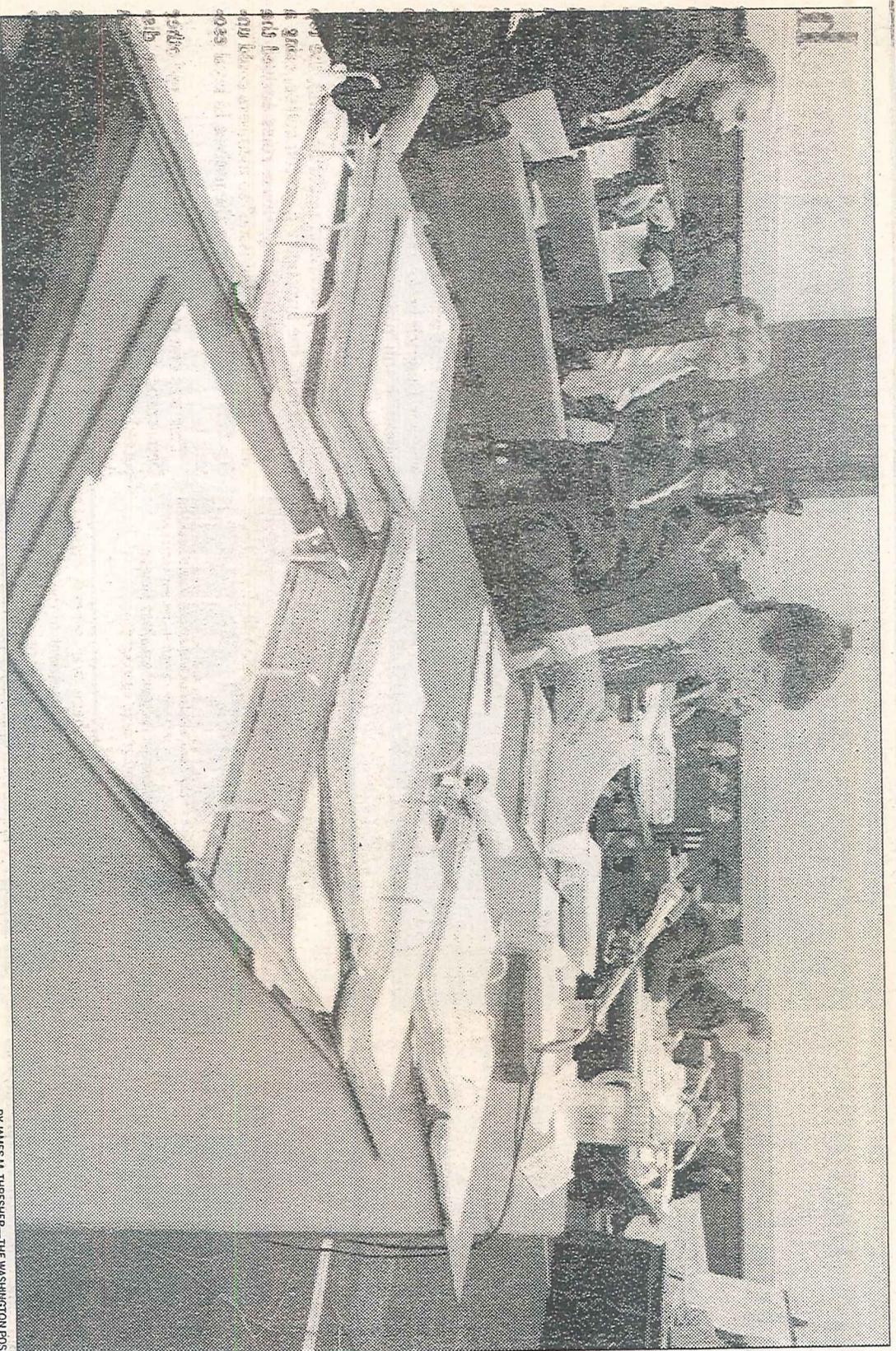
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how Gingrich intended the course's theme to define "all of the activities that he is engaged in through GOPAC, through his campaign, through his congressional office, through the whip office."

In a typewritten draft of another memorandum, bearing the May 13, 1993, time stamp of the GOP whip's office's facsimile machine, Gingrich described the course as part of an effort to "arouse enough volunteers and contributors to win a sweeping victory in 1996."

The ethics complaint that led to Friday's recommendation was filed in September 1994 by Democrat Ben Jones, Gingrich's opponent in that fall's election. It was based on internal GOPAC documents a Demo-

# THE GINGRICH ETHICS CASE



Special counsel James M. Cole, who conducted the investigation, appears before ethics committee hearing on probe of House Speaker Newt Gingrich.

BY JAMES M. THRESHER—THE WASHINGTON POST

cratic activist in Georgia received after an open-records request at Kenesaw State.

In his first response to the committee, on Oct. 4, 1994, Gingrich said GOPAC was one of the entities that paid people to work on the course. Gingrich supporters and some of the ethics subcommittee members cited this as a sign he was not trying to hide GOPAC's involvement. Cole and others found "little value" in the letter, they said, because it showed only that Gingrich did not use congressional funds in the course.

Cole noted at the hearing that the Oct. 4 letter did not address tax issues. "It cut both ways, frankly," he said. "On the one hand it seemed to be an avoidance of the tax issue because the tax issue was quite prominent in the complaint filed by Mr. Jones."

After the committee responded in late October with a sharply worded letter focused on the tax questions and GOPAC's role in the college course, Gingrich hired Jan Baran, a Washington lawyer and expert in campaign finance issues, to assist him.

The false statements were contained in a Dec. 8, 1994, letter prepared by Baran's firm and signed by Gingrich, and a March 27, 1995, letter that Baran signed after it was approved by Gingrich. Both made numerous statements that GOPAC was not involved in the college course and that the course did not benefit the political organization.

The committee hired Cole in late 1995 and expanded the investigation in September 1996 to include investigating the accuracy of the statements. Still, in a letter last Oct. 31, Gingrich responded again that the letters in question were accurate.

Rep. Steven Schiff (R-N.M.) said at the hearing: "One would have thought when we pointed out the letters, he would have read them. And

if something was wrong you thought he would bring it to our attention. But he did not. Instead he sends us a letter repeating what he said before. He doesn't see anything wrong. Well, that makes it tough for us to understand that in fact this is as innocent as some people would have us believe."

It was not until Nov. 13, when Gingrich testified under oath before the subcommittee, that he acknowledged the misstatements. Even then, Cole said at Friday's hearing, "it was not that he just walked in, recognized everything was inaccurate and explained it right off the bat to the subcommittee."

Cole said that Gingrich "ultimately did—after questioning and . . . showing him documents and things of that nature—did acknowledge that there were inaccurate" statements.

Later in the hearing, Schiff noted the contradictions in Gingrich's letters to the committee: "And I just don't think you deliberately say something accurate on Monday and then send something on Tuesday that's inaccurate and think you're going to get away with it."

Rep. Nancy Pelosi (Calif.), one of the two Democrats on the investigating subcommittee, said she arrived at a different conclusion. She said there were only two possible explanations. "One is that the letters served the purpose they were written to serve, which was to get a dismissal of the charges that were before the ethics committee. Or, and I say this with great regret, he thought he could get away with it."

Cole said in the committee report that he suggested that a "good argument could be made, based on the record, that Mr. Gingrich did act intentionally, however it would be difficult to establish that with a high de-

gree of certainty."

If the committee had concluded Gingrich intentionally lied, Cole said in the hearing, "I would be recommending censure all day long."

The committee report and exhibits show that GOPAC lent \$74,500 in 1990 and 1991 to the Abraham Lincoln Opportunity Foundation to help it take over funding of a televised town hall meeting to recruit citizen activists. The foundation paid GOPAC \$117,000 in 1991-92—\$42,500 more than the loan.

When the foundation accountant asked in late 1993 for invoices to prove that the extra money was spent for nonpartisan purposes, GOPAC officials responded with bills for rent, postage and staff services, all for activities in 1990.

The report noted that there was no evidence the invoices were written at the same time as the events. Some of the consultants listed did not keep records, and one who did reported time spent on foundation business that was substantially less than the time on the invoice.

The report said there was no evidence Gingrich had any significant involvement with the foundation's finances. It detailed the transactions because the subcommittee recommended that all relevant documents be made available to the Internal Revenue Service.

All the material gathered in the Gingrich investigation will be made available to the IRS, which would have to ask the ethics committee to see it, according to Theodore J. Van Der Meid, the panel's chief counsel. This step is less than a referral to the agency, which likely would require a vote of the full House.