

Democrats Press Ethics Panel to Step Up

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By John E. Yang
Washington Post Staff Writer

Democrats stepped up their pressure on the House ethics committee to speed its investigation of House Speaker Newt Gingrich (R-Ga.) yesterday after a published report said Gingrich may have used six tax-exempt foundations for political purposes.

Late yesterday afternoon, Rep. Harry A. Johnston (D-Fla.) introduced a resolution that would direct the committee to turn over the entire investigation to special counsel James M. Cole. Under House rules, the chamber must act on the measure by Friday, but House GOP leaders can avoid a debate with a motion to table the measure.

In addition, Rep. George Miller (D-Calif.) indicated he might try to bring the Internal Revenue Service and the

Justice Department into the case, which he called a "widespread conspiracy to violate the tax laws of this country, the election laws of this country and the ethics of this House."

"The ethics committee has become the Newt Gingrich Protection Society," said Rep. Patricia Schroeder (D-Colo.) "If we can't police this House and live by the rules, we deserve the disrespect the public will heap on us."

Lauren Sims, Gingrich's deputy press secretary, called the latest report, published in the Los Angeles Times yesterday, "a rehash of previously published news articles." Gingrich previously has denied misusing any foundations.

The House ethics committee does not comment on current investigations.

House Minority Whip David E.

Bonior (D-Mich.), the speaker's chief House antagonist on ethics issues, acknowledged he does not know whether Cole might already be

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investigating the issues detailed in the newspaper.

The Times reported that from 1984 to 1994, Gingrich and key advisers used the six nonprofit groups "to extend the reach of GOPAC, the partisan committee that fueled the successful

Probe of Gingrich's Use of Nonprofits

1994 Republican drive to gain control of Congress." Gingrich headed GOPAC from 1986 to 1995 and remains its honorary chairman.

"The foundations generated at least \$6 million combined in tax-deductible contributions that were outside the purview of federal election law," the newspaper reported.

Federal tax laws strictly prohibit partisan activities by a tax-exempt organization. Tax experts interviewed by the Times said some of the foundations with which Gingrich was involved appear to have been used as conduits to sponsor political activity.

Bonior called the activity "a massive, \$6 million tax fraud scheme that used six different nonprofit organizations as cover to defraud U.S. taxpayers and funnel money to his own political machine."

According to the Times, one of the organizations, the Abraham Lincoln Opportunity Foundation, was created by Colorado Republican officials in 1984 to help the needy and organize speech contests for poor inner-city teenagers. The foundation, recognized by the IRS as a public charity, advised that contributions were tax-deductible.

But, the newspaper reported, the foundation "eventually pursued an entirely different agenda" to help Gingrich and GOPAC "recruit activists all across America to become involved in the Republican Party."

Late last year, the House ethics committee hired Cole as special counsel to investigate Gingrich's connections with two of the tax-exempt foundations, the Kennesaw State College Foundation and the Progress & Freedom Foundation. Gingrich was accused

by Democrats of improperly using charitable contributions by advancing GOP causes through his nationally televised college course.

The Times said its investigation raised similar questions about the Lincoln Opportunity Foundation, the West Georgia College Foundation and the American Opportunity Foundation. The sixth organization, the American Campaign Academy, was so clearly partisan that its application for tax-exempt status was rejected, the newspaper said.

Bonior said the ethics committee has had information about the foundation but has refused to investigate and has prevented Cole from investigating.

"The ethics committee has done worse than stonewall—they are actively participating in a coverup on Newt Gingrich's behalf," he said.