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# THE FEDERAL

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## *Ethics Probe Reaching Critical Stage*

By R.H. Melton

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If he and fellow Republicans retain control of the House in Tuesday's elections, Newt Gingrich (R-Ga.) will be asking for their votes in the speaker's race later this month with a cloud still hanging over his tenure. The prospect may be an unpleasant one for GOP freshmen or members who win by narrow margins.

Gingrich, whose two-year stewardship as speaker of the House has been marred by a long-running ethical imbroglio, is about to enter the most vexing and politically treacherous phase of an investigation into the partisan machinery that helped propel him to high office.

Within the next few weeks, members of the House ethics committee will decide whether to present formal charges of misconduct against Gingrich, who has steadfastly denied any ethical breach in the face of more than 70 complaints of wrongdoing, most lodged by Democrats.

The 10-member House Committee on Standards of Official Conduct, split evenly by party, lurched along for more than a year until the appointment of a special investigative counsel last summer and recently took what for Gingrich was an ominous turn when it expanded the counsel's mission and questioned whether the speaker had lied about an important aspect of the case.

In public, Gingrich has sought to project a sense of calm about the inquiry, saying he will wait patiently for it to run its course in the weeks ahead. "I can hardly be concerned," he said in a recent interview.

But the ethics case has been an issue in his reelection fight against Michael Coles (D), a millionaire cookie magnate, and members of Gingrich's inner circle say he is privately infuriated by the recent turn of events on the eve of House elections. Even though the speaker still is generally favored to win reelection in his suburban Atlanta district, he has expressed frustration about the "enraging" ways of scandal-mongering in Washington.

"This is an effort to destroy me by exhaustion," he said in a recent conversation about

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## *Gingrich*

his ethics case.

"I have followed the rules scrupulously, to my knowledge. . . . I don't think anybody in the city thinks I lie. I mean, people think I'm extreme or I'm too harsh or I lose my temper or I lack good judgment on occasion, but I don't think I've ever heard in my entire public career a suggestion I would lie."

The ethics issue arose in a debate back home the other night, and Gingrich took pains to point out that more than 70 complaints against him have been dismissed by the ethics panel or rendered moot.

"When you look at the totality, 74 times Democrats have filed charges, 74 times the

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committee has said, "Not much there," Gingrich said. "Now I think people in my district figure I'll be speaker of the House and that's the key factor people have to weigh."

In widening the scope of the investigation by counsel James M. Cole, the committee returned to ethical problems that have long haunted Gingrich: GOPAC, the political action committee that helped build the new Republican majority in the House; his nonprofit, tax-exempt foundations that critics say were little more than vacuum cleaners that sucked up political money from around the country; and college courses Gingrich taught in the early 1990s at small Georgia colleges.

To his Democratic critics, those were the building blocks of "Newt Inc.," a sprawling national network that Gingrich manipulated to elect a broad, new cadre of GOP politicians and recapture the House. Gingrich defends the interlocking networks as legitimate

party-bundling, much of it he says was approved in advance by the ethics committee.

In the interview, Gingrich indicated that Cole appeared particularly interested in the funding for his "Earning by Learning" program designed to get school children to read more, as well as his televised "Renewing America" course, a nonprofit venture that critics say Gingrich parlayed into a nationwide bestseller that earned more than \$1 million in royalties.

Gingrich also suggested that Cole has focused on the work that Jane Fortson, a staffer at the Progress and Freedom Foundation, performed for him as he assumed the speaker's office and took a visible role in D.C. affairs.

"We think one of the widenings is whether or not I had somebody working for the city of Washington who wasn't on my official payroll" and whether "I may have inappropriately

given that person a grant," the speaker said.

"This is about whether or not, technically, somebody might or might not have done something that was sufficiently arcane" to violate House ethics rules, Gingrich added.

Stanley M. Brand, a Washington lawyer who once served as counsel to the House, said the committee's bipartisan decision to expand Cole's mandate was significant because it opened the possibility of punishment ranging from a letter of reproof to censure or expulsion.

"It took them two years to get to this point, but any time this committee operates in a bipartisan manner, serious charges can result," Brand said.

Cole, an investigator with 12 years of Justice Department experience, declined to comment, but officials with firsthand knowledge of his inquiry said they expect it to be devil Gingrich on several different fronts, in-

cluding his expected run for another term as speaker.

At the same time, Cole is expected to have a broad license to root through the accounting records of GOPAC, documents which constitute the Holy Grail for Democratic partisans who have hounded Gingrich on ethics issues. GOPAC officials declined comment.

Investigative records suggest that Cole already has cast a wide net, touching on several aspects of Gingrich's political and educational worlds.

For instance, the subpoena Cole issued earlier this year to Timothy Mescon, dean of Kennesaw State College where Gingrich taught, listed 36 individuals, foundations and groups such as GOPAC that had caught Cole's interest.

The Mescon subpoena also shows that Cole sought detailed information on virtually every facet of Gingrich's college course, "Renewing American Civilization," as well as the Gingrich-allied Progress and Freedom Foundation, which played an instrumental role in formulating the course.

GOPAC has long functioned in a legal gray zone of campaign finance law, but its internal records suggest officials there were aware of laws prohibiting them from engaging in certain electoral activities.

For instance, in early 1991, as they were laying the groundwork for Gingrich's 1994 takeover of the House, GOPAC officials wrote in an organizing memorandum: "As has been frequently noted, the multiplicity and complexity of these items means that different legal/IRS structures are permitted/mandated to pursue each.

"Great care must be exercised to ensure that however resources may be available, that legal entities exist which can accept them and assure their maximum utilization for the cause," the memo concluded.

Sources said Cole interviewed about 40 people in the first phase of his investigation, including 11 hours with Gingrich over two days this summer. Gingrich was not under oath during his interview, his lawyer said.

Theoretically, Cole could wrap up the bulk of his work before the new year, giving the current committee a chance to meet again before the new Congress is sworn in. Several experienced observers are predicting it could spill over well into 1997, with even more vigor should Democrats capture the House.

"This thing is far from over," said Ralph L. Lotkin, a lawyer who served as chief counsel and staff director at the ethics committee for five years until 1990. "It's an unfortunate fact of life: The inordinate amount of time it took to get off the ground and moving has basically put them in the posture of not having enough time to finish it this year."