

Offenses Go to Core of Gingrich Probe

Admissions Are About-Face on Political vs. Nonpartisan Activities

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For three years now, House Speaker Newt Gingrich (R-Ga.) has contended that there was little if any overlap between his political activities and his supposedly nonpartisan educational endeavors, particularly a college course he taught in Georgia.

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Now, in his admissions of wrongdoing to the House ethics committee, Gingrich has dropped that stance. As laid out by an ethics panel in a 22-page statement of findings uncontested by the speaker, Gingrich used an array of charitable organizations to subsidize his partisan political activities. In addition, despite Gingrich's statements to the contrary, his political action commit-

tee, GOPAC, played a critical role in developing, funding, and marketing his college course.

Gingrich's acknowledgment of misconduct has two parts: that he should have checked out more carefully whether the charitable groups could be used in that way; and that he submitted "inaccurate, incomplete and unreliable" information to the panel about the connection between the college course and GOPAC.

Gingrich and his allies have sought to minimize the political damage by dismissing the tax issue as an "arcane" matter of tax law and the misleading statements as the unfortunate result of a politician so busy with his other activities that he failed to scrutinize adequately what was being said in his name.

But an examination of the findings of the ethics in-

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investigative subcommittee, interviews with tax experts, and a review of Gingrich's previous statements show that the issue is an important matter that cost the Treasury money in the form of lost taxes and that Gingrich's admittedly misleading statements went to the core of the subcommittee's investigation.

On the tax question, the ethics panel balked at deciding whether Gingrich's activities violated the law. A tax lawyer hired by its special counsel said there was a violation; Gingrich's lawyer said there wasn't; and the subcommittee simply agreed to let Gingrich admit that he should have gotten legal advice on the subject. Even Gingrich's tax lawyer said he would have advised against using the charitable groups that way had he been consulted in advance.

But some experts on tax law said yesterday that the facts laid out by the ethics panel make clear that Gingrich misused the charitable deduction for political purposes that were so blatant it was difficult to see how the subcommittee could have avoided coming to that conclusion.

The law allows taxpayers to deduct from their taxes the contributions they make to charitable groups. But it requires that such organizations be operated "exclusively" for charitable purposes and says they aren't allowed to provide any support whatsoever to political groups. To avoid confusion between money collected for charitable purposes and money collected for nondeductible political purposes, many organizations establish separate entities.

"If there were a jury of 12 people who knew this area of the law . . . you'd probably get 10 out of 12 who believe that he seriously and flagrantly violated the tax law," said Gregory L. Colvin, a San Francisco tax lawyer who specializes in charitable organizations.

Colvin said the improper use of the charities harmed the public because tax revenue was lost when Gingrich's donors claimed charitable deductions they should not have taken.

The ethics report discussed how Gingrich used one charitable organization originally set up to help inner-city youth, the Abraham Lincoln Opportunity Foundation, to finance a satellite television project originally conceived and paid for by GOPAC. Those listed as working for the foundation were GOPAC employees or consultants, it added.

In a letter to GOPAC supporters, Gingrich said the television show would help in "making great strides in continuing to recruit activists all across America to become involved with the Republican Party. Our efforts are literally snowballing into the activist movement we need to win in '92."

Similarly, Gingrich relied on several charitable foundations to finance his college course, called "Renewing American Civilization" and broadcast throughout the country on satellite and local cable channels. In substance, the course, based successively at two Georgia colleges, was indistinguishable from Gingrich's political activities.

As the subcommittee pointed out, "'Renewing American Civilization' was also the main message of GOPAC and the main message of virtually every political and campaign speech

means for developing and disseminating this message."

GOPAC's meeting in April 1993 was entitled "Renewing American Civilization" and charter members, the group's large donors, were asked to contribute their ideas for developing the course.

GOPAC then sent letters to supporters outlining what the subcommittee said was a "partisan, political role" for the course. "Hopefully, it will provide the structure to build an offense so that Republicans can break through dramatically in 1996," Gingrich wrote.

In another letter, Gingrich made clear that the course was part of a broader political program to regain control of Congress. "In essence, if we can reach Americans through my course, independent expenditures, GOPAC and other strategies, we just might unseat the Democratic majority in the House in 1994," he wrote.

And GOPAC's finance director called the course "a very real opportunity to educate the American voting population to Republican ideals, increasing our opportunity to win local, state and congressional seats."

The practice of getting tax breaks for his supporters was one Gingrich has used frequently over the years. For instance, when he published a book in 1984 about a Conservative Opportunity Society, he recruited 21 backers—most of them his political donors—to put up \$5,000 each to form a partnership to fund a promotion campaign to make the book a bestseller. It didn't work, but the donors were able to take a tax writeoff.

In 1993, the first year Gingrich taught the course, it cost about \$300,000—most of which came from Gingrich's political supporters—the ethics report said. Because they went to the Kennesaw State College Foundation, the donors were allowed to take a tax deduction for their contributions.

The next two years, when Gingrich moved the course to Reinhardt College, it was financed through a foundation started by GOPAC's former executive director and cost \$900,000. Much of the expense went to provide satellite uplinks to beam Gingrich's message to more than 100 sites around the country.

"From what I've seen and the additional information that's come to light, it seems to me to bolster the case that there was a partisan political intent to all these activities," said Frances Hill, a University of Miami law professor who specializes in charitable organizations.

"It seems to me that what the committee's counsel has done is made a very strong, persuasive case . . . that this was a partisan political activity for the benefit of Newt and possibly as well the conservative wing of the Republican Party." The subcommittee's decision not to decide whether the activity violated the tax law, she said, "looks to me like a classic plea bargain."

But Donald C. Alexander, a former Internal Revenue Service commissioner who wrote a legal memo for Gingrich in the case, said yesterday that the lines defining political activity by tax exempt groups are "indistinct."

The other admission by Gingrich involved

That's not a minor or peripheral issue that Gingrich may have overlooked but the core focus of the panel's investigation of Gingrich. The connections between GOPAC and the course were a topic the speaker dealt with not just in his submissions to the subcommittee but in other public statements where he denied or minimized the overlap. A review of Gingrich's statements over the years shows a consistent effort on Gingrich's part to deny or minimize GOPAC's role.

When he sought ethics committee approval for his plans to teach the course, Gingrich didn't mention GOPAC's role. In an interview with the Kennesaw State College campus newspaper in July 1993, before the course began, Gingrich said GOPAC is "not involved in this at all."

Two months later, a Democratic activist in Georgia used the state's open record law to get hundreds of pages of internal documents showing that GOPAC helped plan, market and raise funds for the course. When the Atlanta Constitution and The Washington Post wrote about the political connection, Gingrich attempted to downplay it. He said he turned to GOPAC for fund-raising help because "they're the best fund-raisers I know."

At that time, Gingrich insisted that "GOPAC had the most incidental involvement at the very beginning of the process."

When the ethics committee in 1994 began to investigate the financing of the course and GOPAC's involvement in it, Gingrich took a similar approach. In a television appearance in November 1994, he dismissed questions about GOPAC's role as "a nonsense issue."

In a December 1994 letter to the subcommittee, Gingrich described the course as "completely nonpartisan," said it arose "wholly independent of GOPAC" and said GOPAC's interests "are not directly advanced by this nonpartisan educational endeavor."

In March 1995, his lawyer told the subcommittee that GOPAC "never had any relationship, official or otherwise," with the course, said it "has had absolutely no role in funding, promoting or administering 'Renewing American Civilization,'" and "has not been involved in course fund-raising and has never contributed any money or services to the course."

Gingrich admitted he violated a House rule requiring members to conduct themselves "in a manner which shall reflect creditably" on the House. Yesterday, a key Gingrich ally, Grover Norquist, head of Americans for Tax Reform, compared his transgressions to "a parking ticket." The House Ethics Manual says the rule was adopted to deal with "flagrant violations . . . that might otherwise go unpunished."

Staff researcher Barbara J. Saffir contributed to this report.

FOR MORE INFORMATION

For the full text of all of Newt Gingrich's lectures from the "Renewing American Civilization" course, click on the above symbol on the front page of The Post's site on the World Wide Web at <http://www.washingtonpost.com>