

# Subcommittee Lays Out Missteps by Gingrich

Yesterday the House ethics investigative subcommittee issued a Statement of Alleged Violation—essentially an indictment—in its probe of House Speaker Newt Gingrich (R-Ga.). In a 22-page document that made 53 points, the subcommittee faulted Gingrich for not seeking legal advice on whether it was proper for tax-exempt organizations to finance a televised town hall meeting and a college course he taught in Georgia. The panel also said Gingrich provided it with inaccurate information.

Because Gingrich admitted to the charges, the subcommittee said “the rules of the committee will not require the holding of an adjudicatory hearing to determine whether the violation has been proven.”

Following are excerpts of the subcommittee’s statement:

■ The panel noted that “Under the Internal Revenue Code, an organization which is exempt from taxation . . . must be operated exclusively for exempt purposes. [It] is also prohibited from providing any support to a political action committee. These prohibitions reflect congressional concerns that taxpayer funds not be used to subsidize political activity.”

■ But in regard to a tax-exempt organization’s funding and operation of a televised town-hall meeting that had been originated by GOPAC, a political action committee Gingrich then headed, “Mr. Gingrich did not seek specific legal advice concerning the application . . . of the Internal Revenue Code . . . and did not take affirmative steps to ensure that such

legal advice was obtained by others from an appropriate source.

■ “Both the subcommittee’s expert and Mr. Gingrich’s tax counsel agree that had they been consulted about this type of activity prior to its taking place, they would have advised that it not be conducted under the auspices of an organization exempt from taxation under . . . the Internal Revenue Code.”

■ Pages of facts and events document a strong influence over the establishment and existence of Gingrich’s college course by GOPAC and other Republican Party adjuncts.

“Although Mr. Gingrich consulted with the House Committee on Standards of Official Conduct prior to teaching [his college course in Georgia], he did not seek specific legal advice concerning the application . . . of the Internal Revenue Code . . . and did not take affirmative steps to ensure that such legal advice was obtained by others from an appropriate source.

■ “During the preliminary inquiry, the subcommittee consulted with an expert in the law of tax-exempt organizations. Mr. Gingrich’s activities on behalf of the Kennesaw State College Foundation, the Progress and Freedom Foundation and Reinhardt College in regard to the course entitled ‘Renewing American Civilization’ and the activities of others on behalf of those organizations with Mr. Gingrich’s knowledge and approval were reviewed by the expert.

“The expert concluded that those activities violated [their tax-exempt



**Rep. Porter J. Goss (R-Fla.), investigative panel chairman, talks to reporters with Rep. Steven Schiff (R-N.M.), center, and Rep. Benjamin L. Carden (D-Md.).**

BY MARK FINKENSTEDT FOR THE WASHINGTON POST

status] . . . in that, among other things, those activities were intended to confer more than insubstantial benefits on Mr. Gingrich, GOPAC and other Republican entities and candidates. . . .

"If the legal advice described [above] had been sought and followed, most, if not all, of the tax-deductible charitable contributions would not have been used for [those] activities."

■ After documenting "inaccurate, in-

complete and unreliable" information that Gingrich presented to the committee regarding the extent of GOPAC's involvement in the course, the panel noted: "The ultimate responsibility for the accuracy of information submitted to the Committee remained with Mr. Gingrich. . . ."

■ In sum, the panel concluded: "Mr. Gingrich engaged in conduct that did not reflect creditably on the House of Representatives in that: regardless of the resolution of whether the activities . . . constitute a violation

of . . . the Internal Revenue Code, by failing to seek and follow the legal advice described [above], Mr. Gingrich failed to take appropriate steps to ensure that the activities described . . . were in accordance with . . . the Internal Revenue Code; and on or about March 27, 1995, and on or about Dec. 8, 1994, information was transmitted to the committee by and on behalf of Mr. Gingrich that was material to matters under consideration by the committee, which information, as Mr. Gingrich should

have known, was inaccurate, incomplete and unreliable.

"The conduct described in this statement of alleged violation constitutes a violation of Rule 43(1) of the United States House of Representatives." The rule states: "A Member . . . of the House of Representatives shall conduct himself at all times in a manner which shall reflect creditably on the House of Representatives."

—Associated Press