

# PART I: HE'S REALLY GOT A HOLD ON HER

GINGRICH KNOWS HIS ACHILLES' HEEL—IT WILL TAKE ONLY ONE HONEST REPUBLICAN ON THE HOUSE ETHICS COMMITTEE TO APPOINT AN INDEPENDENT, NONPARTISAN INVESTIGATOR. HE'S TAKEN STEPS TO ENSURE THAT NEVER HAPPENS.

BY GLENN SIMPSON

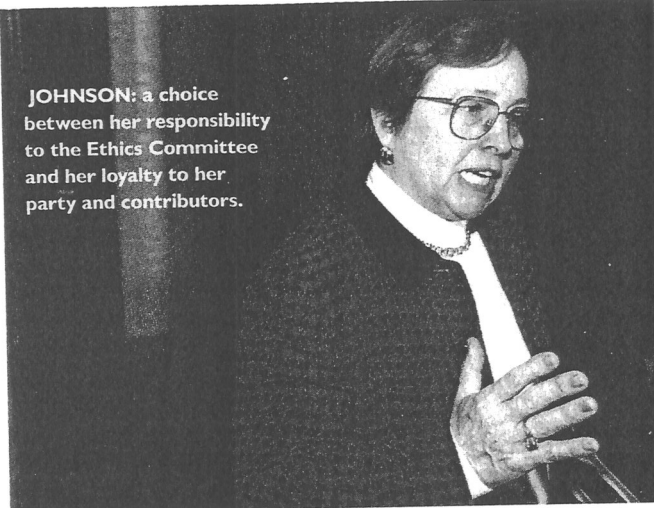
LAST SPRING, REPRESENTATIVE Nancy Johnson (R-Conn.) suddenly found herself a VIP in the eyes of House Speaker Newt Gingrich, who took a somewhat obscure bill of Johnson's, placed it on the fast track, and slammed it through the House shortly before Congress left Washington for its Easter recess.

Now he wants something from her. After all, she chairs the House Ethics Committee, which has been on the fence since January about whether to hire independent counsel with the power to recommend charging Gingrich over a slew of allegations involving GOPAC (his political action committee) and his college course at Kennesaw State College.

Johnson originally staked out a position against an independent counsel to investigate her fellow Republican. After coming under fire in her home-state press for alleged conflicts of interest, she began hedging. By press time, she was floating the idea of hiring an independent counsel with a writ limited to examining certain issues.

But it will be impossible for an investigator to answer all the questions raised by these charges without the freedom to examine Gingrich's entire empire, particularly GOPAC. And a limited writ would also place an unprecedented burden on the investigator to overlook any other possible wrongdoing uncovered during the inquiry. Moreover, if the conflicts of interest that Johnson and other members of the Ethics Committee have in their relationship with Gingrich raise serious questions about their ability to weigh the charges against him fairly—and they do—a semi-independent counsel is hardly a solution.

(In 1988, during the investigation of Speaker Jim Wright, Gingrich insisted that the House Ethics Committee give its independent counsel complete freedom. In a letter to the committee, Gingrich said restrictions on the counsel would be perceived "as an attempt by the Ethics Committee to control the



**JOHNSON:** a choice between her responsibility to the Ethics Committee and her loyalty to her party and contributors.

## NANCY'S DILEMMA

On March 21, Nancy Johnson, chair of the House Ethics Committee, told reporters that the allegations against the Speaker were not "frivolous."

Gingrich ally Paul Weyrich struck back quickly, saying that if Johnson "makes the wrong decision" on an investigator, "she will weaken the speaker of her own party and ...affect her chances of continuing to be a committee chairman."

Meanwhile, Gingrich slammed a bill through the House that was Johnson's biggest priority this year. The bill benefits the powerful insurance companies in her home state of Connecticut, from whom she collected \$95,000 in 1991-1992.

Was Gingrich trying to influence the Ethics Committee chair? Continued questions about Johnson's impartiality are legitimate and inevitable.

scope and direction of the investigation." Among other things, said Gingrich, "in order to conduct a thorough and credible investigation, the special counsel needs complete subpoena power.")

The biggest conflict for Johnson, but not the only one, involves the bill Gingrich slammed through the House. The bill extends and expands a Medicare pilot project on "managed care," Medicare Select. The bill, which was not part of the "Contract With America," will benefit the many insurance companies based in Johnson's home state. (The Connecticut insurers see it as a way to get a large share of the Medicare market into profitable HMO policies.) According to the nonpartisan Center for Responsive Politics, Johnson was the top Republican recipient of insurance industry campaign money in 1991-1992, collecting \$95,000.

At the very time Gingrich pushed through her pet legislation, Johnson was holding Ethics Committee meetings to discuss the possibility of appointing an independent counsel to investigate him.

Gingrich—who angrily denounces the notion of an independent counsel even as he insists he has nothing to fear—could hardly have overlooked Johnson's influence over his fate.

In what may have been a spine-chilling comment for Newt, Johnson told reporters on March 21 that the allegations against the speaker were not "frivolous," as Gingrich and his stalwarts have blustered. Her potentially ominous observation was widely reported. Gingrich ally Paul Weyrich struck back a week later, writing in the March 28 *Washington Times* that if Johnson "makes the wrong decision" on an independent counsel, "she will weaken the speaker of her own party and may well affect her chances of continuing to be a committee chairman beyond this Congress."

A week later, the House Commerce Committee approved

Johnson's Medicare bill, and it was promptly scheduled for a vote by the full House, ahead of other measures and again under an extraordinarily expedited time frame.

"What's the big hurry?" asked Rep. John Dingell (D-Mich.) in a letter to his colleagues in early April. As Dingell pointed out, in order to ram the Johnson bill through the House, the Gingrich-controlled Rules Committee had to engage in some extraordinary hanky-panky with House procedures.

Gingrich stayed behind the scenes, allowing his lieutenants to argue that the steamroller was necessary because the program was set to expire June 30. But even some Republicans pointed out that there were more than 80 days between April 5 and June 30. These Republicans, including Rep. Greg Ganske, a physician from Iowa, gently suggested the interval could be used to conduct further analysis of whether the program was actually working. Gingrich rolled right over them as well.

According to one Democratic staffer on the Commerce Committee, its Republican members privately admitted there was no urgency to the bill, but when asked why their leadership was pushing it so urgently, they "just sort of shrugged."

Strictly from a policy point of view, Gingrich's decision to push the Medicare Select bill during the first 100 days was odd. While he has spoken a great deal about reforming Medicare, Gingrich had not pushed the Medicare Select program as a priority. Moreover, he has repeatedly stated that House Republicans would move forward with Medicare reform *after* a Gingrich-appointed task force offered recommendations. When the bill was pushed through, the task force was still meeting.

Ari Fleischer, the Republican spokesman for the House Ways and Means Committee, said Johnson's bill was expedited in April to prevent it from getting "politicized" in the larger debate over Medicare which began in May. Simply renewing the program probably would not have been controversial in the midst of the Medicare debate—even the most liberal Democrats support the 15-state pilot. What undoubtedly was in danger of becoming politicized was the massive expansion of the program sought by Johnson and her insurance-industry supporters.

Gingrich's favor no doubt reminded Johnson of the mutual value of their long-standing relationship. During his underdog campaign for the number two House GOP leadership post in 1989—an election he won by only two votes—Gingrich benefited mightily from Johnson's backing. She belongs to the party's moderate wing, where Gingrich was weakest. That narrow victory put Gingrich on the speaker track.

Gingrich was then in a position to repay Johnson. In 1992, when the ambitious Johnson ran against right-wing Rep. Bill McCollum (R-Fla.) for a junior leadership post, Gingrich backed her over his more logical

(i.e., ideological) ally. As Gingrich's top aide explained at the time, "He owes Nancy. She's been a good supporter of his." In December, as the Ethics Committee probe was heating up, Gingrich asked Johnson to second his nomination for speaker.

Besides mutual back-scratching, Gingrich and Johnson also share some apparent conflicts of interest. One example: A former IRS Commissioner retained to help defend the speaker before the Ethics Committee, Donald C. Alexander, is also a Johnson contributor and a tax lobbyist who has testified before Johnson's Ways and Means subcommittee. (In a letter to Gingrich, which was submitted to the Ethics Committee, Alexander asserted that Gingrich had not violated the tax code in fundraising for his college course.)

Johnson, who declines to address questions about these conflicts, has a reputation for integrity, and her career to date has been unsullied by even the slightest allegation of inappropriate conduct. It's hard to imagine that she struck an explicit deal with Gingrich in order to move the Medicare Select legislation. (Her press secretary, Lisa Pelosi, says the notion of a connection between the Medicare Select bill and the ethics case is "beyond a stretch.")

On the other hand, Gingrich's let's-make-a-deal operating style leaves room for ample speculation about whether he was trying to influence the Ethics Committee chair. Given Gingrich's well-documented record of operating by what might be called transactional politics, continued questions about Johnson's impartiality are legitimate and inevitable.



## THE OTHER GOP MEMBERS OF THE ETHICS COMMITTEE



Porter Goss, Fla.



Steven Schiff, N.M.



Jim Bunning, Ky.



Dave Hobson, Ohio

All four Republicans on the Ethics Committee have at least one seeming conflict with either Gingrich or GOPAC.

- Porter Goss' campaign contributed \$5,000 last year to Gingrich's GOPAC. Goss, of Florida, said he was surprised to have been reappointed to the panel.

- Steven Schiff, of New Mexico, may be called as a witness in the very case he is expected to judge. In 1993, a lobbyist for the restaurant industry, Richard Berman, gave \$25,000 to Gingrich's college course while seeking Newt's help in testifying against a bill authored by Schiff. (see "The Berman Letter," page 41.) Democrats claim

the incident constitutes an illegal gratuity and Schiff could be asked to testify.

- Jim Bunning, of Kentucky, received support from GOPAC in 1979 when he ran for the Kentucky legislature. He has also attended GOPAC meetings. He denies a conflict, noting that Gingrich didn't run GOPAC at that time. But Bunning also shares with GOPAC a billionaire contributor, Carl Lindner of Cincinnati (a former cohort of Charles Keating).

- Finally, Dave Hobson, of Ohio, privately solicited a letter from a former Ethics Committee staffer that is being used in Gingrich's defense. —G.S.