

Statement of Ben Nighthorse Campbell,
Chairman - Committee on Indian Affairs

*Oversight Hearing
In re Tribal Lobbying Matters, et al.*

September 29, 2004 - 9:30 a.m.

The Committee will come to order.

Good morning. The Committee today is launching the first in a planned series of hearings into allegations of improprieties by Mr. Jack Abramoff and Mr. Michael Scanlon involving lobbying and so-called grassroots political activities on behalf of Indian tribes.

To put these allegations into some context: Mr. Abramoff ran the government affairs department of Greenberg Traurig, a D.C. law firm, where he lobbied on behalf of several Indian tribes. Mr. Scanlon owned Capitol Campaign Strategies, a firm that provided grassroots political support in the form of coalition building, letter writing and telephone campaigns.

The allegations that touched off this Committee investigation came to light earlier this year in a series of newspaper articles, alleging that:

- Mr. Abramoff convinced some of his tribal clients to retain Mr. Scanlon's firms;
- Mr. Scanlon charged the tribes exorbitant

fees, while producing very little work product; and

- Mr. Scanlon split these overcharges with Mr. Abramoff.

Among the specific charges in the original and follow-up articles were that:

- Mr. Abramoff and Mr. Scanlon received more than \$45 million in fees from tribal clients;
- Mr. Scanlon paid Mr. Abramoff \$10 million that was not disclosed to the tribes or Greenberg Traurig;
- Mr. Abramoff convinced at least one tribe to make donations to the Capital Athletic Foundation, a local charity which the press reported Mr. Abramoff supports; and
- Mr. Abramoff and Mr. Scanlon may have influenced tribal elections.

While our investigation is continuing, we have come to some very disturbing conclusions. Our investigation shows that these press allegations are not entirely accurate. The truth is worse -- much worse.

The articles vastly understated both the amounts the tribes paid to Mr. Scanlon and the amounts he gave to Mr. Abramoff. In fact, all told, six tribes paid more than \$66 million to Mr. Scanlon, and Mr. Abramoff received more than \$21 million from Mr. Scanlon for his share of the scheme.

Those are eye-popping sums of money to be sure. As you might guess, it appears that Mr. Scanlon and Mr. Abramoff did not want a lot of people to know how much money they were making. The Committee's investigation has revealed that Mr. Abramoff did not inform his partners at the Greenberg firm of this arrangement. Neither did he or Mr. Scanlon disclose this arrangement to their tribal clients.

But I must say, the allegation that most concerns me is that Mr. Abramoff and Mr. Scanlon may have tried to manipulate the outcomes of tribal elections for their own personal profit.

Our investigation has found that, in at least two instances, Mr. Abramoff and Mr. Scanlon sought to profit by becoming involved in and attempting to manipulate tribal elections. They helped elect council members, at no charge, but apparently with the understanding that they would be compensated later.

Shortly after successful campaigns by the candidates Mr. Abramoff and Mr. Scanlon supported, they solicited and received multi-million-dollar contracts, aided by the tribal council members they helped elect. Clearly these circumstances raise serious but unanswered questions about whether there was an explicit or implicit quid pro quo: We get you elected and you get us big money contracts.

Today the Committee will hear testimony from individuals on both sides of these allegations. Their testimony will shed considerable more light on the information that I have discussed so far.

In uncovering the information that I have discussed so far, the Committee and its staff has combed through literally hundreds of thousands of pages of documents. While these documents were available to Committee Members prior to this hearing, it has not been available to the public.

To assist the Members, as well as the general public, the Committee staff have prepared those documents most pertinent to the matters covered by this hearing.

I now offer these documents for the record and move that they be entered into the record of this hearing.

With those documents now in the record, I will relay, in brief, the story the documents provide of how Mr. Abramoff and Mr. Scanlon successfully manipulated tribal elections for their own profit.

In the case of the Agua Caliente Band of Cahuilla Indians, whom we will hear from later today, Mr. Scanlon did everything but vote for the two tribal council candidates he supported.

Just before the 2002 Agua Caliente tribal elections, Mr. Scanlon asked Mr. Abramoff:

How much do you want me to spend on the AC race - I gotta get a team out there ASAP - Then rotate a new team in after that - So travel is gonna run about 20K and materials like 5-10K. Should we go for it?

Mr. Abramoff's instructions were: "Yes, go for it big time."

Which is just what they did. Mr. Scanlon's own documents, now in the record, show that he ran the overall strategy, crafted the messages, wrote his candidate speeches, coordinated a candidates night, ran the get-out-the-vote drive, and even counted the votes.

Shortly thereafter, Mr. Scanlon pitched his business to the Agua Caliente and his own successful candidate made the motion to approve his contract over the objections of the long-time Chairman, Richard Milanovich.

The same pattern occurred at the Saginaw Chippewa Tribe of Michigan, and we will hear their story later also. For example, just before the Saginaw Chippewa elections in 2001, Mr. Abramoff told Mr. Scanlon:

I had dinner tonight with Chris Petras of Sag Chip. He was salivating at the \$4-5 million program I described to him (is that enough? Probably not). They have their primary for tribal council on Tuesday, which should determine if they are going to take over (general elections in November).

. . . He is going to come in after the primary with the guy who will be chief if they win (a big fan of ours already) and we are going to help him win.

If he wins, they take over in January, and we have millions.

The day after the election, in which seven of the eight candidates running as "The Slate of Eight" won, Mr. Scanlon sent out the following email to his employees and Mr. Abramoff:

Well team . . . Last night was amazing - The slate of 8 kicked ass, and I want to thank all of you for helping out - and watching the bottom line.

We had less than three weeks to take 8 guys who never met before and get them elected. It was a great plan, and great execution by a great team. Just to recap, we elected 7 out of our slate of 8 . . . we now control 9 out of the 12 seats on the council. Maynard [Khagegab] will be elected Chief at the organizational meeting on December 4th, and hopefully we will be doing some more work for the tribe in the near future.

THIS MAKES US 2-0 in tribal elections this year!

Earlier this year, the Slate of Eight were voted out of office - due largely to allegations at the heart of this investigation. Mr. Abramoff financed a recall effort run by the ousted tribal council.

I will close my opening statement by bringing to light one additional matter that I find perhaps the most troubling on a personal level. It appears, from their own words, that Mr. Abramoff and Mr. Scanlon held their tribal

clients in absolute contempt - clients mind you that paid them millions of dollars.

E-mails obtained by the Committee show that they regularly referred to their clients using contemptuous, even racist, language.

Allow me to give you one example of what I am talking about. In an e-mail discussing a dinner meeting with a client, which is now part of the record, Mr. Abramoff asked Mr. Scanlon to meet with the client. The reason Mr. Abramoff couldn't attend?

I have to meet with the *monkeys* from the Choctaw tribal council. You need to close the deal . . . with the client.

Mind you these "monkeys," as Mr. Abramoff refers to the Tribal Council of the Mississippi Band of Choctaw Indians, had enriched him over a five year period with over \$7 million in lobbying fees.

The story the Committee will hear today, using Mr. Abramoff and Mr. Scanlon's own e-mail and documents, is not a pretty one. It is a story of greed run amuck. It is a story of two already powerful, wealthy men lining their own pockets with the hard-earned money of people whom they held in contempt and disregard.

I now turn to Vice Chairman Inouye for his opening remarks. . . .

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