

Prepared Statement of Ben Nighthorse Campbell
Chairman, U.S. Senate Committee on Indian Affairs
Oversight Hearing on Indian Tribal Lobbying Matters

November 17, 2004

Good afternoon, the Committee will come to order. Today's hearing is the second in a series of hearings into allegations of improper business, lobbying and financial transactions by Jack Abramoff, Michael Scanlon, and their various entities on behalf of Indian tribes.

At the Committee's first hearing on September 29th, the evidence and testimony showed that under a variety of arrangements six tribes paid Mr. Scanlon more than \$66 million, and that Scanlon, in turn, paid Abramoff more than \$21 million.

The September hearing also revealed that Scanlon and Abramoff assisted in the campaigns and elections of tribal council members at two of the tribes, did not charge for their services, and after the elections obtained multi-million dollar contracts from the same tribal councils they helped elect.

Finally, the hearing revealed that, while they were being paid tens of millions of dollars, Abramoff and Scanlon held their tribal clients in very low regard and referred to them as "monkeys," "troglodytes," "morons," and worse.

While the hearing in September disclosed very offensive evidence, our investigation has continued to uncover other distasteful and shocking details.

Today's hearing will focus on the Tigua tribe of Texas. The story of Abramoff, Scanlon and the Tiguas looks to me like nothing short of a classic shakedown operation:

These men, working with allies, persuaded the State of Texas to force the closure of the Tribe's casino, located in El Paso. Having achieved this interim step of shutting down the Tribe's casino, Abramoff and Scanlon then approached the Tiguas, offering their services to assist the Tribe in reopening its casino. For their services, they charged the Tribe the tidy sum of \$4.2 million.

Documents uncovered by Committee investigators shed more light on the Tiguas. To assist the Members, as well as the general public, Committee staff has prepared those documents most pertinent to the matters covered by this hearing.

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

The documents demonstrate the extent of Scanlon's and Abramoff's cynical manipulation fo the Tigua Tribe. I'd like to discuss a few of them in detail:

- In 2002, Abramoff first offered to help the Tiguas "on a pro bono basis," provided the Tribe hired him in the future as lobbyist for between \$125,000 and \$175,000 per month. That's some "pro bono" work isnt it?
- Then, just last year, Abramoff approached the Tiguas with another scheme that would have benefitted the Eshkol Academy, the Jewish boys school he founded located just outside Washington, D.C. After Mr. Abramoff declined tribal requests that he be paid a retainer, Mr. Abramoff recommended that, at no cost to the Tribe, the Academy would buy-up term life insurance on particularly elderly tribal members, and the Academy would be named as their death beneficiaries.

In effect, Abramoff asked to be paid by putting prices on the lives of Tribal elders. We have witnessed a lot of unseemly and unethical, things during the course of this investigation, but asking a Tribe to pay a lobbyist with death benefits may be the most distasteful thing I have heard of yet.

- Writing to one of his key allies in the effort to shut down the Tiguas' casino, Abramoff references the Tribe's donations to Democrats, saying "I wish those moronic Tiguas were smarter in their political contributions. I'd love to get our mitts on that moolah! Oh well, stupid folks get wiped out." Stupid folks get wiped out. That about says it all, doesn't it, about the way Mr. Abramoff and Mr. Scanlon felt about their clients?

- Finally, on the day the Tigua Tribe voted on their contract, Mr. Abramoff and Mr. Scanlon exchanged emails regarding a newspaper story about some 450 Indian employees at the tribe's recently shuttered casino being thrown out of work. This group of workers included an elderly woman who worried that she would not find another job. Mr. Scanlon was evidently excited that the article was on the front page "while they [the Tiguas] will be voting on our plan." Mr. Abramoff's reply: "Is life great or what!!!"

I am not naive and have been around this town for almost a quarter of a century, but it strikes me as more than cynical that, rather than being concerned about the misfortunes of the Tribe and its members, they were soliciting for business, Abramoff and Scanlon seemed happy – almost gloating --- about the prospect that the Tiguas were having their casino closed and hundreds of employees thrown out of work, all because they were slated to make millions off the tribe.

There is another element to the Tigua story that I feel compelled to address: it appears that Mr. Abramoff and Mr. Scanlon used the good name and reputation of our fellow members of Congress in their attempts to part the Tribe from its money.

You will hear today from witnesses, and read from documents, indicating that Mr. Abramoff and Mr. Scanlon contended that Senator Dodd and Congressman Ney were enlisted to spearhead efforts in Congress to provide a legislative fix to the Tiguas problems.

From what we know, that was not the case. Senator Dodd evidently knew nothing about the proposed legislative fix; never supported it; and, in fact, we are told that when the idea was proposed to his senior staff, it was rejected at least three times. Congressman Ney agreed to support a legislative fix after being told by Mr. Abramoff that Senator Dodd wanted the language.

In short, the evidence demonstrates that Mr. Scanlon and Mr. Abramoff told their clients that Senator Dodd and Congressman Ney would push their proposal, knowing full well

that was not the case, in an effort to further persuade the Tigua Tribe into continuing to pay them millions of dollars.

Today the Committee will hear from the Honorable Carlos Hisa, the Tigua Tribe's lieutenant governor, and Mark Schwartz, a consultant who essentially was the point person for contact between the Tiguas and Abramoff and Scanlon.

I would be remiss if I did not mention a few other, relevant, items:

Those of you who watched or listened to the September 29th hearing may recall that the Committee repeatedly sought the presence of Mr. Scanlon, and had been obliged to issue a number of subpoenas to that effect. At first, Mr. Scanlon's attorney declined to accept the subpoena, even though he had accepted other Committee subpoenas for Mr. Scanlon and the various corporate entities he owned or operated.

At the time, I said that the U.S. Marshals had been asked to find and serve Mr. Scanlon, and that he would surface at some point and come before the Committee. That time has come. The Marshals found Mr. Scanlon and served him, and he will appear here today.

There is another person who has flouted the authority of this Committee, and that person is Jon van Horne, who was served with a document subpoena that was due on October 5th. To date, the Committee has not received the documents called for under the subpoena nor an explanation for his non-compliance.

I may be leaving as Chairman, but Mr. van Horne should know that neither this Committee nor this investigation are going to end on December 31st.

As was the case with Mr. Scanlon, sooner or later Mr. van Horne will be called to account. I will submit for the Record a written statement outlining my issues with Mr. van Horne for the record.

* * *