



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE BEGINNING OF MUR # 4449

DATE FILMED 1-12-98 CAMERA NO. 2

CAMERAMAN S.C.G.

98043852472

Judicial Watch Inc.



By Hand and Mail

August 26, 1996

Office of the General Counsel
Federal Election Commission
999 E St., N.W.
Washington, D.C. 20463

MUR 4449

Aug 27 10 27 AM '96

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

Re: Complaint for Violation of Campaign Finance Laws and Regulations Against The Clinton Administration, The White House, The Democratic National Committee, The Department of Commerce and President Clinton

Dear Ladies and Gentlemen

Judicial Watch, Inc. (JUDICIAL WATCH), a public interest government watchdog group, hereby files a complaint against the Clinton Administration, the White House, the Democratic National Committee (DNC), the Department of Commerce (DOC), and President Clinton (Collectively "Respondents"), and any as yet unnamed persons and entities involved with the alleged illegal activities.

As set forth in the attached documents, there is reason to believe that Respondents have sold government services, and specifically seats and assistance on DOC foreign trade missions, for large campaign contributions, frequently in denominations of \$100,000, to the Democratic National Committee and the Clinton/Gore 1996 Reelection Campaign.

The documents which are attached to and incorporated into this complaint include

- An undated Entergy corporation inter-office memo
- Minutes of a Mission Meeting dated October 7, 1993
- A letter from Judith I. Byrd to Carol Hamilton, dated October 27, 1993
- A letter from Wilson Golden to Secretary Brown, dated November 16, 1993
- An undated letter from Jude Kearney to Mr. Golden in apparent response to the previous letter
- A memo from Marian Pegram to Jude Kearney, dated November 18, 1993
- A memo from C. Payne Lucas to Jude Kearney, dated November 19, 1993
- A letter from an employee of Westinghouse Electric Corporation (signature illegible) to

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Secretary Brown, dated April 13, 1994.

--A memorandum from David Rothkopf "for the Secretary", dated April 15, 1994.

--The first page of a memorandum from Phil Verveer to Rob Stein, Jonathan Sallet, Larry Irving and Michele Farquhar, dated June 20, 1994.

--A memo from Sally Painter to Loretta Dunn dated June 21, 1994.

--A letter from Tony Coelho to Melissa Moss, dated July 14, 1994.

--A letter from George T. Lewis to Secretary Brown, dated July 29, 1994.

--A letter from Leigh L. Lindenbaum to Secretary Brown, dated August 4, 1994.

--A memo from Reta J. Lewis to Sally Painter, dated August 16, 1994.

--A letter from Miguel A. Sandoval to Mickey Kantor, dated August 22, 1994.

--A letter from Jay Bose to Melissa Moss, dated September 8, 1994.

--A letter from James A. Harmon to Secretary Brown, dated September 16, 1994.

--A memorandum from Phil Verveer to Rob Stein and Jonathan Sallet, dated September 29, 1994.

--A letter from Bernard Herold to Secretary Brown, dated September 29, 1994.

Most of these documents were obtained under the Freedom of Information Act, pursuant to court order in Judicial Watch, Inc. v. Department of Commerce, Civil Action No. 95-0133 in the U.S. District Court for the District of Columbia ("JUDICIAL WATCH v. DOC").

Other documents include press accounts of the alleged illegal activities, as well as the published brochure of the DNC which admits to selling seats and assistance on government trade missions for campaign contributions of \$100,000. Copies of the following press accounts are attached to this complaint:

--A Chicago Sun-Times article, dated June 30, 1995 (reprints DNC solicitation brochure).

--A Washington Times article dated January 20, 1995.

--A Washington Times article dated May 8, 1995.

--A Washington Post article dated May 9, 1995.

--A Washington Times article dated May 9, 1995.

--An article from the BNA International Trade Reporter, dated May 17, 1995.

--A Washington Times article dated May 17, 1995.

--A New York Post article dated May 19, 1995.

--A Washington Times article dated May 19, 1995.

--A Washington Post article dated May 20, 1995.

--A Chicago Tribune article dated May 21, 1995.

--A National Journal article dated May 27, 1995.

--A Business Week article dated May 29, 1995.

--A Newsweek article dated May 29, 1995.

--A Los Angeles Times article, dated May 30, 1995.

--A Business Week article, dated June 5, 1995.

--An article from The Nation, dated June 5, 1995.

--A Washington Times article, dated February 13, 1996.

--A Washington Times article, dated March 21, 1996.

--Two Washington Times articles, each dated July 22, 1996.

--An excerpt from The Buying of the President, by Charles Lewis and the Center for Public Integrity.

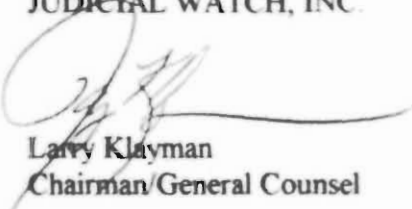
Because the alleged illegal activity is likely continuing during the on-going 1996 election season, JUDICIAL WATCH asks that the Federal Election Commission (FEC) expeditiously review this evidence and information and take appropriate remedial action. In conducting its review, JUDICIAL WATCH pledges its complete support to the FEC factfinding process. In this regard, JUDICIAL WATCH has in its possession about 30,000 documents which it has obtained, in JUDICIAL WATCH v. DOC, documenting several DOC foreign trade missions and the participants on these missions. Further documents may soon be ordered released by the court, such as communications by and between the late Secretary Ronald Brown and President Clinton.

For further information please contact the undersigned.

I hereby swear, on behalf of JUDICIAL WATCH, that the foregoing is true and correct based on my current information and belief.

Sincerely,

JUDICIAL WATCH, INC.


Larry Klayman
Chairman/General Counsel


Notary Public

Date: 8-26-96

My Commission Expires: March 31, 2001

98043852475

InterOffice Memo

To: File
From: JCB
Date: June
Subject: Washington Trip re Secretary Brown's August 17-September 2 Trade Mission

Traveled to Washington to meet with Department of Commerce Officials and EX-IM Officials regarding Entergy's China Projects.

EX-IM Meeting

Met with Maria Haley Director of EX-IM regarding setting up correspondence on a regular basis for Entergy's business in China. Indicated desire to meet with Diane Rudo and Glen Masamoto regarding specifics of Datong project and what EX-IM can do for the project.

Department of Commerce

Met with Cheryl McQueen and Don Forest regarding Entergy's projects in China. McQueen indicated to me that she would be interested in having us provide background information on China for the Secretary's upcoming trip. Suggest that I prepare a China Electric Industry outline similar to the briefing put together by Barton Biggs and the Morgan Stanley including key players in the MOEP and each of the power bureaus. Also perhaps include specifics like what Bob Brown put together for Mission and what put together regarding Entergy "hot buttons". Careful not to give away our business. Forest is also preparing information for Jeff Undergarner's trip in July 14-21. Possibility to get on that trip?? Talk to Hunter re same.

Met with Jude Kearney regarding Secretary Brown's upcoming trip to China. Kearney distinguished between "Mission Participants" and in country participants. Indicated competitive nature of being selected to ride on the plane with the Secretary. Also indicated that politics of the situation were important and he as a political appointee would push those that were politically connected. Size of the missions increasing from approximately 15 to 35 of China mission. Other contacts regarding mission include DOE representative Richie Williams and Commerce Department representative Helen Barron. Kearney indicated the establishment of Commerce's Center for Advocacy. Center provides talking points for Secretary Brown when he travels abroad. I suggest that we prepare a worldwide business agenda that we can periodically update and provide to commerce regarding our projects. Also Kearney indicated that each time the Ambassador and/or the Consul General was in the area he would support each of the projects that the center of advocacy was pushing.

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Lauri Fitz-Pegado (LFP) presided and set forth how this mission will be organized. She has created 6 Task Forces assigned to specific areas.

Mission Overview

Timing: dates to be set next week. November 26 - December 2 remain first choice. South Africa is the Secretary's top priority for international travel.

Delegation size and composition: 25 private sector representatives. A diverse groups that reflects the U.S. business community - CEOs of large, medium, small firms, and including regional and ethnic diversity (minority business, ~~commercial initiative~~, states/cities moving quickly to lift sanctions). Participation selection will be cognizant of South Africa's developmental needs. (plus hangers on, we are talking a mission of 60 people)

DOC will ask the White House to make it a Presidential Mission. LFP questions whether investment should overtly be part of this mission because the Administration has not announced an overall foreign investment policy. LFP will probably recommend calling it a "commercial interests" mission.

South Africa War Room: Room 2203 will be the site of mission organization. Marian Pegram is in charge. There will be desks, telephones, computers, secretaries there. The heads of the task forces or their representatives must dedicate 100 percent of their time to this mission.

Task Force Reporting/Meeting Schedule

- o All Task Force Heads must submit 1 page report to Lauri every Monday and Wednesday by 5 p.m. This report is to be in Decision Memo Form and include any action, items pending action, and next steps. Marian Pegram is to be copied on memos.
- o Task Force will meet every Tuesday and Thursday 10 -10:30.
- o Starting Friday October 15, the Task Force Heads and LFP will meet with the 5th floor every Friday for 1 hour to report status.

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7. Congressional Gina Wright and someone whose name I missed
Legislative concerns will need to be addressed at federal and
state level. Mission participants will have to be fully briefed.
ITA/Congressional Affairs will keep the task force briefed. CA is
to make strategic recommendation of who DOC should be
meeting/consulting with, including mayors, governors, etc.

In addition, LFP stated the need to touch base with elected
officials and outreach to the people/organizations involved in
anti-apartheid efforts that have led up to this time (such as
Transafrica, IRRC, Africa Committee, Washington Office on Africa)
and include them in the process. ITA/Public Affairs Cecile Ablack
is in charge of this outreach.

8. Legal - Eleanor Lewis, head.
GC is tasked with providing info on federal and local sanctions.
(I've provided Allison Senie with our list). Lewis will cover
questions re international issues and Gordon Fields will advise on
ethics, administration, participant selection, and budget.

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U N I S O N
CONSULTING GROUP, INC.

October 27, 1993

BY FACSIMILE

Ms. Carol Hamilton
U.S. Department of Commerce
Office of Public Affairs
14th and Constitution - Room 5523
Washington, D.C. 20230

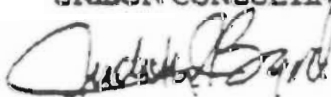
Dear Ms. Hamilton:

It was a pleasure talking with you today. I am truly honored to be considered for participation in the upcoming visit to South Africa on behalf of the U.S. Commerce Department. As a principal of a minority owned transportation and airport planning firm, I am excited about the prospect of learning more about the governmental and business needs of South Africa, as it is engaged in the process of establishing a non-racial government and society. I also look forward to sharing information on ways in which American businesses can help serve the needs of the new South African government and business community, now that sanctions are being lifted and assistance has been requested. Our particular expertise in infrastructure and transportation issues, especially in aviation and airport planning, we expect could be quite useful.

A brief description of my firm, including a client listing, is enclosed, as is my professional profile. Again, I am very interested in participating in this mission on behalf of our Government and appreciate your consideration.

Sincerely,

UNISON CONSULTING GROUP, INC.



Judith I. Byrd
Principal

U N I S O N

JUDITH L. BYRD**Principal****EDUCATION**

Massachusetts Institute of Technology, Department of Urban Studies & Planning, Urban Fellow
Georgetown University Law Center, Washington, D.C., Juris Doctorate
Howard University, Washington, D.C., Bachelor of Arts, Journalism

EXPERIENCE

Judith L. Byrd is a founder and principal of Unison Consulting Group Inc., an aviation planning firm headquartered in Chicago, Illinois providing financial planning, facility planning and transportation engineering services for major airport expansion and development projects. Recognized as one of the fastest growing aviation consulting firms in the United States, Unison counts among its clients, most of the major airports in the United States including Chicago O'Hare, Los Angeles, Denver, Dallas, New York, Miami, Detroit, Philadelphia, Cleveland, St. Louis, Kansas City, and Little Rock Airports, among many others.

Ms. Byrd has over ten years experience in Airport planning and management. She has had extensive experience in the management of large, multi-faceted projects at large and medium hub airports primarily in the areas of Airport/Airline Use Agreement negotiations, Terminal, Programming and Concession Planning, Legislative Planning, and Federal Grant Management. An attorney, Ms. Byrd is also a recognized authority on the legal aspects of airport planning, management and contracting, including the evolving FAA regulations governing the involvement of Disadvantaged Business Enterprises (DBEs) in the industry. Over the years, she has spoken at conferences and led panel discussions on these and other issues for international airport organizations.

Ms. Byrd is a member of the Associates Board of Directors of the Airports Council International (ACI), a worldwide organization of over 500 companies doing business at airports. In this capacity she has represented the private sector before airport and federal transportation officials on a variety of business and airport planning issues.

Over the years, Ms. Byrd has been actively involved in community and political activities. She previously served as a member of the 1980 Carter/Mondale Campaign staff, was active in the 1992 Clinton/Gore Campaign, and the 1983 Mayoral Campaign of former Chicago Mayor Harold Washington.

Prior to the formation of Unison, Ms. Byrd was associated with the aviation consulting firm of Landrum & Brown Inc. where she provided consulting services in the finance and management areas for airport clients as well as market and product development services for the firm.

Pyle, Dreher, Mills & Dye, P.A.

ATTORNEYS AT LAW
775 WOODLANDS PARKWAY, SUITE 100
RIDGELAND, MISSISSIPPI 39157

Wilson Golden

Mailing Address:
P. O. Box 23004
Jackson, Mississippi 39225-3004
Telephone:
(601) 957-2600
Telecopier:
(601) 957-7440

November 16, 1993

Honorable Ronald H. Brown
Secretary, United States Department of Commerce
Main Commerce Building
14th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

Re: 1994 South Africa Trade Mission
Digital Software Corporation Electrical Power Systems

Dear Mr. Secretary:

With reference to the earlier letter to you from my client, Glenn A. Gladney, Chairman/CEO, DSC Electrical Power Systems, regarding his interest in being included in your 1994 South Africa Trade Mission, this is to simply urge your favorable consideration of Mr. Gladney's request.

I am acting as legal counsel and chief financial advisor to DSC, an African American-owned company which will soon relocate to Jackson. DSC is primarily engaged in the application of telecommunication and computer technology and the value added resale of electrical power generation and transmission equipment.

He and I met earlier with Stephen Boykin, Senior Business Development Specialist in the Minority Business Development Agency, who provided invaluable guidance on available programs within the Department of Commerce. Since that time, Mr. Gladney also attended a White House NAFTA briefing led by President Clinton, and has actively lobbied a number of undecided members of Congress, particularly members of the Congressional Black Caucus, on behalf of its passage.

Pyle, Dreher, Mills & Dye, P.A.

Honorable Ronald H. Brown

November 16, 1993

Page 2

Again, your favorable consideration of Mr. Gladney as a participant in the South Africa Trade Mission would be most appreciated in developing the new relationship of DSC Electrical Power Systems with the Department of Commerce. ~~I look forward with eager anticipation to continuing my longstanding relationship with you since the days at the Democratic National Committee, and hope to have an opportunity to personally express my appreciation in the near future.~~

Sincerely yours,



Wilson Golden

WWG:lw

cc: Terence R. McAuliffe, Esquire
Mr. Stephen J. Boykin

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UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D C 20230

Mr. Wilson Golden
Pyle, Dreher, Mills & Dye, P.A.
P.O. Box 23004
Jackson, Mississippi 39225-3004

Dear Mr. Golden:

Thank you for your letter to Secretary Brown regarding Glenn Gladley's interest in South Africa.

Enclosed is a copy of my letter to Mr. Gladley responding to his message on the same issue. As you will note, we are planning a number of trade promotion activities next year geared toward South Africa which could focus on industry sectors with which Mr. Gladley is involved. As our plans become more firm, we will be in touch with him to discuss the specifics.

Again, we appreciate your thoughts on this.

Sincerely,

Jude Kearney
Deputy Assistant Secretary
for Service Industries and Finance

Enclosure



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file
SAG - Congress
November 18, 1993

MEMO TO: Jude Kearney

FROM: Marian Pegram *mg*

SUBJ: Response to Bill Roberts Construction Company

Dan Buck from Congresswoman Pat Schroder's office called. He wanted to know about ~~the status~~ of their request to include Bill Roberts Construction Company on the mission. Did we send a letter to Congresswoman Schroder's office acknowledging their request? When are we sending a letter ^{to} of Bill Roberts Construction Company with a response?

Dan wants us to notify the company of our decision and copy him. Please let me know the status of these letters.

Dan Buck's number is 202-225-4431

cc: Lauri Fitz-Pegado
Rob Stein
Jo Ellen Urban

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MEMO

TO: JUDE KEARNEY
FROM: C. Payne Lucas
RE: Kelvin A. Wall
DATE: November 19, 1993

C. Payne Lucas

The following summarizes some of my qualifications for this trade mission:

- Have extensive international trade and business experience as Vice President of Coca-Cola for 7 years
- Also as International consultant with Arthur D. Little, Marketing Professor at Harvard Business School, and 4 years on Visiting Committee for Harvard's International Center.
- Have travelled extensively throughout southern Africa and spent 4 months this summer and fall in South Africa. Have established an extensive network of relations there with major financial institutions, investment banks, and black business leaders as South African entrepreneurs.
- Been requested to organize and coordinate U.S. networking activities between Black Business in the U.S. and South Africa for the Renaissance Project Group (Black South African Business Groups/ANC).
- Organized and now head a \$20 million Venture Capital Fund directed at South Africa and committed to support Black Economic Empowerment.
- Experienced in trade and tourism marketing and promotion through consulting in Caribbean.
- Assisted "Made in USA" South African promotion of trade to U.S. companies.
- Contributed \$2,000 to both the election campaigns of Mandela and President Clinton.

Westinghouse
Electric Corporation
April 13, 1994

052
C 4:28:02
Westinghouse Building
100 State Street
Pittsburgh, Pennsylvania 15222-1384
412 542 2433

Secretary Ronald H. Brown
United States Department of Commerce
15th St. & Constitution Ave., NW
Washington, DC 20230

Dear Secretary Brown: *201*

Thank you very much for the opportunity to join you on the Presidential Business Development Mission to Russia.

The entire trip was well planned, organized and executed. Keeping 28 CEO's and Presidents happy campers is not an easy task and your entire staff is to be congratulated for a job well done!

I would also like to congratulate you personally for a successful trip. You did a great job in representing the United States, as well as our business interests.

As you know, the mission provided us the opportunity to sign three important agreements that can have both an economic, as well as social impact on the Russian infrastructure.

Our Press Release covering these agreements is attached. I hope you will continue to support Westinghouse as we move forward with these projects.

Thank you again for the opportunity to join you on this historic mission and we wish you continued success.

Sincerely,



P.S. ~~The attached~~ photo appears to have been taken at The Vatican or the Democratic National Convention.

cc: Mr. Michael H. Jordan

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MEMORANDUM FOR THE SECRETARY

APR 15 1994

FROM: David Rothkopf

Subject: Recommendations for your South America trip

Your upcoming trip to South America provides important opportunities to advance U.S. commercial interests in each country you will be visiting and in the region overall. Key decision points that will fundamentally shape the trip and the messages you project both in-country and back home are outlined below, along with my recommendations. Attachments flesh out the events we are planning, provide a notional budget and assign responsibilities for various elements. The success of your trip depends on strong coordination among Commerce units and tight planning and control from the outset.

Trip Format

We envision a trip governed by three overarching themes: our strong role in shaping U.S. economic policy in Latin America in the post-NAFTA era; the convergence of economic and social issues in the region; and the central role these issues will play at the Summit of the Americas in December. Within this context, the events of each day would be organized around a daily theme, such as the Summit, the environment, Big Emerging Markets, and job creation in the United States. Events would produce concrete "deliverables" that would receive press play locally and in the United States.

Timing and Sites

Under the recommended schedule, the trip begins on May 28 and concludes upon your return to Washington on June 5.

The order of cities visited should be as follows: Sao Paulo and Brasilia, Brazil; Santiago, Chile; Buenos Aires, Argentina; Belem, Brazil; and, time permitting, Bogota, Colombia. This lineup is necessary because of Corpus Christi day, June 4, a holiday celebrated in Brazil and Chile, but not in Argentina.

It also allows for an address to hemispheric foreign ministers at the OAS General Assembly meeting in Belem, Brazil at the end of the trip. While details on this event are still being finalized with Hattie Babbitt, it would provide an excellent opportunity to discuss the Summit with key regional leaders. If the Belem stop is cancelled, there is sufficient time for a productive, albeit short, visit to Colombia. While it is possible to visit both Belem and Colombia, it means adding a day to the trip; therefore we recommend that you do only one.

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Mission Composition

There is a great deal of interest in your trip outside the Department. Your delegation should be diversified to encompass senior interagency colleagues, elected officials, press and business people. However, the overall delegation size should be limited, consistent with your objectives, to ensure a focused mission and contain costs (rough budget estimates are attached).

Participants should include:

- o Key DOC staff, including ITA, NTIA, and NOAA representation;
- o Other agencies including EXIM, OPIC, TDA, IDB, and the World Bank;
- o Elected Officials, approximately 3-5;
- o Working Press, approximately 2-3; and
- o Private Sector, approximately 10-12 representatives.

While the private sector delegation accompanying you is modest in size, other U.S. firms interested in your advocacy support would be invited to join the mission in individual countries where they have a specific interest, project, or problem. They would not be part of the official travelling delegation.

~~Private sector representatives travelling as part of the official delegation would be drawn from major export sectors and, to the extent possible, from the districts of elected officials accompanying you.~~

Attachments

cc: JGarten
JSallet
AHughes

98043852488

WILLKIE FARR & GALLAGHER

RR
New York
Washington, DC
London
Paris

M E M O R A N D U M

Personal

TO: Rob Stein
Jonathan Sallet
Larry Irving
Michele Farquhar

FROM: Phil Verveer

DATE: June 20, 1994

2804318
Following up on our recent discussion, I am providing a short list of individuals who, although supportive in 1992, have expressed disappointment with the Administration's telecommunications policies. Any appropriate way to demonstrate the Administration's interest and concern would be helpful. Inclusion in the US delegation of one of Secretary Brown's trade missions probably would be a good start.

Jim Kennedy, Chief Executive Officer of Cox Enterprises. I understand that he has been particularly vocal in expressing his upset with Administration policy, especially with cable rate regulation.

Amos Hostetter, Chief Executive Officer of Continental Cablevision. Same complaint.

Brian Roberts, Chief Executive Officer of Comcast Corporation. The same concern, although it is my impression that Administration officials have been reasonably attentive to him.

One City Square
153 East 53rd Street
New York, NY 10022-4669
212 935 8000

Telex: RCA 233780
RCA 238805
WT 12 7679
Fax: 212 752 2991

C. H. W. N. P. L.

June 21, 1994

MEMORANDUM FOR LORETTA DUNN

FROM:

Sally Painter

RE:

Candidates for Trip to South America

I have talked with both Dick Hertz and Jim Lanshe relative to the above trip. The following summarizes our conversations:

I. Dick Hertz

- o We talked at length and we both agreed that his company did not fit the sectors represented on the trip. When he comes to Washington in July, I will meet with him and review the ways DOC could advocate on his behalf. He seemed sufficiently happy.

II. Jim Lanshe

- o We talked numerous times. He considers himself an FOB and believes that he has important insights to pass onto the Secretary. We talked at length and I promised him that I would pass along his "pithy" comments. He really wanted to come on the trip, but I again explained that it was full. As a follow-up, I mentioned that we would consider him for future missions. I think he is happy and I have made a new friend.

Keep me posted if other issues come up with these guys.

WERTHEIM SCHRODER & CO.

*Incorporated*EQUITABLE CENTER
767 SEVENTH AVENUE
NEW YORK, NY 10019-6016

TELEPHONE 212-482-0423

TONY COELHO
MANAGING DIRECTOR

July 14, 1994

Ms. Melissa Moss
Director
Office of Business Liaison
U.S. Department of Commerce
Washington, D.C. 20230

Dear Melissa:

It was great speaking with you yesterday, and I truly do appreciate your willingness to help in having our Chairman and C.E.O., James A. Harmon, invited to participate in the Secretary's trip to China.

Attached is a copy of his bio. Wertheim Schroder is a member of the Schroder group of companies, and Jim serves on Schroders' board of directors. We have received a license from the Chinese government to open an office in Shanghai and offer investment banking services there, and that office should be opened within the next few months. We have had an office in Hong Kong for a number of years as well, and have raised a significant amount of capital over the years for companies operating inside the People's Republic.

I hope that this information is helpful to you. If you think there is anything more I can or should do to make this happen, including speaking directly to the Secretary, please let me know as this is very important to me.

Thanks again, Melissa. Your help on this means a great deal to me personally, and please do not hesitate to call me if you have any questions or require any additional information.

With warmest personal regards,

Sincerely,



TONY COELHO

2804385249

87/29/94

16:02

CONCORD ASSOCIATES INC - 202 377 4854

NO. 056

003

JUL 29 '94 03:08PM COGENTRIX ENERGY INC

P. 2/2



Cogentrix, Inc.
9403 Arrowpoint Boulevard
Charlotte, NC 28279-8110
704-525-3800
Fax 704-525-5313

July 29, 1994

G. T. Lewis, Jr.
Chairman
Chief Executive Officer

The Honorable Ronald H. Brown
Secretary of Commerce
14th Street & Constitution Avenue, N.W.
Washington, DC 20230

Dear Mr. Secretary:

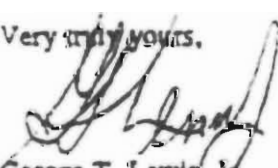
I am writing to request the opportunity to participate in your upcoming Trade Mission to China. As the founder and owner of Cogentrix, a developer of electric generation facilities, I am pleased to say that my company has been active in the China market for quite some time. Our goal in China appears to support those of the Administration by assisting the nation in providing the infrastructure that will be necessary for their continued development.

Cogentrix has enjoyed significant success since I founded it in 1983. We now are a leader in the domestic independent power industry and have recently expanded our reach by opening an office in Singapore. Our success is founded on a concept of delivering standard designed plants in relatively small, economic sizes that we feel offers tremendous opportunity to the Chinese.

I am also pleased to be in a position to say that Cogentrix has been a strong supporter of this Administration's trade efforts through our efforts on NAFTA and GATT and through financial support of the Business Council of the Democratic National Committee.

While I realize this request comes somewhat late, I have only now become aware that a Trade Mission was being formulated. I hope you agree that the participation of a leader in the United States independent power industry will be a valuable addition to what is already an impressive team. Your consideration of my request is appreciated and I look forward to hearing from you soon. Until then I remain...

Very truly yours,


George T. Lewis, Jr.
Chairman and CEO

GTL:lwd

98043852492



INTERNATIONAL PROCUREMENT & EXPORT MANAGEMENT

Silicon Valley, California • Los Angeles • New York • Jerusalem • Moscow • Mexico City • Ho Chi Minh City • Changchun, China

04 August 1994

To: Secretary of Commerce, Mr. Ronald Brown
 United States Department of Commerce
 14th Street and Constitution Ave. NW
 Washington, D.C. 20230
 (Attn: Mr. John Ost)

Dear Secretary Brown,

I am the CEO of Universal Export Limited, Inc., a small export company based in Silicon Valley, California. We sell U.S. manufactured environmentally safe chemicals to seven European countries and three Asian countries including China.

Our firm has only been in business for one year. I appreciate the assistance of USDOC with our European contacts, however, in China we have been on our own. Fortunately, we have utilized some family government contacts in the PRC. We have tried numerous times for some assistance from your department but to no avail. We are in the process of opening a dilution plant in China to increase the volume of sales. We were unable to 'buy' a percentage of this plant. We will sell them super concentrated product, all made in the USA to be diluted in China. We currently own 70% of a joint venture business in the city of Changchun, Jilin Province.

The United States trade policies are not to our advantage. We are taxed up to 70% in some countries, whereas they are taxed about 20%. Is this fair? I appreciate the Clinton Administrations focus on change, however, it is very slow coming. Due to the lack of assistance from your department, we are thinking about manufacturing these products in China instead of the United States. This will hurt the California economy as well as the US economy on a whole. What

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fair
 FYI
 Minimum owned
 Enviro-Test
 IS
 in China

would you suggest? Either getting some help from the USDOC or not even taking the trouble to do this and leave the US altogether?

The reason I am writing this letter is as follows. I read in the Far Eastern Economic Review, "America Calling- U.S. plans big sales push in China next month" dated 28 July 1994, that yourself and Undersecretary Jeffrey Garten will be bringing 25 executives on a "presidential mission" to the region. ~~I assume that these~~ ~~executives~~ contributed a lot of money to the Administration. I am a registered Democrat, however, I am unable to contribute hundreds of thousands of dollars as of yet for the privilege to meet the right contacts in any country.

I thought that a Democrat Administration would help the "smaller" people as well as big business. I guess I am mistaken. Our firm has the ability to make hundreds of millions of dollars in China if we can get some help from the US Government. I am turning to you, Secretary Brown, to include some small businesses in your trade mission to China. We are scheduled to leave to China on the 9th of August to meet the Mayor and Governor of the Jilin Province and to set up the plant. (We have decided not to leave the US until your reply.) This can be great publicity for you and your office as "helping the little guy" when it comes to US trade not just big business.

I sincerely hope that you respond to this letter before your "mission" to China. Then I will know that the government does care about people not just money. I await your most urgent reply.

Sincerely,



Leigh L. Lindenbaum
President & CEO
Universal Export Limited, Inc.

P.S- Mr. Ost,

Thank you for your time and help. You are the only person in Washington that listened to my problem. I would appreciate your assistance in the future.

LLL

98043852494

August 16, 1994

MEMORANDUM TO SALLY PAINTER

FROM: Reta J. Lewis, Political Affairs

RE: Trade Missions

I recently met with Mr. Gerald McGowan, a law partner at Lukas, McGowan, Nace & Gutierrez, ~~former Clinton campaign supporter and a D.C. Managing Director~~. Mr. McGowan is interested in going on the trade mission to India or Indonesia.

Mr. McGowan is a member of the Board of Directors of CTIA, the Cellular Telecommunications Industry Association and is founder/principal of a law/engineering firm. He is also an owner/principal of a software company that is developing some cutting edge products in the computer/telephony business.

~~Political Affairs is recommending Mr. McGowan for involvement in a trade mission~~ and would appreciate you considering him. Thank you.

28043852425

MSC NEWS SERVICE

1701 16TH Street. NW • Suite 601 • Washington, DC 20009 • (202) 234-8198

August 22, 1994

Mr. Mickey Kantor
U.S. Trade Representative
The White House
Washington, D.C. 20500

Dear Mr. Kantor:

This letter is to inform you that on Friday I spoke to President Clinton, regarding the inclusion of Mr. Hillary Shockley, President of Hecny Global Transportation, Inc. in the Presidential Business Development Mission to China. The President instructed the Director of Communications to follow-up with Secretary Brown for the speedy resolution of this matter.

As you may recall we talked on Wednesday in the Briefing Room in reference to this subject, and I gave you the letter of Congressman Dixon endorsing ~~Mr. Hillary Shockley, who is a member of the Consortium for Leadership on Information Networks for Trade Overseas and Nationwide (CLINTON).~~

I appreciate your willingness to assist our minority entrepreneur in the participation of this historic Presidential Mission of CEOs to China.

Sincerely,

Miguel A. Sandoval
White House Correspondent

MAS:ams

cc: Secretary Ron Brown
Congressman Julian Dixon
Mr. Hillary Shockley

Aryana International, L.L.C.

Custom Software and Total Systems' Solution

September 8, 1994

Ms. Melissa Moss
Director
Office of Business Liaison
U. S. Department of Commerce

Dear Ms. Moss:

I take this opportunity to introduce our company to you. We are a small business located in Springfield, Virginia. We provide our clients with computer software and network integration service through arrangements with software companies in India. We are now planning to set up our own software development facility in India through a wholly owned subsidiary company. The products developed there, and services, will be exported world wide.

Since our company is planning to set up a major operation in India, we are very keen to be a part of Secretary Brown's business delegation which would visit India in Spring of 1995. An opportunity to visit that country will help us to clearly understand the procedures that are involved in setting up our Indian subsidiary/operation, and to make some personal contacts in government and industry there.

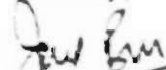
President Clinton and the administration have been very supportive of small business in many ways. As an extension of that support we feel that small businesses should be given opportunities for high visibility and international exposure. In the past, the perspective on global trade issues provided by small businesses have contributed towards our nation's economic policies. I am confident that we will continue to contribute towards this end by providing the delegation a small entrepreneur's perspective on trade relations with India, and how small businesses can benefit from such missions. A profile of our company is enclosed for your information.

I am hereby submitting my name to be included in Secretary Brown's delegation and would be very encouraged if we can get a positive reply from you. You can be assured of our continued support to the Democratic National Committee.

I will be happy to provide you with additional information that you might need. I can be reached at (202) 857-4137.

Thank you for your consideration.

Sincerely,


Jay Bose Jay Bose
President & CEO

Enc. Company Profile

8738 Ridge Hollow Court • Springfield, Va

-2248

92043852497

WERTHEIM SCHRODER & CO.
Incorporated

OP17
C 433325
EQUITABLE CENTER
787 SEVENTH AVENUE
NEW YORK, NY 10019-6016

TELEPHONE 212-492-7050
A 200

JAMES A. HARMON
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

September 16, 1994

Hon. Ron Brown
Secretary of the U.S. Department
of Commerce
Washington, DC 20230

Dear Mr. Secretary: *Rm,*

Two weeks have passed since we returned. With jet lag behind us and the benefit of some rest, I wanted to write a few thoughts to you.

I believe that I speak for all of the business delegation when I say how impressed we were with the job you did under difficult circumstances. In spite of the concern and even criticism from some "corners" of the media regarding the strategy on human rights, commercial diplomacy has opened the "door" to a relationship that will ultimately produce progress on the human rights' side. Informed/objective Americans (if such exists) would have been very proud of you and your accomplishments on this trip.

If the China experience reflects prior missions and the missions to come, then you will have surely accomplished a great deal during your tenure as Secretary of Commerce.

Although I may have had some disagreements with your staff before and at the early part of the trip, I look back on the experience as very positive and important for our business in China, i.e. the representation of U.S. companies in China and the capital formation for existing entities in China. More important, this mission has favorably impacted the relationship between America and China. ~~I am indebted to you~~ *I am indebted to you* for your willingness to "stay the course" regarding my participation on the trip. Of course, if I can ever do anything for you, please do not hesitate to let me know. I shall keep the appropriate parties on your staff informed of our business activities in China.

I look forward to seeing you sometime soon.

With best regards,

Sincerely,

Jh

98043852498

WILLKIE FARR & GALLAGHER

Washington, DC
New York
London
Paris

MEMORANDUM

TO: Rob Stein
Jonathan Sallet

FROM: *RV* Phil Verveer

RE: William Ginsberg

DATE: September 29, 1994

In the past you have been kind in indulging my suggestions about individuals who might be included as members of Secretary Brown's trade delegations. This animates me to try again.

William B. Ginsberg, the Chief Executive Officer of Cellular Communications International, Inc., should be given strong consideration in connection with this winter's trade mission to India. Mr. Ginsberg is an extremely successful entrepreneur in the cellular radio field. He is well recognized as a leader of that industry. One of his company's holds a 90% interest in a license to serve Delhi. So far as I know, it is the only US company holding such an interest in India.

I worked with Ginsberg at the FCC during the Carter Administration. He is a person of the utmost

Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20036-1354
202 225 8000

Telex: RCA 207800
RT 89-1792
Fax: 202 225 8077

ability and integrity and would, I am sure, be a highly creditable addition to the delegation.

In addition, Ginsberg was an early financial supporter of the Clinton/Gore campaign and a very generous donor to the party's 1992 election effort. Mr. Ginsberg can be reached at Cellular Communications International, Inc., 150 East 58th Street, New York, NY 10155. Telephone (212-906-8480).

If I can provide any additional information about this, please let me know.

REC'D 13 A 10 43

September 29, 1994

The Honorable Ronald Brown
Secretary of Commerce
Department of Commerce
14 Street and Constitution Avenue
Washington, DC 10201

Dear Mr. Secretary:

Undersecretary Everett M. Ehrlich and Sally Painter have suggested that I contact you regarding your upcoming mission to India. ~~As a lifelong Democrat~~, I laud your efforts to actively promote American business ventures abroad. On my recent trip to India, I have concluded that only the active support of our government will enable U.S. firms to compete on a level playing field in India and further our government's stated objective of open trade in financial services. This is particularly true for smaller U.S. firms like Bernard Herold & Co., Inc. Accordingly, I respectfully submit my application to accompany you on this trip in the hope of advancing the projects described in greater detail below.

You will find (as we have) that there is a very active and sincere desire on the part of Indian nationals to do business with Americans. The words **MADE IN THE U.S.A.** (or coming from the U.S.A.) are better than the Good Housekeeping Seal of Approval. The government gives lip service to these sentiments. But the bureaucracy, because of an innate obstinacy and with the convenience of laws, rules, and regulations that confound the American mentality (as well as the Indian) manage to slow the process, if not negate it.

We started our Indian project a few years ago by hiring a bright young Indian M.B.A. and carefully training him in all aspects of the financial services industry. We now have five Indians on the payroll and one representative of an Indian Bank. We have applied to the Government of India to buy an equity stake in Fiduciary Capital and Financial Services Pvt. Ltd. and have other associations in progress. In addition we have submitted applications for being registered as a Foreign Institutional Investor and establishing a custodial relationship with the State Bank of India (India's largest bank).

98043852501

98043852502

We have a close relationship with Mr. K.L. Chugh, Chairman of ITC, Ltd. which is one of the three largest companies in India. We are discussing various financial services undertakings and will probably try to assist him in his goal of transforming ITC into an Indian multinational with interests in agriculture, tobacco, hotels, paper and financial services. We believe that such endeavors are of prime importance in the continuing development of India's private sector and industrialization.

We are working with Office 1 Superstore an American franchiser of stationery suppliers to establish a chain of Office 1 Superstores in India.

Escorts Financial Services has asked us to connect them with an American mutual fund partner.

We are raising money for Steriltx, Inc. a distributor of high quality disposable surgical gloves and other medical products. They intend to buy and refurbish a glove manufacturing plant in India which should be able to reduce the cost of gloves to the American medical establishment.

We are involved in various projects with the State Bank of India.

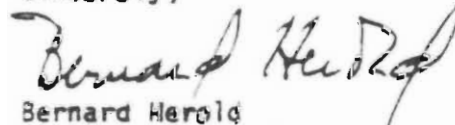
Most of the major American investment firms (Morgan, Salomon, Goldman, Merrill Lynch etc) already have a presence in India. However their primary concerns are with "big" deals, i.e. 100 million dollar GDR issues. We feel that there is a great need for American expertise by the medium sized companies, and it is to these that we intend to address our operations.

We also intend to open a full service brokerage office at such time as the Indian currency becomes fully convertible and native Indians are permitted to buy American securities.

Should you choose to invite me to participate in your trip to India, I believe that you will find that I can be of considerable service to you and perhaps to the other participants. I know that trip can be of substantial value to Bernard Herold & Co., Inc.

Thank you for your consideration.

Sincerely,


Bernard Herold
Chairman of the Board

BH/md

cc: Everett M. Ehrlich
Sally Painter

Chicago Sun-Times

FRIDAY, JUNE 30, 1995

THE PRESIDENT'S PRICE LIST

WHAT DEM DONORS GET FOR \$100,000

People who give \$100,000 to the Democratic National Committee receive:

- Invitations to two meals with the president and two meals with the vice president.
- An invitation to accompany Democratic party leaders on foreign trade missions.
- "Honored guest" status at the 1996 Democratic Convention in Chicago.
- Two "policy retreats" with administration officials, plus private "Home Town Breakfasts" by the officials when they visit the contributor's area.
- A "DNC staff contact" to handle their personal requests.



President Clinton and his wife, Hillary, arrive by helicopter at Meigs Field on Thursday to begin a two-day visit to Chicago.

Party Selling Perk Package

By LARRY SHAFER

WASHINGTON—You can't buy President Clinton out, but a good \$100,000 will get you a place at his dinner table.

It's a rare, behind-the-scenes look at how the White House and the president's staff are running the Democratic National Committee's marketing operation, which is the largest of perks available to donors of the party.

The DNC's marketing and related items, reported by the Chicago Sun-Times, are a gift that keeps on giving, with a wide variety of opportunities to share with Clinton and his administration.

Turn to Page 10

98043852503

Donors

Continued from Page 1

fund raisers get at least two meals with the president, another pair with Vice President Al Gore, two "policy retreats" with top administration leaders, and VIP treatment at the party's 1996 national convention in Chicago.

For \$50,000 raised or contributed, one gets a presidential reception, one dinner with Gore, two special high-level briefings and the convention VIP treatment.

And the \$10,000 package includes the presidential reception and the Gore dinner, the policy briefings and bestows "preferred" convention status instead of VIP, sort of like flying business instead of first class.

"And if you're the average citizen, you get nothing," said Ellen Miller, executive director of the

■ What's photo op worth? Coffey, Page 6.

Center for Responsive Politics, which analyzes the influence of money on politics.

To be sure, Democrats aren't the first to exploit the White House for political fund-raising. In one Republican package put together for the 1992 campaign, those who gave or raised at least \$25,000 earned a photo opportunity with then President George Bush, lunch with Vice President Dan Quayle, breakfast with GOP congressional leaders and an invitation to a reception with Cabinet members.

And the Republican National Committee is currently raising money by offering meetings with its high-ranking officials.

Critics, such as Common Cause President Ann Albridge, call such entitlements "outrageous."

What this asks is that large money buys you special favors, special benefits, inside information, special meetings that the average citizen in this country could never even begin to think about," Albridge said. "It says there are two classes of Americans."

In practice, major political fund insets trap jobs or appointments or at the very least

ple, Lewis Manilow and John Schmidt, who co-chaired the 1992 Clinton campaign in Illinois, were both rewarded. Schmidt has a top job at the Justice Department, and Manilow was appointed to an international advisory commission. Manilow's stepson, Edwin Eisendrath, was appointed regional director of the U.S. Housing and Urban Development Department in Chicago.

But Chicagoan Amy Zasluck, a former special assistant in the Clinton White House who helped the DNC raise \$70 million in 1992 and was finance co-chair for Clinton's primary, said access is overblown. "The amount of influence that people who contribute money have is not that great," she said.

"For most people, it is a big ego trip," she said. "They want to say they went to Washington and saw the president or saw Secretary X or Secretary Y. That enhances their reputation and also, quite frankly, their reputation to raise money because it makes them look like an insider."

Sen. Paul Simon (D-Ill.), who once ran for president, defended the practice as distasteful but necessary, at least for the time being.

"I don't like the system," Simon said Thursday. Just the night before, he and other Democratic members of Congress mingled with donors at a DNC fund-raiser that produced \$3.5 million, a record for one event. "There is no question big contributors end up having extra access, and it is not a healthy thing, and I hope we change. But you either decide to participate in the process or sit on the sidelines and criticize."

The DNC fund-raising program, designed to raise \$66 million for elections next year, is separate from the Clinton/Gore '96 campaign drive that Thursday night sponsored a fund-raising dinner in Chicago featuring the president and first lady.

In the brochure and memos, the DNC offers perks that can be had for various prices. It also includes incentives tailored to female donors. For example, those who give \$1,000 or raise \$3,000 get invitations to events with Hillary Rodham Clinton, Gore's wife, Tipper, and female political appointees.

Those at the top donor level, reserved for contributors of at least \$100,000 a year, earn the

DEMOCRATIC NATIONAL COMMITTEE

DNC MANAGING TRUSTEE EVENTS & MEMBERSHIP REQUIREMENTS

Donald L. Fowler
National Chair

Christopher J. Dente
Events Chair

EVENTS:

- Two annual Managing Trustee Events with the President in Washington, D.C.
- Two annual Managing Trustee Events with the Vice President.
- One annual Managing Trustee Dinner with senior Administration officials.
- Honored Guest Status: Managing Trustees enjoy Honored Guest Status at select Presidential functions and at the 1996 National Conventions in Chicago.
- Annual Economic Trade Missions: Managing Trustees are invited to participate in foreign trade missions, which affords opportunities to join Party leaders in meeting with business leaders abroad.
- Two Annual Retreats/Issue Conferences: With one held in Washington, D.C. and one held in executive centers elsewhere in the U.S., Retreats allow Managing Trustees to interact with Party leaders and Administration officials as well as to participate in exclusive issue briefings.
- Invitations to Memo Tapes Briefings: As senior Administration officials travel throughout the country, Managing Trustees are invited to join them in private, impromptu meetings.
- Monthly Policy Briefings: Administration officials discuss topics ranging from telecommunications policy to welfare reform at regular Washington policy briefings in which Managing Trustees are invited.
- Personal DNC Staff Contact: Each Managing Trustee is specifically assigned a DNC staff member to assist them in their personal requests.
- "The Daily Briefing" Fax Subscription: All Managing Trustees receive daily political fax alerts and commentary and are invited to monitor surveys.
- Multi-Program privileges: Managing Trustees enjoy all the privileges that the Business Leadership Forum and National Finance Council membership entails in addition to Trustee Program benefits.

MANAGING TRUSTEE MEMBERSHIP REQUIRES A CONTRIBUTION OF \$100,000 ANNUALLY

Democratic Party Headquarters • 130 South Capital Street, S.E. • Washington, D.C. 20003 • 202.646.9000 • FAX: 202.646.8173
Paid for by the Democratic National Committee. Contributions to the Democratic National Committee are not tax deductible.

This Democratic National Committee memo, one of several obtained by the Sun-Times, shows the benefits of being a "managing trustee," which requires a \$100,000 annual donation.

In addition to the events with the president and vice president, a managing trustee enjoys a number of special opportunities to join party leaders in meeting with business leaders abroad. A managing trustee also could, for example, join a junket to Paris with the U.S. ambassador to France, or be invited to a dinner with the French president.

NATION

Watchdog group seeks records of Brown's travel

Court asked to order compliance

By Jerry Seper
THE WASHINGTON TIMES

An ethics watchdog organization yesterday asked a federal court to order the Commerce Department to turn over records listing the firms and business executives picked to accompany Commerce Secretary Ron Brown on foreign trade missions.

Judicial Watch, a nonprofit, non-partisan public interest group, outlined the request in a 10-page complaint filed in U.S. District Court in Washington. The complaint was assigned to U.S. District Judge Royce C. Lamberth.

The organization wants to know if Mr. Brown selected business executives to travel with him and promoted the interests of certain U.S. companies based on their financial contributions to the Democratic Party.

Mr. Brown, returning yesterday from a trade mission to India, was unavailable for comment.

Commerce spokesman James Desier said department officials had not seen the complaint, but he described suggestions that those selected to travel with Mr. Brown were chosen based on their political donations as "absolutely untrue" and "outrageous."

Mr. Desier said the department employs a "careful selection process" for those who accompany Mr. Brown on trade missions — a process, he said, had nothing to do with campaign financing.

Larry Klayman, the organization's general counsel, said the Commerce Department declined over a three-month period to respond to Freedom of Information Act (FOIA) requests by Judicial Watch for the information, prompting yesterday's court complaint. The complaint seeks Commerce Department records on Mr.

Brown's recent trade missions to China, South Africa, the former Soviet Union, and South America.

"It has been reported that Secretary Brown had, in effect, sold access to and participation in these trips, as well as his personal promotion efforts with foreign governments and business interests, to those American companies and corporate officials who agreed to contribute large sums of money to the Democratic Party," the complaint said.

The Wall Street Journal reported in September that Melinda Moss, director of the Commerce Department's Office of Business Liaison, picks the companies and executives who travel with Mr. Brown on the trips and that she worked as "a top fund-raiser" for the Democratic National Committee when Mr. Brown served as the DNC's executive director.

Mr. Klayman, in the complaint, said he tried to deal with Miss Moss for the information, but she refused to turn it over.

"Moss then called Klayman an 'expletive deleted,' later slammed down the telephone, abruptly terminating the conversation," the complaint said. "At a minimum, Moss' actions thus clearly constitute a further denial of plaintiff's entire FOIA requests."

The complaint said the documents were withheld during "the critical period leading up to the elections of Nov. 8, 1994, and prior to Secretary Brown's January 1995 trip to India."

It said the documents will show the "likely violation of U.S. anti-gratuity, competition and anti-trust laws" among other violations.

The complaint said the Commerce Department "intentionally and improperly" withheld the requested documents "because of



Commerce Secretary Ron Brown's choice of travel companions for foreign trade missions is at issue.

their likely damaging and sensitive nature to Secretary Ronald Brown, the Commerce Department, the Clinton administration and the Democratic Party."

Mr. Desier described the Judicial Watch FOIA request as "voluminous," saying department officials had been reviewing it and had "every intention" to respond in a timely manner.

The complaint asked the court to declare the department's refusal to release the requested documents as unlawful, and to make them available to the organization.

Two Republican senators yesterday raised questions in separate letters about Mr. Brown's financial dealings.

Sen. Lauch Faircloth of North Carolina asked the head of the Federal Deposit Insurance Corp. what the agency had done to recover \$23 million reportedly lost when a former business partner of Mr. Brown defaulted on a loan.

FDIC spokesman Alan Whitney said the agency was preparing a response.

Sen. Larry Presser of South Dakota, chairman of the Senate Commerce Committee, asked Mr. Brown for a detailed written response to questions about his finances.

98043852505

The Washington Times

WASHINGTON, D.C., MONDAY, MAY 8, 1995 **

Court to weigh release of Brown data

Secretary seeks 4-month delay

By Jerry Seper
THE WASHINGTON TIMES

U.S. District Judge Royce C. Lamberth will hold a hearing today to determine whether the Commerce Department can delay for at least four months the release of more than 30,000 documents detailing Commerce Secretary Ron Brown's export promotion travel.

The hearing will address a Freedom of Information Act request filed in January by Judicial Watch. The Washington-based public interest group told the court the department had not responded to requests for information on the trips in an effort to avoid political embarrassment.

Commerce is seeking a four-month delay to have time to review the documents.

Judicial Watch, along with the Wall Street Journal and Business

Week magazine, say Mr. Brown frequently engaged in international trade promotion efforts on behalf of corporate executives who made large donations to the Democratic Party.

The watchdog organization asked the court to order the department to turn over records listing the firms and business executives picked to accompany Mr. Brown on foreign trade missions.

"The content of these withheld documents, if released at this time, could significantly impact the decision on whether an independent counsel will be appointed to criminally investigate the conduct of Mr. Brown," said Larry Klayman, general counsel of Judicial Watch.

The Justice Department is investigating accusations of financial wrongdoing by Mr. Brown in his business dealings with Noland Hill, a former owner of Corridor Broadcasting Corp. On March 14 Republican senators asked Attorney General Janet Reno to find out if Mr. Brown mis-

reported financial information in order to avoid paying income taxes.

Judicial Watch wants to know if Mr. Brown selected business executives to travel with him and promoted the interests of certain U.S. companies based on their financial contributions to the Democratic Party.

Mr. Brown has denied any wrongdoing. His spokesman, James Desler, has described suggestions that those selected to travel with Mr. Brown were chosen based on their political donations as "absolutely untrue" and "outrageous."

Mr. Desler said the department employs a "careful selection process" for those who accompany Mr. Brown on trade missions — a process, he said, that has nothing to do with campaign financing.

However, Commerce declined over a three month period to respond to FOIA requests for the information, prompting today's court complaint. The organization seeks Commerce Department records on Mr. Brown's recent trade

missions to China, South Africa, the former Soviet Union, and South America.

"It has been reported that Secretary Brown had, in effect, sold access to and participation in these trips, as well as his personal promotion efforts with foreign governments and business interests, to those American companies and corporate officials who agreed to contribute large sums of money to the Democratic Party," the complaint said.

The complaint said the documents were withheld during "the critical period leading up to the elections of Nov. 8, 1994, and prior to Secretary Brown's January 1995 trip to India." It said the documents will show the "likely violation of U.S. anti gratuity, competition and anti trust laws," among other violations.

Judicial Watch wants the court to declare the department's refusal to release the requested documents as unlawful, and to make them available to the organization.

BUSINESS

May 9, 1995

Commerce Told to Act on Documents' Release

Judge Denies Request to Delay Delivery of Records on Brown's Trips

By Toni Locy
Washington Post Staff Writer

A federal judge denied a Commerce Department request yesterday for more time to release 30,000 documents dealing with Secretary Ronald H. Brown's trade missions to several nations.

In an abrupt ruling from the bench, U.S. District Judge Royce C. Lamberth gave the Commerce Department 24 hours to decide whether to waive a \$13,000 fee for photocopying the documents, which have been sought by judi-

cial Watch Inc., a year-old nonprofit advocacy group, under the Freedom of Information Act. Initially, the department wanted four more months, but Assistant U.S. Attorney Bruce Hegyi said in court yesterday that the documents would be ready by June 12.

Judicial Watch wants the records to see whether businesses that made contributions to the Democratic National Committee were given preference over other companies by being invited on trips to China, South Africa, South America and the former Soviet Union.

Larry Klayman, an attorney and the

founder of Judicial Watch, said the Commerce Department ignored his requests for the documents since September, and accused the government of trying to keep the records from being released during "politically sensitive periods."

He said the agency did not want to release the records during last year's congressional elections and does not want to turn them over now as Attorney General Janet Reno ponders whether she will seek appointment of an independent counsel to investigate Brown's personal finances.

2043852507

The Washington Times

WASHINGTON, D.C., TUESDAY, MAY 9, 1995

Judge backs disclosure on Brown's trips abroad

By Jerry Seper
THE WASHINGTON TIMES

U.S. District Judge Royce C. Lamberth yesterday denied a Commerce Department motion to delay for at least four months the release of more than 30,000 documents detailing Commerce Secretary Ron Brown's export-promotion travel.

The documents had been sought through a Freedom of Information Act (FOIA) request by Judicial Watch, a Washington public interest group that believes Mr. Brown scheduled international trade promotion trips on behalf of corporate executives who made large donations to the Democratic Party.

"By denying the stay, the Commerce Department must produce the documents," said Larry Klayman, general counsel of Judicial Watch. "We are hopeful that sometime in the near future we will get them without charge and make them available to the public."

Mr. Klayman added that Judge Lamberth gave Commerce 24 hours to "voluntarily grant" a waiver of \$13,000 in search and preparation fees sought by the department for the records.

A hearing before the judge will be held Wednesday to "determine the future scheduling of the case and the presumed document production," Mr. Klayman said.

Commerce spokeswoman Carol Hamilton said yesterday no decision had yet been made on whether the department will grant the waiver. She said Judicial Watch never requested that the fees be waived.

Ms. Hamilton also said Commerce had been advised by the Justice Department that, based on the complexity of the request, it was reasonable to ask for more time.

Commerce had sought a four-month delay to review the documents and had asked the court not to grant a waiver of the fees.

Judicial Watch has charged that the Commerce Department did not respond to requests for information on the trips in an effort to avoid political embarrassment. Mr. Klayman said the organization has maintained that Mr. Brown was "selling seats on the airplane for campaign con-

The documents had been sought through a Freedom of Information Act request by Judicial Watch.

tributions."

Judicial Watch, along with the Wall Street Journal and Business Week magazine, said Mr. Brown frequently traveled on international trade missions with corporate officials who also were Democratic fund-raisers. The group asked the court to order the department to turn over records listing the firms and the business executives picked to accompany Mr. Brown on the trade missions.

Mr. Brown currently is the focus of a Justice Department review to determine if an independent counsel should be named to investigate his financial ties to Nolana Hill, a former owner of Corridor Broadcasting Corp.

In March, 14 Republican senators asked Attorney General Janet Reno to find out if Mr. Brown misled Congress or purposely failed to report financial information to avoid paying income taxes.

Mr. Brown has denied any wrongdoing. A Commerce Department spokesman has described as "absolutely untrue" and "outrageous" suggestions that those selected to travel with the secretary were chosen based on their political donations.

The Commerce Department declined over a three-month period to respond to FOIA requests for the information, prompting a federal court complaint. Judicial Watch asked for the department records on Mr. Brown's trade missions to China, South Africa, the former Soviet Union and South America.

"It has been reported that Secretary Brown had, in effect, sold access to and participation in these trips ... to those American companies and corporate officials who agreed to contribute large sums of money to the Democratic Party," the complaint said.

tion of agreements on intellectual property rights and services (11 ITR 1811, 11/23/94).

The EU's founding treaties give the Commission full authority to negotiate international trade accords covering goods, nuclear products, and efforts to remove technical barriers to trade. Guilford said member states have not suggested a code of conduct of their own so the Commission hoped to "fill the vacuum in order to get the debate started." The Council of Foreign Ministers would have to approve the proposal for it to go into effect.

The guidelines try to tighten up the procedure for consultation between the Commission and member states

during negotiations on issues over which both parties have some competence and to clarify in what fora ministers can speak out on their own. The Commission also suggests that it be the sole body authorized to initiate a World Trade Organization dispute settlement panel on behalf of member states.

When one member state had a specific complaint, it would first take it to the EU executive, which, after consultations with all EU countries, would decide whether or not to take it before the multilateral trade body, Guilford said. "This is our effort to find a workable solution to a very complicated, legally difficult situation," Guilford said.

Legal Action



Agriculture

ITC TERMINATES TOMATO CASE AT REQUEST OF PETITIONER

The International Trade Commission has terminated a Section 202 investigation on fresh winter tomatoes at the request of the petitioner, Florida Tomato Exchange and its members.

The FTE had written to the ITC May 4 requesting that the petition be withdrawn. The case had been brought under 1974 Trade Act Section 202 (12 ITR 632, 4/5/95).

The ITC had rejected the Florida Tomato Exchange's bid for provisional relief in an April 17 ruling (12 ITR 700, 4/19/95).

In the petition, FTE alleged that imports of fresh winter tomatoes during January-April are a substantial cause of serious injury, or threaten serious injury, to the U.S. industry.

Petitioners' counsel, John M. Himmelberg, of Holland & Knight, Washington, D.C., told BNA May 12 that the tomato industry was still considering a dumping petition. Withdrawal of the Section 202 petition was based on the ITC's conclusion that the fresh winter tomato industry did not constitute a separate industry but was part of a larger industry.

Different standards are used in dumping and in Section 202 investigations, Himmelberg noted. He said that the Section 202 case was filed in order to get a prompt response and because U.S. Trade Representative Mickey Kantor had suggested it. The results were expected, he said, adding that the industry still benefited by bringing the case.

Himmelberg said that no time-frame had been worked out yet for the dumping case.

Agencies and Departments

COMMERCE TO PRODUCE DOCUMENTS ON BROWN'S EXPORT PROMOTION EFFORTS

The Commerce Department was ordered to produce certain documents related to U.S. Commerce Secretary Ronald H. Brown's export promotion activities by May 17, plaintiff Judicial Watch Inc. announced May 16 in a press

release (*Judicial Watch Inc. v. U.S. Commerce Department*, DC DC, Civ. Act. No. 95-0133 (RCL), 5/16/95).

Judicial Watch had sought the documents pursuant to the Freedom of Information Act and filed a court action in the U.S. District Court for the District of Columbia when Commerce did not produce the documents.

U.S. District Court Judge Royce C. Lamberth on May 8 ordered Commerce to determine within 24 hours whether it would produce to Judicial Watch free of charge over 30,000 documents related to Brown's export promotion activities. Commerce consented to produce at least 10,000 of the documents free, Judicial Watch said (12 ITR 824, 5/10/95). However, Judicial Watch said that it was unclear why some 20,000 remaining documents would not also be provided free. Thus, during a May 10 hearing, Judicial Watch argued that these documents should also be provided free.

On May 16, the court ordered Commerce to turn over the 30,000 documents related to the export promotion program to Judicial Watch without charge by 3:00 pm on May 17, 1995. The court's ruling cited an "immediate need" for the public to understand Commerce's export promotion program as debate is currently taking place on whether Commerce should be eliminated because of budgetary considerations, Judicial Watch said. Judicial Watch noted that Brown and others—in arguing for the continued existence of Commerce—"have pointed to the alleged successes of the Clinton [administration's] export promotion program, despite its high cost to the taxpayer."

"Reports in *The Wall Street Journal*, *Business Week*, and elsewhere have criticized Secretary Brown's promotion of companies whose executives have previously contributed large sums towards Democratic campaign efforts—suggesting that DOC's services are in effect being sold to the highest bidder," Judicial Watch stated in its press release.

The FOIA request had been filed in September 1994.

Larry Klavman, general counsel, Judicial Watch, told BNA that Judicial Watch plans to move quickly in reviewing the documents. Commerce, he noted, is still withholding 2,000 documents under claim of privilege, he said. Members of the press and others interested in reviewing the documents can set up an appointment with Judicial Watch at (202) 646-5172.

The Washington Times

WASHINGTON, D.C., WEDNESDAY, MAY 17, 1995

Commerce Dept. to release papers on Brown's trips

By Michael Hedges
THE WASHINGTON TIMES

The Commerce Department must release today 30,000 documents detailing how Secretary Ross Brown chose business leaders to travel on official government overseas excursions — trips that led to lucrative business deals, a federal judge ruled yesterday.

Also today, a federal judicial panel is expected to release Attorney General Janet Reno's recommendation on whether an independent counsel should be appointed to investigate criminal allegations raised against Mr. Brown.

The deadline for Miss Reno to propose the appointment, say no appointment is necessary, or seek a 60-day extension was yesterday. Under federal rules, that recommendation is made to a panel of three federal judges, who then release it.

Late yesterday, the panel had not signed an order allowing the information released, according to court and Justice officials.

Yesterday's court decision could add to Mr. Brown's legal problems.

U.S. District Judge Royce C. Lamberth ordered the Commerce Department to give the documents to Judicial Watch, a Washington public-interest group that had filed for their release under the Freedom of Information Act, by this afternoon.

The documents could add evidence to charges Mr. Brown has taken cronies and political contributors to President Clinton on overseas trips to assure they could snag foreign business ahead of competitors, said Judicial Watch General Counsel Larry Klayman.

Several news organizations have published accounts suggesting Mr. Brown has used his post to steer business to Democratic supporters, Judicial Watch said, "sug-

gesting that (Commerce's) services are in effect being sold to the highest bidder."

Mr. Klayman said, "We expect the documents will show that people were selected to travel with Mr. Brown based on contributions to the Democratic Party, and not selected if they had not contributed to the DNC."

He said, "Any independent counsel appointed has a standing invitation to go through the documents, and I think that could be helpful to anyone appointed."

In February, the Justice Department said it had received specific, credible criminal allegations against Mr. Brown, and ordered a 90-day investigation to determine whether to seek the appointment of an independent counsel.

In a letter sent to Miss Reno around that time, Rep. William Clinger, Pennsylvania Republican, outlined what he called "possible violations of federal law" in four categories: failure to disclose financial holdings in official statements, receiving money improperly from business associates and others, conflict of interest, and lying to and dodging Congress.

Republicans in both the Senate and House have questioned Mr. Brown's receipt of more than \$400,000 from his stake in a company run by Nolasca Hill, a business associate and Democratic fund-raiser, even though he invested no money in the firm and all of its major business ventures were failures.

Mr. Clinger has said Mrs. Hill may have benefited from her relationship with Mr. Brown by receiving two invitations to lunch with President Clinton along with CEOs of America's leading corporations like Ford and General Electric.

"But for her many business associations with Secretary Brown, there is no plausible explanation for her invitation," he said.

NEW YORK POST

NEW YORK POST, FRIDAY, MAY 19, 1995

It's documented: Brown rewarded donors with trips

By THOMAS GALVIN
Post Correspondent

WASHINGTON — Commerce Secretary Ron Brown rewarded big-name Democratic donors with taxpayer-subsidized trade trips, newly released court documents show.

In one handwritten memo, a Commerce official wrote another that a big Democratic donor has been added to a China trip: "Guess what? Another finance-related gentleman is on the trip to a less-than-official-delegation-member status. His name is Sandy Robertson."

Robertson, chairman of the San Francisco-based finance firm Robertson Stephens & Co., donated \$170,000 to the Democratic Party over the last four years.

Robertson told The Post he was rewarded for going to bet for Clinton in 1992.

"The reason I probably got some consideration was because I organized a group ... of CEOs to endorse Clinton early in the campaign," he said.

Commerce spokesman Jim Desler denied yesterday politics were being played on the trips.

Political considerations are not a factor in the decision-making process," he said.

The revelations came a day after attorney General Janet Reno sought an outside counsel to investigate Brown's business dealings.

Commerce was forced to release 30,000 pages of documents after losing a legal battle with Judicial Watch, a conservative legal foundation.

Rep. Bill Clinger (R-Pa.), who has led the congressional probe of Brown's finances, said the released documents prove "trade slots were being sold" and wants to explore whether laws were broken.

In one instance, deputy assistant secretary Jude Kearney, according to a memo, let it be known that "as a political appointee, [he] would push those that were politically connected" to get on the trips.

Kearney denied making the statement. I never uttered anything like that."

Time for Brown to go /
Editorial: Page 22

98043852511

Travels with Ron Brown

By Rebecca Borders
and Alejandro Benes

In speaking up for his commerce secretary after the Justice Department recommended that an independent counsel investigate his financial dealings, President Clinton said Ron Brown's leadership had resulted in "expanded opportunities for American businesses in this country and abroad."

The president, inadvertently to

ment to friends of Ron Brown, Bill Clinton and their party. These documents come from the 30,000 pages that Judicial Watch, a Washington group, successfully sued to extract from a Commerce Department that did not want to release them.

One illuminating document is a July 1994 letter from Tony Coelho to Melissa Moss, director of the Commerce Department's Office of Business Liaison. Mr. Coelho, who con-

the Commerce Department regarding Secretary Brown's upcoming trip to China.

The memo further states that Mr. Kearney "[i]ndicated competitive nature of being selected to ride on the plane with the Secretary. Also indicated that politics of the situation were important and he as a political appointee would push those that were politically connected." Entergy certainly is "politically connected" to the Clinton administration and to the Democrats.

Entergy is the parent company of various U.S. electric companies, including Arkansas Power & Light (AP&L). President Clinton has maintained a long and politically prosperous relationship with AP&L for years. Members of AP&L's and Entergy's boards are close Clinton supporters and fundraisers. Beryl Anthony, a former Democratic congressman from Arkansas and former chairman of the Democratic Congressional Campaign Committee (DCCC), serves as one of the company's Washington lobbyists. Mr. Anthony is a partner at the Washington law and lobbying firm of Winston and Strawn and also represents the Hong Kong Trade Development Council. He is married to Clinton political appointee Sheila Foster Anthony, sister of the late White House Deputy Counsel Vince Foster.

In 1992, while Mr. Brown was chairman of the party, Entergy contributed \$20,000 to the DNC Building Fund. Since 1993, Entergy has

1994, in Beijing. Entergy announced what is estimated to be a \$465 million share of a \$1 billion deal with the Lippo group of Hong Kong. Entergy will manage and expand Lippo's 1,200-megawatt power plant in northern China. Entergy's second contract for an estimated \$400 million was signed in Guangzhou on Sept. 1, 1994, to help build two 660-megawatt generating stations.

In November of 1994, Mr. Clinton and Mr. Brown led a trade delegation to Indonesia. Entergy also came home with lucrative deals from that trip. Entergy became part of a consortium of power companies which also includes the PT Transmega Ekakipta Corp. of Jakarta, Indonesia. The consortium signed a \$300 million contract for a 200-megawatt coal-fired power plant to supply the state-owned electric company with power.

The consortium also signed a deal for a \$200 million power project with the PT Panha Serodia Pradhana to build a 110-megawatt coal-fired power plant for the Indonesian state-owned electric company.

In his press release announcing the deals in China, Entergy CEO Luppberger said, "This is an example of how U.S. business and industry and the governments of China and the U.S. can work together for the mutual benefit of everyone involved."

From its China deals, Entergy will benefit to the tune of contracts worth an estimated \$1.3 billion.

Neither Entergy's nor Jude Kearney's spokesmen would comment immediately on "the politics of the situation." Mr. Kearney is travelling abroad on business.

When Ron Brown was simultaneously a partner at Patton, Boggs and Blow and DNC chairman, he was renowned as a consummate deal-maker. By all appearances, Mr. Brown's Department of Commerce has continued in the art of the deal.

be sure, pointed to an issue that is not the first target of inquiry for the independent counsel, but that will attract attention as the investigation goes on. The issue is whether Mr. Brown, the former chairman of the Democratic National Committee (DNC) who at the same time worked as a lobbyist, allowed American businesses to expand their "opportunities" by doing favors and by enriching the coffers of the DNC and the 1992 Clinton campaign.

When Ron Brown was simultaneously a partner at the pre-eminent Washington law and lobbying firm of Patton, Boggs and Blow and DNC chairman, he was renowned as a consummate deal-maker. By all appearances, Mr. Brown's Department of Commerce has continued in the art of the deal. As one Justice Department investigator put it, a corporation can "pay to play." American giants such as AT&T and Arco, which made contributions to the DNC or the 1992 Clinton campaign, have gotten seats on Mr. Brown's plane when he has traveled to far-off lands to meet with officials from foreign governments in an effort to promote American business.

The seat on the secretary's plane may be viewed as the quid in the quid pro quo relationship between contributors and the administration. Those DNC and Clinton contributors, with Mr. Brown's assistance, then were in a position to cut their own deals for projects in those foreign countries whose representatives attended meetings with the U.S. delegation.

Two pieces of paper that have just become available further support the notion that the Commerce Department gave favorable treat-

tributed \$1,000 to the Clintons' legal defense fund and is an unpaid adviser to the Clinton White House — and was senior adviser up until the last election to the DNC — is the managing director of the investment banking firm Wertheim Schroder and Co. In the letter to Ms. Moss, Mr. Coelho expresses his appreciation for her "willingness to help in having our Chairman and CEO, James A. Harmon, invited to participate in the Secretary's trip to China."

Wertheim Schroder, as Mr. Coelho further states in his letter, had just received a license from the government of China to open an office in Shanghai. The company has had an office in Hong Kong "for a number of years." Mr. Coelho was not shy in his letter to Ms. Moss in Mr. Harmon's behalf, writing, "If you think there is anything more I can or should do to make this happen, including speaking directly to the Secretary, please let me know as this is very important to me."

The importance to Mr. Coelho was to show clients and potential clients that Wertheim Schroder had access at the highest levels of the U.S. government. In August and September 1994, Ron Brown led a U.S. trade delegation to China. James Harmon was on the plane.

Mr. Coelho was unavailable for comment; he was away at a meeting of the President's Committee on Employment of People with Disabilities, which he chairs. Melissa Moss was unavailable.

The second piece of paper is a June 1994 interoffice memo to the file at the New Orleans-based Entergy Corp., written by one "JCB," who made a trip to Washington "to meet with Department of Commerce officials regarding Entergy's China Projects." "JCB," whom Entergy's spokesman could not immediately identify, wrote that he or she "met with Jude Kearney (deputy assistant secretary for service industries and finance in the International Trade Association at

The 30,000 documents released by the Commerce Department will open the window a bit wider so that we can get a better view of just how business-as-usual is still being done in the administration of a president who promised to "put people first."

contributed \$43,000 to the DNC and \$20,613 to the DCCC. The Minneapolis Star-Tribune reported that Entergy also made a contribution to the Democratic Leadership Council (DLC) at the time that Mr. Clinton served as its chairman. Neither Entergy nor the DLC would disclose the amount. Arkansas campaign finance records are sketchy, but it's worth checking further to see how much Entergy contributed to the Clinton campaigns for governor. The bottom line is: The Center for Public Integrity has documented at least \$83,613 in contributions during the past three years.

No surprise that Entergy chairman Ed Luppberger got his boarding pass to travel with Ron Brown to China and Hong Kong.

Entergy signed two major contracts while on the China trip with Mr. Brown. Mr. Brown attended the first signing ceremony. On Aug. 30,

There are numerous examples of how companies which did as little as throw a cocktail party at the 1992 Democratic convention — or as much as contributed hundreds of thousands of dollars to the campaign and party — also had executives fly with Mr. Brown on his trips. In each case the company contributions or favors were done during, or subsequent to, Mr. Brown's tenure as chairman of the DNC. The companies involved, some of the country's largest. There are too many to list here.

The 30,000 documents released by the Commerce Department will open the windows on the side so that we can get a better view of just how business-as-usual is still being done in the administration of a president who promised to "put people first." The documents are beginning to show that the friends of the Clinton administration are the first people being put first.

Rebecca Borders is a journalist working for the Center for Public Integrity's Presidential Campaign Project. Alejandro Benes is managing director of the Center for Public Integrity.

BUSINESS

SATURDAY, MAY 20, 1995

Records Said to Show Brown Took Party Patrons on Trips

Commerce Denies Trade Mission Allegation

By Jerry Knight

Washington Post Staff Writer

Commerce Secretary Ronald H. Brown faced new criticism yesterday for allegedly favoring Democratic Party patrons when he chose business executives to travel with him on Commerce Department-sponsored trade missions.

Commerce Department documents show "the selection was not necessarily done on who was most likely to be the most helpful in terms of the trade mission," said House Government Reform and Oversight Committee Chairman William F. Clinger Jr. (R-Pa.), a frequent critic of Brown.

"The overriding consideration in choosing participants in the trips was what the Clinton administration could get politically out of it," said Larry Klayman, a trade lawyer who heads a nonprofit organization called Judicial Watch. Judicial Watch sued the Commerce Department in order to gain access to the 30,000 pages of documents detailing how participants were chosen for more than a dozen trade missions.

Commerce spokesman James Dessier said businesses were chosen



RONALD H. BROWN

... favoritism on trade trips alleged

to participate in the high-visibility trade trips based on their ability to promote U.S. exports and their experience in pursuing ventures in the countries that Brown was visiting.

"To suggest that political considerations were a factor in determining participants in these missions is flat out wrong," he said, blaming the

See BROWN, D2, Col. 1

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Executives Said to Be Picked By Politics for Brown's Trips

BROWN, From D1

complaints on Brown's Republican critics.

Brown was chairman of the Democratic National Committee.

— Cinger was among the members of Congress who had urged Attorney General Janet Reno to seek appointment of an independent counsel to investigate Brown for financial improprieties and conflicts of interest, which she did this week.

Clayman said the documents his group obtained include several memos showing political connections were cited by executives seeking invitations to join Brown in his trips.

In one, former House Democratic whip Tony Coelho, a Democratic fund-raiser and a managing director of Wertheim Schroder & Co., wrote to urge selection of Wertheim Schroder's chairman and chief executive, James A. Harmon, for a trip to China. "If you think there is anything more I can or should do to make this happen, including speaking directly to the secretary, please let me know as this is very important to me," wrote Coelho. Harmon went on the trip.

Clinton aide Mark D. Gearan lobbied unsuccessfully to have New York businessman Fred Kayden join a trip to Russia, noting, "I have known Fred from past political efforts."

Washington lawyer Philip Verveer

wrote urging that William B. Ginsberg, chief executive of Cellular Communications International, be invited to accompany Brown to India. "Ginsberg was an early financial

"If you think there is anything more I can or should do to make this happen, including speaking directly to the secretary, please let me know as this is very important to me."

— Democratic fund-raiser Tony Coelho in a letter to the Commerce Department

supporter of the Clinton/Gore campaign and a very generous donor to the party's 1992 election effort," the letter noted. Ginsberg was later invited.

Verveer's wife, Melanne, is on Hillary Rodham Clinton's staff and was a college classmate of President Clinton at Georgetown University.

Chicago Tribune

Sunday, May 21, 1995

Commerce Department is urged to review trade trips

ASSOCIATED PRESS

WASHINGTON—The chairman of the House committee that oversees the Commerce Department has accused the agency of using trade missions as "political paybacks." He urged the department to review its standards for selecting participants.

Rep. William Clinger (R-Pa.) said Friday that his House Government Reform and Oversight Committee was considering an investigation or hearings after the release of documents that detailed how Democratic donors and political operatives sought, and in some instances received, slots on the overseas trips.

"I think it certainly sets a very bad standard, and I think if it's not illegal, then maybe it should be illegal," said Clinger, a frequent critic of Commerce Secretary Ron Brown.

"The selection was not necessarily done on who was most likely to be the most helpful in terms of the trade mission," Clinger said.

"It was done on who was going to be most helpful to the Democratic Party."

Clinger reacted to news reports Thursday detailing the behind-the-scenes wrangling involved in recent trade missions by Brown, the former Democratic Party chairman whose business dealings are under investigation by the Justice Department.

The reports cited memos found among 30,000 trade mission documents the Commerce Department

released last week under a court order. Among other things, the documents showed that:

- Former U.S. Rep. Tony Coelho, a political adviser to President Clinton, wrote the Commerce Department seeking a slot for his boss on a trade mission to China last fall, saying it "means a great deal to me personally." Coelho's boss was selected.

- A memo apparently written by an official of Entergy Corp. quoted an assistant commerce secretary as promising that, as "a political appointee, [he] would push those who were politically connected" for the China trade trip. The official to whom the comments were attributed in the memo emphatically denied making the statements. Entergy was invited on the China trip.

- A White House aide, Mark Gearan, wrote the Commerce Department recommending a business executive for a Russia trade mission, saying he knew the businessman "from past political efforts." That executive was not chosen.

- Sandy Robertson, a California investment banker and \$100,000-plus Democratic donor, was belatedly added to the roster for the China trip.

Commerce Department officials said Thursday the participants for each trade mission were selected through an extensive review process that was based on "strict" business criteria, not politics.

98043852515

National Journal

NATIONAL JOURNAL 5/27/95

FROM THE K STREET CORRIDOR

Washington lawyer Philip L. Verveer is a college classmate of Bill Clinton's. His wife is Hillary Rodham Clinton's deputy chief of staff. And when he asked Commerce Department officials to include William B. Ginsberg, president of Cellular Communications International Inc., on a trade mission to India, Ginsberg made the cut. After all, "Ginsberg was an early financial supporter of the Clinton-Gore campaign and a very generous donor to the party's 1992 election effort," Verveer said in a letter last fall to Commerce officials.

Copies of the letter and other correspondence were released by Indicate Watch, a nonprofit group that sued Commerce to gain access to documents on the selection of corporate executives to accompany Commerce Secretary Ronald H. Brown on overseas trips. The documents, which are being submitted to court, were chosen for their political connections as well as their business content. Earlier press accounts revealed that many participants were Democratic donors.

A memorandum by an Energy Corp. official seeking a spot on the trade mission states that during a meeting with Jude H. Kearney, deputy assistant Commerce secretary for service industries and finance, Kearney "indicated that the politics of the situation were important and he as a political appointee would appoint those that were politically connected."

Top Administration officials also lobbied Commerce; the documents show. Marc D. Gertman, assistant to the President, unsuccessfully urged the inclusion of New York City businessman Fred Kayden on Brown's trip to Russia. Retal. Lewis, a special assistant to Clinton for political affairs, recommended lawyer Gerald McGowan, "fellow Clinton classmate, early Clinton campaign supporter and [Democratic National Committee] managing trustee," for a trip to India and Indonesia. Treasury Department official James H. Falli suggested Glenn Biggs, chairman of the Texas High Speed Rail Corp., adding that then-Secretary Lloyd Bentsen "would be greatly appreciative." Former Rep. Tony Coelho of D-Calif., a White House political adviser, successfully lobbied for his boss at the investment banking firm of Wertheim Schroder & Co. Inc. to go to India.

Several Members of Congress sent letters on behalf of constituents. Even O.J. Simpson defense attorney Johnnie L. Cochran Jr. wrote to Brown.

Verveer, a partner in the New York City-based law firm of Willie Farr & Gagliardi, also wrote to Commerce last summer on behalf of executives of Comcast Corp., Continental Cablevision Inc. and Cox Enterprises Inc. "I am providing a short list of individuals who although supportive in 1992, have expressed disappointment with the Administration's telecommunications policy," he wrote. The Administration should demonstrate its "interest and concern," he added, and inclusion in a trade mission "would be a good start."

—W. JOHN MOORE

BusinessWeek

MAY 1, 1995

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News: Analysis & Commentary



INVESTIGATIONS

RON BROWN MADE COMMERCE. NOW HE MAY BREAK IT

Justice's probe will only amplify GOP calls to scrap the agency

As any CEO, Ronald H. Brown will go down in history as one of the best Commerce Secretaries ever. He may also be the last—owing partly to a mushrooming probe of his finances, but most single-handedly, the Commerce chief has transformed his agency from a backwater into a turbocharged export-promotion machine. But on May 17, Attorney General Janet Reno announced she would ask for an independent counsel to investigate Brown's alleged personal business dealings.

The news couldn't come at a worse time for Commerce, which is the target of a concerted attack by Republican budget hawks who want to cut the \$4.2 billion-a-year agency outright. GOP critics don't end there: Republicans are envious of Brown's success in securing business support for the administration's policies on trade and technology investment, and Brown is a tempting target because he is a savvy Democratic operator—and close to Clinton.

DYNAMICS: Brown's troubles, meanwhile, go beyond the Justice inquiry. On May 16, conservative and anti-Clinton groups won a battle in the District Court in Washington asking the release of 20,000 documents relating to Brown's

export-promotion efforts. The activists accuse Brown of using Commerce as a conduit for their financial contributions to Democratic efforts to win U.S. companies.

At Commerce, aides say they see the independent probe as a far better option than 200-page-sustained hearings on Capitol Hill. Even so, it will be tough for the Commerce chief to defend his agency against mounting attacks.

SILENT BUSINESS: Executives aren't rushing to defend Commerce: Veterans of downsizing think a shakeup is what the bloated department needs

Senior White House officials insist they want Brown to stick around. And President Clinton says he backs his Commerce secretary. That's not surprising, because in a test that has big-name corporate and party backs, Brown has championed policies that have won approval of Clinton from the business community. A Republican primary challenger says he has done more to make the administration's policies work than any other administration official. Brown is a former CEO of Texaco.

MONEY MACHINE: Brown has clinched multibillion-dollar deals for business.

Brown's chief legacy has been beefed-up export promotion and support for advanced-technology development. He fought successfully to lift cold-war-era export controls on high-tech goods. And Brown created a high-powered advocacy team at Commerce to track juicy infrastructure and aerospace contracts in spots from Brazil to China. A seat aboard the Ron Brown Express, as his trade missions are called, has become the hottest ticket in Corporate America. And with persistence and charm, he has helped clinch multibillion-dollar deals for American business.

KINDS OF CUTS: Even so, executives are not rushing to Commerce's defense. They have bigger fish to fry. Their No. 1 goal is cutting government spending so as to balance the federal budget by 2002. "The trade piece is dwarfed by the economic benefits of a balanced budget over the next seven years," says Willard A. Workman, head of international affairs at the U.S. Chamber of Commerce.

Besides, many execs, particularly those who have survived corporate downsizings, think a shakeup is just what the bloated Commerce Dept. needs. "Business reinvents itself every day. There's no reason why the U.S. government shouldn't do the same," says a manager at an American equipment maker. Ultimately, business hopes that out of the GOP gambit to gut Commerce, a leaner Trade & Industry Dept. will emerge.

As for Brown, the issue is whether he violated any federal criminal laws in accepting questionable payments from business associate Nolandia Hill while at Commerce. The counsel also will in-

vestigate whether Brown filed a false mortgage application in the purchase of a Washington townhouse and whether he intentionally misled government ethics watchdogs by filing inaccurate financial disclosure reports.

In a statement, Brown buttressed his assertions of innocence with a long list of accomplishments as Secretary. Impressive, yes. But irrelevant to the case against him. He might save the list for a eulogy at Commerce's funeral.

By Amy Borman in Washington

Newsweek

MAY 29, 1995 NEWSWEEK

Brown: A Little Help for His Friends?

AS A PRIVATE ATTORNEY, lobbyist and Democratic chairman, Ron Brown has long lived at the tricky intersection of public and private interests. Finally, his work in this high-powered gray area has become grist for a criminal investigation. Attorney General Janet Reno has asked a special counsel to look into whether the Commerce Secretary properly disclosed a deal in which he invested no money in a company that made no profits—yet paid Brown \$400,000.

Brown defenders say this was personal, not official business. And the Commerce Department denies Brown uses his post to help political pals. But in response to a law-

suit from an advocacy group, the department has released documents indicating that Brown awarded campaign supporters coveted seats on U.S. trade missions—trips that have generated millions in contracts for American businesses.

One CEO won a last-min-

Henry baggages Ron Brown

WALLY MCNAMER FOR NEWSWEEK



ute spot after Brown got a note from a Clinton friend pointing out that the businessman was "an early financial supporter of the Clinton/Gore campaign and a very generous donor to the party's 1992 effort." In another document, White House staffer Reta Lewis tells the department that Washington lawyer Gerald McGowan should be included on a Far East trade mission, in part because he was a "fellow Clinton classmate, early Clinton supporter and DNC Managing Trustee." A Commerce spokeswoman denies Brown was influenced by such appeals, and Reno declared his official travel off-limits to the special counsel—for now.

Los Angeles Times

Tuesday
May 30
1995

Political Clout Earns Place on Brown's Trade Missions

■ **Government:** Business leaders who join commerce secretary on trips are often well-connected lobby backers.

SARA FRITZ
STAFF WRITER

WASHINGTON—Among the business executives who accompanied Commerce Secretary Ronald H. Brown on a trade mission to South America last year, E. Glenn Biggs seemed out of place.

Biggs was not the chief executive officer of a major U.S. corporation, like so many members of the delegation. Nor was he one of the minority delegates who were chosen for racial and ethnic diversity.

Rather, the 60-year-old Texas businessman had another qualification that made him a prime candidate for the honor of accompanying the secretary of commerce on the overseas trip: political influence.

In a letter Biggs wrote to Brown on May 11, 1994, asking to be chosen for the trip, he mentioned pointedly that he was a longtime friend of then Treasury Secretary Lloyd Bentsen, as well as of former Democratic Party Chairman and Ambassador Robert S. Strauss. In passing, he also noted that he recently had lunch with the current treasury secretary of Mexico.

"As I understand, you have proposed a trip to Argentina, Chile and Brazil, which I desire to be a part of," Biggs wrote in his letter, which also listed his business credentials. "In speaking with the secretary of the Treasury, it was suggested that I provide this information to you and your kind office."



Associated Press

Unlike his predecessors, Ron Brown has been a high-profile and activist commerce secretary. That strategy that has won him praise from many corporate executives—and also infuriated free-market purists.

In an interview last week, Biggs acknowledged that he had mentioned Bentsen and Strauss, who served in Moscow during the George Bush Administration, but said the name-dropping was not intended to bring political pressure to bear on the department.

Biggs is by no means the only person who appears to have used political ties to get a coveted seat on the plane that carries Brown and his handpicked entourage on official trade missions to South America, Russia, the Middle East, China and India. Recently released internal Commerce Department documents show that many well-connected Democrats exerted influence on the selection process.

These documents have served to reinforce the growing complaints among members of the business community that Brown, the former chairman of the Democratic Party, plays favorites in deciding which companies will get his valuable help in overseas markets.

"By and large, some companies are having their bread buttered for them," said Larry Klayman, an international trade lawyer and head of the privately funded group Judicial Watch, whose lawsuit resulted in the release of 30,000 Commerce Department documents on the trade missions. "What they are doing is a real perversion of our free-market economic system."

Of course, it is not unusual for government officials to make choices based on friendships or political connections. Many of Brown's predecessors at the Commerce Department—most recently President George Bush's appointee, Robert A. Mosbacher—were accused of using their office to butter up influential political supporters and contributors.

FRONT PAGE

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But Brown's activities have come under special scrutiny because he, unlike his recent predecessors, has been such a high-profile and activist commerce secretary, intervening personally on behalf of numerous U.S. business interests abroad.

The very strategy that has caused Brown to be so widely hailed by many corporate executives as the most effective commerce

secretary of recent times has also infuriated free-market purists, such as Klayman, who feel that U.S. business should compete in the world market without government help or interference.

"Whenever you help company A, you also—by definition—hurt company B," Klayman said. "The Commerce Department, under President Clinton, is spending hundreds of millions of dollars to distort the market. This type of corporate welfare is inexcusable."

That is precisely the view that led many Republicans recently to endorse the idea of abolishing the Commerce Department. Thus, even though Brown's activities have a pro-business tilt generally favored by the GOP, his success could very well help endanger his agency.

The story of how Biggs and other politically well-connected people were chosen for Brown's trip is significant because it dramatizes one factor in the increasing skepticism about the aggressive style of this Commerce Department.

By the official criteria established by the Commerce Department, Biggs did not seem to qualify to be a top candidate for Brown's trade delegation.

Records show that the two essential qualifications set for the entourage were the two "D's"—"deliverables," such as a pending business deal that could be announced at the end of the trip, and diversity. In addition, Brown usually demanded that his traveling companions be the highest-ranking executives of their companies.

Nevertheless, Brown had no shortage of eager applicants. His files contain hundreds of letters from business people seeking to travel with him.

What attracted these applicants was the opportunity to gain stature in the eyes of foreign officials by being introduced by Brown. As these executives see it, it is easier for them to negotiate deals overseas if they have the implied imprimatur of the U.S. government.

A Brown trip also was seen by some executives as a good way to hasten the closure of pending business deals. "It's like a summit meeting—it speeds things along," said Daniel P. Burnham, president of AlliedSignal Aerospace, who concluded a \$150-million contract to provide helicopter

engines to an Indian manufacturer during his visit with Brown to Bangalore.

Why certain applicants were accepted and others rejected was never explicitly stated in the decision-making memos. But the documents indicate that politics was always a consideration.

One official confided in a memo that Jude Kearney, deputy assistant secretary for trade development at the Commerce Department, had told him "that the politics of the situation were important and he, as a political appointee, would push those that were politically connected." Kearney, an Arkansas and ex-Clinton aide, played a role in the process.

But the person who appears to have exerted the most influence on Brown's decision was Melissa Moss, the Democratic National Committee's former principal fund-raiser who now runs the department's advocacy center, to assist U.S. firms in competing in global markets. GOP critics often have complained that Moss' appointment provided a convenient nexus between political influence and export promotion.

In addition to Bentsen, the many Democrats who contacted Brown and Moss, seeking to influence their choice of people to accompany the secretary, included Democratic powerbroker and former Rep. Tony Coelho, Sens. John B. Breaux (D-La.) and Ernest F. Hollings (D-S.C.), Los Angeles attorney Johnnie L. Cochran Jr. and then-White House Deputy Chief of Staff Phil Lader.

Their appeals often had an ingratiating tone. For example, R.J. Barrick, a lobbyist for Raytheon, told Brown: "It was really great seeing you this past weekend. It certainly was like 'old home week' with yourself and Alma (Brown's wife) and the DNC Business Leadership Forum Conference."

Coelho, an expert Democratic fund-raiser, told Moss that "your help means a great deal to me, personally," in obtaining a seat for his boss, James A. Harmon, chairman of Wertheim Schroder & Co. in New York.

From the right people, such entreaties were sometimes all it took to put a name on a trip list. Like Biggs, Coelho's boss was instantly added.

Biggs was not even mentioned in any of the early planning documents for the South

American trip. But by May 31, even before his own letter arrived at the department, his name was on a confidential list of people whose credentials were being researched as possible traveling companions for Brown—apparently as a result of a fax sent by the Treasury Department.

Signed by Jim Fall, the Treasury fax stated simply: "Secretary Bentsen would be greatly appreciative of any assistance you could offer in Mr. Biggs' joining Secretary Brown on the trip to Latin America in June."

Biggs said his ties to Bentsen are purely personal, even though he was a frequent contributor to Bentsen's Senate campaign.

The Treasury Department's fax arrived about the same time Brown received a sim-

ilar letter from Ronald L. Platt, a former Bentsen aide who now works as a Washington lobbyist. Until Brown was appointed commerce secretary in 1993, he and Platt were both partners at the Washington lobbying firm of Patton, Boggs & Blow. Platt said he intervened at the request of Diamond Shamrock, a refiner and marketer of petroleum products, which is represented by his current lobbying firm, McDermott, Will & Emery.

By June 3, three days after Bentsen intervened, Brown sent a letter of invitation to Biggs. During the same period, the names of other people with equal, if not better, credentials were trimmed from the list.

While Biggs was chosen for the delegation as a representative of Diamond Shamrock, he is not even a full-time employee of the company. Instead, he serves on the board of directors of many organizations, including Diamond Shamrock.

"Although I'm not in the management of the company," Biggs explained, "I am very, very close to it." He said he was chosen because Diamond Shamrock CEO Roger Hemmingshaus was unable to go.

Nor did Diamond Shamrock have any new business deals pending in South America. Instead, the Texas petroleum company was seeking Brown's discreet help in settling a tax dispute with Argentina.

There is no evidence in the internal memos that Democratic contributors were always favored over non-contributors in the selection process, although many of those chosen were big donors. Biggs has given \$8,500 since 1985; Diamond Shamrock executives gave \$38,500 in the same period.

Before each of Brown's trips, the business participants were asked to specify the names of the officials they desired to meet in each country. In Buenos Aires, Biggs listed officials who could help solve Diamond Shamrock's tax dispute with the government of Argentina.

As a result, when Brown met separately with Argentine President Carlos Menem and Economy Minister Domingo Cavallo, he was accompanied by Biggs. The so-called "talking points" that Brown's staff provided him for the meeting said, in part: "I hope the [government of Argentina] will make every effort to resolve the current export tax credit problem with Diamond Shamrock."

Kathy Hughes, spokeswoman for Diamond Shamrock, said Brown persuaded the government of Argentina to issue a ruling favoring the firm's subsidiary, Sol Petroleum, saving the company between \$20 million and \$30 million.

At the end of each trip, Brown presides at the announcement of many successful business deals concluded in each country. By his own estimate, his efforts on behalf of American exporters have produced \$25 billion in business revenues for the United States.

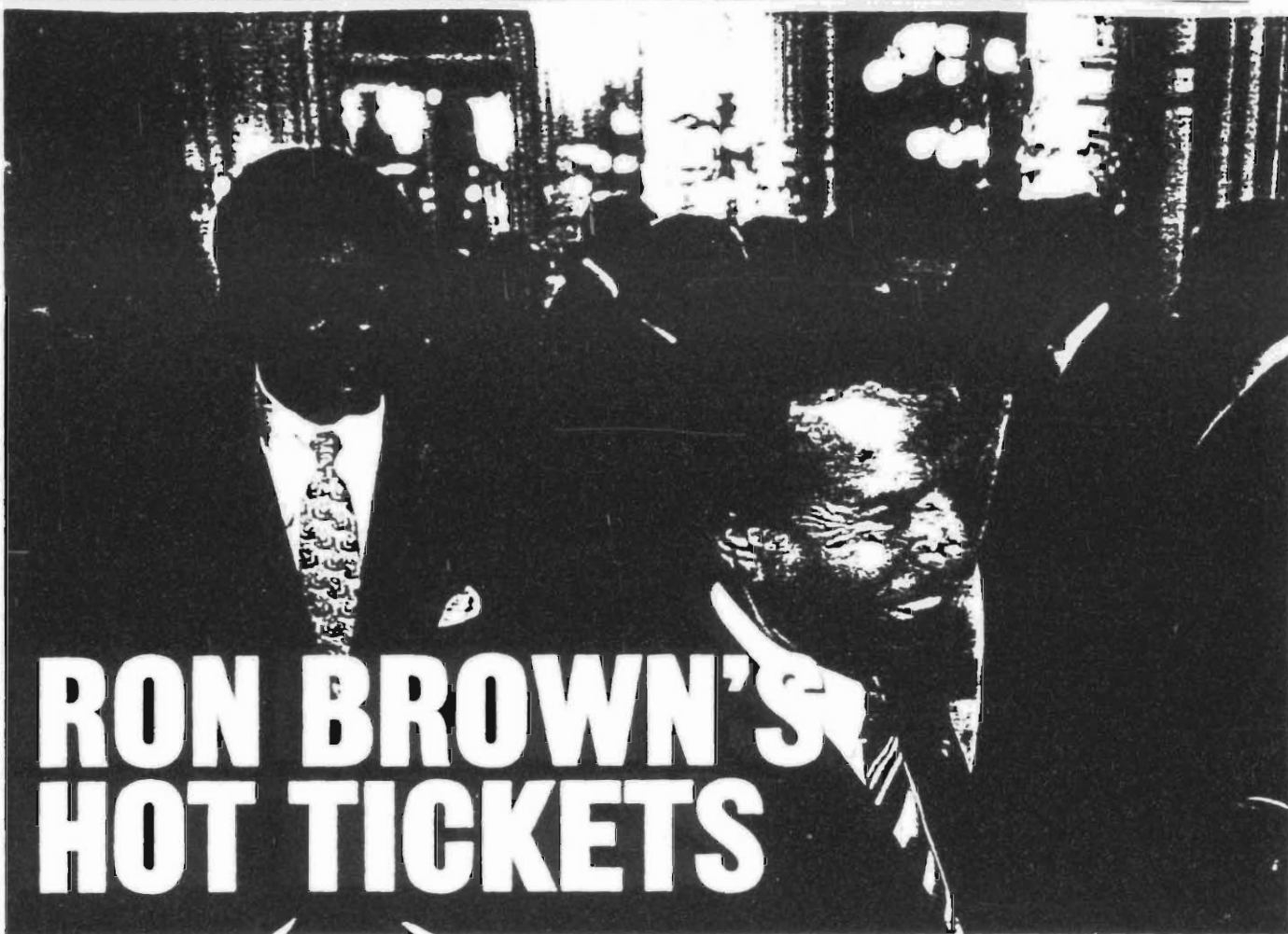
As the South American trip drew to a close, however, Brown made no public announcement that he had resolved a tax dispute for Glenn Biggs and Diamond Shamrock.

BusinessWeek

JUNE 5, 1995

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RON BROWN'S HOT TICKETS

Did Commerce dole out trade-mission seats based on political pull?

When Sen. Jesse Helms (R-N.C.) asked Sen. Bill Clinton (D-Miss.) to name a Republican to replace Sen. Jesse Helms (R-N.C.) on the Commerce Committee, he was referring to Ron Brown.

American aid from the State Treasury. Helms, then and a friend. In a letter to Clinton, Helms said that M. Brown was a "good" person.

Democratic donor and former Senate aide to Clinton, has written Clinton with a letter asking Brown to replace Helms on the Commerce Committee. Brown, a former U.S. Trade Representative, is currently serving as a senior advisor to Clinton. Brown, a former U.S. Trade Representative, is currently serving as a senior advisor to Clinton.

Under fire, Brown, a former U.S. Trade Representative, is currently serving as a senior advisor to Clinton.

UNDER FIRE, Brown, a former U.S. Trade Representative, is currently serving as a senior advisor to Clinton.

their own, or through their companies. Brown, a former U.S. Trade Representative, is currently serving as a senior advisor to Clinton. Brown, a former U.S. Trade Representative, is currently serving as a senior advisor to Clinton.

Clinton, a former U.S. Trade Representative, is currently serving as a senior advisor to Clinton.

■ FLYING FOR D.N.C. DOLLARS

Ron Brown's V.I.P. Junkets

KEN SILVERSTEIN

The cries of outrage coming from the White House over Republican threats to eliminate the Commerce Department have at least as much to do with self-interest as with fealty to the corporate cause. Through the department's efforts to promote exports, the Clintonites argue, American businesses landed foreign deals worth \$47 billion last year. But a little cross-referencing of the companies thus helped and of campaign contribution records and internal Democratic Party fundraising memorandums shows that for both corporations and the Administration, to give is truly to receive.

Early last year, for example, Saudi Arabia was looking to expand its commercial air fleet and examined proposals from U.S. and European aircraft makers. After being furiously lobbied by President Clinton and Secretary Ron Brown, the Saudis placed a \$3.6 billion order with Boeing. Within six months of closing the deal, the company had laden Democratic National Committee (D.N.C.) coffers with \$65,000, four times more than it had donated during the previous three years.

At about the same time, Administration pressure won Raytheon a \$1.4 billion deal with Brazil for building a satellite surveillance system in the Amazon. In the 1992-94 election cycle, Raytheon donated \$175,110 to Democratic candidates.

Export promotion—precisely what the Republicans have singled out for cutting—is at the heart of Brown's strategy at Commerce, and indeed of Clinton's strategy in foreign policy. When it comes to drumming up commerce for U.S. corporations, this Administration has outstripped its two wildly pro-business Republican predecessors. In Brown's "war room," bureaucrats monitor bidding on dozens of global deals, gathering intelligence (with help from the C.I.A.) and coordinating financing from government sources to give U.S. firms an inside track. More directly, Brown leads select groups of executives on commercial trips abroad. Last year corporations fought to accompany the Commerce Secretary to Brazil, Argentina, Chile, China, Hong Kong, South Africa, Russia, India and the Middle East. Some 300 C.E.O.s applied for seats on the trip to Russia alone; only twenty-nine were chosen.

Details of those trips have been obscure because Commerce has been stingy about providing information. That will soon change: since in mid-May the courts forced Commerce to turn over to Judicial Watch 30,000 pages of documents concerning which companies were picked, which were left behind and what the basis for decision was. But from what I have been able to piece together from published reports and from various internal documents (including some now ordered for release), it is already clear that the relationship of donations

to access is like that of spring rain to garden blooms.

Melissa Moss, head of the Commerce Department's Office of Business Liaison, decides who accompanies Brown. She has said firms "are chosen on merit and real business consideration." But, like her boss, she is also intimately familiar with party money matters. Prior to joining the Administration, Moss was a top fundraiser for the D.N.C. under Brown, and before that, for the Democratic Leadership Council, which Clinton helped found and once chaired.

The group she assembled for Brown's September 1994 trip to Beijing is revealing. Embarking three months after Clinton extended most-favored-nation trade status to China, Brown's entourage included:

§ Lodwick Cook of Atlantic Richfield, which gave \$201,500 to the Democrats between 1992 and 1994. Cook is also close to Clinton, who last June presented the Arco chief with a birthday cake during a White House lunch for executives.

You don't have to be a Democratic contributor to fly with Ron Brown—but it sure helps.

§ Edwin Lupberger of Entergy, who closed an \$800 million deal to build a power plant in China. Lupberger is a personal friend of Clinton, and in the last election cycle Entergy donated \$60,000 to Democratic candidates.

§ Bernard Schwartz of the Loral Corporation, who negotiated deals that will net his telecommunications company \$1 billion over the next decade. Three months before the trip Schwartz donated \$100,000 to the D.N.C.

§ Raymond Smith of Bell Atlantic, which has given nearly \$200,000 to the Democrats since 1991. According to Democratic fundraising memos I obtained, Smith is also a party "trustee," meaning he has personally helped raise \$100,000 or more.

§ Leslie McGraw of Fluor, which came through with \$108,450 for Democratic candidates in the last election. McGraw, like several of the executives who have been picked to accompany Brown, is also a donor and board member of the Democratic Leadership Council.

All told, at least twelve of the twenty-five firms whose officials made the trip to China are major donors or fundraisers for the President's party. Those companies gave almost \$2 million to Democratic candidates during the last election cycle. "I only believe in coincidences occasionally," says Chuck Lewis, head of the Center for Public Integrity. "Here you see consistent patterns."

It's the same with Brown's other trips. Traveling with the Commerce Secretary to South Africa were Donald Anderson, an adviser to the president of Time Warner, which donated \$508,333 to the Democrats between 1992 and 1994, and Ronald Burkle, C.E.O. of the Yucap Group and a "managing trustee" of the D.N.C. The title designates him as having helped the party raise \$200,000 or more.

Even some of the smaller businesses that have had access

Ken Silverstein is co-editor, with Alexander Cockburn, of the bimonthly Washington-based newsletter "CounterPunch."

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to Brown's expeditions have paid their dues in advance. Robin Brooks, director of the Brooks Sausage Company out of Kenosha, Wisconsin, got to go to South Africa. In 1992 she organized a fundraiser for Clinton, and in the last election cycle, her firm gave \$23,000 to the Democrats.

The currency of influence is not limited to cash. For instance, the chances that a U.S. firm seeking business in Russia will receive official support seem to grow in direct proportion to that company's links to Democratic power broker Robert Strauss. A senior partner at the law firm Akin, Gump, Strauss, Hauer & Feld—where his colleagues include Vernon Jordan, President Clinton's friend and golfing partner—Strauss served as U.S. Ambassador to Russia from 1991 to 1992. Two years ago he set up the U.S.-Russia Business Council, which has received government funds to promote commerce between the two countries.

At least eight of the twenty-nine companies that were invited to go to Russia are linked to Strauss and his firm. AT&T, Westinghouse, Dresser Industries (a Dallas-based oil equipment company) and Enron (a Houston-based natural gas conglomerate) are all Akin, Gump clients. Litton Industries and General Electric have representatives on the board of the U.S.-Russia Business Council. Rockwell International and Bristol-Myers Squibb are former clients of Strauss.

Several of those companies are also major contributors to the Democrats. AT&T alone gave the party's candidates \$765,763 over the past two years. Among high-donor companies represented on the Russia trip were Occidental Petroleum (\$152,549 over the same period) and US West (\$147,667).

US West signed a telecommunications agreement while in Russia that will be backed by a \$125 million loan guarantee from the U.S. government's Overseas Private Investment Corporation. OPIC is headed by Ruth Harkin, wife of Senator Tom Harkin and, prior to joining the Administration, a top corporate lawyer at Akin, Gump.

Enron, which closed a deal, backed by the U.S. Export-Import Bank, to develop European markets for Russian gas, has been one of the biggest beneficiaries of the Administration's export policy. During the past two years the Ex-Im Bank has supported Enron's agreements with Turkey, India, the Philippines and China—deals worth nearly \$4 billion. Kenneth Brody, head of the Ex-Im Bank, is a close friend of Treasury Secretary Robert Rubin, having worked with Rubin at Goldman, Sachs. Enron is listed on Rubin's 1993 financial disclosure statement as one of forty-four companies with which Rubin had "significant contact" during his years at the investment firm. (Brody, by the way, is said to be a leading candidate to take over at Commerce if Brown, under investigation for everything from slumlording to collecting \$400,000 for his "share" in a company in which he had invested nothing, is forced to resign.)

Like Boeing, many companies have larded the Democrats after being helped by the Administration on the export front. Westinghouse executives have traveled with Brown to South America, Russia and China, where the company racked up \$430 million in sales. It also received Ex-Im backing for a \$300 million plan to complete and upgrade the Temelin nuclear power plant in the Czech Republic. (When that deal was originally hatched in 1993, Warren Hollinshead, Westing-

GOLDEN RULE

The Investment Theory of Party Competition and the Logic of Money-Driven Political Systems

THOMAS FERGUSON

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Marshall Sahlins

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WASHINGTON, D.C., TUESDAY, FEBRUARY 13, 1996 ★ R ★

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Judge allows deposing of commerce secretary Ties of trade trips to contributions questioned

By Andy Tribbitt
THE WASHINGTON TIMES

Commerce Secretary Ron Brown faces court-ordered questioning over whether he improperly withheld documents, including a memo to President Clinton, about taxpayer-subsidized trade trips with Democratic campaign contributors.

U.S. District Judge Royce C. Lamberth issued an order Feb. 1 allowing lawyers for a public interest group to question Mr. Brown and other Commerce Department officials who held back documents sought in a Freedom of Information Act (FOIA) request. Larry Klayman, general counsel for the group called Judicial Watch, said he will issue Mr. Brown a notice for a deposition within two weeks.

"We're now in a very unique position in that we can depose Ron Brown to see whether documents were withheld improperly," Mr. Klayman said. "If they were, this could constitute obstruction of justice."

Of particular interest to the group is a memo Mr. Brown wrote to Mr. Clinton about the trade trips.

Judge Lamberth, who reviewed the document away from open court, said in his ruling that the Commerce Department failed to demonstrate that the memo should be exempt from disclosure under the Freedom of Information Act.

"On its face," the judge wrote, "the memorandum to the president from Secretary Brown does not appear to be soliciting advice regarding a policy from the president. Instead, the document appears to state a policy that the agency already has adopted."



Ron Brown has said the companies are picked on merit, and other department officials have denied providing special favors to contributors.

The document was one of 284 reviewed recently by the judge. He said that while the Commerce Department failed to make its case to keep the documents secret, he would give the department's lawyers 60 days to submit new evidence.

Judicial Watch is also seeking correspondence from companies that were denied seats on what has become known as the "Ron Brown Express." The Washington-based public interest group gained the release of about 28,000 documents through an FOIA request last year, but Commerce has withheld another 2,000 documents. The department was first asked to hand over all the documents in January 1995. Carol Hamilton, Mr. Brown's press secretary, declined to comment yesterday on the judge's ruling.

The chairman of the House committee that oversees the Commerce Department, Rep. William F. Clinger, Pennsylvania Republican, has accused the department of using the trade missions as "political pay-backs."

Melissa Moss, who was a fund-raiser for the Democratic National Committee when Mr. Brown was party chairman and a lobbyist, now picks the guest list for the Commerce Department's trade trips. She and Mr. Brown have said the companies are picked on merit and other department officials have denied providing special favors to contributors.

Commerce Department memos, however, tell a different story. In one document, an assistant secretary of commerce promises that, as a political appointee, he would push those who were politically connected for a China trade trip in 1994. According to another memo, the trade mis-

sion qualifications of a Coca-Cola vice president included \$2,000 contributions to the election campaigns of South African President Nelson Mandela and Mr. Clinton.

Fifteen of 24 executives who went with Mr. Brown to China gave to the Democrats, either on their own or through their companies. On a trip to Latin America 11 of 22 CEOs were donors.

The department has scheduled a trip to five African nations Friday through Feb. 25. Yesterday, Ms. Hamilton could not provide a list of those who will be making the trip.

As the battle over the withheld documents continues, the independent counsel in investigating Mr. Brown is looking into a \$160,000 payment to his son for a defunct hemogas company. The company, Hemogas Energy Resources, also paid for its father's trip to a top Commerce aide.

The Associated Press last week reported that the payments were designed to buy influence with Mr. Brown and his agency.

Independent counsel Daniel Fierman also is looking into other allegations of financial irregularities, including a \$100,000 payment to Mr. Brown from a company from his former lobbyist career. Mr. Fierman has asked an investigator to determine if the payments were for political purposes.

Lawyers for Mr. Brown said in a letter last month Michael Brown, Dan Brown's young brother, Michael Brown, was a lobbyist for DynCorp at the Washington office of Greenberg, Hoffman, Lytle, Roper & Quintel.

The Washington Times

WASHINGTON, D.C., THURSDAY, MARCH 21, 1996

PHONE (202)
WASHINGTON SERVICE (202)

Brown, aides resist testifying

Papers sought from trade trips

By Andy Thibault
The Washington Times

Commerce Secretary Ron Brown and a confidant of President Clinton are trying to avoid testifying under oath about a search for documents regarding taxpayer-subsidized trade trips.

The public-interest group Judicial Watch, which is seeking the documents, says Mr. Brown sold access and seats on the trips to executives who made large contributions to the Democratic Party. This could expose the former chairman of the Democratic National Committee and others to criminal charges under federal anti-gratuity, competition and antitrust laws.

The search for documents has taken more than a year and a half.

U.S. District Judge Royce Lamberth issued an order Feb. 1 allowing attorneys for Judicial Watch to question Mr. Brown and other Commerce Department officials. Six notices for depositions have been served in recent weeks, but Assistant U.S. Attorney Bruce Hegyi is seeking to limit the questioning. He filed a motion last week to delay any questioning of Mr. Brown and Clinton confidant Jude Kearney.

Mr. Kearney has been cited as a prime mover to ensure campaign contributors get seats on the trade trips. A deputy assistant secretary, Mr. Kearney was quoted in a Commerce Department memo as saying, "As a political appointee, [he] would push those that were politically connected" for seats on what has become known as the "Ron Brown Express."



Ron Brown

Mr. Kearney, who was an aide to Mr. Clinton in Arkansas, has denied making such a statement. But it is clear in other Commerce Department memos that ability and inclination to make political contributions put corporate executives closer to spots on the plane.

One executive, in a memo to Mr. Kearney, noted his contributions to the campaigns of South African President Nelson Mandela and Mr. Clinton among his "qualifications" for a trade mission.

Mr. Brown, responding to a letter that questioned contributions to former Treasury Secretary Lloyd Bentsen and the Texas Democratic Party, noted that the executive had made the cut for an upcoming trade mission.

Neither Mr. Brown nor Mr. Kearney has relevant knowledge as to the adequacy of the search for documents, Mr. Hegyi said. "I don't see anything sinister. Ordinarily a cabinet official would not come in a back hall and go through a dusty file cabinet."

Mr. Hegyi's acknowledgment that Mr. Brown did not search for trade trip documents was cited yesterday as a sign of continued bad faith, said Larry Klayman, general counsel of Judicial Watch. "They can't have it both ways. Even a cabinet secretary has to engage in a search if he has custody of records," he said. "The government says Mr. Brown, 'I don't see anything sinister that my staff did or didn't do.'"

Mr. Klayman said the stalling on the release of documents violates the administration's stated commitment to openness in government. In 1993, Mr. Clinton and Attorney General Janet Reno required agencies to change their "institutional attitude" about the Freedom of Information Act, de-emphasizing reliance on exemptions.

The four other officials sought for questioning in the Commerce Department case are Melissa Moss, a former fund raiser for the Democratic National Committee who now picks the guest list for the department's trade trips; Anthony Das, the department's executive secretary; Mary Ann McFate, a documents administrator; and Brenda Doan, the department's Freedom of Information Act officer.

Of particular interest to Judicial Watch is a memo Mr. Brown wrote to Mr. Clinton about the trade trips. Judge Lamberth said in his ruling that the Commerce Department failed to demonstrate that the memo should be exempt from disclosure under the Freedom of Information Act.

The document was one of 284 reviewed by Judge Lamberth. He said that although Commerce failed to make its case to keep the documents secret, he will give department lawyers another chance to submit evidence.

Judicial Watch also wants correspondence from companies that were denied seats on trade trips. It won the release of about 29,000 documents through an FOIA request last year, but Commerce has withheld another 2,000 and has refused to release a passenger list for a trade trip to Africa in April.

Mr. Brown also faces a criminal investigation. Independent counsel Daniel Pearson has received Justice Department clearance to investigate any and all financial irregularities involving the commerce secretary.

The Washington Times

WASHINGTON, D.C., MONDAY, JULY 22, 1996 **

Brown was a master of manifest selection

Party givers, CEOs vied for travel seats

By Frank J. Murray
THE WASHINGTON TIMES

When Commerce Secretary Ronald H. Brown fielded requests by the White House and other insiders to book party donors on coveted foreign trade junkets, cash flowed directly to Democratic tills — even from eventual losers.

His politicized selection process for lucrative trade missions was a drawn-out game of musical chairs in which the department's office of business liaison kept prospective travelers in the dark, checkbooks in hand, until takeoff.

More often than not, however, loyal donors to the Democratic Party were left at the gate in favor of chieftains of blue chip corporations. The corporate heads came along even though they did not contribute personally to the Democratic Party and contributions they oversaw from their corporations went to Republicans as well.

"They bribe the party in power," said Judicial Watch Chairman Larry Klayman, who concedes to adopting a cynical view of the relationship between wealthy donors and the Commerce Department. Mr. Klayman fought in federal court to obtain thousands of Commerce Department documents on corporate travel, which he has then provided to the media.

Mr. Brown was killed with 34

others April 3 in a plane crash in Croatia. Twelve corporate executives also perished on that flight.

Throughout his tenure at Commerce, Mr. Brown denied any linkage between landing seats on overseas trips and contributions to Democratic organizations.

"That's nonsense," Mr. Brown told a 1995 interviewer who asked if he used the overseas trade trips for fund raising. "I would suspect that 90 percent of the CEOs of the businesses who have gone are Republicans, so that is a ridiculous claim."

The Washington Times discovered that one big donor, telecommunications lawyer and sometime lobbyist Gerald S. McGowan, was once left off a Brown trade mission — even though he had White House backing. This occurred even though Mr. McGowan had given \$74,440 to various Democratic causes since 1991, the bulk of it in three checks.

But Mr. McGowan was not shut out completely.

He won written White House backing to travel to India or Indonesia after contributing \$55,000 in one week to the Democratic National Committee.

Mr. McGowan's status as a true trade insider grew in June when President Clinton named him to the Overseas Private Investment

see TRIPS, page A10

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TRIPS

From page A1

Corp. board of directors.

Mr. McGowan was also invited to the June 13 state dinner for Ireland President Mary Robinson. He was accompanied by Susan Brophy, deputy assistant to the president.

"Is he a CEO? We only take CEOs," Commerce Department spokeswoman Maria Cardona said when asked why Mr. McGowan's recommendation from the White House political affairs office was snubbed.

Reta J. Lewis, a former special assistant to Mr. Clinton who wrote the recommendation for Mr. McGowan, also wouldn't speculate on how a Cabinet member could rebuff a presidential recommendation.

"That was 1994, a long time ago," she said. "I don't work there anymore."

Mr. McGowan's big donations began with a June 20, 1994, gift of \$15,000 to the Democratic National Committee. On June 28 he added \$5,000 and chipped in another \$35,000 to the DNC's failing national health care project.

That got him a meeting with Miles Lewis, who listed Mr. McGowan's qualifications as "fellow Clinton classmate, early Clinton campaign supporter and DNC Managing Trustee."

The Lewis memo is a classic for putting political muscle in writing, albeit on plain paper without a White House letterhead: "The Office of Political Affairs is recommending Mr. McGowan for involvement in a trade mission and would appreciate your considering him."

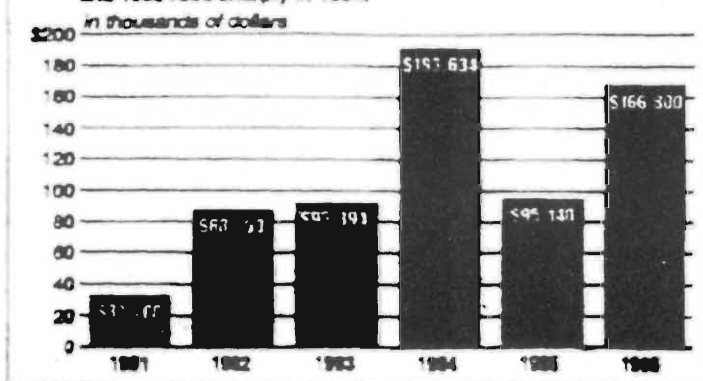
Miss Lewis, who has since become a K Street government affairs representative herself at Arner & Hadden, also is remembered as the architect of the 1993 strategy sessions where Hollywood producer Harry Thomason and actress Markie Post advised senior presidential aides on ways to build support for the Clinton health plan.

Mr. McGowan's berth at OPIC could be important. The board, which does business in secret, oversees project financing and political-risk insurance for U.S. companies doing business abroad, shielding them from loss due to currency freezes, war or violence, and seizure by host governments.

Others used other means to win a seat aboard Mr. Brown's trade missions. James A. Harmon, an experienced investment banker and past finance chairman to New

THE PACE OF POLITICAL CONTRIBUTIONS

Contributions to Democratic organizations from 12 randomly selected political donors who were competing to join Commerce Secretary Ronald M. Brown on overseas trade missions in 1994 and 1995 rose sharply in 1994.



York Democratic Mayor David Dinkins, sought help from former House Majority Whip Tony Coelho.

Mr. Coelho, an active Democrat who was then a subordinate to Mr. Harmon at his investment banking firm of Schroder Wertheim, was asked to line up a seat on a Brown trade mission.

Mr. Harmon donated \$50,000 to Democratic groups only after returning from separate business-scouting excursions with Mr. Brown to China and South America.

The donation, provided on March 14, 1994, was nearly three times his total reported donations to Democrats for the previous five years. Three weeks later, Mr. Harmon and his wife were on the White House guest list for the state dinner for Italy's president.

William B. Ginsberg, CEO of Cellular Communications International, used still another means to win a seat on Mr. Brown's travel missions.

He flew to India with Mr. Brown, described as "an early financial supporter of the Clinton-Gore campaign and a very generous donor to the party's 1992 election effort." This description is a bit overblown, considering that he personally gave just \$2,000 in the 1991-92 political cycle and \$930 in the 1993-94 political cycle.

Mr. Ginsberg's real strength was an introduction by telecommunications lawyer Philip Vervoort, who is a law partner of controversial Clinton adviser Susan Thomases and husband of Hillary Rodham Clinton's deputy chief of staff, Melanne Vervoort.

Kenneth Lay, of Houston's Enron company, could prove Mr. Brown's assertion that political giving played no role in making seats available on trade missions. Mr. Lay personally gave \$277,910 in the last six years, virtually all to GOP causes, but was chosen to go to India and later to a Clinton state dinner in April 1995 for Brazil's president.

Many competing for access to trade missions failed due to a diversity test applied by Mr. Brown and his secretariat. Both itemized "diversity factors" such as gender and race, and women's roles at a specific business.

Susan Corrales-Diaz, of Orange, Calif., who is not a viable political giver and heads a company doing just \$12 million annually in automated water-management systems, is a fitting example.

She joined a trade mission led by Mr. Brown to Russia in March 1994 and China five months later. She was designated the Small Business Administration's small-business exporter of 1995, and in May was named by Mr. Clinton to the Asia-Pacific Economic Cooperation (APEC) business advisory council. The other U.S. executives on that panel are chairmen of huge companies such as Boeing Inc. and Salomon Inc.

Federal Election Commission records studied by The Washington Times for a 1994 sample under consideration for Commerce Department trips showed all the large partisan donations went to Democratic causes.

The Democratic National Committee and its DNC Services Corp. received \$111,700 from the 12 do-

nors studied at random among winners and losers in the recommendation process.

"This has been the modus operandi of the Clinton administration, to sell off government services for cash," Mr. Klayman said.

He objects to any federal assistance to corporations, however fairly dispensed. He says executives shouldn't arrive in foreign countries on the arm of U.S. officials.

Trade delegations are very helpful and double the return over trying to make contacts alone, said William McNutt III, a Dallas trade consultant who has organized 18 recent private trade missions to South America, Europe, Canada and Mexico. He worked at the White House and Labor Department in the Reagan and Bush administrations.

"The leader of the delegation, such as myself or a Cabinet secretary, might get headlines and credit, but much of the real make-it-or-break-it grunt work is done by the career members of the United States Foreign Commercial Service," he said.

During the era covered by papers that Judicial Watch obtained, the Commerce Department office

Many competing for access to trade missions failed due to a diversity test applied by Mr. Brown and his secretariat.

of business liaison director was Melissa Moss, who previously headed DNC fund-raising machinery. Her assistant, Kathryn Kellogg, a veteran of the 1992 Clinton-Gore campaign and the Presidential Inaugural Committee, was among the 35 killed in Croatia.

Letters notifying those vying for space on the trade missions were unfailingly diplomatic. Often, the letters dangled promises of other benefits to come.

Another major factor in choosing travelers was whether a company already had a contract or other favorable result to be announced by Mr. Brown at trip's end. This allowed him to claim last year that his journeys produced \$40 billion in new business. Mr. Brown said the India trip alone produced business totaling \$7 billion.

The Washington Times

WASHINGTON, D.C., MONDAY, JULY 22, 1996

Kantor's Bosnia trip trades on sentiment

By Frank J. Murray
The Washington Times

Commerce Secretary Mickey Kantor came as close to sentiment as international business allows by completing the Bosnia-Croatia trade mission begun by former Commerce Secretary Ronald H. Brown.

Mr. Brown died April 3 in a plane crash that also killed 34 executives, Commerce Department workers and others traveling with him in Croatia.

"This will probably be the last mission Mr. Kantor does before the election," Commerce Department spokeswoman Maria Cardona said after Mr. Kantor completed his trip.

Mr. Brown made numerous overseas trade missions during his tenure. Access to these ventures was avidly sought in the business community, and competition for seats on his plane was fierce.

Business executives sought help from friends in Congress, the Clinton administration and the upper echelons of the Democratic Party. Some captured seats by excelling in their field, regardless of their political leanings.

Drawing upon documents furnished by Judicial Watch, here is a sample of those who were accepted and rejected for trade trips with Mr. Brown to India, China, Brazil, Chile, Argentina and South Africa.

It is a rare look at agency action on travel requests during Mr. Brown's three-year tenure.

• **Granted:** Telecommunications lawyer Philip Verveer, a Georgetown contemporary of President Clinton, a law partner of Clinton adviser Susan Thomases and husband of Hillary Rodham Clinton's deputy chief of staff Melanne Verveer proposed William B. Ginsberg, CEO of Cellular Communications International for India.

• **Granted:** Rep. Nick J. Rahall II, West Virginia Democrat, suggested Robert O'Neil of DeLewy Cather & Co., a Parsons Corp. engineering and transportation subsidiary, for the China trip.

• **Granted:** Rep. Lynn Schenk, California Democrat and a member of the Commerce Committee at the time, suggested the China itinerary for Irvin Jacobs, CEO of



Mickey Kantor

QualComm in San Diego, who gave \$7,500 to her campaign. He did not get that trip but went to India instead.

• **Granted:** Sen. Bob Graham, Florida Democrat, and Rep. John L. Mica, Florida Republican, gave bipartisan backing to Wesley Hiller, a Tampa coal exporter who gave a total of \$1,000 in six years to political causes. He went on the South Africa flight.

• **Refused:** Rep. Patricia Schroeder, Colorado Democrat, recommended builder William Roberts for the South Africa trip.

• **Refused:** Rep. Ray Thornton, Arkansas Democrat, backed Little Rock promoter Don Cassal — who did not contribute to political causes — for a 1994 trip to Brazil, Chile and Argentina, supported by Ambassador to Buenos Aires James R. Ches.

• **Refused:** Sen. Bill Bradley, New Jersey Democrat, wanted James Perrella, CEO of Ingersoll-Rand, to accompany Mr. Brown to China.

• **Refused:** Rep. William J. Jefferson, Louisiana Democrat, supported Anthony G. Posch, president of Frederic R. Harris Inc., for India.

• **Refused:** Rep. Alice L. Hastings, Florida Democrat, pushed for Michael E.M. Sudarshan, a lawyer who produced the African Business Handbook, to join a premier trip to South Africa.

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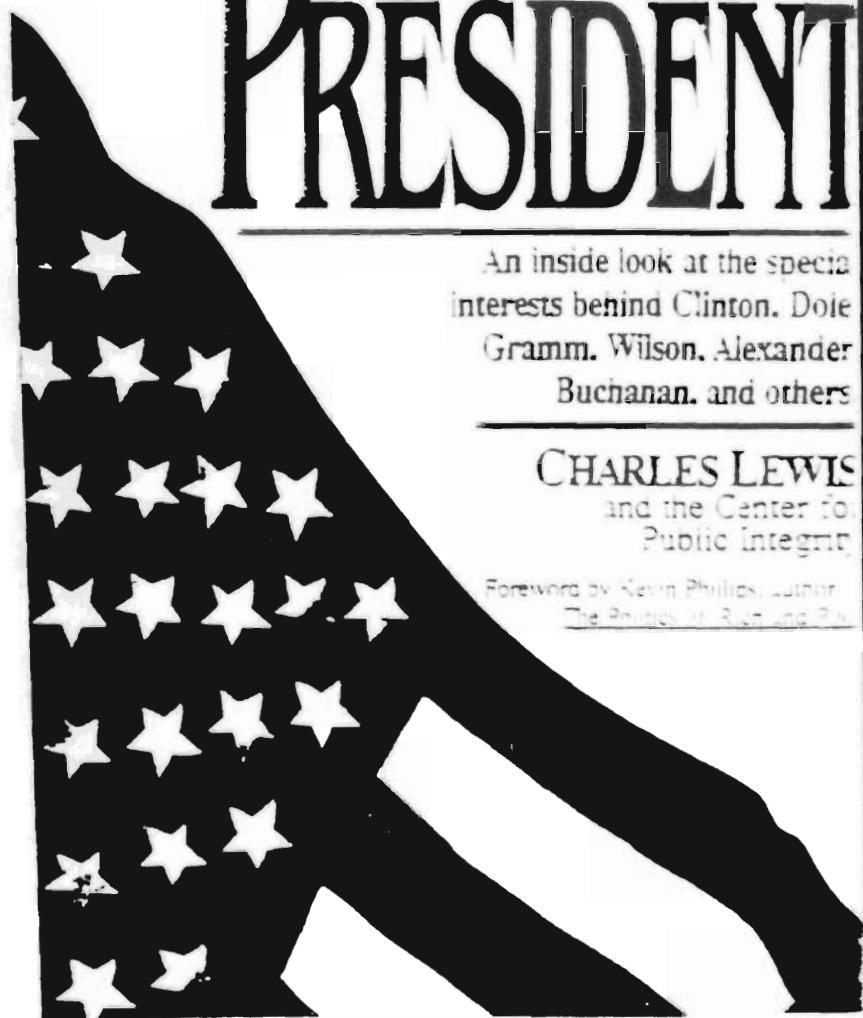
Before you vote, find out about the favors
candidates do for the wealthy corporations and
individuals who back them.

THE BUYING OF THE PRESIDENT

An inside look at the special
interests behind Clinton, Dole,
Gramm, Wilson, Alexander,
Buchanan, and others.

CHARLES LEWIS
and the Center for
Public Integrity

Foreword by Kevin Phillips, author
The Politics of Rich and Poor



9 8 0 4 3 8 5 2 5 3 1

lobbyists are "as good as I've ever seen in my 20-odd years of doing this, in terms of their willingness to sit down and discuss issues." A Washingtonian since 1970, Edward P. Faberman, the top lobbyist for American Airlines, echoed the sentiment, "I don't remember an administration that has given as much opportunity . . . to discuss issues and work with them."²¹

As president, Clinton has talked about ethics and lobbying more than any chief executive in recent memory. He issued an executive order banning executive branch trade officials from going to work for foreign interests. He initiated the elimination of the long standing tax deduction for lobbying. He directed the attorney general to draft an executive order preventing anyone who has not disclosed their clients from lobbying the executive branch. The most significant administration initiatives to reform the campaign finance system and impose stricter lobbying disclosure, however, were defeated in the Democratic Congress in late 1994, largely because they were not a top legislative priority for Clinton.

Clinton embraced the access and influence Rolodex culture of Washington, to which elected federal officials become beholden because they all require huge sums of campaign cash. (On election night, 1994, outside of camera view, the president watched the sobering returns at the White House with, among others, the ultimate Washington insider and Democratic fundraiser, lobbyist Tommy Boggs.) Not surprisingly, the president opted to go slow on pushing campaign finance reform, ostensibly so as not to interfere with his other domestic programs, such as health care, in the Congress. Ironically, it was multibillion-dollar health care interests, pouring roughly \$30 million into congressional coffers and spending far, far more than that on advertising and lobbying, that helped to kill health care reform. In May, 1993, during the same week that he introduced his long-awaited, modest campaign finance reform proposal, he also helped his party raise millions of dollars, largely from lobbyists.

Tripping with the Secretary

No administration official has received more attention for working closely with corporate interests than Commerce Sec-

retary Ron Brown, whose business liaison role there is not vastly different from what it was as chairman of the Democratic party. More than any previous commerce secretary, he has championed business interests and concerns at every turn.²⁶ In speaking up for Brown after the Justice Department recommended that an independent counsel investigate his financial dealings, President Clinton said Ron Brown's leadership had resulted in "expanded opportunities for American businesses in this country and abroad." By all appearances, Brown's Department of Commerce continued to apply the art of the deal the secretary had learned as a lobbyist and as chairman of the Democratic party. American giants such as AT&T and ARCO, among others, which made contributions to the DNC or the 1992 Clinton campaign, got seats on Brown's plane when he traveled to far off lands to meet with foreign governments in an effort to promote American business.

A Center for Public Integrity database of the trips, compiled from the available information—showing who went on them, how much they or their companies contributed to the Democrats or the Clinton campaign, what deals they made and whether they got additional support from the Overseas Private Investment Corporation (OPIC) or the Export Import Bank—indicates that at least 187 companies participated in fourteen trade missions.²⁶ Sixty-seven of those companies, just less than 40 percent, contributed to the Democrats, not including contributions to congressional candidates. Between 1993 and 1994, at least twenty-six of the companies, or roughly 14 percent, received OPIC or Ex Im support totalling \$5.6 billion. Five companies got at least \$2.6 billion. Those five—Emor, U.S. West, GIE, McDonnell Douglas, and Fluor—gave a total of \$563,000 to the Democrats between 1991 and 1994.

Some information about the trips came to light only after the Washington-based organization Judicial Watch sued the Commerce Department and obtained 30,000 pages worth of documents. They further support the notion that favorable treatment was given to friends of Ron Brown, Bill Clinton, and the Democratic party.

One of the illuminating documents is a letter from former



FEDERAL ELECTION COMMISSION

Washington, DC 20463

September 10, 1996

Larry Klayman, Chairman
Judicial Watch
501 School Street, SW Suite 725
Washington, DC 20024

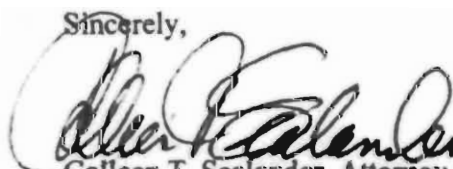
RE: MUR 4449

Dear Mr. Klayman:

This letter acknowledges receipt on August 27, 1996, the complaint you filed alleging possible violations of the Federal Election Campaign Act of 1971, as amended ("the Act"). The respondent(s) will be notified of this complaint within five days.

You will be notified as soon as the Federal Election Commission takes final action on your complaint. Should you receive any additional information in this matter, please forward it to the Office of the General Counsel. Such information must be sworn to in the same manner as the original complaint. We have numbered this matter MUR 4449. Please refer to this number in all future communications. For your information, we have attached a brief description of the Commission's procedures for handling complaints.

Sincerely,


Colleen T. Sealander, Attorney
Central Enforcement Docket

Enclosure
Procedures

98043852533



FEDERAL ELECTION COMMISSION

Washington, DC 20463

September 10, 1996

White House Counsel's Office
1600 Pennsylvania Ave., NW
Washington, DC 20500

RE: MUR 4449

Dear Counsel:

The Federal Election Commission received a complaint which indicates that President Clinton, the White House, and the Clinton Administration, may have violated sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4449. Please refer to this number in all future correspondence.

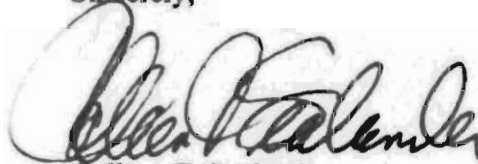
The complaint was not sent to you earlier due to administrative oversight. Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against you in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the Office of the General Counsel, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public.

98043852534

If you have any questions, please contact a member of the Central Enforcement Docket (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Colleen T. Sealander
Central Enforcement Docket

Enclosures

1. Complaint
2. Procedures

98043852535



FEDERAL ELECTION COMMISSION

Washington, DC 20463

September 10, 1996

R. Scott Pastrick, Treasurer
DNC Services Corporation/Democratic National Committee
430 S. Capitol St., SE
Washington, DC 20003

RE: MUR 4449

Dear Mr. Pastrick:

The Federal Election Commission received a complaint which indicates that DNC Services Corporation/Democratic National Committee and you, as treasurer, may have violated sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4449. Please refer to this number in all future correspondence.

The complaint was not sent to you earlier due to administrative oversight. Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against DNC Services Corporation/Democratic National Committee and you, as treasurer, in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the Office of the General Counsel, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

98043852536

If you have any questions, please contact a member of the Central Enforcement Docket (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Colleen T. Sealander
Central Enforcement Docket

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

98043852537



FEDERAL ELECTION COMMISSION

Washington, DC 20463

September 10, 1996

The Honorable Michael Kantor, Secretary of Commerce
The Department of Commerce
14th and Constitution Ave.
Washington, DC 20230

RE: MUR 4449

Dear Mr. Secretary:

The Federal Election Commission received a complaint which indicates that the Department of Commerce may have violated sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint is enclosed. We have numbered this matter MUR 4449. Please refer to this number in all future correspondence.

The complaint was not sent to you earlier due to administrative oversight. Under the Act, you have the opportunity to demonstrate in writing that no action should be taken against the Department of Commerce in this matter. Please submit any factual or legal materials which you believe are relevant to the Commission's analysis of this matter. Where appropriate, statements should be submitted under oath. Your response, which should be addressed to the Office of the General Counsel, must be submitted within 15 days of receipt of this letter. If no response is received within 15 days, the Commission may take further action based on the available information.

This matter will remain confidential in accordance with 2 U.S.C. § 437g(a)(4)(B) and § 437g(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

98043852538

If you have any questions, please contact a member of the Central Enforcement Docket (202) 219-3690. For your information, we have enclosed a brief description of the Commission's procedures for handling complaints.

Sincerely,



Colleen T. Sealander
Central Enforcement Docket

Enclosures

1. Complaint
2. Procedures
3. Designation of Counsel Statement

9 8 0 4 3 8 5 2 5 3 9



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

9-12-96

This acknowledges receipt by the Department
of Commerce of a copy of the complaint
in MUR 4449.

Thomas D. Aldridge

980043852510

STATEMENT OF DESIGNATION OF COUNSEL

MUR 4449

NAME OF COUNSEL: Barbara S. Fredericks, Esq.

FIRM: Assistant General Counsel for Administration,

ADDRESS: U.S. Department of Commerce

14th Street and Constitution Avenue, N.W.

Washington, D.C. 20230

TELEPHONE: (202) 482-5384 5384

FAX: (202) 482-2998

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

9/13/96

Date

Signature

Peter L. Scher, Chief of Staff

RESPONDENT'S NAME: U.S. Department of Commerce

ADDRESS: 14th Street and Constitution Avenue, N.W.

Washington, D.C. 20230

TELEPHONE: HOME() N/A

BUSINESS(202) 482-5384

SEP 17 12 26 PM '96

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

98043852541

SEP 26 1996



UNITED STATES DEPARTMENT OF COMMERCE
Office of the General Counsel
Washington, D.C. 20230

SEP 26 3 18 PM '96

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

Lawrence M. Noble, Esq.
Office of the General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Dear Mr. Noble:

This constitutes the response of the Department of Commerce to Matter Under Review (MUR) #4449, filed by Judicial Watch. The Department received notification of the complaint on September 11, 1996. The Department urges the Federal Election Commission to dismiss this complaint against the Department of Commerce without further action pursuant to 11 CFR § 111.7, on three grounds. First, the Department of Commerce is not subject to the Federal Election Campaign Act of 1971 (FECA)¹ and therefore is not a proper party. Second, the complaint does not allege a violation of the FECA or its implementing regulations. Third, the complaint does not furnish any supporting reason to believe that a violation of FECA occurred.

I. Introduction

The Department of Commerce is an agency of the U.S. Government, established under 15 U.S.C. § 1501. Among its statutory responsibilities is the legislative directive to promote economic growth in the United States by increasing exports of U.S. goods and services to markets overseas.² The Department conducts a wide variety of activities designed to promote exports and jobs for U.S. workers, including Secretarial trade missions.

The Department's selection of participants on trade missions is based on factors relating to the national economic interest in expanding exports. Under Departmental guidelines, the factors the Department considers in selecting participants for trade missions include whether companies offer goods or services appropriate for the regions and industry sectors involved in a given trade mission and the degree to which companies have done preparatory work or have established themselves in the foreign market.

In its complaint Judicial Watch makes the spurious allegation that the Commerce Department and other respondents violated the FECA by "[selling] Government services, and specifically seats and assistance on DOC foreign trade missions, for large campaign contributions." Not only is there no evidence to support these

² U.S.C. § 431 et seq.

This responsibility is set forth at 15 U.S.C. § 171 et seq. and 15 U.S.C. § 1512 et seq.

98043852542

allegations, there is no connection between the governmental activities of the Department of Commerce and any conduct regulated by the Federal Election Commission. Thus, it is not surprising that the complaint does not, and cannot, cite to any violation of the FECA, or its implementing regulations, or any inappropriate activity whatsoever. Moreover, the assorted newspaper accounts, commentaries, and miscellaneous items cobbled together by Judicial Watch provide no support whatsoever for its claims.

II. Discussion

A. The Department of Commerce is not subject to FECA and, therefore, is not a proper party.

FECA applies only to "persons," which the statute defines as an individual, partnership, committee, association, corporation, labor organization, or any other organization or group of persons. The definition explicitly excludes from its coverage the Federal Government or any authority of the Federal Government. 2 U.S.C. § 431(11). For this reason, the complaint must be summarily dismissed against the Department of Commerce pursuant to 11 CFR § 111.7.

B. Judicial Watch has failed to allege a violation of FECA.

The unfounded allegations in the complaint do not allege a violation of FECA, its implementing regulations, or provisions of the Internal Revenue Code under the enforcement jurisdiction of the Commission by virtue of 2 U.S.C. § 437g(1).³ Indeed, it is striking that the complaint does not even reference a provision of FECA or its implementing regulations.

FECA regulates Federal election campaigns by placing restrictions on political contributions and expenditures, and by imposing reporting and disclosure requirements that apply to all phases of and all participants in the election process. Buckley v. Valeo, 424 U.S. 1, 12 (1976). Section 441a of FECA also places specific dollar limitations on contributions and expenditures to political committees, while 2 U.S.C. § 432 prescribes the organization of, and sets forth certain requirements for, committees. See California Medical Association v. Federal Election Commission, 641 F.2d 619, 624 (9th Cir. 1980); Federal Election Commission v. National Republican Senatorial Committee, 761 F. Supp. 813 (D.D.C. 1991).

Moreover, not only does the complaint fail to allege a violation

These provisions are at 26 U.S.C. § 9001 et seq. and 26 U.S.C. § 9031 et seq.

of FECA, but as we have indicated above, FECA does not regulate or apply to governmental activities. Accordingly, this complaint should be summarily dismissed, pursuant to 11 CFR § 111.7, for failure to allege a violation of FECA or any conduct within the scope of the Commission's regulatory authority.

C. The Complaint does not provide a scintilla of evidence to support its allegations.

The miscellaneous materials that comprise the Judicial Watch complaint do not provide even a scintilla of evidence to support its bald and conclusory allegations. Although the Department of Commerce provided Judicial Watch approximately 27,000 pages of documents on Secretarial trade missions in response to its FOIA request, Judicial Watch has failed to present any evidentiary support for its reckless allegations and has failed to indicate any action by the Department of Commerce that could be subject to FECA jurisdiction.

In fact, the majority of the scant materials provided by Judicial Watch are newspaper accounts and commentary, which demonstrably lack any evidentiary significance and appear to be based on press releases and materials provided by Judicial Watch itself. The bulk of the remaining materials submitted by Judicial Watch includes letters by individuals outside the Department seeking participation in trade missions; of course, such requests do not reflect the decisionmaking process of the Department. Likewise, the five Department documents included in the complaint, which relate to trade missions and goals, provide no evidence of any inappropriate activity whatever or indication of any conduct that could be subject to FECA jurisdiction.

The complaint does not furnish any supporting reason to believe that a violation of FECA occurred.

Conclusion

Based on the three independent grounds discussed above, we respectfully submit that the Judicial Watch Complaint should be summarily dismissed pursuant to 11 CFR § 111.7.

Sincerely,



Barbara S. Fredericks
Assistant General Counsel
for Administration

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THE WHITE HOUSE
WASHINGTON

October 15, 1996

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RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

Lawrence Noble, Esq.
General Counsel
Federal Election Commission
999 E Street, NW
Washington, D.C. 20463

RE: 4449

Dear Mr. Noble:

We are writing in response to a letter dated September 10, 1996, from Ms. Colleen Sealander regarding a complaint filed with the Federal Election Commission (FEC) by Judicial Watch against the Clinton Administration, the White House, the Democratic National Committee, the Department of Commerce and President Clinton. We received this letter October 2, 1996; this response is on behalf of the White House and President Clinton.

The Complainant alleges that Department of Commerce officials, in selecting participants for certain trade missions lead by former Secretary of Commerce Ronald Brown, may have violated the Federal Election Campaign Act (the Act). In particular, the Complainant states:

Respondents have sold government services, and specifically seats and assistance on DOC foreign trade missions, for large campaign contributions, frequently in denominations of \$100,000, to the Democratic National Committee and the Clinton/Gore 1996 Reelection Campaign.

Complaint at 1.

The Complainant's allegations regarding the selection process for participants in the Secretary's trade missions, even if true, do not state a violation of the Act. Indeed, the Complainant fails to state any way in which these acts, if they occurred, violate the Act. Moreover, there is nothing in the materials appended to the report to suggest that Commerce officials selected participants for trade missions in exchange for contributions to the Democratic National Committee or the Clinton/Gore Campaign.

98043852545

Mr. Noble
October 15, 1996
Page Two

In light of these facts and the failure by the Complainant to state a violation of the Act by the White House or the President, we request that your agency dismiss the White House and the President as respondents in this matter (MUR 4449).

Please contact me if you have any questions or need further information.

Sincerely,



Cheryl Mills
Associate Counsel to the President

98043852546

WIN
IN
'96

DEMOCRATIC * NATIONAL * COMMITTEE

RECEIVED
FEDERAL ELECTION
COMMISSION MAIL ROOM

Donald L. Fowler, *National Chair* • Christopher J. Dodd, *General Chair* Oct 15 4 17 PM '96

October 16, 1996

Lawrence M. Noble, Esq.
General Counsel
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 4449

Dear Mr. Noble:

The undersigned represent respondents DNC Services Corporation/Democratic National Committee and R. Scott Pastrick, as Treasurer, in the above-captioned MUR. A Statement of Designation of Counsel is attached.

On behalf of these respondents, we are hereby providing a response to the complaint filed in this MUR. First, the complaint utterly fails to set forth any facts whatsoever which describe a violation of a statute or regulation over which the Commission has jurisdiction, and accordingly the complaint manifestly fails to comply with the Commission's requirements for a valid complaint. 11 C.F.R. § 111.4(d). The complaint makes no reference to any such statute or regulation. Further, none of the factual assertions in the complaint, even if they were true, allege any conduct or activity which is or could conceivably be a violation of the Federal Election Campaign Act of 1971, as amended (the "Act"), any other statute over which the Commission has jurisdiction, or any of the Commission's regulations.

Second, it should be noted for the record that the factual allegations in the complaint are in fact untrue. None of the materials attached to the complaint even remotely establish that contributions to the DNC, or any other political factors, were considered by the Department of Commerce in taking any official action of any kind, including the determination of participants in trade missions.

Third, neither the complaint nor any of the materials attached to the complaint contain any facts suggesting that any officer, official, employee or anyone else associated with the DNC ever made any contact with any official of the Department of Commerce regarding any official matter.

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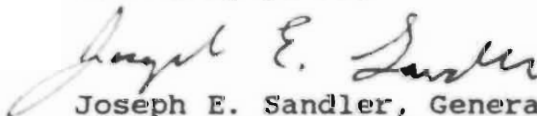
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COMMISSION
OFFICE OF GENERAL
COUNSEL

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Finally, the complaint and some of the attached materials discuss a DNC brochure listing activities for donors to the DNC, and referring to invitations to donors to "participate in foreign trade missions." No foreign trade mission involving DNC donors was in fact ever planned and none ever took place. A group of DNC donors did visit Europe together in 1994 and participated in certain activities sponsored by the DNC. No government agency or official participated in this trip. Neither this one trip, nor any other DNC activity, program or event of any kind, has ever had any relationship with or connection with any foreign trade mission sponsored by the U.S. Department of Commerce.

For these reasons, the Commission should find no reason to believe that respondents have violated the Act or the Commission's regulations, and should dismiss the complaint.

Sincerely yours,



Joseph E. Sandler, General Counsel
Neil P. Reiff, Deputy General Counsel

Attorneys for Respondents DNC
Services Corporation/Democratic
National Committee and R. Scott
Pastrick, as Treasurer

98043852543

STATEMENT OF DESIGNATION OF COUNSEL

MUR 444-9

NAME OF COUNSEL: Joseph E. Sandler, General Counsel
Neil P. Reiff, Deputy General Counsel

FIRM: Democratic National Committee

ADDRESS: 430 South Capitol Street, SE

Washington, DC 20003

TELEPHONE: (202) 863-7110

FAX: (202) 863-8081

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

10/15
Date

R. Scott Patrick, Treasurer
Signature

RESPONDENT'S NAME: DNC Services Corp./
Democratic National Committee

ADDRESS: 430 South Capitol Street, SE

Washington, DC 20003

TELEPHONE: HOME()

BUSINESS()

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BEFORE THE FEDERAL ELECTION COMMISSION

In the Matter of

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ENFORCEMENT PRIORITY

Nov 10 3 01 PM '97
SENSITIVE

GENERAL COUNSEL'S REPORT

I. INTRODUCTION.

The cases listed below have been identified as either stale or of low priority based upon evaluation under the Enforcement Priority System (EPS). This report is submitted to recommend that the Commission no longer pursue these cases.

This is the first Enforcement Priority Report that reflects the impact of the 1996 election cycle cases on the Commission's enforcement workload. We have identified cases that are stale which are recommended for dismissal at this time. This is the highest number of cases identified as stale in a single report, and the highest number of stale cases recommended for closure at one time, since the inception of EPS in 1993.

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II. CASES RECOMMENDED FOR CLOSURE.

A. **Cases Not Warranting Further Action Relative to Other Cases Pending Before the Commission**

EPS was created to identify pending cases which, due to the lower priority of the issues raised in the matters relative to others presently pending before the Commission, do not warrant further expenditure of resources. Central Enforcement Docket (CED) evaluates each incoming matter using Commission-approved criteria, resulting in a numerical rating for each case.

Closing such cases permits the Commission to focus its limited resources on more important cases presently pending before it. Based upon this review, we have identified cases that do not warrant further action relative to other pending matters.³ Attachment I to this report contains summaries of each case, the EPS rating, and the factors leading to assignment of a low priority and recommendation not to further pursue the matter.

B. **State Cases**

Effective enforcement relies upon the timely pursuit of complaints and referrals to ensure compliance with the law. Investigations concerning activity more remote in time usually require a greater commitment of resources, primarily due to the fact that the evidence of such activity becomes more difficult to develop as it ages. Focusing investigative efforts on more recent and more significant activity also has a more positive effect on the electoral process and the regulated community. In recognition of this fact, EPS provides us with the

³ These cases are:

RAD 97L-10 (Citizens for Randy Borow); RAD 97L-16 (Republican State Central Committee of South Dakota); Pre-MUR 347 (Producers Lloyds Insurance Company); Pre-MUR 348 (Peoples National Bank of Commerce); Pre-MUR 349 (Trump Plaza); Pre-MUR 350 (Citibank, N.A.); Pre-MUR 355 (Feingold Senate Committee); MUR 4494 (Georgianna Lincoln);

MUR 4586 (Friends of Zach Wamp); MUR 4590 (Oklahoma Education Association); MUR 4600 (San Diego Police Officers Assoc.); MUR 4612 (Teresa Doggett for Congress); MUR 4615 (Catholic Democrats for Christian Values); MUR 4616 (American Legislative Exchange Council); MUR 4620 (Eastern Connecticut Chamber of Commerce); MUR 4622 (Telles for Mayor); MUR 4628 (Gulkecht for Congress); MUR 4629 (Janice Schakowsky); MUR 4636 (IBEW Local 505); MUR 4637 (Dettman for Congress); MUR 4639 (Larson for Congress); MUR 4641 (Becker for Congress); MUR 4644 (Detroit City Council); MUR 4651 (Mike Ryan); MUR 4653 (Pritzker for Congress); MUR 4656 (H. Carroll for Congress); and MUR 4657 (Buchanan for President).

means to identify those cases which, though earning a higher rating when received, remained unassigned for a significant period due to a lack of staff resources for effective investigation. The utility of commencing an investigation declines as these cases age, until they reach a point when activation of a case would not be an efficient use of the Commission's resources.

We have identified cases that have remained on the Central Enforcement Docket for a sufficient period of time to render them stale. We are recommending the closure of cases based on staleness.⁶

* These cases are: MUR 4283 (*Chenoweth for Congress*); MUR 4341 (*Juan Soliz for Congress*); MUR 4402 (*U.S. Representative Helen Chenoweth*); MUR 4435 (*Lincoln for Congress*); MUR 4439 (*UAW*); MUR 4442 (*Lipinski for Congress*); MUR 4444 (*Roberts for Congress*); MUR 4445 (*Randy Tate for Congress*); MUR 4446 (*Clinton/Gore '96 Primary*); MUR 4447 (*Random House, Inc.*); MUR 4449 (*Clinton Administration*); MUR 4453 (*Mike Ward for Congress*); MUR 4454 (*Ralph Nader*); MUR 4459 (*Clinton/Gore '96*); MUR 4474 (*Salvi for Senate*); MUR 4477 (*BBDO-New York*); MUR 4481 (*Diamond Bar Caucus*); MUR 4485 (*Perot '92 Petition Committee*); MUR 4486 (*Bunda for Congress*); MUR 4495 (*Pennsylvania PACE for Federal Elections*); MUR 4496 (*Norwood for Congress*); MUR 4497 (*Pease for Congress*); MUR 4510 (*Stabenow for Congress*); MUR 4511 (*Bob Coffin for Congress*); MUR 4514 (*Friends for Franks*); MUR 4515 (*Clinton Investigative Commission*); MUR 4521 (*VMAL 630 AM*); MUR 4525 (*Senator Larry Pressler*); MUR 4527 (*Brennan for Senate*); MUR 4536 (*Signature Properties, Inc.*); MUR 4540 (*Tim Johnson for SD*); MUR 4542 (*Dan Frisa for Congress*); MUR 4552 (*Charles W. Norwood*); MUR 4554 (*John Byron for Congress*); MUR 4556 (*Jim Wiggins for Congress*); MUR 4561 (*Jay Hoffman for Congress*); MUR 4564 (*National Republican Congressional Committee*); MUR 4567 (*DNC Services Corp.*); MUR 4569 (*McGovern Committee*); RAD 96L-11 (*New York Republican County Committee*); Pre-MUR 343 (*NRSC*); and Pre-MUR 312 (*Joseph Demio*). The Demio case involves fundraising related to former Congresswoman Mary Rose Oaker's 1992 congressional campaign. It was held as a courtesy to the Department of Justice pending resolution of a parallel criminal matter in the District Court for the District of Columbia. Mr. Demio recently entered into a plea agreement with the Department of Justice (on which we were not consulted) in which he agreed, among other things, to waive the statute of limitations regarding civil violations of the FECA. Considering the age of the case and activity, the fact that DOJ has not formally referred this matter to us, and the Commission's continuing resource constraints, dismissal is the appropriate disposition of this matter.

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We recommend that the Commission exercise its prosecutorial discretion and direct closure of the cases listed below, effective November 17, 1997. Closing these cases as of this date will permit CED and the Legal Review Team the necessary time to prepare closing letters and case files for the public record.

III. RECOMMENDATIONS.

A. Decline to open a MUR, close the file effective November 17, 1997, and approve the appropriate letters in the following matters:

RAD 96L-11

Pre-MUR 312

Pre-MUR 349

Pre-MUR 343

Pre-MUR 350

RAD 97L-10

Pre-MUR 347

Pre-MUR 355

RAD 97L-16

Pre-MUR 348

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B. Take no action, close the file effective November 17, 1997, and approve the appropriate letters in the following matters:

| | | |
|----------|----------|----------|
| MUR 4283 | MUR 4495 | |
| MUR 4341 | MUR 4496 | MUR 4569 |
| MUR 4402 | MUR 4497 | MUR 4586 |
| MUR 4435 | MUR 4510 | MUR 4590 |
| MUR 4439 | MUR 4511 | MUR 4600 |
| MUR 4442 | MUR 4514 | MUR 4612 |
| MUR 4444 | MUR 4515 | MUR 4615 |
| MUR 4445 | | MUR 4616 |
| MUR 4446 | MUR 4521 | MUR 4620 |
| MUR 4447 | MUR 4525 | MUR 4622 |
| MUR 4449 | MUR 4527 | MUR 4628 |
| MUR 4453 | MUR 4536 | MUR 4629 |
| MUR 4454 | MUR 4540 | MUR 4636 |
| MUR 4459 | MUR 4542 | MUR 4637 |
| MUR 4474 | MUR 4552 | MUR 4639 |
| MUR 4477 | MUR 4554 | MUR 4641 |
| MUR 4481 | MUR 4556 | MUR 4644 |
| MUR 4485 | MUR 4561 | MUR 4651 |
| MUR 4486 | | MUR 4653 |
| | MUR 4564 | MUR 4656 |
| MUR 4494 | MUR 4567 | MUR 4657 |

Date

7/97

Lawrence M. Noble
General Counsel

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In the Matter of)
)
Enforcement Priority) Agenda Document No. X97-77

CERTIFICATION

I, Marjorie W. Emmons, recording secretary for the Federal Election Commission executive session on December 2, 1997, do hereby certify that the Commission took the following actions with respect to Agenda Document No. X97-77:

1. Decided by a vote of 5-0 to

A. Decline to open a MUR, close the file effective December 15, 1997, and approve the appropriate letters in the following matters:

- | | | | |
|----|-------------|-----|-------------|
| 1. | RAD 96L-11 | 7. | Pre-MUR 347 |
| | | 8. | Pre-MUR 348 |
| 3. | RAD 97L-10 | 9. | Pre-MUR 349 |
| 4. | RAD 97L-16 | 10. | Pre-MUR 350 |
| 5. | Pre-MUR 312 | 11. | Pre-MUR 355 |
| 6. | Pre-MUR 343 | | |

B. Take no action, close the file effective December 15, 1997, and approve the appropriate letters in the following matters:

- | | | | |
|----|----------|-----|----------|
| 1. | MUR 4283 | 6. | MUR 4442 |
| 2. | MUR 4341 | 7. | MUR 4444 |
| 3. | MUR 4402 | 8. | MUR 4445 |
| 4. | MUR 4435 | 9. | MUR 4446 |
| 5. | MUR 4439 | 10. | MUR 4447 |

(continued)

Federal Election Commission
Certification: Agenda Document
No. X97-77
December 2, 1997

Page 2

| | | | |
|-----|----------|-----|----------|
| 11. | MUR 4449 | 36. | MUR 4556 |
| 12. | MUR 4453 | 37. | MUR 4561 |
| 13. | MUR 4454 | 38. | MUR 4564 |
| 14. | MUR 4459 | 39. | MUR 4567 |
| 15. | MUR 4474 | 40. | MUR 4569 |
| 16. | MUR 4477 | 41. | MUR 4586 |
| 17. | MUR 4481 | 42. | MUR 4590 |
| 18. | MUR 4485 | 43. | MUR 4600 |
| 19. | MUR 4486 | 44. | MUR 4612 |
| 20. | MUR 4494 | 45. | MUR 4615 |
| 21. | MUR 4495 | 46. | MUR 4616 |
| 22. | MUR 4496 | 47. | MUR 4620 |
| 23. | MUR 4497 | 48. | MUR 4622 |
| 24. | MUR 4510 | 49. | MUR 4628 |
| 25. | MUR 4511 | 50. | MUR 4629 |
| 26. | MUR 4514 | 51. | MUR 4636 |
| 27. | MUR 4515 | 52. | MUR 4637 |
| 28. | MUR 4521 | 53. | MUR 4639 |
| 29. | MUR 4525 | 54. | MUR 4641 |
| 30. | MUR 4527 | 55. | MUR 4644 |
| 31. | MUR 4536 | 56. | MUR 4651 |
| 32. | MUR 4540 | 57. | MUR 4653 |
| 33. | MUR 4542 | 58. | MUR 4656 |
| 34. | MUR 4552 | 59. | MUR 4657 |
| 35. | MUR 4554 | | |

Commissioners Aikens, Elliott, McDonald, McGarry,
and Thomas voted affirmatively for the decision.

Attest:

12-4-97
Date

Marjorie W. Emmons
Marjorie W. Emmons
Secretary of the Commission

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FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 15, 1997

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Larry Klayman, Chairman
Judicial Watch
501 School Street, SW, Ste. 725
Washington, DC 20024

RE: MUR 4449

Dear Mr. Klayman:

On August 27, 1996, the Federal Election Commission received your complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended ("the Act").

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action in the matter. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on December 15, 1997. This matter will become part of the public record within 30 days.

The Act allows a complainant to seek judicial review of the Commission's dismissal of this action. See 2 U.S.C. § 437(g)(a)(8).

Sincerely,

F. Andrew Turlay
Supervisory Attorney
Central Enforcement Docket

98043852557



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

November 17, 1997

Cheryl Mills, Esq.
Associate Counsel to the President
White House Counsel's Office
1600 Pennsylvania Ave., NW
Washington, DC 20500

RE: MUR 4449
The President, The White House, and the Clinton
Administration

Dear Ms. Mills:

On September 10, 1996, the Federal Election Commission notified your office of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against William Jefferson Clinton, the President, the White House, and the Clinton Administration. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on November 17, 1997.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Jennifer H. Boyt on our toll-free number, (800)-424-9530. Our local number is (202) 219-3690.

Sincerely,

A handwritten signature in black ink, which appears to read "F. Andrew Turley", is written over a horizontal line.

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

98043852558



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 15, 1997

Joseph E. Sandler, General Counsel
Neil P. Reiff, Deputy General Counsel
Democratic National Committee
430 South Capitol Street, SE
Washington, DC 20003

RE: MUR 4449
DNC Services Corporation/Democratic National
Committee and Carol Pensky, Treasurer

Dear Messrs. Sandler and Reiff:

On September 10, 1996, the Federal Election Commission notified your clients of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against your clients. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on December 15, 1997.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Jennifer H. Boyd on our toll-free number, (800)-424-9530. Our local number is (202) 219-3690.

Sincerely,

F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket

98043852559



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

December 15, 1997

Barbara S. Fredericks, Esq.
Assistant General Counsel for Administration
U.S. Department of Commerce
14th Street and Constitution Avenue, NW
Washington, DC 20230

RE: MUR 4449
U.S. Department of Commerce

Dear Ms. Fredericks:

On September 10, 1996, the Federal Election Commission notified your client of a complaint alleging certain violations of the Federal Election Campaign Act of 1971, as amended. A copy of the complaint was enclosed with that notification.

After considering the circumstances of this matter, the Commission exercised its prosecutorial discretion to take no action against your client. This case was evaluated objectively relative to other matters on the Commission's docket. In light of the information on the record, the relative significance of the case, and the amount of time that has elapsed, the Commission determined to close its file in this matter on December 15, 1997.

The confidentiality provisions of 2 U.S.C. § 437g(a)(12) no longer apply and this matter is now public. In addition, although the complete file must be placed on the public record within 30 days, this could occur at any time following certification of the Commission's vote. If you wish to submit any factual or legal materials to appear on the public record, please do so as soon as possible. While the file may be placed on the public record prior to receipt of your additional materials, any permissible submissions will be added to the public record when received.

If you have any questions, please contact Jennifer H. Boyt on our toll-free number, (800)-424-9530. Our local number is (202) 219-3690.

Sincerely,

F. Andrew Trefley
Supervisory Attorney
Central Enforcement Docket

98043852560



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

THIS IS THE END OF MUR # 4449
DATE FILMED 1-12-98 CAMERA NO. 2
CAMERAMAN S.E.C.

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