

105TH CONGRESS }
1st Session

SENATE

{ REPORT
105-7

AUTHORIZING EXPENDITURES BY THE
COMMITTEE ON GOVERNMENTAL AFFAIRS

R E P O R T

OF THE

COMMITTEE ON GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

TOGETHER WITH

ADDITIONAL VIEWS

TO ACCOMPANY

S. RES. 39

AUTHORIZING EXPENDITURES BY THE COMMITTEE ON
GOVERNMENTAL AFFAIRS



MARCH 10, 1997.—Ordered to be printed

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MARCH 10, 1997.—Ordered to be printed

Mr. THOMPSON, from the Committee on Governmental Affairs,
submitted the following

REPORT

together with

ADDITIONAL VIEWS

[To accompany S. Res. 39]

I. INTRODUCTION

The Committee on Governmental Affairs is seeking a non-recurring appropriation of \$6.5 million to conduct an investigation into allegations of improprieties in campaign fund-raising and spending practices during 1996 federal election campaigns. The request is in addition to the Committee's request of \$4,533,660 for its recurring operating budget for 1997.

This Report is submitted pursuant to Rule XXVI 9(a) of the Standing Rules of the Senate in justification for the Committee's request for non-recurring funding.

II. BACKGROUND

Following the 1996 election, the Majority Leader designated the Committee on Governmental Affairs as the Senate's lead Committee to conduct an investigation into allegations of during 1996 federal election campaigns. The Committee on Governmental Affairs has the broadest oversight jurisdiction of any Committee in the Senate, charged with ensuring "the efficiency, economy, and effectiveness of all agencies and departments of the Government." Rule XXV (k)(2)(B), Standing Rules of the Senate. This broad grant of standing jurisdiction would enable the Committee on Governmental Affairs to review all the allegations rather than requiring that the

investigation be split among several committees, depending on their jurisdiction.

New allegations about improper campaign fund-raising and spending practices have continued to be brought to the attention of the Committee since it was charged with conducting an investigation into such matters.

III. COMMITTEE PROCEEDINGS

The Committee on Governmental Affairs met on January 29, 1997, to discuss its budget and organizational structure. This meeting continued on January 30, 1997, at which time the Committee agreed unanimously to a resolution establishing the scope of its inquiry into improper campaign fund-raising and spending practices in 1996 federal election campaigns. The Committee subsequently approved its 1997 budget request, including both \$4,533,660 for its recurring budget and \$6.5 million to support its investigation into campaign fund-raising and spending practices, at its January 30 meeting by a vote of 9 yeas (Chairman Thompson, Senators Roth, Stevens, Collins, Brownback, Domenici, Cochran, Nickles, and Specter) to 4 nays (Senators Glenn, Levin, Lieberman, and Cleland), with three additional nay votes cast by proxy (Senators Akaka, Durbin, and Torricelli).

The Committee on Rules and Administration bifurcated the budget and approved only the Committee on Governmental Affairs' request for its recurring budget when it reported S. Res. 54, the resolution to fund Senate committees for 1997. The request for non-recurring fund to support the investigation was not considered but was postponed to a later date. Although the Committee's request for its non-recurring authorization to conduct its investigation was submitted with its annual authorization resolution, it would not be considered together with that annual authorization because of the decision of the Committee on Rules and Administration to handle all non-recurring authorization requests separately.

IV. DISCUSSION

The allegations that have been made are very serious and go to the fundamental workings of our democratic government. The faith of the people in their government and in their system of government is at risk. Our Constitution is premised on the fallibility of human enterprises, including governments. The Founders of this Republic did not believe that the errors of government were self-correcting. They knew that only constant examination of our shortcomings, and learning from them, would enable representative government to survive. They believed, correctly, that this process makes America stronger, not weaker. We must have the same faith.

These allegations of improper activities must be investigated. The Committee intends to investigate allegations of improper activities by all, Republicans, Democrats, or other political partisans. It will investigate specific activities, not on the political party against which the allegations are made.

Many allegations have been made against campaign from both major political parties. On January 30, 1997, the Committee unanimously approved a resolution setting forth the scope of its inves-

tigation. Without limiting the Committee's jurisdiction under the Standing Rules of the Senate or the ultimate scope of the investigation, the Committee voted to investigate:

Illegal or improper fund-raising and spending practices in the 1996 federal election campaigns, including but not limited to:

Foreign contributions and their effect on the American political system;

Conflicts of interest involving federal officeholders and employees, as well as the misuse of government offices;

Failure by Federal government employees to maintain and observe legal barriers between fund-raising and official business;

The independence of the presidential campaigns from the political activities pursued for their benefit by outside individuals or groups;

The misuse of charitable and tax-exempt organizations in connection with political or fund-raising activities;

Unregulated (soft) money and its effect on the American political system;

Promises and/or the granting of special access in return for political contributions or favors;

The effect of independent expenditures (whether by corporations, labor unions, or otherwise) upon our current campaign finance system, and the question as to whether such expenditures are truly independent;

Contributions to and expenditures by entities for the benefit or in the interest of public officials; and

To the extent they are similar or analogous, practices that occurred in previous federal election campaigns.

Within this broad scope, consensus will emerge on which issues are the most serious, and those matters will receive the greatest consideration. Among these many issues, however, the Committee will consider as its most important task whether any U.S. policy or national security decisions were affected by contributions made to or for the benefit of the President, or by the improper actions of any executive branch employee or former employee.

The Committee undertook to review carefully its needs in light of the broad scope of the investigation the Committee is to undertake. The figure requested, \$6.5 million, will meet the needs of the majority and minority to conduct this investigation fully and appropriately. This sum compares favorably to the amounts expended by other major Senate investigations.

The American people want Congress to stand for something, including the truth. It is the obligation of the Committee on Governmental Affairs, which has been charged with this investigation, to find the truth and lay it out for the American people.

V. COST ESTIMATE

This Resolution provides an authorization of appropriations in the amount of \$4,533,600 in 1997 recurring budget authority, and \$6,517,121 in 1997 non-recurring budget authority, for a 1997 total of \$11,050,721 in budget authority; and \$4,653,386 in 1998 recurring budget authority.

VI. EVALUATION OF REGULATORY IMPACT

Pursuant to the requirements of paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee has considered the regulatory and paperwork impact of S. Res. 39, as well as the impact on personal privacy. The resolution creates no additional regulatory burden or unfunded mandates on private sector individuals or businesses and has no impact on paperwork or personal privacy beyond those imposed by existing law.

VII. ADDITIONAL VIEWS OF SENATORS GLENN, LEVIN, LIEBERMAN, AKAKA, DURBIN, TORRICELLI, AND CLELAND

INTRODUCTION

The Democratic members of the Committee on Governmental Affairs welcome the opportunity to participate in this historic investigation into allegations of both improper and illegal conduct regarding the financing of federal elections. The integrity of our system of government, both in fact and as a matter of public perception, is directly affected by the way in which political campaigns are financed. We support a thorough, bipartisan investigation into the way in which money is raised and disbursed in the political process. Where illegalities either civil or criminal have occurred, they should be exposed. Where improprieties have occurred, even if technically legal, they should be exposed and legislative reform should be considered. A thorough and fair investigation of both presidential and congressional elections is imperative to restore confidence in the electoral process and lay the groundwork for sorely needed campaign finance reform legislation.

COMMITTEE PROCEEDINGS

The Committee on Governmental Affairs met on January 29, 1997 and January 30, 1997 to take up budgetary and other organizational matters. On January 29, 1997, the Chairman proposed a budget of \$11,050,781 for the year 1997, which included \$4,533,660 for the regular Committee budget and \$6,517,121 for supplemental funding to conduct a special investigation into campaign finance activities. During the January 29, 1997 meeting, the Committee adjourned without action for the stated purpose of providing an opportunity for all members to consider more fully the parameters of the special investigation.

On January 30, 1997, the Committee met and accepted, by unanimous vote, a resolution that set forth the scope of the Committee's special investigation. The Committee then considered an amendment to the Chairman's proposed budget, offered by Senator Glenn, that set forth specified procedural and other accountability measures for conducting the investigation. The Committee rejected Senator Glenn's amendment by a vote of nine nays (the Chairman, Senators Roth, Stevens, Brownback, Cochran, Nickles, Specter by vote and Senators Domenici and Collins by proxy) to seven yeas (Senators Glenn, Levin, Lieberman, Cleland by vote and Senators Akaka, Durbin and Torricelli by proxy). The Committee then accepted the budget as proposed by the Chairman by a vote of nine yeas to seven nays.

DISCUSSION

The Committee's unanimous vote regarding the scope of the proposed investigation is a testament to the patent need for a thorough and wide-ranging investigation into the role of big money in federal elections, both Presidential and congressional. Loopholes in federal election laws, combined with the voracious appetites of campaigns for large sums of money, have heightened the impact of large donors on the electoral process. It has become a system increasingly in disrepute which must be investigated and reformed.

We agree wholeheartedly with the description of the scope of the investigation as set forth in the majority report. We therefore vigorously disagree with any attempt to limit that scope. We also disagree with the proposed budget of \$6.5 million, which we believe is excessive in light of past congressional investigations of this nature, and we disagree with the fact that the resolution contains no end date. A final date is important to drive the investigation to a conclusion and to get the committee's findings and recommendations to the Senate for consideration in ample time to enact legislation in this Congress. Finally, we disagree with the fact that the resolution contains no agreement on bipartisan procedures. Our substitute resolution resolves those issues. Moreover, unlike the resolution proposed by the majority, it subjects the investigation to procedures which would insure accountability for expenditures, thereby assuring the American public and Congress that their money was being spent wisely.

Any attempt to exempt large areas of concern from the scope of this investigation will only serve to undermine the credibility of the investigation and the efficacy of its outcome. Regrettably, the recent proposal by the majority on the Rules Committee to reverse the unanimous vote of the Governmental Affairs Committee and limit this investigation solely to "illegal" activities may well have such an effect. The term "illegal" means acts which are unlawful, contrary to civil or criminal law. Arguably, this will cover a broad range of activities, but may nevertheless hamper the Committee's inquiry into such critical areas as "soft money," which is the greatest loophole by far in the federal election laws. These critical areas, which include "soft money" and "independent expenditures," should not be beyond the purview of this investigation. Any attempt to leave these areas of inquiry outside of this investigation should be seen for what it is: a transparent attempt to shield Congressional campaigns from the scrutiny they warrant. If this occurs, it will be a cynical disservice to the American people.

An investigation of this scope and importance must be both thorough and bipartisan if it is to be credible. Unfortunately, neither the Committee Democrats nor the American people have been given assurances that this investigation will in fact be bipartisan. No agreement has been reached thus far that will insure full and fair participation by minority staff in the investigative process. Indeed, the experience to date does not bode well for bipartisanship unless steps are taken to correct the process. For example, more than 60 subpoenas have been drafted by the majority and sent to the minority with little advance notice and no documentary support. Except for two subpoenas directed at a Republican fundrais-

ing scandal that had already been the subject of a completed criminal proceeding, the majority directed all subpoenas at Democratic fundraising practices. No subpoenas proposed by the minority have been issued to date. In addition, there have been instances when minority staff have not been kept abreast of investigative developments on a timely basis in order to participate. This is not the way to proceed if the investigation is truly to be bipartisan; and ultimately it will reflect poorly on the entire undertaking. It is both unseemly and self-defeating. It is to be hoped that, in the future, the majority will work with the minority in drafting and issuing subpoenas, receiving and providing access to, and maintaining the security of, documents, arranging interviews, depositions, providing office space and sharing investigative technology.

The ultimate goal of this investigation should be to provide a basis for comprehensive and timely campaign finance reform legislation. Anything short of that will mean that we have failed as legislators, and thereby failed the American public which looks to us to protect the integrity of the electoral process from the predations and inappropriate influence of big money.

JOHN GLENN.
JOE LIEBERMAN.
DICK DURBIN.
MAX CLELAND.
CARL LEVIN.
DANIEL K. AKAKA.
ROBERT G. TORRICELLI.

VIII. CHANGES TO EXISTING LAW

The resolution authorizes funding for the Committee on Governmental Affairs within the appropriations allocated to the United States Senate in the 1997 Legislative Branch Appropriations Act, Public Law 104–197.

