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HOUSE OF REPRESENTATIVES

REPORT
106–979

IN THE MATTER OF REPRESENTATIVE E.G. "BUD" SHUSTER

R E P O R T

OF THE

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT



OCTOBER 16, 2000.—Referred to the House Calendar and ordered to be printed

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LETTER OF TRANSMITTAL

CONGRESS OF THE UNITED STATES
Washington, D.C., October ____, 2000.

Honorable Jeff Trandahl,
Clerk, House of Representatives,
Washington, D.C.

DEAR MISTER CLERK: Pursuant to Clause 3(a)(2) of Rule 11 of the House of Representatives, and by direction of the Committee on Standards of Official Conduct, we herewith submit the attached report, "In the Matter of Representative E. G. 'Bud' Shuster."

Sincerely,

LAMAR SMITH
Chairman

HOWARD L. BERMAN
Ranking Minority Member

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106th Congress
2nd Session

HOUSE OF REPRESENTATIVES

Report
106-

In THE MATTER OF REPRESENTATIVE E. G. "BUD" SHUSTER

October ___, 2000.—Referred to the House Calendar and ordered to be printed

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Mr. SMITH and Mr. BERMAN from the Committee on Standards of Official Conduct, submitted the following

REPORT

I. INTRODUCTION

The Committee on Standards of Official Conduct ("Committee") submits this Report pursuant to House Rule XI, Clause 3(a)(2), which authorizes the Committee to investigate any alleged violation by a Member, officer, or employee of the House of Representatives, of the Code of Official Conduct or of any law, rule, regulation, or other standard of conduct applicable to the conduct of such Member, officer, or employee.

In November 1997 the Chairman and Ranking Minority Member of the Committee established an Investigative Subcommittee to investigate a complaint filed against Representative Shuster by the Congressional Accountability Project on September 5, 1996.

After a two and a half year investigation into allegations in the complaint and additional matters that came to the attention of the Investigative Subcommittee, the Investigative Subcommittee found substantial reason to believe that Representative Shuster violated House Rules within the Committee's jurisdiction.[1] As part of a negotiated settlement Representative Shuster admitted to the violation found by the Investigative Subcommittee. The Investigative Subcommittee unanimously adopted a Statement of Alleged Violation ("SAV") on July 26, 2000. The SAV consists of one count setting forth a pattern of conduct, in five specific areas, that did not reflect creditably on the House of Representatives, in violation of former House Rule 43, Clause 1. Two areas identified in the SAV also involve violations of House gift rules and former Rule 45 regarding use of official resources. Several of the specific areas of conduct related to Representative Shuster's professional relationship with Ann M. Eppard, who resigned as his Chief of Staff in November, 1994.

On September 27, 2000, the Investigative Subcommittee unanimously adopted a Report in this matter. On September 28, 2000, pursuant to Committee Rule 22(c)(3), the Investigative Subcommittee transmitted to the Committee its Report and the Views of Representative Shuster submitted in response to that Report. On September 28, 2000, the Committee agreed to Representative Shuster's written request, pursuant to Committee Rule 27(b), to waive a sanction hearing in this matter.

On October 4, 2000, the Committee unanimously adopted the Report of the Investigative Subcommittee and includes that Report herewith as part of the Committee's

[1] From January 1997 to September 1997 the Committee took no action on the complaint filed by the Congressional Accountability Project because of a moratorium on the filing or review of ethics complaints. On January 7, 1997, the House passed House Resolution 5, which reconstituted the Committee from the 104th Congress as a Select Committee on Ethics for the sole purpose of completing work in the investigation of Representative Newt Gingrich. On January 12, 1997, the House named an Ethics Process Task Force to consider revisions to the Rules of the House of Representatives and the Rules of the Committee on Standards. It was also announced that there was a moratorium on the filing of new ethics complaints until April 1, 1997. This moratorium was subsequently extended until September 10, 1997. The full Committee for the 105th Congress was not established until September 30, 1997, after the Ethics Task Force completed its work. In addition, from January 1998 through December 1998, the Investigative Subcommittee deferred interviewing or deposing witnesses at the request of the U.S. Department of Justice. Further delay was caused by Representative Shuster's slow compliance with subpoenas issued by the Committee. *See* Section V, below, for more detail concerning the conduct of the inquiry in this matter.

Report to the House of Representatives on this matter.[2] Pursuant to Committee Rule 25 (d), on October 4, 2000, the Committee unanimously determined that a Letter of Reproval constituted the appropriate sanction for Representative Shuster's violation of House Rules. Pursuant to Committee Rule 25(d), the Letter of Reproval issued by the Committee to Representative Shuster is included in the Committee's Report to the House of Representatives.

The Letter of Reproval issued to Representative Shuster follows.

II. LETTER OF REPROVAL ISSUED BY THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT TO REPRESENTATIVE E. G. "BUD" SHUSTER

[2] The Report of the Investigative Subcommittee in included as Sections III-VII, the Appendix and Attachments A and B to the Committee's Report, below. The Exhibits to the Report of the Investigative Subcommittee are also included as Exhibits 1-125 of the Committee's Report, below. Representative Shuster's Views in response to the Report of the Investigative Subcommittee are also included in the Committee's Report.

LAMAR SMITH, TEXAS
CHAIRMAN
JOEL HEFLEY, COLORADO
JOE KNOLLENBERG, MICHIGAN
DAVE CAMP, MICHIGAN
ROB PORTMAN, OHIO

ROBERT L. WALKER,
CHIEF COUNSEL/STAFF DIRECTOR
JOHN W. LAMPMANN,
ASSISTANT TO THE CHAIRMAN
BARI L. SCHWARTZ,
COUNSEL TO THE RANKING
MINORITY MEMBER

ONE HUNDRED SIXTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT
Washington, DC 20515–6328

HOWARD L. BERMAN, CALIFORNIA
RANKING MINORITY MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA

SUITE HT-2, THE CAPITOL
(202) 225-7103

October 4, 2000

The Honorable Bud Shuster
United States House of Representatives
2188 Rayburn House Office Building
Washington, D.C. 20515

Dear Representative Shuster:

By a unanimous vote on October 4, 2000, the Committee on Standards of Official Conduct, acting on behalf of the House of Representatives, voted to issue to you this Letter of Reproval. The Committee unanimously voted to adopt the Report of the Investigative Subcommittee concerning its investigation of the numerous allegations of misconduct lodged against you.

By your actions you have brought discredit to the House of Representatives.

On November 14, 1997, the Chairman and Ranking Minority Member of the Committee on Standards of Official Conduct established an Investigative Subcommittee pursuant to Committee Rule 17(c)(2) in the matter of Representative Bud Shuster. The Investigative Subcommittee's inquiry focused on the allegations in a complaint filed by the Congressional Accountability Project and expanded to include an examination of whether your campaign committee violated House Rules and/or federal laws between 1993 and 1998. During the course of its inquiry the Investigative Subcommittee thoroughly investigated the allegations against you. The Investigative Subcommittee issued over 150 subpoenas, counsel interviewed approximately 75 witnesses and the Investigative Subcommittee deposed 33 witnesses. At the conclusion of the inquiry, the Investigative Subcommittee found substantial reason to believe that you had committed violations of House Rules within the Committee's jurisdiction. On July 26, 2000, the Investigative Subcommittee unanimously adopted a Statement of Alleged Violation finding that you engaged in a pattern of conduct that did not reflect creditably on the House of Representatives in violation of Clause 1 of the Code of Official Conduct, former Rule 43 (now Rule 24) of the House of Representatives. As part of a negotiated settlement you admitted, under penalty of perjury, to the Statement of Alleged Violation. By voluntarily admitting to the Statement of Alleged Violation, you agreed that your conduct did not reflect creditably on the House of Representatives through five areas of conduct.

The Statement of Alleged Violation to which you admitted provides that your conduct did not reflect creditably on the House of Representatives in the following manner:

- You engaged in a pattern and practice of knowingly allowing your former chief of staff to appear before or communicate with you in your official capacity, during the 12-month period following her resignation from your staff, in a manner that created the appearance that your official decisions might have been improperly affected.

- You violated House Gift Rules by accepting expenses from two sources related to a trip to Puerto Rico with your family in December 1995 and January 1996.

- You violated former House Rule 45 by authorizing and/or accepting the scheduling and advisory services of your former chief of staff on matters that were official in nature for approximately 18 months after she resigned from your congressional office.

- While under your supervision and control, employees in your congressional office worked for your campaign committee to the apparent detriment of the time they were required to spend in your congressional office. While under your supervision and control employees of your congressional office performed services for your campaign in your congressional office.

- Expenditures for "political meetings" and expenditures for transportation on chartered aircraft by your campaign committee, combined with inadequate record-keeping practices to verify the legitimate campaign purposes of these expenditures, created the appearance that between 1993 and 1998 certain expenditures of your campaign committee may not have been attributable to bona fide campaign or political purposes.

After considering the Report of the Investigative Subcommittee and your Views regarding the Report, the Committee determined that the five separate areas of misconduct that you admitted to in the Statement of Alleged Violation constitute a significant violation of former Rule 43, Clause 1 of the House of Representatives. Further, the Committee determined that each of the five separate areas of conduct you admitted to constituted misconduct which cannot be described accurately either as technical or *de minimis*, as you attempt to do in your Views submitted in response to the Subcommittee's Report. We address the five areas of conduct below.

The first area of misconduct to which you admitted, constituting conduct that did not reflect creditably on the House of Representatives, involved your pattern and practice of knowingly allowing your former chief of staff, Ann M. Eppard, to appear before or communicate with you in your official capacity, during the 12-month period following her resignation, in a manner that created the appearance that your official decisions might have been improperly affected. The Investigative Subcommittee determined that this pattern of conduct by you involved numerous and regular communications and appearances by Ms. Eppard that created the appearance that your official decisions might have been improperly affected. The public elects Congress to do the public good and to act in the public interest. Confidence in this institution is damaged if Members of the House create even the appearance that special access or influence on official matters has

been granted to employees who have recently left their employ to represent private interests for profit.

We note that in your Views submitted in response to the Investigative Subcommittee's Report you state that the "Subcommittee concluded that Representative Shuster did not violate Section 207." This is not accurate. In fact, the Investigative Subcommittee actually stated in its Report that it had "not here determined," and had "not here reached the issue of," whether you or any other person violated or participated in the violation of 18 U.S.C. § 207.

The second area of misconduct to which you admitted involved your violation of former House Gift Rules in December 1995 and January 1996 in connection with your acceptance from private parties of expenses incurred by you and your family during a trip to Puerto Rico. The record establishes that the primary purpose of this trip was recreational. Your participation in extremely limited officially related duties during this trip did not reasonably justify your acceptance of the expenses received from private sources in connection with this trip. Your attempts, in your Views, to minimize the expenses you accepted on this trip are not well founded. Specifically, you state in your Views that, while your family accompanied you on the trip, "the cost of the accommodations provided was comparable to the cost of a hotel room at an area resort, and thus [the sponsors] did not incur any significant additional expense as a result of the family members sharing his accommodations." According to the Subcommittee's Report, however, your sponsors paid for not just a single hotel room but for lodgings that included both a four-bedroom villa and a two-bedroom villa; we find it telling that in your Views you do not actually deny this description of the accommodations provided to your family during this trip.

The Committee determined that this was a significant violation of former Rule 43, Clause 4 of the House of Representatives and former Rule 52 of the House of Representatives. Members of the House are paid an annual salary and are prohibited from accepting gifts other than as outlined in the House Gift Rule (now Rule 26). When Members violate this rule it undercuts public faith in the institution most important to American representative government. The American people should not be made to question whether, through gifts or favors, the public interest has been subordinated to those with business before the House.

The third area of misconduct to which you admitted, and which constitutes conduct by you that did not reflect creditably on the House of Representatives, involved your violation of former House Rule 45 by authorizing and/or accepting Ms. Eppard's scheduling and advisory services involving your official schedule for approximately 18 months after she resigned from your congressional office. The repeated and prolonged nature of this conduct merits the determination that this violation was significant. The Committee determined that 18 months is not a transitional period, as you suggested in your Views to the Investigative Subcommittee's Report, but instead extends far beyond any reasonable period of transition. Further, we emphasize that the Statement of Alleged Violation to which you have admitted states unequivocally that you authorized and/or

accepted Ms. Eppards' scheduling and advisory services, not that you "supposedly" did so, as you suggest in your Views.

The fourth area of misconduct to which you have admitted involved the conduct of your congressional employees while under your supervision and control. The Committee determined that this was a significant violation of former Rule 43, Clause 1 of the House of Representatives. We address later in this letter some of the erroneous assertions made in your Views regarding this violation.

The fifth area of misconduct to which you have admitted, and which constitutes conduct that did not reflect creditably on the House of Representatives, concerned the appearance that certain expenditures by your campaign committee may not have been attributable to bona fide campaign or political purposes. The laws and standards applicable in this area appropriately allow great deference to the decisions made by individual Member candidates in the conduct of political campaigns. These decisions often involve political speech protected under the First Amendment; further, the conduct of campaigns is an essential part of our representative democracy. Nevertheless, federal laws and House Rules do impose some restrictions on the use of campaign funds by Member candidates. Clause 6 of the Code of Conduct of the House of Representatives, Rule XLIII at the time of the conduct at issue, provided, in pertinent part, that a "Member shall convert no campaign funds to personal use in excess of reimbursement for legitimate and *verifiable* campaign expenditures and shall expend no funds from his campaign account not attributable to bona fide campaign or political purposes." (Emphasis added.) Thus, while, as noted in the *House Ethics Manual*, at 271, Members generally have wide discretion as to what constitutes a bona fide political purpose, they may not convert campaign funds to personal uses exceeding reimbursement for campaign expenditures that are not only legitimate, but that are also capable of being verified as such.

The Committee has found nothing in your Views submitted in response to the Investigative Subcommittee's Report that gainsays the Subcommittee's underlying factual findings in this area, that is, that between January 1993 and December 1998, you and/or representatives of your campaign committee used campaign funds to pay for disbursements, described as "political meetings" or with related terms, on more than 675 occasions, totaling approximately $300,000. In addition, the Investigative Subcommittee determined that during the period in question you and/or representatives of your campaign committee used approximately $400,000 in campaign funds to pay for private chartered airplane flights for transportation. We have also found no support in the record before us for your claim that the Investigative Subcommittee faulted you for failing to maintain "detailed documentation regarding each political expense" by your campaign committee during the years in question. First, far from applying a requirement of "detailed" documentation, the Subcommittee noted that your campaign committee did not make "*even the most minimal effort* to document or verify that the expenditures were related to legitimate campaign activity. . . ." (Emphasis added.) Second, as the Subcommittee's report makes clear, this clause of the Statement of Alleged Violation is based only on the expenditures by your campaign committee "for meals designated as

'political meetings' and for transportation on chartered airplane flights," not for any other political or transportation expenses incurred by your campaign committee during the period at issue. The Subcommittee deferred to your judgment regarding other disbursements made by your campaign committee.

The Committee determined that through your campaign committee you engaged in significant misconduct by failing to keep records adequate to verify the legitimacy of an extraordinarily high number and dollar amount of expenditures for certain "political meetings" and/or "political meetings and meals" and for certain chartered airplane flights. Reasonable people—members of the public and Members of the House alike—reviewing the hundreds of thousands of dollars spent by your campaign in expensive restaurants and on chartered air travel, might well ask whether such expenditures were for personal purposes rather than for bona fide campaign purposes. The Subcommittee clearly and forthrightly states in its Report that the evidence before it did not meet the burden of proof—that is, substantial reason to believe—that these campaign funds actually were converted to personal use (thus proving false the claim in your Views that the Subcommittee has unfairly shifted the burden of proof on this issue to you). However, and just as clearly in our view, in admitting to the Statement of Alleged Violation in this matter you admitted that the reasonable questions raised about your campaign's expenditures may and should be ascribed to your failure to properly verify the campaign purposes of these expenditures.

As we have stated, the Committee has adopted the Report of the Investigative Subcommittee in this matter. The Committee has also, of course, given full consideration to the Views submitted by you in response to the Subcommittee's Report. Those Views call for more direct attention and discussion.

The Committee finds the Views submitted by you, through your counsel, to be rife with patently inaccurate and misleading statements of the applicable laws, rules, standards of conduct and Committee guidance. For example, the discussion of 18 U.S.C. § 207 in your response cites to a regulation of the Office of Government Ethics (5 C.F.R. § 2637.204(d)) which was superceded in 1991 and which interprets § 207 (c) of the statute not as it was worded at the time of your conduct in this matter but as it was worded before 1991; the differences in wording are significant and material and your discussion is, as a result, grossly misleading. You also cite an "*11/5/96 OGE Letter*" which interprets subsection *(a)* of § 207, not subsection *(e)*, the subsection discussed by the Investigative Subcommittee. Even a cursory reading of the OGE letter you cite, together with a reasonably attentive reading of the law, would show that the letter cited simply does not apply to the concerns raised by your and Ms. Eppard's conduct. You invoke the untimeliness of an October 1998 Memorandum issued by the Committee on post-employment concerns, yet fail to note that substantially and materially similar guidance appears in the *House Ethics Manual*, published in 1992, well before Ms. Eppard left her position in your office. You attempt to confuse the entirely irrelevant standards set forth in the Lobbying Disclosure Act with the relevant standards, discussed in the Subcommittee's Report, applicable in situations raising concerns as to potential post-employment conflicts of interest.

You incorrectly assert in your response that there is no clearly phrased prohibition against congressional employees performing campaign work in a congressional office. We refer you again to the *Ethics Manual*, 1992, at 216, which contains the following clear and straightforward language: "Anything supported with official funds is an official resource, including congressional offices. . . .[A]s is true of all official resources, congressional offices may not be used for the conduct of campaign activity." In the testimony of witnesses, cited in the Investigative Subcommittee's Report, as well as in your response, it was asserted that your congressional employees took so-called "administrative leave" to work on your political campaigns. Upon inquiry the Subcommittee discovered that in your office the term "administrative leave" simply described the situation where employees working on your campaign nonetheless received full pay from your congressional office. This political work by your congressional employees occurred both outside of the premises of the House of Representatives and within the House itself. Despite the attempt to do so in your Views, unacceptable conduct cannot be made acceptable simply by labeling it as such.

Lastly, as to this portion of the Statement of Alleged Violation, your assertion that it is "unfair" to hold you responsible for the activities of your employees as set forth in the Statement of Alleged Violations simply ignores the following plain statement in the *Ethics Manual*, at 320 and citing to two Committee reports: a "Member is responsible for assuring that his or her employees are aware of and adhere to these and other rules, and for assuring that resources provided for support of official duties are applied to the proper purposes."

Your response also contains irrelevant or misleading discussions of other matters investigated and/or reported upon by the Committee in the past. The absence of specific mention in this letter of those discussions, or of the many other distortions of the findings of the Investigative Subcommittee or of the other incorrect statements about applicable standards which fill your Views, should not be taken in any way as a sign of this Committee's agreement. Indeed, the Committee here cautions all other Members, Officers and employees of the House that they should not look to your Views in any way for guidance as to the standards applicable to their conduct. Members, Officers and employees should turn to the Office of Advice and Education of this Committee for accurate and authorized guidance.

The Committee is disturbed not only by the content of your response but by its tone. It is one of blame-shifting about and trivializing of misconduct to which you have admitted and which this Committee does not and can not characterize as *de minimis* or technical, either in whole or in part. You committed substantial violations. That the Committee has decided, nonetheless, to accept the Investigative Subcommittee's recommendation and resolve this matter by imposition of the sanction of a Letter of Reproval is due in part to the Committee's respect for the thorough, fair and thoughtful work done by the Investigative Subcommittee. The Committee believes that the House of Representatives and the public are best served by the repudiation of your conduct and that this Letter of Reproval accomplishes that goal efficiently. Further, you have agreed that your misconduct did not reflect creditably on the House of Representatives.

A Letter of Reproval is a Committee imposed sanction. Unlike a reprimand, or other more severe sanction, a vote of the entire House of Representatives is not required for a Letter of Reproval to be imposed and published. You should understand, however, that the Investigative Subcommittee was accurate when, in its Report, it stated: "[I]t should be emphasized that a Letter of Reproval itself is intended to be a rebuke of a Member's conduct issued by a body of that Member's peers acting, as the Committee on Standards of Official Conduct, on behalf of the House of Representatives."

In our free and democratic system of republican government, it is vital that citizens feel confidence in the integrity of the legislative institutions that make the laws that govern America. Ultimately, individual Members of Congress can undermine respect for the institutions of our government when they engage in official misconduct. You have engaged in serious official misconduct through the violations to which you have admitted under penalty of perjury. Those violations cause this Committee formally and publicly to reprove you for conduct that reflected discredit on the House of Representatives and violated former House Rule 43, Clause 1.

Sincerely,

Lamar Smith
Chairman

Howard L. Berman
Ranking Minority Member

106TH CONGRESS, 2ND SESSION

U. S. HOUSE OF REPRESENTATIVES
COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

IN THE MATTER OF REPRESENTATIVE E. G. "BUD" SHUSTER

SEPTEMBER 27, 2000

Mr. HEFLEY from the Investigative Subcommittee submitted the following

REPORT

To the Committee on Standards of Official Conduct.

III. EXECUTIVE SUMMARY

The Investigative Subcommittee conducted a two and a half year investigation regarding Representative Shuster in which the scope of its investigation was expanded one time. The investigation encompassed the conduct alleged in a complaint filed with the Committee by the Congressional Accountability Project ("CAP"), as well as additional matters that came to the attention of the Investigative Subcommittee.

At the conclusion of the investigation, the Investigative Subcommittee found substantial reason to believe that Representative Shuster committed violations of House Rules within the Committee's jurisdiction. Representative Shuster admitted to the violation found by the Investigative Subcommittee and the Investigative Subcommittee unanimously adopted a Statement of Alleged Violation ("SAV") on July 26, 2000. ***Exhibits 1 and 2***. The charges set forth in the SAV encompass conduct alleged in the complaint and additional matters regarding activities by the Bud Shuster for Congress Committee ("BSCC"). The Investigative Subcommittee also determined that it did not have substantial reason to believe several allegations listed in the complaint.

The SAV consists of one count in which Representative Shuster admits to a pattern of conduct in five specific areas that did not reflect creditably on the House of Representatives, in violation of former Rule 43, Clause 1. Two areas identified in the SAV also involve violations of House gift rules and rules regarding use of official resources. Several of the specific areas of conduct relate to Representative Shuster's professional relationship with Ann M. Eppard, who resigned as his Chief of Staff in November, 1994.

The specific language of the SAV reads as follows:

Statement of Alleged Violation

1. At all times relevant to this Statement of Alleged Violation, Representative E.G. "Bud" Shuster ("Representative Shuster") was a Member of the United States House of Representatives representing the 9th District of Pennsylvania.

Count I: Representative Shuster Engaged In A Pattern Of Conduct That Did Not Reflect Creditably On The House Of Representatives In Violation Of Former Rule 43, Clause 1, of the House of Representatives.

Summary and Applicable Standards

2. The Investigative Subcommittee found that Representative Shuster's conduct as set forth in this Statement of Alleged Violation did not reflect creditably on the House of Representatives. The Investigative Subcommittee found that the conduct set forth in paragraph 4, below, did not reflect creditably on the House of Representatives and violated former House Rule 43, Clause 1.

3. Former House Rule 43, Clause 1 (current House Rule 24, Clause 1) provides that each Member of the House of Representatives shall conduct himself at all times in a manner which reflects creditably on the House of Representatives.

Conduct Constituting Alleged Violation

4. Representative Shuster's conduct did not reflect creditably on the House of Representatives between 1993 and 1998, inclusive, in the following manner:

(a) Representative Shuster engaged in a pattern and practice of knowingly allowing Ann M. Eppard to appear before or communicate with him in his official capacity, during the 12-month period following her resignation as his chief of staff, on occasions and in a manner that created the appearance that his official decisions might have been improperly affected;

(b) Representative Shuster violated House Gift Rules [former Rule 43(4) for 1995 and Rule 52 for 1996] by accepting expenses from the Outdoor Advertising Association of America ("OAAA") and Daniel, Mann, Johnson and Mendenhall ("DMJM") related to a trip with his family to Puerto Rico in December 1995 and January 1996;

(c) Representative Shuster violated former House Rule 45 by authorizing and/or accepting the scheduling and advisory services of Ann M. Eppard on matters that were official in nature for approximately 18 months after she resigned from his congressional office;

(d) While under the supervision and control of Representative Shuster as their employing Member, employees in Representative Shuster's congressional office worked for the Bud Shuster for Congress Committee ("BSCC") to the apparent detriment of the time they were required to

spend in the congressional office and performed services for the BSCC in his congressional offices;

(e) The number and dollar amount of expenditures by the Bud Shuster for Congress Committee ("BSCC") for meals designated as "political meetings" and for transportation on chartered airplane flights, as reported in Federal Election Commission reports filed by the BSCC between 1993 and 1998, combined with record-keeping practices followed by the BSCC inadequate to verify the legitimate campaign purposes of these expenditures, created the appearance that certain expenditures may not have been attributable to bona fide campaign or political purposes.

Alleged Violation

5. Based on the foregoing paragraph 4, the Investigative Subcommittee found that between 1993 and 1998, inclusive, Representative Shuster conducted himself in a manner that did not reflect creditably on the House of Representatives, in violation of former Rule 43, Clause 1 of the House of Representatives.

The CAP complaint raised numerous allegations regarding "a complex interconnecting web of legislative, political, financial, and personal ties" between Representative Shuster and Ms. Eppard. In addition, the "complex web" allegation in the CAP complaint charged that Representative Shuster "implicitly recommended Eppard to potential lobbying clients." The complaint also alleged that it appeared Ms. Eppard "may have violated the one-year post-employment prohibition against personal staff lobbying their former employer."

The Investigative Subcommittee determined that other than as set forth in the Statement of Alleged Violation and described in Section IV, below, it did not find substantial reason to believe that Representative Shuster's conduct and relationship with Ms. Eppard as specifically described and listed in the CAP complaint under the "complex web" allegation violated any law, rule, regulation, or other standard of conduct applicable to Representative Shuster.

The CAP complaint also alleged that Representative Shuster violated House gift rule provisions regarding lodging with Ms. Eppard during 1995 and 1996. The CAP complaint also raised allegations concerning significant legislative benefits to Ms. Eppard's clients and the relationship between Representative Shuster and a businessman from his district. It also requested that the Committee inquire into whether Representative Shuster violated federal laws concerning illegal gratuities. The Investigative Subcommittee determined that other than as described in Section IV, below, it did not find substantial reason to believe that Representative Shuster's conduct as alleged in these sections of the CAP complaint violated any law, rule, regulation, or other standard of conduct applicable to Representative Shuster.

IV. SUMMARY OF FACTS PERTAINING TO REPRESENTATIVE SHUSTER'S PATTERN OF CONDUCT THAT DID NOT REFLECT CREDITABLY ON THE HOUSE OF REPRESENTATIVES IN VIOLATION OF FORMER HOUSE RULE 43, CLAUSE 1.

A. BACKGROUND

Representative E. G. "Bud" Shuster has served as a Member of Congress from the 9th District of Pennsylvania since January 1973. In January 1995 Representative Shuster became Chairman of the Committee on Transportation and Infrastructure.

Ann M. Eppard served as Representative Shuster's Chief of Staff from 1973 through November 1994. During this same period she also served as Assistant Treasurer for the Bud Shuster for Congress Committee. In November 1994 Ms. Eppard left her position with Representative Shuster's congressional office and opened a lobbying firm in Alexandria, Virginia. During 1995, Ms. Eppard represented many clients with interests before the Committee on Transportation and Infrastructure. ***Exhibit 3.*** In addition, Ann Eppard Associates, Ltd. ("AEA"), Ms. Eppard's lobbying firm, was paid by the Bud Shuster for Congress Committee as a consultant and Ms. Eppard continued to serve as Assistant Treasurer for the campaign committee. ***Exhibit 4.***

The Investigative Subcommittee found that Representative Shuster engaged in a pattern of conduct between 1993 and 1998 that did not reflect creditably on the House of Representatives. The Investigative Subcommittee found that Representative Shuster's conduct, as delineated in five sections of paragraph 4 of the Statement of Alleged Violation adopted by the Investigative Subcommittee on July 26, 2000, did not reflect creditably on the House of Representatives and violated Clause 1 of the Code of Official Conduct (former House Rule 43, current House Rule 24.)

Clause 1 of the Code of Official Conduct provides that:

> A Member, officer, or employee of the House of Representatives shall conduct himself at all times in a manner which shall reflect creditably on the House of Representatives.

Clause 1 is the most comprehensive provision of the Code and was adopted, in part, so that the Committee, in applying the Code, would retain "the ability to deal with any given act or accumulation of acts which, in the judgment of the committee, are severe enough to reflect discredit on the Congress."[1]

The Investigative Subcommittee determined that the acts or accumulation of acts of Representative Shuster, as specified in the five areas enumerated below, were severe enough to reflect discredit on the House of Representatives and, therefore, were inconsistent with the mandate of Clause 1 of then Rule 43.

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[1] House Ethics Manual, 102d Congress, 2d Session (April 1992) at 12, *citing* 114 CONG. REC. 8778 (Apr. 3, 1968).

B. ANN M. EPPARD'S COMMUNICATIONS WITH REPRESENTATIVE SHUSTER DURING THE 12-MONTH PERIOD FOLLOWING HER RESIGNATION FROM HIS CONGRESSIONAL OFFICE

The Ethics Reform Act of 1989 enacted, for the first time, post-employment restrictions on legislative branch officials.[2] These limitations went into effect in 1991. The law applies only to Members, officers and those employees who earn at least 75% of a Member's salary.[3]

The law imposes a one-year "cooling off" period on covered legislative officials. For one year after leaving office, covered individuals may not seek official action by communicating with or appearing before specified current officials with the intent to influence them. Specifically, with regard to covered former employees from the personal office of a Member, such covered employees may not seek official action, on behalf of other persons, from the former employing Member or from any of that Member's employees.[4]

While the length of the required "cooling off" period is set at one year only by statute, through its prohibitions the statute simply recognizes the potential for conflict of interest inherent in certain types of communications by recent former employees with their former colleagues. As the Office of Government Ethics has stated in construing the

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[2] 18 U.S.C. § 207(e) – (f), (j). The 1989 Act also broadened the post-employment restrictions of 18 U.S.C. § 207 that are applicable to executive branch officials. For example, prior to the 1989 amendment, those restrictions applied only to certain matters set out in the statute, such as a judicial or other proceeding, application, or a request for a ruling or determination, but the 1989 Act made the restrictions applicable to virtually any matter. Accordingly, regulations and advice of the Office of Government Ethics construing the provisions of § 207 that were superceded in the 1989 Act are not useful in interpreting the legislative branch restrictions.

[3] 18 U.S.C. § 207(e)(6)(A).

[4] The statute provides that "[a]ny person who is an employee of a Senator or an employee of a Member of the House of Representatives and who, within 1 year after the termination of that employment, knowingly makes, with the intent to influence, any communication to or appearance before any of the persons described in subparagraph (B), on behalf of any other person (except the United States) in connection with any matter on which such former employee seeks action by a Member, officer, or employee of either House of Congress, in his or her official capacity, shall be punished as provided in section 216 of this title." 18 U.S.C. § 207(e)(2)(A).

nearly identical provisions of the statute applicable to former senior employees of the executive branch:

> [T]he purpose of this one-year "cooling off" period is to allow for a period of adjustment to new roles for the former senior employee and the agency he served, *and to diminish any appearance that Government decisions might be affected by the improper use by an individual of his former senior position.*[5]

The law focuses on *communications and appearances*. The Office of Government Ethics has stated that the term "appearance" as used in the statute "extends to a former employee's mere physical presence...when the circumstances make it clear that his attendance is intended to influence the United States."[6] As the Committee has noted in the House Ethics Manual, published in 1992, that is, before the conduct at issue in this matter,

> [I]f a former official plays a background role, *does not appear in person or convey his or her name on any communications*, the law apparently does not prohibit that person from advising those who seek official action from the Congress. *Such a background role does not pose the risk of improper influence since the current officials are not even aware of the former official's participation.*[7]

Clearly, however, activities by a former official through which a current official is made aware of the former official's involvement in a matter could raise concerns as posing the type of potential conflict of interest addressed by the statute.

For the one-year "cooling off" period following her resignation as his Chief of Staff, it was Ann Eppard rather than Representative Shuster who was covered by the

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[5] Emphasis added. Office of Government Ethics, "Memorandum Issued October 26, 1990, from Stephen D. Potts, Director, to Designated Agency Ethics Officials, General Counsels, and Inspectors General Regarding Revised Post-Employment Restrictions of 18 U.S.C. § 207, Ethics In Government Reporter (1993).

[6] Id.

[7] Emphasis added. House Ethics Manual at 125-126.

express terms of 18 U.S.C. § 207(e)(2). The Investigative Subcommittee has not here reached the issue of whether Ms. Eppard violated the terms of that statute. The Investigative Subcommittee need not reach this issue here because the Investigative Subcommittee only has jurisdiction over current House Members, officers and employees.

Likewise, the Investigative Subcommittee has not here determined that Representative Shuster violated or participated in the violation of 18 U.S.C. § 207. However, the Investigative Subcommittee did concern itself with, and has reached a conclusion, regarding involvement by Representative Shuster in situations that raised concerns of the exercise of improper influence by Ms. Eppard. The Investigative Subcommittee found that Representative Shuster engaged in a pattern and practice of knowingly allowing Ms. Eppard to appear before or communicate with him in his official capacity, during the twelve-month period following her resignation as his chief of staff, on occasions and in a manner that created the appearance that his official decisions might have been improperly affected.

Ann Eppard resigned as Chief of Staff from Representative Shuster's office in November, 1994. Because of the level of salary she received while employed by Representative Shuster in his congressional office, Ms. Eppard was subject to the one-year restrictions on contacts with Representative Shuster and his staff following her resignation as discussed herein. Upon her resignation, she immediately established Ann Eppard Associates, a government affairs and consulting business, and became its president. She registered as a lobbyist with the Clerk of the House of Representatives on December 29, 1994, at which time she publicly disclosed for the first time her representation of a client before the House of Representatives. ***Exhibit 5.*** In January, 1995, Representative Shuster became Chairman of the Committee on Transportation and Infrastructure.

According to material provided to clients by the company, Ann Eppard Associates, Ltd. "specializes in public and government affairs and offers services,

primarily in Washington, D.C." These services were described in the company's materials as including: (a) developing long-term political and legislative strategies; (b) building coalitions and establishing networks for clients; (c) creating public policy programs and positioning clients for leadership on these issues; and (d) orchestrating government affairs and lobbying efforts on the state and federal level. Ms. Eppard also emphasized in these client materials, "[w]e offer our clients an extensive network of contacts in Congress, in state capitals, in the corporate world, with international leaders, and local governments." ***Exhibit 6.***

Having interests before the House Committee on Transportation and Infrastructure during her first year as a registered lobbyist, Ms. Eppard represented numerous clients, including the engineering and architecture firm of Daniel, Mann, Johnson and Mendenhall ("DMJM"), Amtrak, Conrail, the Pennsylvania Turnpike Commission, the Carmen Group, Federal Express Corporation, the Natural Disaster Coalition, the Metropolitan Washington Airports Authority, Outdoor Advertising Association of America and Alcalde and Fay.

As described in more detail below, a few of the appearances or communications of concern involved Ms. Eppard introducing her clients to her former office or involved her participation with clients in meetings or so-called "social" events at which proscribed subjects may not have been discussed in her presence. However, those events were held in almost immediate proximity to, indeed in conjunction with, events at which, outside of her presence, Ms. Eppard's clients did discuss matters of official interest to them with Representative Shuster. When the facts of each such occasion are viewed in their entirety, Ms. Eppard's participation on each such occasion cannot appropriately be considered acceptable "background" participation in that her former colleagues (Representative Shuster and/or his congressional employees) were aware of her participation. These, and each other appearance or communication discussed below, created the appearance that Representative Shuster's official decisions might have been affected by the improper use by Ms. Eppard of her former senior position in his office.

1. Trip to Puerto Rico in February 1995

Representative Shuster traveled to Puerto Rico in February 1995 with Ms. Eppard to visit Tren Urbano, an urban light rail transportation project managed in part by Daniel, Mann, Johnson & Mendenhall ("DMJM"), a Los Angeles based architectural and engineering firm. At the time of this trip, Ms. Eppard was a paid consultant for DMJM, receiving $5,000/month commencing on or about December, 1994. ***Exhibit 7.***

Tren Urbano is located near San Juan, Puerto Rico. During 1995, DMJM was one of four members of a management consortium which was paid $40 million for the first two years of the Tren Urbano project by the Puerto Rico Department of Transportation and Public Works. DMJM received approximately 26 to 27 percent of the total payments, which were budgeted every two years. According to Gilbert Butler, former DMJM project manager for Tren Urbano who testified before the Investigative Subcommittee, Tren Urbano was one of DMJM's largest projects at the time. DMJM's President and CEO, Raymond W. Holdsworth, described the Tren Urbano project in his testimony before the Investigative Subcommittee as one of five demonstration projects from the Federal Transit Administration, a 12.7 mile light rail system in which DMJM was the lead engineering consultant.

On November 14, 1994, within five days of leaving Representative Shuster's employment, Ms. Eppard met with Nancy Butler, a vice president of DMJM and Edward R. Hamberger, a partner in the Washington, D.C. office of the law firm of Baker, Donelson, Bearman & Caldwell ("Baker Donelson"). Mr. Hamberger had previously worked with Representative Shuster as Staff Director of the House Republican Policy Committee and as Special Counsel to the Chairman for the National Transportation Policy Study Commission when Representative Shuster headed both of those organizations. Ms. Butler's expense report listed the business purposes of the meeting as "Discuss Tren Urbano and Alameda Corridor" and "Discuss potential consultant role with DMJM." ***Exhibit 8.***

On November 17, 1994, Mr. Hamberger sent Ms. Butler a letter containing background information on his firm and "some thoughts on how we might work with Ann Eppard & Associates on behalf of the Tren Urbano project in Puerto Rico." ***Exhibit 9.*** In the letter to Ms. Butler, Mr. Hamberger stated:

> As indicated above, we have fortified our team by joint venturing with Ann Eppard who has been the Administrative Assistant to Congressman Bud Shuster for the last twenty-two years. As such, she is intimately familiar with the workings of the Public Works Committee and can provide insight and strategy on how to achieve authorization of the Tren Urbano project...Both Ann Eppard and myself would be willing to meet with you or anybody you might suggest to further discuss this matter. We look forward to working together with you on the important Tren Urbano project.

On December 9, 1994, Ms. Eppard met with DMJM CEO Holdsworth for breakfast. On December 14, 1994, Ms. Eppard sent a copy of a consulting agreement signed by her and Ms. Butler on December 1, 1994, to DMJM's corporate headquarters in Los Angeles. The consulting agreement was effective as of December 1, 1994. Under the terms of the agreement, Ms. Eppard was to receive $5,000 a month for her services and was hired by DMJM as a consultant for "[A]dvice and counsel on policy and funding decisions regarding transportation projects nationwide."[8] Mr. Holdsworth and Ms. Butler testified that DMJM hired Ms. Eppard for the purpose of monitoring the appropriations process on Capitol Hill and to give DMJM information regarding legislation.

Representative Shuster's office calendar indicates he was scheduled to meet with Mr. Holdsworth and Ms. Butler in his congressional office for wine and cheese on January 4, 1995, the first day of the 104th Congress and the first day of Representative Shuster's chairmanship of the House Committee on Transportation and Infrastructure.[9] ***Exhibit 10.***

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[8] Exhibit 7 at 2.

[9] The Public Works Committee was renamed the Committee on Transportation and Infrastructure at the beginning of the 104th Congress.

On the evening of Thursday, February 9, 1995, Representative Shuster attended the Republican National Committee Annual Gala. Representative Shuster and Ms. Eppard sat at a table purchased by DMJM for $15,000. Prior to the dinner, Ms. Eppard informed Representative Shuster's scheduler through a handwritten note that DMJM had purchased the table with the assurances of Representative Shuster and Ms. Eppard that they would sit at the DMJM table. ***Exhibit 11.*** Also present at the DMJM table were DMJM vice-president Nancy Butler, DMJM President and Chief Executive Officer Raymond Holdsworth and an official of the Department of Transportation and Public Works for Puerto Rico. During the dinner, the official from Puerto Rico extended an invitation to Representative Shuster to visit the Tren Urbano project in the near future at the expense of the Government of Puerto Rico.

On Monday, February 13, 1995, Ms. Eppard telephoned Ms. Butler to advise her that Representative Shuster would accept the invitation of the Government of Puerto Rico and would like to travel to Puerto Rico the very next weekend. Later that day, Mr. Holdsworth faxed a letter to the official of the Government of Puerto Rico who attended the February 9 dinner and wrote, "I hope you enjoyed yourself Thursday evening. The invitation to Chairman Shuster paid off. Ann Eppard just called Nancy Butler this morning and asked if the Chairman could visit Puerto Rico and the Tren Urbano project this weekend." ***Exhibit 12.***[10] The letter went on to say that Representative Shuster wanted to arrive in Puerto Rico on Friday, February 17, 1995, and depart on Monday, February 20, 1995 [Presidents' Day]. Ms. Butler testified that the purpose of the trip was to educate Representative Shuster on the Tren Urbano project and to seek Representative Shuster's support for the project. A former official of the Government of Puerto Rico testified that the objective of the Puerto Rican Government in extending the invitation to Representative Shuster was to demonstrate to Representative Shuster that the Tren Urbano project was worthy of federal investment.

[10] This exhibit is partially redacted.

Representative Shuster traveled with Ms. Eppard on the same commercial flight to San Juan, Puerto Rico, on Friday, February 17, 1995. Ms. Butler arrived on Saturday, February 18. Representative Shuster, Ms. Eppard and Ms. Butler stayed at the El Conquistador Resort and Country Club at Las Croabs, Puerto Rico. Representative Shuster's expenses were paid by the Government of Puerto Rico. ***Exhibit 13.*** On Saturday, February 18, 1995, Representative Shuster had a private dinner with Ann Eppard and Ms. Butler at the Isabella Restaurant in the El Conquistador. The $203.50 dinner was billed to Representative Shuster's room account which was paid by the Government of Puerto Rico.

The following evening, Representative Shuster, Ms. Eppard, Ms. Butler, other representatives of Ms. Eppard's client, DMJM, and representatives of the Tren Urbano project attended an official dinner hosted by the Government of Puerto Rico. ***Exhibit 14.*** The next day, Representative Shuster and Ms. Eppard toured the Tren Urbano site by helicopter. After the helicopter tour, they attended a briefing regarding the Tren Urbano project together. Ms. Butler also attended the briefing on the Tren Urbano project. Later that afternoon, Representative Shuster and Ms. Eppard returned together to Washington on a commercial flight. Other charges billed to the Government of Puerto Rico by Representative Shuster for lodging and room service were approximately $2,100.

On February 21, 1995, the San Juan Star published an article entitled, "Urban train project gets important OK; Shuster 'impressed.'" ***Exhibit 15.*** The article quoted Representative Shuster as describing the Tren Urbano project as "impressive" and stating "[t]here is money in the trust fund for high-priority projects...and I believe this is a very worthy project." A picture accompanied the article with a caption that read, "Rep. Bud Shuster, left, chairman of the House Infrastructure and Transportation Committee, said after a meeting with Gov. Rossello at La Fortaleza Monday that Puerto Rico's urban train project should have no trouble getting millions in federal funds..."

Ms. Eppard stated during her testimony before the Investigative Subcommittee that she discussed the propriety of her participation in the trip with Representative

Shuster prior to their departure, and when she advised Representative Shuster that she would like to go on the trip he approved her participation.

2. Representative Shuster's Lunch With Representatives Of Amtrak And Ms. Eppard

Former Amtrak vice president for government and public affairs, Thomas J. Gillespie, Jr., testified before the Investigative Subcommittee that in December of 1994, or January of 1995, he attended a lunch initiated and organized by Ms. Eppard. The participants at the lunch included Representative Shuster, Ms. Eppard, Amtrak President Tom Downs, Mr. Gillespie and another Amtrak government affairs representative. At the time of this lunch, Ms. Eppard was a paid consultant for Amtrak, receiving $7,500/month, commencing on or about December, 1994. The lunch lasted approximately ninety minutes, and Representative Shuster and Ms. Eppard were both present for the entire meal. Everyone sat at one table. Mr. Gillespie recalled that during the lunch they discussed Amtrak "problems" with Representative Shuster.

3. Representative Shuster's Dinner With Representatives Of Conrail And Ms. Eppard

Representative Shuster had dinner in his private office in Room 2254 of the Rayburn House Office Building on February 21, 1995 with Ms. Eppard, former Conrail president David LeVan, and William B. Newman, a former Washington, D.C. representative of Conrail. ***Exhibit 16.***[11] Immediately prior to the dinner, the Conrail representatives met privately with Representative Shuster in his congressional office out of the presence of Ms. Eppard. Conrail had previously requested a meeting with Representative Shuster for approximately one hour to discuss legislative rail issues. At the time of this dinner, Conrail was the largest employer in Representative Shuster's congressional district and Ms. Eppard was a paid consultant for Conrail, receiving

[11] This exhibit is partially redacted.

$15,000/month, commencing on or about December, 1994. Mr. Newman testified that he had retained Ms. Eppard for the purpose of improving Conrail's relationship with Representative Shuster, stating that "there were some things we wanted to do. There were places where we could be helpful to him, he could be helpful to us, so we just wanted to make the best relationship we could with him."

During this dinner, the Conrail representatives discussed issues of general interest to Conrail with Representative Shuster but no specific legislation was discussed in the presence of Ms. Eppard. Mr. Newman testified that waiters served the dinner in Representative Shuster's private office in Room 2254 and he presumed the dinner was catered.[12] Although Mr. LeVan characterized the dinner as "really a social discussion," he acknowledged that the dinner was beneficial and important to Conrail to the extent it assisted him in establishing a personal relationship with Representative Shuster.

4. Representative Shuster's Attendance At Other Dinners With Ms. Eppard And Her Clients

Representative Shuster attended several dinner meetings in 1995 with Ms. Eppard and representatives of her clients, including the Outdoor Advertising Association of America, the Pennsylvania Turnpike Commission and the engineering firm Day and Zimmerman, at a time when Ms. Eppard was a paid consultant for these clients.

Nancy Fletcher, president of the Outdoor Advertising Association of America, ("OAAA"), a client of Ann Eppard Associates during 1995, testified before the Investigative Subcommittee that on July 6, 1995, the OAAA held a fundraiser for Representative Shuster in New York City. Ms. Fletcher hosted the fundraiser, which was held in the OAAA boardroom at its New York office. She estimated that fourteen to

[12] Ms. Eppard stated in her appearance before the Investigative Subcommittee that she possessed a key to Room 2254 from January 1995 until an unspecified date in 1999. Other witnesses appearing before the Investigative Subcommittee testified that Representative Shuster acquired access to and control of Room 2254 of the Rayburn House Office Building for use as his private office when he became Chairman of the Committee on Transportation and Infrastructure in January, 1995.

fifteen individuals attended the fundraiser, including Ms. Eppard. Ms. Fletcher testified that after the fundraiser, a smaller party went to dinner at the Rainbow Room restaurant, located in the RCA building in Rockefeller Center. She recalled that the members of the dinner party included Representative Shuster, Ms. Eppard, Ms. Fletcher and her husband, James McAndrews and Donald Davidson. She testified that Mr. McAndrews was the head of Matthew Outdoor Advertising and Mr. Davidson was the president of Gannett Outdoor Advertising Company. Both companies were members of the OAAA. Ms. Fletcher also testified that OAAA paid the $419.98 bill for the dinner. ***Exhibit 17***. She recalled that no legislation was discussed with Representative Shuster at the dinner.

Edward Hamberger, former managing partner for Baker, Donelson, Bearman and Caldwell, a Washington, D.C. law firm engaged in lobbying, testified that he recalled having dinner in the Rayburn House Office Building on the evening of September 27, 1995, with Representative Shuster and Ms. Eppard. At the time, Ms. Eppard and Ann Eppard Associates subcontracted with Mr. Hamberger's firm as a joint consultant for four clients, including the Pennsylvania Turnpike Commission and Day and Zimmerman, an engineering firm.[13] Mr. Hamberger testified that two representatives of those clients also attended the September 27, 1995, dinner: John Durbin, executive director of the Pennsylvania Turnpike Commission, and Joseph LaSalla, a vice president for Day and Zimmerman. Ms. Eppard's office calendar for September 27, 1995, reflected a handwritten note that read "fiberoptics" beneath the entry of the dinner on her calendar. ***Exhibit 18.***[14] Mr. Hamberger testified that at the time the dinner took place, the Pennsylvania Turnpike Commission was interested in using the Turnpike as a route for fiberoptic cables to be used to link schools to the Internet. He did not recall whether that topic was discussed during the dinner but he did recall that at one point, Ms. Eppard left the room for about twenty minutes when business was mentioned.

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[13] Mr. Hamberger recalled during his testimony before the Investigative Subcommittee that Baker Donelson and Ann Eppard Associates jointly represented the Government of Puerto Rico, the Pennsylvania Turnpike Authority, Day and Zimmerman, the Ocean Common Carrier Conference, and the Metropolitan Washington Airport Authority.

[14] This exhibit is partially redacted.

Ms. Eppard's office calendar for September 27, 1995, also indicated that Jack Schenendorf, Chief of Staff for the Transportation Committee, also attended the dinner. During his appearance before the Investigative Subcommittee, Mr. Schenendorf confirmed that he attended the dinner and that Ms. Eppard excused herself when the topic of conversation turned to business relevant to the Pennsylvania Turnpike or Day and Zimmerman.

5. Ms. Eppard's Involvement With Representative Shuster's Official Calendar To Arrange Or Approve Appointments For Her Clients

From the time Ms. Eppard resigned from Representative Shuster's office in November, 1994, and for a period of at least 12 months thereafter, Representative Shuster routinely accepted and encouraged the extensive involvement of Ms. Eppard in scheduling matters for him that were official in nature and which should have been performed by his congressional staff.

The Investigative Subcommittee heard the testimony of several current and former employees from Representative Shuster's congressional office concerning Representative Shuster's appointment requests during 1995. The record indicates that between November 9, 1994, and November 9, 1995, Ms. Eppard had communications with employees of Representative Shuster regarding appointment requests concerning several clients of Ms. Eppard's firm, Ann Eppard Associates, Ltd. In many instances, Representative Shuster attended the event as requested by Ms. Eppard's client.

Ms. Eppard's involvement included input into Representative Shuster's schedule, including but not limited to her clients Amtrak, the Pennsylvania Turnpike Commission and the Carmen Group as discussed in greater detail below.

a) Request from Ann Eppard's Client Amtrak

As stated above, Amtrak employed Ms. Eppard as a consultant beginning in the late fall of 1994. Evidence indicates that on December 23, 1994, Ann Eppard Associates, Ltd., deposited a $5,000 check from Amtrak in its bank account.

Representative Shuster's office provided the Investigative Subcommittee with a copy of an internal handwritten memo from one member of his congressional staff to his scheduler. The memo states that "Ann called to set up a meeting for tomorrow at 11:30 a.m. with Padisha Madda of the Japanese Export/Import Bank...This has something to do with Amtrack (sic). Glenn of T&I should be at the meeting. I don't believe he knows anything about this. The next time you talk to her, please confirm because everything was given to me in a rush." ***Exhibit 19***. Representative Shuster's official calendar for January 31, 1995, indicates that he had a meeting scheduled at 11:30 a.m. with "Paddisa Madda, Jap. Export/Import" and other individuals in his congressional office. ***Exhibit 20.***

Representative Shuster's office provided the Investigative Subcommittee with a copy of a letter to Representative Shuster from Thomas M. Downs, the President of Amtrak, dated August 16, 1995. In the letter, Mr. Downs gave Representative Shuster information regarding a "Railfest" to be held in Altoona, Pennsylvania in October 1995. The copy of the letter provided to the Investigative Subcommittee contained a circled handwritten notation indicating, "yes." [15] ***Exhibit 21.***

Ms. Eppard confirmed during her appearance before the Investigative Subcommittee that the "yes" notation on the letter was written by Ms. Eppard. After hearing the testimony of Ms. Eppard and two of Representative Shuster's employees, the Investigative Subcommittee further determined that the "yes" notation indicated Ms. Eppard's approval of Representative Shuster's attendance at the "Railfest," an event

[15] This letter was written on letterhead of National Railroad Passenger Corporation, located at 60 Massachusetts Avenue, N.E., in Washington, DC, the same address reflected by AMTRAK on its corporate documents. Corporate materials reflect that AMTRAK is a registered service mark of the National Railroad Passenger Corporation.

hosted by the Altoona community. One of Representative Shuster's employees testified that Representative Shuster often used a heavy black felt pen to circle Ms. Eppard's recommendations to signify that he intended to follow her recommendation. A copy of Representative Shuster's personal calendar for Saturday October 14, 1995, contains an entry that reads "10 Railfest (kids)." ***Exhibit 22.***

b) Request from Ann Eppard's Client the Pennsylvania Turnpike Commission

Representative Shuster's office provided the Investigative Subcommittee with a copy of an appointment request from the Pennsylvania Turnpike Commission dated May 13, 1995, inviting Representative Shuster to attend a groundbreaking ceremony for Mon/Fayette Expressway from I-70 to State Route 51 on June 2, 1995. ***Exhibit 23.*** At the time of this request, Ms. Eppard was a paid consultant for the Pennsylvania Turnpike Commission, receiving $8,333/month, commencing on or about February 27, 1995.

The document contains a handwritten note from Representative Shuster's chief of staff to "ask Ann." The invitation bears a handwritten instruction from Ms. Eppard, presumably written in response, that reads "if he wants to, then I could set up a fundraiser." It appears, however, that Representative Shuster did not attend this event.

c) Request from Ann Eppard's Client the Carmen Group

Representative Shuster's office provided the Investigative Subcommittee with a copy of letter dated May 5, 1995, addressed to Representative Shuster inviting him to attend the National Association of Flood and Stormwater Management Agencies (NAFSMA) annual meeting from November 1 – 4, 1995. ***Exhibit 24.*** Representative Shuster's office also provided the Investigative Subcommittee with a copy of an internal memorandum dated July 18, 1995, on the letterhead of LMRC, an affiliate of the Carmen Group, addressed to David Carmen and from Joci Shrewder regarding "Request for Shuster at NAFSMA Annual Meeting" with a copy of the May 5 letter addressed to

Representative Shuster. ***Exhibit 25.*** At the time this correspondence was generated, Ms. Eppard was a paid consultant for the Carmen Group, receiving $5,000/month, commencing on or about March 9, 1995.

The internal memo dated July 18, 1995, bears a handwritten note from Ann Eppard to Representative Shuster's chief of staff that reads, "See if the boss can do and call [another employee at Ann Eppard Associates."] Representative Shuster's office provided the Investigative Subcommittee with a copy of the NAFSMA 1995 Annual Meeting Update which states that Representative Shuster, Chairman of the Committee on Transportation and Infrastructure, has confirmed that he will make the meeting's keynote address during a luncheon on Thursday, November 2.[16] The NAFSMA Annual Meeting Agenda also lists Representative Shuster as its keynote speaker on November 2. David Carmen, Chief Executive Officer of the Carmen Group, stated in his testimony before the Investigative Subcommittee that he could not recall whether Representative Shuster actually spoke at this event.

6. Ann Eppard's Introduction Of Her Clients To Representative Shuster In His Congressional Office

During 1995, Ms. Eppard frequently introduced her clients to Representative Shuster in his congressional office in Room 2188 of the Rayburn House Office Building before the clients met with Representative Shuster out of the presence of Ms. Eppard.

A former employee in Representative Shuster's personal office testified before the Investigative Subcommittee that during 1995, Ms. Eppard routinely brought clients by the office and introduced them to Representative Shuster before the clients had an appointment with Representative Shuster. The witness estimated that this occurred approximately twice each month during 1995. The witness also testified that Ms. Eppard

[16] *See* Exhibit 24 at 6.

would normally leave the room after the introduction and would not remain present for the meeting between her clients and Representative Shuster.

7. Flights On Corporate Jets Owned By Federal Express Corporation

On approximately six (6) occasions during 1995, Representative Shuster flew on chartered corporate jets owned by Federal Express Corporation ("Federal Express") with Ms. Eppard and government affairs representatives of Federal Express at a time when Ms. Eppard was a paid consultant for Federal Express. At the time of these trips, Ms. Eppard was a paid consultant for Federal Express, receiving $5,000/month commencing on or about March 1, 1995. ***Exhibit 26.***

On several occasions other individuals flew with Representative Shuster and Ms. Eppard, including congressional staff members working for Representative Shuster or business associates of Ms. Eppard. On each occasion, the Bud Shuster for Congress Committee paid the equivalent of first class airfare to Federal Express for the use of the jets for Representative Shuster and Ms. Eppard. ***Exhibit 27.*** On each occasion a Federal Express government affairs representative accompanied Representative Shuster and Ms. Eppard. These occasions included:

- April 17, 1995: Chicago, IL to Los Angeles, CA
- April 25, 1995: Palm Springs, CA to Washington, DC
- June 3, 1995: Washington, DC to Boston, MA[17]
- August 27, 1995: Rogers, AR to Memphis, TE
- August 29, 1995: Houston, TX to Santa Barbara, CA
- August 30, 1995: Santa Barbara, CA to Washington, DC

[17] Representative Shuster testified against the closure of the Letterkenny Army Depot at a BRAC hearing during this trip to Boston. See Section V, below.

One government affairs representative for Federal Express stated in his testimony before the Investigative Subcommittee that "we generally tried to do any trip that Mr. Shuster wanted to do." He explained this was because Representative Shuster was the Chairman of the "main committee that has jurisdiction over FedEx's issues." The government affairs representative further testified that "relationship-building" was "the benefit and the primary purpose of doing these trips."

The government affairs representatives of Federal Express who testified before the Investigative Subcommittee also emphasized that Federal Express has a policy not to engage in conversation regarding legislation with a Member of Congress on an aircraft owned by Federal Express unless asked a direct question by the Member. Three government affairs representatives from Federal Express testified before the Investigative Subcommittee and none could recall a discussion of any specific legislative issues with Representative Shuster and Ms. Eppard during the 1995 flights.

The Investigative Subcommittee noted that both Ms. Eppard and Federal Express considered relationship building an important goal of meetings with Members of Congress, as evidenced in the appearance of Sandra Dickey before the Investigative Subcommittee:

Q Did you perceive the presence of a government affairs representative on the plane with Congressman Shuster specifically in 1995 as a lobbying opportunity?

A No.

...

Q Ms. Dickey, if you would please direct your attention forward to Exhibit No. 124.[18]

A Yes.

Q This is a memo we reviewed with you when we met with you informally last time. It appears to be a memo from you to Fred Smith [Chairman and CEO], with a copy to Mr. Masterson [Executive Vice-President and General Counsel] and Mr. Cloud [Vice-President of

[18] ***Exhibit 28*** to this Report.

Government Affairs], dated January 11, 1996. Do you recognize this document?

A Yes.

Q Did you author this document?

A Yes.

Q On the second paragraph you appeared to have written that "this trip could be very beneficial to us. In light of the new lobbying laws which took place on January 1, the use of our aircraft is the only legitimate lobbying tool remaining."

Q Could you describe for the subcommittee in what sense you felt this trip would be beneficial to you?

A As I recall, the new lobbying laws changed at the end of 1995.

Q Do you mean the House gift rule?

A Yes. I call that the lobbying laws. Prior to 1996, we were involved in various kinds of entertainment, taking people out to dinner, socializing, which we were prohibited from doing. I think I was trying to say that with those opportunities taken away, the use of our airplane was still an acceptable opportunity to get to know Members of Congress, to be on the airplane with them, but not to discuss specific issues, because we have a policy not to lobby on the airplane.

Q What is that policy?

A The policy is that anybody in government affairs or anybody with Federal Express is not to engage in a conversation regarding legislation with a Member of Congress unless we are specifically asked a direct question. We think one of the reasons our airplane has been used as often as it is because we have that policy.

.....

Q All right. So when you say in the second sentence, "The use of our aircraft is the only legitimate lobbying tool remaining," is it your testimony -- could you reconcile --?

A I think that was a bad choice of words. I meant from a government affairs perspective, the use of our airplane was a legitimate tool. I think I was talking about relationships, establishing relationships, not lobbying.

Q Is it your testimony that establishing a relationship with a Member of Congress is not lobbying unless you're discussing legislation specifically?

A Yes.

Q That is your testimony?

A Yes.

...

Q If you will turn to [Exhibit] number 26, addressed to Mr. Schenendorf, you stated, "It was a pleasure meeting June last week and spending time with you, Chairman Shuster and Ann Eppard in Palm Springs.[19] I look forward to working with you during the 104th Congress on transportation issues regarding FedEx. As a memento of our flight across the country, enclosed is a FedEx umbrella for those rainy D.C. days."

Q Do you recall writing that letter to Mr. Schenendorf?

A Yes.

.....

A I was on the FedEx aircraft with Congressman Shuster on a trip to Palm Springs.

Q How long were you in Palm Springs, if you recall?

A Two days.

Q Okay. And do you recall what Congressman Shuster and Mrs. Eppard were doing in Palm Springs?

A He was attending a conference of the American Railway Association.

Q Was your exclusive purpose there simply because the plane was there?

A We flew to pick him up in Palm Springs. We did not take him to Palm Springs.

Q So you flew out 2 days before the plane was scheduled to leave Palm Springs?

A I flew commercial.

Q I see.[20]

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[19] ***Exhibit 29*** **to this Report.**

[20] **Dep. of Ann Sanders Dickey, October 19, 1999, at 39-44.**

By traveling on Federal Express corporate jets on a regular basis during 1995 with Ms. Eppard and government affairs representatives of Federal Express during a time when Ms. Eppard was restricted in her contacts with Representative Shuster on behalf of her clients, Representative Shuster created a circumstance that might be construed by reasonable persons as permitting Ms. Eppard to influence the performance of Representative Shuster's official actions during the twelve-month period immediately following her resignation from his office.

8. Other Dinners In Room 2254 Of Rayburn House Office Building

During 1995, Representative Shuster permitted Ms. Eppard and/or Ann Eppard Associates to organize numerous dinners with Representative Shuster and her clients or persons affiliated with her clients and/or her business associates, in Room 2254 of the Rayburn House Office Building. Many of these dinners were paid for entirely or in part by Ms. Eppard's business, Ann Eppard Associates, or by her clients and persons associated with her clients. Although these activities may not constitute specific appearances or communications, as did the activities described in the foregoing sections, the Investigative Subcommittee was also troubled by this conduct.

These included two dinners for Vernon Clark on March 6, 1995 and March 29, 1995. Vernon Clark was the former president of OAAA and in 1995 headed Vernon Clark Associates, a lobbying firm. During this time period, Mr. Clark's firm represented a member of the OAAA. Catering records indicate that Ann Eppard Associates paid for a portion of a birthday dinner on March 6. Vern Clark and Associates paid for the other portion of the dinner.[21] Ann Eppard Associates paid for all of a dinner for four guests on March 29.[22] The Investigative Subcommittee also received testimony that Mr. Clark was a personal friend of both Representative Shuster and Ms. Eppard.

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[21] ***Exhibit 30*** at 1.

[22] *Id.* These records indicate that for each of the five meals listed in this section, the Alexandria Pastry Shop billed Ann Eppard Associates for the food and catering. AEA was the point of contact for ordering the

The dinners organized by Ann Eppard Associates also included a dinner for AEA clients Amtrak on June 21, 1995 (6 guests), and the Pennsylvania Turnpike Commission on June 28, 1995 (5 guests.) According to records obtained by the Investigative Subcommittee from the Alexandria Pastry Shop, Ann Eppard Associates paid for both dinners. [23]

Finally, records indicate AEA organized a dinner on March 15, 1995, that was scheduled in Room 2254 for Edward Hamberger and his client, the Foothill Transit Group (12 guests). Mr. Hamberger's law firm, Baker Donelson, paid for the dinner. [24]

The Investigative Subcommittee was troubled by the appearance created by Ms. Eppard and her firm in organizing private dinners for clients of Ms. Eppard and persons associated with those clients in Representative Shuster's private office during the period when Ms. Eppard was subject to the federal law that restricted her post-employment communications with Representative Shuster on behalf of her clients. While organizing dinners in and of itself may not have violated the statute, the Investigative Subcommittee found that Ms. Eppard's conduct created the appearance that her activities may have improperly affected Representative Shuster's official conduct.

9. Findings of Investigative Subcommittee

Based on the foregoing, the Investigative Subcommittee found that Representative Shuster engaged in a pattern and practice of knowingly allowing Ms. Eppard to appear before or communicate with him in his official capacity during the twelve-month period following her resignation as his Chief of Staff on occasions and in a manner that created the appearance that his official decisions might have been improperly affected.

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food, beverages and service for these meals. In addition, AEA advised the Alexandria Pastry Shop of the time, location and number of people who would be attending the meals.

[23] *Id.*

[24] *Id.*

While, as discussed above, the standard of conduct relevant to the appearances and communications at issue here is embodied in a statute – 18 U.S.C. § 207(e)(2) – the Investigative Subcommittee has not here reached the issue of whether Representative Shuster, Ann Eppard or any other person violated this statute. The Investigative Subcommittee has found that Representative Shuster's conduct was contrary to an underlying purpose of the conflict of interest standards as they relate to former government officials, that is, to diminish any appearance that Government decisions might be affected by the improper use by an individual of his or her former senior position. Given the repeated nature of this conduct, the Investigative Subcommittee has deemed that conduct to be one of the bases upon which it has found that Representative Shuster has engaged in conduct which does not reflect creditably on the House.[25]

C. VIOLATIONS OF HOUSE GIFT RULES

The Investigative Subcommittee found that, in connection with a trip to Puerto Rico taken by Representative Shuster and several members of his family between December 26, 1995, and January 3, 1996, Representative Shuster, directly or indirectly,

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[25] The Investigative Subcommittee notes that Representative Shuster has stated publicly in the past that the Committee on Standards of Official Conduct "cleared" at least certain aspects of his professional relationship with Ms. Eppard after her retirement from employment with the House. (*See, e.g.*, ***Exhibit 31***, Bud Shuster Press Release, February 8, 1996: "After retirement, and after clearing it with the House Ethics Committee, [Ann Eppard] continued to serve as the Congressman's chief political advisor."... "Everyone has meticulously complied with the ethics rules.") The Investigative Subcommittee notes that, prior to her retirement from his congressional office, both Representative Shuster and Ms. Eppard did orally seek the advice of staff counsel to the Committee on Standards of Official Conduct regarding certain aspects of their professional relationship. Staff counsel did orally approve certain aspects of the relationship, *e.g.*, Ms. Eppard's continuance as Representative Shuster's political and campaign advisor and their continued contact with each other as social friends in true social situations. The Investigative Subcommittee has determined, however, that regarding contacts on official matters, at a minimum both Representative Shuster and Ms. Eppard were advised that Ms. Eppard could not lobby the Congressman or employees in his office during the one-year "cooling off" period after she left his employment. The Investigative Subcommittee found with certainty that neither Representative Shuster nor Ms. Eppard ever posed to the Committee any questions regarding the propriety of the type of contacts set forth above and encompassed by the Statement of Alleged Violation. Further, the Investigative Subcommittee found that the advice rendered by Committee staff counsel in response to those questions actually posed by either Ms. Eppard or Representative Shuster could not appropriately or in good faith be taken to approve or condone any contacts of the type described above. *See* Appendix to Report.

accepted payment of or reimbursement for expenses in the approximate total amount of $4353 from Daniel, Mann, Johnson and Mendenhall ("DMJM"), from DMJM's employee Gilbert Butler, and from the Outdoor Advertising Association of America ("OAAA"). The primary purpose of this trip was recreational. Under the circumstances presented by this trip, Representative Shuster's acceptance, directly or indirectly, of payment of or reimbursement for expenses in connection with the trip violated House Rule 43(4), the gift rule in effect through December 1995, and violated House Rule 52, the gift rule in effect as of January 1, 1996. The current gift rule is Clause 5 of House Rule 26.

On his Financial Disclosure Statement for calendar year 1995, Representative Shuster indicated that he received expenses from R. J. Reynolds-Nabisco and Daniel, Mann, Johnson and Mendenhall ("DMJM") related to a trip from Washington, D.C., to San Juan, Puerto Rico, from December 26 to December 31, 1995 [six (6) nights.] He indicated that he personally incurred expenses for three (3) days of this trip. ***Exhibit 32.*** On his Financial Disclosure Statement for calendar year 1996, Representative Shuster indicated that he received expenses from R. J. Reynolds-Nabisco (through OAAA) and Daniel, Mann, Johnson and Mendenhall ("DMJM") related to the same trip to Puerto Rico from January 1 to January 2, 1996 [two (2) nights.] ***Exhibit 33.*** He indicated that he personally incurred no expenses for the portion of the trip that occurred in January, 1996. Thus, read together, Representative Shuster's financial disclosure forms indicate that he personally paid for three (3) days of travel, all of which, according to his filings, occurred in 1995. This indicates that the remaining nights were paid by the private organizations listed on each disclosure form. Since Rule 52 became effective during the course of this trip, the trip was subject to the requirements of Rule 43(4) through December 31, 1995, and to the requirements of Rule 52 beginning on January 1, 1996.

1. Expenses from Daniel, Mann, Johnson and Mendenhall ("DMJM")

Gilbert Butler, a retired employee from Daniel, Mann, Johnson and Mendenhall ("DMJM"), testified before the Subcommittee on October 26, 1999. Mr. Butler was

project manager of the Tren Urbano light rail project in Puerto Rico from September 1994 until November 1995.

Mr. Butler testified that he was asked to help secure a lease for lodgings for Representative Shuster and his family for a trip to Puerto Rico over the Christmas holidays in December 1995. Mr. Butler could not recall whether Nancy Butler (another employee of DMJM) or Lourdes Perez (communications for Puerto Rico DOT) contacted him to request his assistance.

Raymond Holdsworth, CEO and President of DMJM, sent a fax to an official with the Puerto Rico Department of Transportation on April 17, 1995, to request his assistance in locating suitable lodgings for the Shuster family during the Christmas holidays. ***Exhibit 34.*** The official, who appeared before the Subcommittee on November 9, 1999, testified that he was aware of a rental property owned by a private individual named Kenneth McGrath that might be suitable for the Shuster family's needs and that he forwarded this information immediately to Mr. Holdsworth.[26] In a fax sent to the official on April 18, 1995, Mr. Holdsworth indicated that he had met with Representative Shuster in Los Angeles that day (for a fundraiser and tour of a transportation project) and that Representative Shuster "knows and likes the area [where McGrath's property was located] and believes the accommodations would be perfect for his needs." ***Exhibit 35.***[27]

Mr. Butler ultimately contacted the owner of the property and secured the lodgings for the Shuster family consisting of a four-bedroom villa and a two-bedroom villa located in Vega Alta, Puerto Rico. These lodgings for eight (8) nights (from December 26, 1995, until the Shuster family departed on January 3, 1996) were secured as reflected in two contracts dated July 7, 1995.[28] ***Exhibit 36.***

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[26] Mr. McGrath has never met Representative Shuster. His contact with Representative Shuster was limited solely to the correspondence required to effect the lease.

[27] Exhibits 34 and 35 are partially redacted.

[28] Representative Shuster executed a contract for the two-night period from December 29 through December 31. Mr. Butler executed a separate contract for the remaining 6-night period on behalf of DMJM and OAAA.

On September 25, 1995, Representative Shuster sent his personal check in the amount of $500 as a deposit with a letter written on congressional letterhead to Mr. McGrath, the owner of the villas, with a letter stating that "I understand the organizations to whom I will be speaking will be paying for the other dates."[29] As of the date this letter was written, Representative Shuster had not received invitations from the OAAA or DMJM to participate in speaking engagements during his stay in Puerto Rico. At no time during his vacation in Puerto Rico did Representative Shuster have any speaking engagements before the OAAA or DMJM.

Between December 26, 1995, and January 3, 1996, Representative Shuster and members of his family stayed at the two villas in Vega Alta, Puerto Rico, near San Juan, Puerto Rico. One of the villas had four bedrooms and the other structure was a two-bedroom villa. The total amount charged for renting these villas for the eight nights of the trip was approximately $4228. Of this total, Representative Shuster paid $1071, representing the cost of the rental for two nights. The balance for the remaining six nights was paid by OAAA and DMJM, both clients of Ann Eppard Associates, in the amounts of $1607 and $1610 respectively.[30]

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[29] *See* Exhibit 36 at 6.

[30] The nightly breakdown of the accommodations was $357/night for the four-bedroom villa and $178/night for the two-bedroom villa. On September 25, 1995, Representative Shuster sent Kenneth McGrath, the owner of the property, a check for $500 as a deposit on the property. On November 6, 1995, Representative Shuster sent Mr. McGrath a check for $771 along with a letter explaining that the enclosed check, "when coupled with my previous deposit of $500, pays for my condo rental for the nights of Jan 1st and 2d, 1996. I am sorry for any confusion concerning the amount, which I previously overpaid, and the nights for which I am paying, but I hope this clears it up." *See* ***Exhibit 37***. The reference to the "confusion" related to a check Representative Shuster had submitted to Mr. McGrath dated November 1, 1995, in the amount of $1842, which he erroneously believed included lodging for two nights for himself and his family in the amount of $1642 plus $200 for a security deposit. Mr. McGrath never deposited this check as it was replaced by the November 6 check in the amount of $771. On February 1, 1996, Mr. McGrath sent Representative Shuster a refund of his security deposit in the amount of $200. Representative Shuster specified in his letter to Mr. McGrath, however, that he was submitting payment for lodgings for two (2) nights and he did in fact tender payment for two (2) nights lodgings. This is inconsistent with the statement on his financial disclosure forms for calendar year 1995, however, in which Representative Shuster specified that he had personally paid for lodgings for three (3) nights and that R. J. Reynolds had paid a portion of his expenses, which it had not.

During the period of this stay in Puerto Rico, Representative Shuster and members of his family frequented the Hotel Cerramar, a beach and golf resort adjacent to the villas in which they were staying, where they used a club membership card owned by Gilbert Butler to pay for meals, cocktails and other refreshments. The total charged to Mr. Butler's club membership account by the Shuster family during their stay was at least $1,136. Neither Representative Shuster nor any member of his family repaid any of this amount to DMJM or to Mr. Butler.

Mr. Butler testified that Nancy Butler (a co-worker who coincidentally has an identical surname but is not related to Mr. Butler) asked him whether the Shusters could use the club facilities located at the Cerromar. Ms. Butler testified that Gilbert Butler offered to arrange access for the Shusters to the facilities for the limited purpose of using the swimming pool and health club. Mr. Butler was a member of the club but was scheduled to be away from Puerto Rico during the Christmas holidays. The club manager told Mr. Butler that consistent with its policy, the Shusters could not use the club facilities unless Mr. Butler personally accompanied them. Another individual who was affiliated with the Tren Urbano project through fellow-GMAEC consortium member Frederick R. Harris intervened with the club general manager and secured permission for the Shusters to use the club as Mr. Butler's guests during their stay.

Nancy Butler testified that she had explained to Representative Shuster's Chief of Staff that DMJM would pay for three nights lodging for the Shuster family but that the offer did not extend to transportation, meals or refreshments. Ms. Butler also testified that she advised Representative Shuster's congressional staff that he and his family would be permitted to use the swimming pool and health club at the Hotel Cerramar. She testified that the club membership card owned by Gilbert Butler was made available to Representative Shuster at the time he collected his keys to the villas. Ms. Butler testified that she was unaware that the club membership card could be used for meals, beverages and other refreshments.

Mr. Butler testified that Representative Shuster and members of his family signed Mr. Butler's name each time they charged an item to his account at the Hotel Cerramar:

> Q: Was it clear to Representative Shuster that it was your card that he was using to charge?
>
> A: Yes, it's my name on it.
>
> Q: But he was signing his name?
>
> A: No, he signed my name.
>
> Q: He was signing your name?
>
> A: Yes. Our signatures are enough different. And then, of course, the time -- all of those bills when the invoice statement comes from the club, it's by date, so it was easy. Our latest charge was like the 17th or the 18th of the month [December], and then we left. You know, so it was easy to determine which charges were his.[31]

Raymond Holdsworth testified that he declined to reimburse Mr. Butler for these meal and refreshment expenses due to his belief, based on erroneous advice of DMJM's legal department, that the company could pay a maximum of $2000 for lodging and related expenses for Representative Shuster. DMJM had paid $1610 for lodging for the Shuster family. Even though DMJM would have been permitted to reimburse Mr. Butler for approximately $400 of these expenses under its erroneous interpretation of the law, it declined to do so. Mr. Butler testified that Mr. Holdsworth asked him to assume personal responsibility for all of the expenses incurred by Representative Shuster and members of his family at the Cerromar Hotel:

> Q And did DMJM reimburse you for those expenses?
>
> A No.
>
> Q Could you tell us why not?

[31] Dep. of Gilbert L. Butler, October 26, 1999, at 77-78.

A I asked when I got the bill and was a little surprised. I asked if I could have some help with that, and I asked Holdsworth specifically, I believe. And he said no, and, you know, take one for the team so to speak.

Q Did he provide you a reason as why he wanted you to --?

A No, not that -- I don't recall him giving a specific reason, just, Gil, hey, we can't do it. And this was not unusual as an officer of the company, I had written a lot of checks, you know, for bipartisan this, bipartisan that. And counsel this or this sort of thing.

Q Had you written checks of that size for Members of the House?

A $500 was the highest I had written before. Now, we -- the total costs to me was not $1200, because we got a 10 percent rebate on or a discount on charges. So it was the 1200 less the 10 percent.

Q Did you ever seek reimbursement from Congressman Shuster?

A No.

Q Do you have any idea as to whether Congressman Shuster is aware that you personally paid those expenses rather than DMJM?

A He probably hasn't got a clue.[32]

Mr. Butler testified that as a club member, he ultimately received a 10% discount on all charges, resulting in paying total expenses for the Shusters' expenses in the amount of $1,136.35 less 10%. During his testimony, Mr. Butler estimated that the total charged by the Shusters to his personal account was approximately $1200. He subsequently provided the Subcommittee with receipts suggesting that the total amount charged by the Shuster family from their arrival through December 31, 1995, was $1,136.35. Mr. Butler was unable to provide the Subcommittee with receipts for the January portion of the Shusters' stay.

[32] Dep. of Gilbert L. Butler at 62-63.

The receipts reveal that in addition to numerous miscellaneous charges, the Shusters incurred dinner charges in the amount of $163.25 on December 26, 1995. The Shusters charged one meal to Mr. Butler's account on December 28, 1995, in the amount of $567.15. The Shusters incurred a separate beverage charge for December 28 in the amount of $143. Other charges appear to have been on other occasions for hot dogs, burgers, sandwiches, beer, wine, cocktails, soft drinks and bicycle rentals. ***Exhibit 38.***

Mr. Butler testified that Jack Houser, an employee in DMJM's legal department, called Mr. Butler prior to Representative Shuster's arrival and advised him that in order for DMJM to make the payments for lodging on behalf of Representative Shuster, Representative Shuster would have to meet with Mr. Butler to discuss Tren Urbano or other transportation issues. Since all personnel from the GMAEC consortium were out of town for the holidays, Mr. Butler contacted DMJM architect Janos Hegede who was staying in Puerto Rico and asked him to meet with Representative Shuster.

Other evidence obtained by the Investigative Subcommittee revealed that on or about December 29, 1995, Representative Shuster met with an official of the Department of Transportation for Puerto Rico, and Mr. Hegede from DMJM at the Hotel Cerramar for approximately two hours to discuss the Tren Urbano light rail project in San Juan. As late as December 11, 1995, the Puerto Rican official had contacted Representative Shuster by letter to invite him to tour a coffee plantation while he was in Puerto Rico stating that he knew Representative Shuster's trip over the holidays was "a recreational one." ***Exhibit 39.***[33] Representative Shuster declined the invitation to tour the coffee plantation, but sometime after December 11, the meeting at the Hotel Cerramar was scheduled to discuss the Tren Urbano project with the official and Mr. Hegede.

[33] This exhibit is partially redacted.

2. Expenses from Outdoor Advertising Association of America ("OAAA")

Nancy Fletcher, President and CEO of the Outdoor Advertising Association of America ("OAAA"), testified that she attended a bridal shower for Representative Shuster's daughter, Gia Shuster, in May, 1995, at the home of Ann Eppard. Ms. Fletcher testified that at the bridal shower, she was approached by Nancy Butler of DMJM. According to Ms. Fletcher's testimony, Ms. Butler informed her that Representative Shuster was going to be in Puerto Rico over the Christmas holidays and wanted to ascertain whether there was a field trip that would be helpful or important for outdoor advertising.[34] Ms. Fletcher advised Ms. Butler that R. J. Reynolds ("RJR") owned billboards in Puerto Rico, that there were billboard issues that were pending before Congress and that she thought RJR could set up a field visit for Representative Shuster over the Christmas holidays.

Ms. Fletcher testified that subsequent to their discussion at the bridal shower, Ms. Butler contacted Ms. Fletcher or someone in her office, sent a fax, and asked OAAA to pay for two or three nights lodging. Ms. Fletcher said that OAAA did not request that Representative Shuster come to Puerto Rico. Rather, Ms. Fletcher testified that the idea to pay for part of Representative Shuster's lodging was based on Nancy Butler's suggestion that Representative Shuster would be in Puerto Rico and Ms. Butler's request that a business-related event occur to justify his acceptance of the lodging paid by a third party.

During her appearance before the Investigative Subcommittee, Ms. Fletcher testified that during this period, R. J. Reynolds was the second largest advertiser on billboards in the United States and she knew that there was a R. J. Reynolds facility in

[34] During her appearance before the Investigative Subcommittee, Ms. Butler testified that she could not recall the specifics of her conversation with Ms. Fletcher at the shower, nor could she specifically recall whether Ms. Fletcher was aware of the fact that the Shusters planned to travel to Puerto Rico during December prior to the time she discussed it with Ms. Fletcher, as revealed in the following testimony: "If she didn't know, and I said that we were doing it, maybe it planted an idea in her head and she went back and took action upon it. But I'm sure I did not make an overt solicitation of her to sponsor at that time." Dep. of Nancy C. Butler, November 5, 1999, at 86.

Puerto Rico. She contacted Vern Clark, a friend of Representative Shuster and former President of OAAA, for assistance in requesting that individuals in the government relations division of R. J. Reynolds organize an appropriate "field trip" for Representative Shuster. Ms. Fletcher testified that there were no billboard issues impacting R. J. Reynolds that were specific to Puerto Rico at the time of Representative Shuster's visit, but that generally any field visit consisting of looking at billboards could be highly educational. She testified that "it's very instructive to get in a car and go drive around and see which [billboards] are nonconforming."[35] On December 20, 1995, the OAAA paid $420 to Dorado Transport Company, a limousine service located in Puerto Rico, to provide transportation to Representative Shuster so that he could take a tour of billboards. ***Exhibit 40.***

Sometime prior to Representative Shuster's scheduled departure for Puerto Rico, Ms. Fletcher telephoned his congressional office to ensure that the meeting was scheduled between Representative Shuster and a representative of RJR and that it was going to take place. It was her understanding that Representative Shuster was going to take a tour of billboards in Puerto Rico. She learned only after the fact that the tour never took place, that the hired limousine was not used for a tour of billboards and that Representative Shuster had met with the RJR general manager at another location. She knew no details of the meeting.

On December 28, 1995, Representative Shuster met for approximately one hour with Marc Voigt, an employee of an R. J. Reynolds manufacturing facility in Puerto Rico, at the Hotel Cerramar and discussed the activities of the R. J. Reynolds facility. During his testimony before the Investigative Subcommittee, Mr. Voigt stated that he had previously agreed to open the R. J. Reynolds facility, which was closed for the holidays, to give Representative Shuster a tour of the facility. Representative Shuster cancelled the tour, however, and instead met with Mr. Voigt at the Hotel Cerramar where they met informally. During their meeting, Representative Shuster asked Mr. Voigt to describe his

[35] Dep. of Nancy J. Fletcher, October 4, 1999, at 57.

responsibilities at R. J. Reynolds and asked about the products they produced and where they were sold. He testified that Representative Shuster told him he was on a transportation committee and was in Yabuco talking to different business people. He further testified that their meeting was short, probably less than an hour. Mr. Voigt had no talking points, briefing papers or anything of that sort. Mr. Voigt had never met Representative Shuster prior to this short meeting and had no subsequent contact with him. Their refreshments consisted of soft drinks, water or iced tea which Mr. Voigt billed to his club account and for which he sought no reimbursement from R. J. Reynolds. No other person attended the meeting with Representative Shuster and Mr. Voigt.

Donald Foreman, Director of Federal Government Relations for R. J. Reynolds in Washington, D.C., appeared before the Subcommittee on November 3, 1999. Mr. Foreman confirmed that R. J. Reynolds paid none of Representative Shuster's expenses associated with the trip to Puerto Rico other than the modest expense Mr. Voigt incurred for beverages. Mr. Foreman testified that R. J. Reynolds did not provide any in-kind gifts to Representative Shuster in the form of lodging or transportation.

3. Findings of Investigative Subcommittee

During this trip to Puerto Rico, Representative Shuster did not participate in any other meetings or events with, or organized by or for, DMJM or OAAA.[36]

House Rule 43, Clause 4, the gift rule in effect through December 1995, provided, in pertinent part and with certain exceptions, that a "Member . . . or employee of the House of Representatives shall not accept gifts (other than personal hospitality of an individual or with a fair market value of $100 or less) ...in any calendar year aggregating

[36]Representative Shuster communicated to the Investigative Subcommittee that in addition to the brief meetings on December 28 and 29, he had a separate meeting with two agents from the federal Drug Enforcement Agency during the trip. The Investigative Subcommittee found this assertion irrelevant to its conclusion that the primary purpose of Representative Shuster's trip to Puerto Rico was recreational and not directly related to any event or meeting with or organized by DMJM or OAAA.

more than . . . $250, . . .directly or indirectly from any person." Under Rule 43, Clause 4, Members or employees were permitted to accept travel expenses from private sources in connection with "substantial participation events" or fact-finding. Members or employees were permitted to accept necessary expenses from a private source if the Member or employee substantially participated in an event directly associated with the payer; that is, to accept expenses, the Member or employee was required to provide services of roughly equivalent value to the expenses received. The services were required to be more than perfunctory.

Even where a Member or employee rendered no services, Rule 43, Clause 4, permitted acceptance of necessary expenses for a fact-finding tour taken for educational purposes directly related to official duties. Under the rule, such travel could not be for the personal pleasure or entertainment of the Member or employee. The sponsor of a fact-finding travel had to be directly and immediately associated with the event or location being visited. The term "fact-finding event" was intended to be interpreted narrowly. Under Rule 43, Clause 4, a Member or employee was allowed to accept travel expenses for an accompanying spouse or one other family member, but acceptance of travel expenses for more than one accompanying relative was not permissible. House Ethics Manual (April 1992) at 37–39, 43-44.

House Rule 52, the gift rule which went into effect January 1, 1996, prohibited Members and employees from accepting any gift except as specifically provided in the rule. Rule 52 continued to allow Members and staff to accept necessary expenses from private sources, other than registered lobbyists or agents of a foreign principal, to travel to meetings, fact-finding trips and similar events in connection with official duties. Under Rule 52, necessary expenses were limited to reasonable expenses for transportation, lodging, conference fees and materials, and food and refreshment incurred in connection with the official connected activity. Expenditures for recreational activities were specifically and explicitly excluded from the term "necessary expenses." Under Rule 52, travel expenses could include expenses incurred on behalf of a spouse or a child accompanying the Member or employee on the trip. Advisory Memorandum on "The

New Gift Rule," *Committee on Standards of Official Conduct*, U. S. House of Representatives, December 7, 1995.

The gift rule allows Members and employees to accept travel expenses from private sources for the sole purpose of enabling them to engage in activities that are related to their official House duties, such as to speak at or otherwise participate in a conference or meeting, or to engage in *bona fide* fact-finding. The provisions of the rule on acceptance of travel expenses are clearly not to be used as a ruse to enable outside interests to pay for vacations for Members or employees. This point is abundantly clear in the language of the gift rule itself, in the guidance provided by the Committee on Standards of Official Conduct, and is reinforced by the provision of the House Code of Official Conduct requiring Members and employees to adhere to both the spirit and the letter of the House rules.

To the extent that Representative Shuster participated in any activity or event associated with the payer(s) or reimbursor(s) of any of the expenses of the trip to Puerto Rico from on or about December 26, 1995, to on or about January 3, 1996, or to the extent that during this trip Representative Shuster participated in any activity or event in connection with his official duties, such participation did not reasonably justify Representative Shuster's acceptance, directly or indirectly, of the expenses received from private sources in connection with this trip in its entirety or in connection with the 1995 portion or the 1996 portion of this trip. Even if Representative Shuster's participation in activities or events during this trip justified his acceptance of some portion of the expenses of this trip from private sources, at most such expenses, if otherwise justified, could only be accepted to the extent incurred by Representative Shuster and only one other family member. As such, the Investigative Subcommittee found substantial reason to believe that Representative Shuster's acceptance of these expenses from DMJM and OAAA violated the applicable House gift rules.

D. VIOLATION OF FORMER HOUSE RULE 45

The Investigative Subcommittee found that from the time Ann M. Eppard resigned as Chief of Staff from Representative Shuster's congressional office in November 1994, and for a period of at least eighteen (18) consecutive months thereafter, Representative Shuster routinely encouraged, authorized or otherwise accepted the scheduling and advisory services of Ms. Eppard on matters that were official in nature, and which should have been performed by his congressional staff. Commencing immediately following her resignation from Representative Shuster's congressional office, Ms. Eppard had contact with Representative Shuster's scheduler, his new chief of staff and/or other employees of his congressional office on a regular basis for the purpose of providing her recommendations on requests from third parties for official appointments with Representative Shuster. Ms. Eppard, a registered lobbyist and political advisor to Representative Shuster, used this regular and extensive contact with Representative Shuster's congressional office to exercise her influence over his official schedule.

This conduct violated former House Rule 45 (current House Rule 25) under which House offices are generally prohibited from accepting private support for official activities. Former House Rule 45 provided that "no Member may maintain or have maintained for his use an unofficial office account." The prohibition extends not only to private monetary contributions, but also to in-kind support from private sources. As a general matter, the official activities of each Member and Committee office are to be supported by official monies appropriated for those activities. The Committee on Standards has interpreted former Rule 45 to support its finding that the regular involvement of a volunteer/political advisor in a congressional office who performs tasks properly associated with the official responsibilities of House Members and employees is inappropriate.[37]

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[37] Inquiry into Various Complaints Filed Against Representative Newt Gingrich, H. Rep. No. 104-401, 104th Cong., 1st Sess. 4 (1995).

The concerns regarding the acceptance of voluntary services of individuals include the fact that at times, quite obviously, an individual offering to perform such services for a Member of Congress may have his or her own agenda. Thus, even with regard to individual participation in established intern or fellowship programs, whose services may be accepted by a House office, the Committee on Standards has cautioned that those individuals "should not be assigned duties that will result in any direct or indirect benefit to the sponsoring organization, other than broadening the individual's knowledge."[38]

Representative Shuster authorized and/or accepted the scheduling and advisory services of Ms. Eppard, a registered lobbyist who was his political adviser and former Chief of Staff, on matters that were official in nature for approximately 18 months after she resigned from his office. In so doing, Representative Shuster permitted Ms. Eppard to influence his official schedule and she did, in fact, influence his official schedule. Representative Shuster was aware that Ms. Eppard was a registered lobbyist with clients in the transportation industry and knew that she could use her influence over his congressional schedule to benefit her business interests.

1. Facts Upon Which Findings Are Based

Following Ms. Eppard's resignation from Representative Shuster's staff in November, 1994, employees in Representative Shuster's congressional office would routinely seek Ms. Eppard's assistance in identifying persons who submitted requests to meet with Representative Shuster and routinely sought her guidance regarding whether the requests of third parties to meet with Representative Shuster should be granted. Ms. Eppard routinely gave such guidance. Ms. Eppard's influence was not limited to advising Representative Shuster's staff regarding which appointments should be scheduled for him personally but in some instances even extended to recommending and/or directing that individual employees from his congressional office attend designated events.

[38] House Ethics Manual at 197.

Representative Shuster's former scheduler testified that after Representative Shuster became Chairman of the Committee on Transportation and Infrastructure, it was her practice to process all requests for appointments that came into the office by telephone or in written form by conveying all requests to new Chief of Staff Carol Wood (who succeeded Ms. Eppard) who, in turn, discussed the requests with Representative Shuster. Representative Shuster determined which parties would receive appointments and the folder containing the written requests would be returned to the scheduler. Whenever the congressional office received requests for appointments in Representative Shuster's office, members of the staff routinely sought Ms. Eppard's assistance in identifying persons making the request, explaining why this person might be coming in and what their view on certain issues might be. Employees who remained on Representative Shuster's staff after Ms. Eppard departed testified before the Investigative Subcommittee that they sought her opinion on these matters because, in their view, Ms. Eppard had been there a long time and had a great deal of institutional knowledge. Inquiries were not limited to campaign matters. This practice of seeking Ms. Eppard's input on an almost daily basis continued for approximately 18 months until Timothy Hugo succeeded Carol Wood as Chief of Staff in May, 1996. The practice appears to have diminished after Mr. Hugo commenced his duties as new Chief of Staff.

The Investigative Subcommittee reviewed several hundred scheduling requests obtained from Representative Shuster's congressional office for the period from November, 1994, until at least January, 1998. The documents reflect copious instances where Ms. Eppard provided written comments regarding whether Representative Shuster and/or his congressional employees should agree to schedule a particular meeting or event with third parties.

During her appearance before the Investigative Subcommittee, Committee counsel asked Ms. Eppard to review a sampling of forty-eight of the pages. ***Exhibit 41.*** Thirty-eight of these pages were requests for appointments with Representative Shuster that reflected handwritten notations that the Subcommittee believed to be the handwriting

of Ms. Eppard. Ms. Eppard positively identified her handwriting on thirty-seven of the thirty-eight pages and stated that "I am amazed I wrote so many things."[39]

Ms. Eppard's involvement in Representative Shuster's official appointment calendar eventually became so extensive that the congressional staff developed a code of simply marking documents with the initials "AME" (Ann M. Eppard) before submitting the documents to Representative Shuster to reflect that Ms. Eppard had reviewed a request and had recommended that Representative Shuster schedule an appointment with the party submitting the request. ***Exhibit 42.*** Representative Shuster's congressional staff routinely faxed the written requests to Ms. Eppard at Ann Eppard Associates for her review and comments or Ms. Eppard would stop by the congressional office to review them there. Employees from Representative Shuster's congressional office testified that during the first year after she left Representative Shuster's office, Ms. Eppard would come by Representative Shuster's office on an almost daily basis.

Representative Shuster was aware that his staff was seeking Ms. Eppard's views on the advisability of granting appointment requests to third parties who submitted them to his office. On occasion, Representative Shuster would use a heavy felt pen to circle Ms. Eppard's written recommendations to signal to his congressional staff that he agreed to schedule the requested appointment in accordance with Ms. Eppard's recommendations.[40]

The former scheduler testified that "[Representative Shuster] would look at these documents I had written the dates and times on, and when Ann's opinion had been requested, she would put a note on it, and he would look at who was requesting the appointment and circle it and then look at the opinion. If he agreed, he would circle her

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[39] Ms. Eppard was not certain whether she had written the notation that read "Ask Ed" on Exhibit 41 at 26. [EGS-M 001302] Dep. of Ann M. Eppard, March 7, 2000, at 52, 77.

[40] Exhibit 41 at 3, 14, 18, 19, 35 and 42.

advice, and if not, he would either put a note on of his own on there or would mark a new one on the request."[41]

From November, 1994, until at least June 12, 1996, several written appointment requests bearing Ms. Eppard's handwriting were submitted to Representative Shuster's congressional office by Ms. Eppard on behalf of her clients and/or were submitted directly by Ms. Eppard's clients to the congressional office and subsequently reviewed by Ms. Eppard for her comments. Much of this activity took place during the one-year period during which Ms. Eppard was subject to the post-employment restrictions designed to limit her contact with Representative Shuster. Ms. Eppard's authority in this regard was so extensive that in some instances, Representative Shuster's congressional scheduler was authorized to follow the direct instructions she received from Ms. Eppard in putting appointments on Representative Shuster's calendar.

In some instances, these appointments were for campaign matters, but in other instances, Representative Shuster's congressional employees acknowledged that the events were exclusively official. The employees attempted to justify this practice by testifying that since any request for an appointment to see Representative Shuster would have political implications, it was appropriate to seek Ms. Eppard's views because she was an employee of the Bud Shuster for Congress Committee.

Representative Shuster's scheduler estimated during her appearance before the Investigative Subcommittee that during the first year that Representative Shuster served as Chairman of the Committee on Transportation and Infrastructure, approximately 25 percent of the persons submitting requests received appointments to see him. Among the records obtained by the Investigative Subcommittee from Representative Shuster's office, in the instances where Ms. Eppard's advice was solicited by Representative Shuster's office for official appointments and the appointment request reflects Ms. Eppard's written

[41] Dep. of employee of U.S. House of Representatives, October 1, 1999, at 28.

recommendation, it appears that Ms. Eppard's advice was followed by Representative Shuster's office on the majority of all such occasions.

2. Findings of Investigative Subcommittee

Members of the House are ultimately responsible for ensuring that their offices function in accordance with applicable standards. In this regard, Members must not only ensure that their offices comply with appropriate standards but also take account of the manner in which their actions may be perceived.

The Investigative Subcommittee recognizes that a limited amount of involvement by a departing congressional employee with his or her former employing office following resignation might be reasonable under certain circumstances to ensure a smooth transition before his or her successor becomes familiar with job responsibilities. The Investigative Subcommittee further recognizes that Ms. Eppard served as Representative Shuster's Chief of Staff for approximately 21 years and that she was succeeded as Chief of Staff by an individual who had far more limited experience in managing a congressional office. The Investigative Subcommittee acknowledges that once Representative Shuster commenced duties as Chairman of the Committee on Transportation and Infrastructure at the beginning of the 104th Congress, demands for his attention increased dramatically, and necessarily increased the volume of work in his personal office to manage appointments, correspondence and telephone calls. Ms. Eppard herself described the atmosphere in Representative Shuster's office during this period as one of "turmoil."[42]

In 1995, the Committee on Standards examined the propriety of former Speaker Newt Gingrich's practice of permitting Joseph Gaylord, his political adviser, to have a regular, routine presence in the Speaker's congressional office during the beginning of the 104th Congress. In its report, the Committee stated that "Mr. Gaylord's alleged activities included attending leadership meetings, interviewing prospective employees,

[42] Dep. of Ann M. Eppard, March 7, 2000, at 39.

and making salary recommendations in the transition period during which Representative Gingrich was reorganizing his office to assume the responsibility of Speaker. The Committee found that the utilization of Mr. Gaylord to interview employees during the transaction, a task that is properly associated with the official responsibilities of House Members and employees, is inappropriate. The routine presence of Mr. Gaylord in congressional offices creates the appearance of the improper commingling of political and official resources and is inappropriate. The Committee concluded that these actions taken together violate House Rule 45." INQUIRY INTO VARIOUS COMPLAINTS FILED AGAINST REPRESENTATIVE NEWT GINGRICH, H. REP. No. 104-401, 104th Cong., 1st Sess. (1995) at 4.

The Committee on Standards issued a *Dear Colleague* letter dated June 29, 1990 (reprinted in the *House Ethics Manual* at 206 – 210) in which it explained that the only circumstances under which House Rule 45 has been construed to permit a House office to accept the temporary services of an outside party has been in the case of a volunteer. A volunteer may provide services in a congressional office provided the office "has a clearly defined program" in which "the voluntary service is of significant educational benefit to the participant" and "does not supplant the normal and regular duties of paid employees." Obviously, this exception does not apply to these circumstances as Ms. Eppard activities in Representative Shuster's office clearly had neither the purpose nor the effect of conferring any educational benefit upon her.

The Investigative Subcommittee notes that although Ms. Eppard's recommendations were not followed on each and every occasion, her advice was solicited by Representative Shuster's office on the majority of the appointment requests that the Investigative Subcommittee examined for 1995 and 1996. The Investigative Subcommittee further notes that many of Ms. Eppard's clients obtained appointments to meet with Representative Shuster shortly after he became Chairman of the Committee on Transportation and Infrastructure and thereafter.

Ms. Eppard rendered extensive assistance to Representative Shuster's congressional staff on a regular and routine basis that supplanted the duties normally performed by congressional employees. Her services were plainly not consistent with the provisions of Rule 45 which specify that services performed by a volunteer in a congressional office should be limited in duration and part of a clearly defined educational program. Ms. Eppard's continuous and extensive participation in the day-to-day management of Representative Shuster's congressional schedule long after the date of her resignation, however, could not be described as limited or incidental assistance required to facilitate a "transition." Moreover, Ms. Eppard's regular and routine presence in the official activities of the congressional office was particularly imprudent due to her role as political adviser to Representative Shuster, as this created the appearance of the improper commingling of political and official resources. This imprudence was further compounded by the fact that the restrictions of 18 U.S.C. § 207 limited – or should have limited – Ms. Eppard's contact with Representative Shuster personally and all employees in his congressional office during the twelve-month period immediately following her resignation.

Based on the foregoing, the Investigative Subcommittee has substantial reason to believe that commencing November 9, 1994, and for approximately 18 consecutive months thereafter, Representative Shuster routinely encouraged, authorized or otherwise accepted the scheduling and advisory services of Ann M. Eppard for matters that were exclusively official in nature and all of which should have been performed by his congressional staff, in violation of then-Rule 45 of the House of Representatives.

E. IMPROPER USE OF CONGRESSIONAL STAFF FOR CAMPAIGN PURPOSES

The Investigative Subcommittee found from at least 1993 to at least December 31, 1998, Representative Shuster failed to establish any fixed policy, written or otherwise, or to maintain any records to reflect the number of days his congressional employees were away from the congressional office for vacation, sick leave or to perform services for the Bud Shuster for Congress Committee ("BSCC"). The testimony of

several current and former employees from Representative Shuster's congressional office revealed that there was an inconsistent understanding among his staff of the office policy regarding employee leave. Several congressional employees from Representative Shuster's office testified that they frequently performed services for the BSCC during regular office hours and did not use vacation time or take leave without pay for the time that they devoted to campaign work. As a result, these employees were paid their full congressional salaries for time that was actually spent working for the BSCC.

Prior to September 1, 1995, statutory law and rules of the Committee on House Administration provided for a Clerk Hire Allowance "for the employment of staff in the Member's Washington, D.C. congressional office and district office(s)." U.S. House of Representatives Congressional Handbook (Sept. 1985) and 2 U.S.C. §§ 56 and 122a. Effective September 1, 1995, the rules were modified to provide that "[t]here is established for the House of Representatives a single allowance, to be known as the 'Members' Representational Allowance,' which shall be available to support the conduct of the official and representational duties of a Member of the House of Representatives with respect to the district from which the Member is elected." Members' Congressional Handbook, 104th Cong. (1995); 2 U.S.C. § 57b; 31 U.S.C. § 1301. The Committee on House Administration has long specified that the official allowances may not be used to defray any personal, political, or campaign-related expenses, nor may a Member directly benefit from the expenditure of these funds. U.S. House Of Representatives Congressional Handbook 2.I.A (Sept. 1985)

Section 1301 of Title 31, United States Code, provides that appropriations shall only be used for the official purposes for which they were made.

The House Ethics Manual provides that House employees must fulfill their official congressional duties and that those duties cannot be neglected to pursue campaign activities. The House Ethics Manual further advises that House employees may engage in campaign activities in their free time after official duties have been completed, while on annual leave or on leave-without-pay status, adding that "[i]n any case, the employee

should keep careful records documenting that campaign work was not done on official time." House Ethics Manual (April 1992) at 200-201.

The importance of the fact that the salary of a House employee is to be used exclusively for the performance of official House duties, and not for the performance of campaign activities, cannot be overstated. As the U.S. District Court for the District of Columbia has observed, it is a "basic principle that government funds should not be spent to help incumbents gain reelection."[43] In this regard, a former House Member pleaded guilty in 1979 to a charge of mail fraud and income tax evasion. That case centered on claims that employees on the Member's congressional payroll were paid not for the performance of official duties, but instead for staffing and operating various campaign headquarters in the Member's re-election campaign.[44] In a similar vein, a former House employee pleaded guilty in 1993 to a charge of theft of government property. The government property at issue were the salary and expenses paid to him by the House during time when, despite his claim that he was conducting official business, he was in fact performing services for the campaign.[45]

1. Lack of Uniform Leave Policy

Representative Shuster's congressional office did not have any established written or oral policy regarding employee leave from at least 1993 until at least December 31, 1998. Many employees frequently did "volunteer" work for the Bud Shuster for Congress Committee ("BSCC") during regular congressional office hours. In all such instances, congressional employees received their full congressional salaries while they

[43] *Common Cause v. Bolger*, 574 F. Supp. 672, 683 (D.D.C. 1982), *aff'd*, 461 U.S. 911 (1983).

[44] *United States v. Clark*, Criminal No. 78-207 (W.D. Pa. 1978); *see* Senate Comm. on Rules and Administration, *Senate Election Law Guidebook 2000*, S. Doc. No. 106-14, 106th Cong., 2d Sess. 250.

[45] *United States v. Bresnahan*, Criminal No. 93-0409 (D.D.C. 1993); *see Id.* at 250.

were working for the BSCC. In some instances, employees simultaneously received payments characterized as "bonuses" from the BSCC. [46]

All such congressional employees who performed campaign services during regular business hours failed to take annual leave or a leave of absence without pay for the intervals during which they were performing services for the BSCC. Rather, all such employees took "administrative leave" during which they received their full congressional salaries. There was no limit to the amount of "administrative leave" that could be taken from the congressional office. "Administrative leave" was used primarily to designate time that each employee was out of the congressional office to perform services for the BSCC. In fact, one employee testified that the term "administrative leave" was used exclusively to denote time spent away from the congressional office to perform campaign services. Even so, no verifiable records were maintained to reflect the amount of administrative leave that was taken by congressional employees working for the BSCC. Representative Shuster put no safeguards in place to ensure that the time his employees spent out of the congressional office was properly recorded so that each employee could either count time spent out of the congressional office performing services for the BSCC as vacation time or make up such time by working at the congressional office at alternate times, such as evenings or weekends.

The Investigative Subcommittee heard the testimony of several current and former employees from Representative Shuster's personal congressional office, all of whom testified that the office did not have any established written or oral standards rules regarding office vacation policy. All of the employees who testified before the Subcommittee stated that they had done "volunteer" work for the Bud Shuster for Congress Committee ("BSCC") during regular congressional office hours. In all such

[46] Many employees explained to the Investigative Subcommittee that by describing themselves as campaign "volunteers," they did not mean to imply that they were never compensated by the BSCC. Rather, the use of the term "volunteer" indicated that no one compelled them to perform such services for the BSCC.

instances, congressional employees received their full congressional salaries while they were doing work for the BSCC.

One employee testified that employees in the congressional office were not required to keep written records of their leave but were instructed to check with the office manager to ensure that the office would be adequately staffed during intervals when they planned to be out of the office for any purpose. The employee testified that when he was hired, he learned that each employee would have four weeks of paid vacation each year, comprised of three-weeks of individual vacation time plus the week between Christmas and New Year's. He was of the impression that all employees received an identical number of vacation days each year regardless of seniority.

In contrast, another employee testified that the office imposed no limit on the number of days an employee could take each year for administrative leave, sick leave or annual leave, and that the office had no formal vacation policy. She explained to the Subcommittee that "[y]ou took time if you needed it. If you had someone was ill, you could take as much time as you needed to do that. If you wanted to do volunteer work on the campaign, that was fine with [Representative Shuster] as long as your work in the office was done. If he wasn't getting complaints from constituents – he has a pretty high standard of service for any kind of case work – as long as that was taken care of, he didn't care how many hours you sat at your desk."[47] Employees were expected to "make up" official time expended for campaign work. The leave policy was not written.

The testimony of a third employee provided yet another interpretation of the congressional office's leave policy. This employee testified that there was no set policy for sick leave or administrative leave in the congressional office although employees were given two weeks of annual leave, plus a week at Christmas. If an employee wanted to take more annual leave, it was liberally granted.

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[47] Dep. of employee of U. S. House of Representatives, October 1, 1999, at 85-86.

This employee defined "administrative leave" as any leave *with* pay. Employees were expected to take administrative leave when they worked for the campaign, meaning that they received their federal salaries even if working for the BSCC. None of the employees who appeared before the Investigative Subcommittee took annual leave or leave without pay to work for the BSCC.

One congressional employee from Representative Shuster's Washington, D.C., office worked for the BSCC for three consecutive weeks in Representative Shuster's congressional district, devoted approximately 90% of her time during this three-week interval to campaign activity and received her full congressional salary during the entire three-week interval. During this time period, the employee was a case worker in Representative Shuster's Washington office.

The employee testified as follows:

Q: Let me just ask, I want to get a sense of things. As best as you can recollect, what would have been -- either here or in Pennsylvania -- the most amount of consecutive days that you would have been out of the office for the purpose of making campaign calls or helping the campaign?

A: Weekdays, probably the longest I was out of the office -- this was the first fund-raiser I did in Pennsylvania. I was spending, living basically in Altoona for about 3 weeks.

Q: When was that?

A: 1994 -- 1993-94, somewhere in there.

Q: Approximate period, month, if you recall?

A: There would have been only one Altoona fund-raiser. If I could add to that.

Q: Please do.

A: While I was up there during the week, I would come back here on the weekend and I would do my case work and I would return my phone calls and make sure that my work in my official capacity was maintained.

Q: So you would come back every weekend and do your work?

> A: Yes. Just because we have campaign miles being refunded or the campaign paying for a room doesn't necessarily mean that the entire day was consumed with campaign activity. It just means that there was a campaign activity that touched something in that day. So rather than have the appearance that official money, taxpayer money was paying for [me] to run around in the district on a campaign day, the campaign refunded the miles.
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> Q: During that specific 3-week period that you recall, did you go to the Shuster congressional office on a daily basis?
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> A: I doubt I was there daily, but I probably would have been in there at some point once or twice in the week to return phone calls.
>
> Q: So during the regular weekday hours of that particular case, would it be fair to say that you spent more than -- just picking -- 75 percent of your time doing campaign work?
>
> A: Yes.
>
> Q: Possibly even 90 percent of your time or most of your time?
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> A: During the weekdays, yes. Probably closer to 90 than 75.[48]

An employee who was employed full-time in a district office testified that one of his primary duties for Representative Shuster was to drive Representative Shuster to official and political events. He frequently drove Representative Shuster to campaign events in the district during hours when the district office was open. He never kept any records of time he spent out of the office for campaign work nor was he ever asked to keep any records.

The employee was transferred to Washington in 1996. He submitted vouchers to the BSCC for mileage associated with a number of trips in and around Washington (as often as once or twice a week.) He testified that he was told that he could get reimbursed by the campaign for driving Representative Shuster to evening events in the Washington area, although it was not his practice to ask Representative Shuster whether he was

[48] *Id.* at 98–100.

attending an official or campaign event. He often waited outside in his vehicle with the motor idling while Representative Shuster ate dinner so he did not know the nature of many of the events, but he always billed his mileage to the campaign.

Another employee testified that she has done campaign work for Representative Shuster out of Ms. Eppard's Alexandria office "lots of times."[49] She assisted once or twice a year with Representative Shuster's large Washington fundraisers and went to Ms. Eppard's office to make telephone calls. She did not go there on the weekends but did campaign work at Ms. Eppard's office during the week during regular business hours. She recorded her absence from the congressional office as "administrative leave."

While she was employed in Representative Shuster's personal office, this employee had responsibility for maintaining vacation leave for the entire office staff but she acknowledged that records were kept "not very well....At the time, I would make a note on one of the normal desk calendars, the little flip calendars, just make a note if someone was sick or vacation or taking a day to do some volunteer work on the campaign, I would make a note that it was administrative leave."[50] She described "administrative leave" as "just a notation that the person, the staff person was out of the office doing campaign work" and acknowledged that "administrative leave" was synonymous with "campaign work."[51]

An employee who succeeded Ms. Eppard as Chief of Staff in Representative Shuster's office testified that the office scheduler had responsibility in the office for keeping records of congressional employees' sick leave, annual leave and administrative leave. The employee testified that during her 18-month tenure as Chief of Staff, neither she nor any other person ever reviewed the records that the scheduler was supposed to maintain or otherwise confirmed that proper records were maintained. Thus, the flip calendars were never reviewed by the Chief of Staff or Representative Shuster, nor was

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[49] *Id.* at 84.

[50] *Id.* at 85.

[51] *Id.*

the employee who recorded leave for all staff members ever asked to summarize or otherwise compile the data recorded on her personal calendar.

An employee testified that she has received a few payments from Representative Shuster's campaign for her campaign services. These include a check for $1200 received in September, 1996. She could not recall to which campaign event this check related. There was no precise means of setting her fee for campaign services. Rather, she testified that "[w]hile working on an event while making phone calls, Ann [Eppard] would say 'we want to give you some money for all your time that you spent working on this. Submit a voucher for $1,000 or $1,200 and we will draw up a check.' But it was never a fee or hourly rate or anything like that."[52] She testified that if this were an event in Washington, she probably would spend five to ten full business days making phone calls. The employee never took leave without pay from Representative Shuster's congressional office.

A review of e-mail generated by the employee on her computer in Representative Shuster's congressional office indicated that she worked in Ms. Eppard's office all day on Wednesday, March 18, 1998 and Tuesday, April 7, 1998. An e-mail that she sent to a campaign consultant on October 30, 1997, from her congressional office read "I will be up in Pennsylvania until November 11 ...[eleven days]" She testified that during this period, she was probably in Representative Shuster's congressional district for a November 10 fundraiser in Altoona but could not specifically recall. The employee submitted a request to the BSCC for mileage from October 31 to November 11, 1997, and testified that "[i]t looks like I was driving back and forth between my parents' house while staying in Altoona spending my days making fundraising phone calls."[53]

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[52] *Id.* at 89.

[53] *Id.* at 110.

An employee from Representative Shuster's district office testified that she regularly performed services for the BSCC during hours when the congressional office was open and made up the time in the evening or on weekends. She never used annual leave on occasions when she was working for the BSCC.

The employee's primary work for the BSCC was to organize a fund-raiser at the Ramada Hotel in Altoona every two years. The event raised between $125,000 and $150,000 and was attended by approximately 200 people. Many of her vouchers for mileage expenses related to her practice of personally delivering fund-raising tickets to individuals who purchased them since the campaign did not ordinarily mail tickets. Rather, the employee and Ms. Eppard typically delivered the tickets during the workday and in the evening. If the tickets were delivered during the congressional work hours, the employee testified that she would take "administrative leave" although she acknowledged that she continued to receive her federal salary even when she was on "administrative leave."

The employee's mileage reimbursement documents reflect that she took 39 trips on weekdays totaling approximately 3200 miles in the fall of 1996 alone. This figure did not include four additional trips (and an additional 400 miles) she took on weekends during this time period. It was the employee's practice to wait in the car while Ms. Eppard went to the door and delivered the tickets, often to BSCC volunteers who lived in rural areas of the district.

Another employee who served as Chief of Staff to Representative Shuster following Ms. Eppard's resignation testified before the Investigative Subcommittee that on numerous occasions when he was traveling with Representative Shuster in his official capacity, the employee would attend out-of-town fundraisers for the BSCC on a voluntary basis. The employee specifically recalled attending BSCC fundraisers during this period in McAllen, Texas, Portland, Oregon, Frederick, Maryland and Provo, Utah. The employee recalled touring several transportation sites with Representative Shuster by

helicopter but could not recall whether Ms. Eppard also participated in the helicopter tours.[54]

The employee testified that the employee received a congressional salary while volunteering for the BSCC. If the employee took time off to volunteer for the BSCC, the employee made it up by working long hours at the congressional office. However, the office had no firm policy regarding administrative leave, and it was not the employee's practice to record how much time was spent volunteering for the campaign. When asked by the Investigative Subcommittee how often the employee volunteered for the BSCC, the employee replied, "[A] day or two every now and then" but did not know the exact amount because the employee kept no records while serving as Chief of Staff.[55] The employee did not instruct anyone in the office to keep records although the employee stated that the scheduler may have kept records. The employee testified as follows:

> Q: How often did you volunteer for the Bud Shuster for Congress Committee while you were his chief of staff?
>
> A: A day or two every now and then, you know.
>
> Q: You don't know, right, because you didn't keep any records?
>
> A: Yeah.
>
> ...
>
> [Counsel]: Why don't you clarify? [The Witness] doesn't know if someone else in the office was keeping records of administrative leave or not, but he didn't personally keep the record.
>
> Q: That was my question. Did you?

[54]Evidence obtained from other sources, including Ms. Eppard, suggested that Ms. Eppard did participate in several of the official tours of transportation projects with Representative Shuster even though she was accompanying him out of town solely in her capacity as political adviser. When asked why she accompanied Representative Shuster on official tours after she left his congressional staff, Ms. Eppard replied that "...I have been up [on helicopters] on occasions where people said can we show you this, or on the way to the airport, can we show you this? It would be easier, to save time, what we will do, if you will go see this by helicopter, we will just drop you off at the airport. The only question I have is it has to be paid for by a government entity. You can't have a corporation flying him around." Dep. of Ann M. Eppard, March 7, 2000, at 152-153.

[55] Dep. of employee of U. S. House of Representatives, October 28, 1999, at 53.

A: No; no, sir.

Q: Did you ask or instruct anyone else in the office to do that for you?

A: [The scheduler] may have kept records. Did I tell her to? No, sir.

Q: Did you have a policy?

A: No, Congressman.

Q: Is there a written policy?

A: No, there really wasn't.

Q: Was there a stated or an oral policy?

A: I mean if people wanted to volunteer -- one thing I was very careful, I never asked anybody to volunteer, because I didn't think that was appropriate. If people asked me if they could volunteer, I would say, make sure your work is done. If you want to take a day or so, make sure your work is done, you know; and people worked the weekends or they would stay a few hours at night and do whatever they had to to make up the work. Our office ran pretty efficiently.[56]

2. Campaign Work In Congressional Office

Another employee testified that prior to Ms. Eppard's retirement from Representative Shuster's personal office in 1994, the employee and Ms. Eppard performed services for Representative Shuster's campaign in the Rayburn House Office Building over the course of several years. Examples of campaign work performed in Representative Shuster's congressional office included completing FEC expenditure and contribution reports and signing campaign checks. This practice commenced in the 1980's and stopped after Tom Hoyne was retained as Treasurer for the campaign in 1994.

All FEC reports were filed and maintained either in Representative Shuster's congressional office, Ms. Eppard's home or the employee's home. When the employee

[56] *Id.* at 53-54.

commenced employment as Representative Shuster's Chief of Staff, congressional employees on Representative Shuster's staff often performed services for the campaign during business hours at Ms. Eppard's office in Alexandria, Virginia. Most of this work involved placement of fundraising telephone calls.

3. Findings of Investigative Subcommittee

The Investigative Subcommittee found that Representative Shuster failed to establish a comprehensive and comprehensible policy for his congressional staff to record the annual, sick and administrative leave taken by each employee in his congressional office. Several employees from Representative Shuster's congressional office testified that they had personally performed services for the BSCC during regular business hours when they should have been devoting their attention purely to congressional business. All such employees testified that at no time had any of them taken annual leave or a leave of absence without pay for intervals while they were performing services for the BSCC. Rather, all such employees testified that in many instances they took "administrative leave," though they consistently confirmed that they received congressional salaries at all times while they were on "administrative leave." On some occasions, congressional employees received monetary "bonuses" for "volunteer" work they performed for the BSCC, often in excess of $1,000. All employees testified that there was no limit to the amount of "administrative leave" that could be taken from the congressional office and that it was used primarily to designate time that each employee was out of the congressional office to perform services for the BSCC.

The Investigative Subcommittee has substantial reason to believe that Representative Shuster's congressional staff engaged routinely in work for the Bud Shuster for Congress Committee ("BSCC") without taking appropriate precautions to ensure that they properly documented the time they were expending out of the congressional office during regular business hours to perform services for the BSCC. The Investigative Subcommittee has substantial reason to believe that as a result of this practice, Representative Shuster's congressional employees routinely received salaries

from the House of Representatives on numerous occasions while they were performing services for the BSCC.

The Investigative Subcommittee also found that Representative Shuster's congressional staff performed services for the BSCC in his congressional office. From the mid-1980s to 1994, all of the BSCC FEC reports were filled out in the Rayburn House Office Building and many of them were stored there. The result of this practice is that the congressional employees who were working on campaign reports in the congressional office completed reports that contained the identify of all contributors and the amount of the contributions. The congressional employees kept no records to reflect the amount of time they devoted to completing FEC reports in the congressional office. Although there was no direct evidence that Representative Shuster was aware that this activity was taking place, the Investigative Subcommittee determined that he was responsible for permitting this practice to occur for such a protracted period of time.

Based on the foregoing, the Investigative Subcommittee concluded that while under the supervision and control of Representative Shuster as their employing Member, employees in his congressional office worked for the BSCC to the apparent detriment of the time they were required to spend in the congressional office and performed services for the BSCC in his congressional office.

F. HIGH NUMBER AND DOLLAR AMOUNT OF CAMPAIGN EXPENDITURES COMBINED WITH INADEQUATE RECORD-KEEPING PRACTICES CREATED APPEARANCE THAT EXPENDITURES MAY NOT HAVE BEEN ATTRIBUTABLE TO BONA FIDE CAMPAIGN OR POLITICAL PURPOSES.

The Investigative Subcommittee found that the number and dollar amount of expenditures by the Bud Shuster for Congress Committee ("BSCC") for meals designated as "political meetings" and for transportation on chartered airplane flights, as reflected in Federal Election Commission reports filed by the BSCC between 1993 and 1998, combined with the record-keeping practices followed by the BSCC, were inadequate to

verify that these expenditures were made for legitimate campaign purposes. The BSCC did not maintain documentation to support that the disbursements for political meetings and transportation were for legitimate and verifiable campaign expenditures and/or that they were attributable to bona fide campaign or political purposes. As such, the practices observed by the BSCC created the appearance that certain expenditures may not have been attributable to bona fide campaign or political purposes.

Between January 1993 and December 1998, Representative Shuster and/or representatives of the BSCC used campaign funds to pay for disbursements, described in Attachment A as "political meetings" and/or "political meetings and meals" and related terms, on more than six hundred seventy-five (675) occasions totaling approximately $300,000, as described in greater detail in Attachment A to this Report.[57]

During this period Representative Shuster and/or representatives of the BSCC also used approximately $400,000 in campaign funds to pay for private chartered airplane flights for transportation, as described in greater detail in Attachment B to this Report. Documents obtained by the Investigative Subcommittee include invoices from the Bun Air Corporation in Bedford, Pennsylvania. These invoices list the number and route of Bun Air chartered flights paid for by the BSCC between approximately January 1996 and April 1998 and reveal that during this time period, the BSCC paid for several hundred privately chartered Bun Air flights. The BSCC was unable to provide the Investigative Subcommittee with verification of the individuals who took these numerous flights and/or the campaign or political purpose for these flights.

At all times during the events described in this Report and relevant attachments, former House Rule 43, Clause 6 (current House Rule 24, Clause 6), provided, in part, that "...[a] Member shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable campaign expenditures and shall expend no

[57] Attachment A contains a list of the disbursements made by the BSCC during this period regarding "political meetings." While most disbursements are described primarily as "political meetings," several

funds from his campaign account not attributable to bona fide campaign or political purposes."

Historically, the Committee on Standards has interpreted these provisions strictly, expressing the concern that to do otherwise "would open the door to a potentially wide range of abuse and could result in situations where campaign moneys [sic] were expended for the personal enjoyment, entertainment, or economic well-being of an individual without any clear nexus that the funds so expended achieved any political benefit...."[58]

The rule by its terms requires that campaign funds be used for purposes that are both "legitimate" and "verifiable." Each Member should ensure that his or her campaign committee maintain records that demonstrate that all expenditures are made for "bona fide campaign or political purposes." Compliance with this requirement is particularly important with regard to expenditures for purposes that, depending on the circumstances, could raise questions regarding personal use, such as expenditures for meals or travel.

The House Ethics Manual states that "[a]s long as Members do not convert campaign funds to personal or official uses, they generally have wide discretion as to what constitutes a bona fide political purpose."[59] The Investigative Subcommittee did not find substantial reason to believe that Representative Shuster converted campaign funds to personal use. It did find substantial reason to believe that the record-keeping practices observed by the BSCC were inadequate to verify the legitimate campaign purposes of these expenditures. These inadequate record-keeping practices created the appearance

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also include "lodging," "meals," "campaign expense," "campaign meeting," "fundraising planning meeting," or related terms.

[58] House Comm. on Standards of Official Conduct, *Investigation of Financial Transactions of Representative Jim Weaver with His Campaign Organization*, H. Rep. No. 99-933, 99th Cong., 2d Sess. 13 (1986); *see also In the Matter of Representative Richard H. Stallings*, H. Rep. No. 100-382, 100th Cong., 1st Sess. 3-4 (1987); *In the Matter of Representative Charles G. Rose III*, H. Rep. No. 100-526, 100th Cong., 2d Sess. 23 (1988); *Report on H.R. 3660*, 101st Cong., 1st Sess. (Comm. Print, Comm. on Rules 1989), *reprinted in* 134 Cong. Rec. 30740, 30751 (1989).

[59] House Ethics Manual at 271.

that certain expenditures may not have been attributable to bona fide campaign or political purposes.

1. 1993-1994 Campaign

Representative Shuster was re-elected to the House of Representatives on November 3, 1992. Records indicate that Representative Shuster had not faced a primary or general election opponent since 1984. In fact, Representative Shuster was the nominee of both the Republican and Democratic parties in his district between 1986 and 1992.

Representative Shuster was re-elected to the House of Representatives on November 8, 1994. According to the records of the Clerk of the House, Representative Shuster received 146,688 votes and write-in candidates received 515 votes. During the 1994 campaign he was not opposed in the primary or general election. Representative Shuster was again the nominee of both the Republican and Democratic parties in 1994.

Federal Election Commission ("FEC") reports for the calendar year 1993 indicate that during 1993, the BSCC raised $367,705.44 in contributions and had $351,687.25 in total operating expenses. FEC reports filed by the BSCC for calendar year 1994 indicate that the campaign received $303,259.50 in net contributions and had expenditures of $370,163.42. On December 31, 1994, the BSCC had a remaining balance of $1,468.16.

Despite the absence of an opponent between 1993 and 1994, the BSCC spent approximately $156,668 on approximately 114 separate expenses described on FEC filings primarily as "political meetings," or "political meetings and meals." This figure resulted in an average of approximately $215 a day for political meetings. Neither Representative Shuster, the BSCC nor Ms. Eppard possessed any documentation that reflect who attended the meetings or the purpose for the meetings.

Between 1993 and 1994, the BSCC also spent a total of $98,416 on private chartered airline flights through the Bun Air Corporation. The BSCC also spent $5084

on expenses from two other charter flight companies during this time period. Neither Representative Shuster, the BSCC nor Ms. Eppard possessed any documents to confirm that these expenses were legitimate or verifiable campaign expenditures.

2. 1995-1996 Campaign

Representative Shuster was re-elected to the House of Representatives on November 5, 1996. Records indicate Representative Shuster did not face a primary opponent. He defeated his opponent in the general election with a margin of approximately 74% to 26%. The BSCC received approximately $1,213,304 in contributions while Representative Shuster's opponent received approximately $113,294.[60]

Federal Election Commission ("FEC") reports for the calendar year 1995 indicate that during 1995, the Bud Shuster for Congress Committee ("BSCC") received net contributions of $655,459.98 and incurred $355,134.78 in net operating expenses. BSCC FEC reports for calendar year 1996 indicate that the campaign received $532,309.90 in net contributions and had net expenditures of $756,222.95. On December 31, 1996, the BSCC had a remaining balance of $7,520.67.

Between 1995 and 1996 the BSCC spent approximately $82,520 on approximately 305 listed expenses described as "political meetings." This figure averaged approximately $113 each day for political meetings. Although the BSCC produced receipts to the Investigative Subcommittee to verify that these expenses were incurred, the documentation neither described the identities or number of people attending the political meetings or the specific purpose of these meetings.

Between 1995 and 1996, the BSCC also spent a total of approximately $163,471 on private chartered airline flights through the Bun Air Corporation. The BSCC

[60] *The Almanac of American Politics* (1998) at 1224.

possessed records indicating the date and passengers for many of these flights but no documents justifying the campaign or political purpose for any of these flights.

3. 1997-1998 Campaign

On November 3, 1998, Representative Shuster was re-elected to the U.S. House of Representatives. In the May 1998 primary, he defeated his opponent by a margin of 81% to 19%. Representative Shuster was unopposed in the general election in November. According to records of the Clerk of the House of Representatives, Representative Shuster received 125,409 votes in contrast to 618 write-in votes in the general election.

Between 1997 and 1998, the BSCC spent approximately $66,075 on approximately 257 entries described primarily as "political meetings." This figure averaged approximately $91 a day for political meetings. Although the BSCC produced receipts to the Investigative Subcommittee to verify that expenditures were made, the documentation neither described the identities or number of people attending the political meetings nor the specific purpose of these meetings.

Between 1997 and 1998, the BSCC also spent a total of approximately $128,987 on private chartered airplane flights through the Bun Air Corporation. The BSCC produced to the Investigative Subcommittee records reflecting the date and passengers for many of these flights but had no documentation to reflect the campaign or political purpose for any of these chartered flights.

4. Examples Of Types of Expenditures That The Subcommittee Questioned

Records obtained from Bun Air Corporation indicate that between January 1993 and December 1998, Representative Shuster, Ms. Eppard, and members of Representative Shuster's family flew on Bun Air chartered flights on hundreds of

occasions and billed the flights to the BSCC. Representative Shuster displayed a pattern of using private Bun Air chartered flights for travel to his district on holidays and weekends during which no verifiable BSCC activities were reflected on his schedule.

Evidence indicates that on Wednesday, November 22, 1995, the day before Thanksgiving, Representative Shuster flew on a private Bun Air chartered flight from Washington National airport to Bedford, Pennsylvania. The cost of this flight was $746.59. The Investigative Subcommittee determined that Bedford Airport is located approximately seven miles from Representative Shuster's home in Everett, Pennsylvania. A review of Representative Shuster's office and personal calendars does not reflect that any BSCC events, or any other events of a political nature, were scheduled for the Thanksgiving weekend.

Additional evidence indicates that on Thursday, December 19, 1996, Representative Shuster flew on a private chartered Bun Air flight from Washington National Airport to Bedford, Pennsylvania, near his personal residence. The cost of this flight was $796.51. A review of Representative Shuster's office and personal calendars does not reflect that any BSCC events, or any other events of a political nature, were scheduled for this weekend.

Evidence indicates that on December 24, 1996, Representative Shuster flew on a private chartered Bun Air flight from Washington National Airport to Bedford, Pennsylvania, at the expense of the BSCC. The Bun Air invoice for this flight indicated that the price of this flight was $780.01. The Investigative Subcommittee reviewed credit card records obtained from Representative Shuster which indicate that Representative Shuster stayed at the Marriott Hotel at BWI Airport in Baltimore, Maryland on December 25, 1996, prior to leaving for a trip to Barbados. The Investigative Subcommittee reviewed Representative Shuster's personal and office calendars for December 24, 1996, and December 25, 1996. The records do not reflect any BSCC events, or any other events of a political nature, scheduled for those dates. Records obtained from the BSCC by the

Subcommittee indicate that Ms. Eppard approved payment of this flight for BSCC purposes.

On October 15, 1998, the BSCC filed a Report of Receipts and Disbursements with the FEC. The report lists a disbursement to Ann Eppard Associates, Ltd. for $500 dated August 25, 1998. Campaign records indicate that on August 25, 1998 the campaign wrote a $500 check to Ann Eppard Associates, Ltd. for invoice #981114. ***Exhibit 43.***[61] Ms. Eppard submitted this invoice to BSCC treasurer, Thomas Hoyne on August 20, 1998. The invoice stated it was for $500 for "Reimbursement for expenses." Attached to this invoice was a photocopy of an American Express charge for the Ann Eppard Associates Ltd. corporate card. The charge listed a $500 expense for food and beverages from the Allegro Ristorante in Altoona, Pennsylvania. The date on the charge was Christmas Eve, December 24, 1997. The photocopy of the charge included the handwritten notation indicating that it was to be reimbursed by BSCC. The Investigative Subcommittee noted that absent access to the underlying receipts, scrutiny of the disbursement recorded on the FEC report would only reveal that a BSCC check was written on August 25, 1998 but would not reveal that the underlying food and beverage expense for a dinner on Christmas Eve, 1997.

The Investigative Subcommittee noted that a number of charges for meals labeled as "political meetings" may have been meals at restaurants in the Washington, D.C., area attended only by Representative Shuster and Ms. Eppard. The Investigative Subcommittee questioned the lack of documentation reflecting the campaign purpose of these expenditures. For example, at one stage during her appearance before the Investigative Subcommittee, Ms. Eppard was asked:

> Q: Ms. Eppard, I am curious. There were a lot of campaign dinners at the Capitol Grill. A lot of them didn't appear to be entertaining anybody else, you and Mr. Shuster. Was there any thought given to the fact that that is the most expensive place in town practically? And there were a lot of them. Did you ever discuss whether this was good use of

[61] This exhibit is partially redacted.

campaign funds? Yes, you talked about the campaign, but you talked about it at a place that most of us can't afford to go. It is considered I think in town as a place where out-of-towners with an expense account come and go to. Could you cast any light on that at all?

A: It was close to the Hill if he had to catch votes.

Q: Just a place Mr. Shuster enjoyed?

A: Yes. They are pretty good about making sure you can have a table relatively private and have a conversation and I could get things done with him.

Q: So the subject of the cost to the campaign never came up really?

A: Are you saying that there were a lot of where it was just he and me --.

Q: The two of you.

Q: It appears that way but I may be wrong about that, too.

A: I think there are some, but I also think there were other people.

Q: Other people there. That was a place that he liked to entertain?

A: It is a place where he doesn't get in trouble with food. He likes the same -- there is not cheese and crackers on the table and not a whole bunch of shrimp and that kind of stuff. He watches his weight really carefully.[62]

Mr. Hoyne testified before the Investigative Subcommittee that at the time this expense was incurred and billed to the BSCC, Ms. Eppard was the Assistant Treasurer for the BSCC. He testified that he did not make any inquiry into charges approved by Ms. Eppard. It was not his practice to ever require Ms. Eppard to make any justification other than attaching a receipt to confirm that a charge was made. For example, he did not

[62] Dep. of Ann M. Eppard, March 8, 2000, at 117-119.

inquire why Ms. Eppard waited over eight months to request reimbursement for the December 24, 1997, expenditure. Mr. Hoyne testified that Ms. Eppard had been the Assistant Treasurer when he became Treasurer in the fall of 1994 and she remains in that position to date. Mr. Hoyne stated that during 1995 and 1996, Ms. Eppard signed the FEC reports and handled the verification of all campaign expenses alone. It was not Mr. Hoyne's custom to question Ms. Eppard's practices. Beginning in late 1996, after a complaint was filed with the Committee on Standards of Official Conduct against Representative Shuster, Mr. Hoyne began signing FEC reports filed by the BSCC but Ms. Eppard had the continued responsibility of verifying all political expenses without oversight by Mr. Hoyne. Mr. Hoyne testified that the entire time he has been Treasurer for the BSCC, he had never required Ms. Eppard to justify an expense other than requiring a receipt to confirm that the expenditure was made.

The Investigative Subcommittee found it curious that an accountant of Mr. Hoyne's experience did not require parties affiliated with the BSCC to keep more careful documentation as demonstrated through the following line of questioning during his appearance:

> Q: Mr. Hoyne, I would like to just very briefly take advantage of your professional experience. I assume you keep the books, prepare the returns, submit them to the IRS for a number of small businesses -- and maybe large businesses, I don't know -- you mostly work with individuals?
>
> A: No, I mostly work with corporations, companies; small companies, corporations.
>
> Q: In your experience, if a client brought you business expenses as we have talked about today, hotel bills, gift shops, travel expenses like we have today where clearly the mileage is not correct, what would be your advice to that client if they're going to have to face the IRS and justify this as business expenses?
>
> A: If -- first you would have to assume that I saw all those detailed individual items for a client. Usually you get a general ledger that has a summary in it and it has hotel bills for the whole year, travel, whatever. If our office looked down through those and the implication was that they were excessive, we would probably meet with the person and tell them that they

better have records to back up and reasons why they incurred these expenditures.

Q: Uh-huh. But that never was your relationship on the campaign? They never expected you or wanted you to be the source of accountability for them on the campaign?

A: That's correct.

Q: You just kept the records and paid the bills.

A: Yes.

Q: And Mrs. Eppard was the one that was the accountable one.

A: That's correct.

Q: Based on the reports that you have read from the FEC about FEC rules, laws, regulations, is it your understanding that it is a violation of the law to use campaign expenditures for personal purposes?

A: Yes.

Q: And based on that -- was that a knowledge that you had going back to January of '95, or early on in the process when you agreed to take over the responsibilities of being treasurer?

A: Early on in the process.

Q: Based on that understanding of the law, did you not ever have any questions? Did you ever have any concerns that some of these requests for reimbursements might have been personal use rather than campaign related?

A: When they were on the credit card, as we saw where they are all individually marked, no.

Q: At no point you felt was there any concern, not even a concern on your part, not even a question? Did you ever have any questions?

A: No.

Q: You accepted everything.

A: Yes, I did.[63]

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[63] Dep. of Thomas J. Hoyne, September 29, 1999, at 103-105.

During her appearance before the Investigative Subcommittee, Ms. Eppard testified that Representative Shuster played no role in determining the propriety of campaign expenditures. She testified as follows:

> A [B]asically [I] don't talk to the Congressman about any of our campaign-related expenses.
>
> ...
>
> Q Ms. Eppard, you stated that it was your policy not to get Mr. Shuster involved in campaign payments and you did that on your own. Why was that?
>
> A: When we came in in 1973, we were told that one of the things that could get a congressman in trouble was to get too close to the money. Congressman Shuster has never asked for a dollar for his campaign. He basically shows up -- if he reads in the newspapers about an expense, that's the first time he has seen it. I don't let him pre-see the FEC reports...
>
> Q: So it was his policy that he would delegate these issues to you?
>
> A: Right.
>
> Q: And you felt, according to that policy, you did not have to keep him informed of the specific payments?
>
> A: No.
>
> Q: Thank you.[64]

After it determined that Ms. Eppard appeared to exercise broad authority to ascertain the propriety of campaign expenditures, the Investigative Subcommittee endeavored to ascertain further what steps, if any, she took to ensure that her actions in this regard were proper. Ms. Eppard explained her actions during the following line of questions:

> Q: Just a general question, when you -- Mr. Shuster was elected for the first time in 1973; is that correct?

[64] Dep. of Ann M. Eppard, March 7, 2000, at 112, 116-117.

A: He was sworn in in '73, elected in '72.

Q: In '72. My recollection of the Capitol, I mean things were done very differently in the early seventies. I recall that both the Republican and Democratic National Campaign Committees were actually located in the Rayburn Building and the way campaigns were done were very different then than today, the campaign finance measures that were put into place subsequent to Watergate changed things. Now what did you do as his chief of staff to update, to apprise yourself of the changes in the laws and to change and update the relationship between his campaign and the congressional office as the world changed from the early seventies to today?

A: Well, ... we basically tried to read as much as possible and to see what was happening or not happening and then also there are aides association or there was, I don't know if there still is, association meeting, Pennsylvania delegation aides, we get together, and as you would find there was one more thing you weren't allowed to do or whatever.

Q: Okay. Thank you. I have no other questions.[65]

5. Findings of Investigative Subcommittee

The Investigative Subcommittee found that between January 1, 1993 and December 31, 1998, Representative Shuster used campaign funds for meals and chartered airplane travel without observing adequate record-keeping practices to verify the legitimate campaign purposes of these expenditures.[66]

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[65] Dep. of Ann M. Eppard, March 8, 2000, at 204-205.

[66] Representative Shuster has advised the Investigative Subcommittee that in his view, the Investigative Subcommittee lacks jurisdiction to question the manner in which he expended campaign funds. In the view of Representative Shuster, all of his campaign contributions and expenditures were properly reported to the Federal Election Commission and that agency alone has the authority to question the propriety of any campaign expenditures. The Investigative Subcommittee flatly rejects that argument, however, based on (1) the requirements of the House Code of Official Conduct providing that campaign funds should be spent for bona fide campaign or political purposes and the prohibition against using those funds for personal purposes, and (2) its independent authority to investigate potential violations of any law, rule or regulation, including former House Rule 43, Clause 6 (current House Rule 24, Clause 6).

Several witnesses who appeared before the Investigative Subcommittee observed that Representative Shuster's practices of spending campaign funds were both appropriate and effective, pointing out that he was rarely opposed in primary or general elections. During her appearance before the Investigative Subcommittee, for example, Ms. Eppard testified as follows:

> Q: ….Considering the large number of events and things, did you not through your campaign and working with Mr. Shuster ever consider a policy that said we really ought to document who is at each dinner and what was discussed so that there would be no question raised about the legality of those expenditures? Did you ever discuss that policy with Mr. Shuster? Did you ever consider saying we really ought to have a receipt just as we would with a business for IRS purposes to justify business meals? We ought to have a receipt and on that receipt it ought to say who was there and what the purpose the dinner was.
>
> A: No. We had a policy that said it had to be legally reported to the FEC.
>
> …..
>
> Q: The question is, at what point does it become personal use as opposed to a legitimate political expense? That is the determination that the subcommittee has to make.
>
> A:…[O]ne of the reasons I think we have been successful in fund-raising is because we have established a personal relationship with people to help us do fund-raisers and in a time where people have not or members have had a hard time raising money, Congressman Shuster has had a relatively easy time raising money.
>
> .....
>
> Q: One thing I wanted to ask you along those lines. A lot of campaigns who don't want to be challenged build up a war chest and build up a million dollars, million and a half dollars. It seems like the Shuster campaign raises a lot of money and spends a lot of money and doesn't have a war chest at the end of a cycle. Even if you were not opposed, you would have spent all the money

> by the end of the cycle instead of building up a war chest. Wouldn't you want instead of going to the Capitol Grill, if you're having dinner with a Congressman who is your best friend, why charge it to the campaign and save that money for the campaign to build up a war chest so that somebody would not challenge you or challenge the Congressman? Isn't it fair to say that at the end of every cycle --.
>
> [Counsel]: At some point I have to ask you if the question can be permitted to be answered before going on to the next one.
>
> Q: All right. That's fine.
>
> A: You want me to answer that?
>
> Q: Yes, please.
>
> A: You may be a different kind of campaign manager than I am. Our campaign management has been very effective for him, but that's a decision that can be made by the committee, and I don't believe that the FEC or that there's an ethics rule that says I have to run my campaign a certain way.[67]

The Investigative Subcommittee readily acknowledges that Representative Shuster has established a record of proven success at the polls. However, the Investigative Subcommittee found that it was improper to expend such a high number and dollar amount of campaign funds without making even the most minimal effort to document or verify that the expenditures were related to legitimate campaign activity, as required by former House Rule 43, Clause 6.

The Investigative Subcommittee applied the following factors in evaluating the conduct of Representative Shuster and/or representatives of the BSCC included in this subsection:

(a) The volume and quantity of disbursements in reports filed with the FEC by the BSCC between 1993 and 1998, described as "political meetings," "political meetings and meals," or related activity;

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[67] Dep. of Ann M. Eppard, March 8, 2000, at 121-122, 129, 127-128.

(b) The extremely large amount of money spent by the BSCC on disbursements described as "political meetings," "political meetings and meals," or related activity in reports filed with the FEC between 1993 and 1998;

(c) The extremely large amount of money spent by the BSCC on disbursements described as "transportation" or related activity for chartered airplanes in reports filed with the FEC between 1993 and 1998;

(d) The volume and quantity of privately chartered Bun Air Corporation flights paid for by the BSCC between January 1996 and April 1998; and/or

(e) The failure or inability of the BSCC to provide the Investigative Subcommittee verification identifying the individuals associated with the disbursements and/or the campaign or political purpose of the disbursements.

Based on the foregoing factors, the Investigative Subcommittee found that Representative Shuster's failure to document properly these expenditures, coupled with the high number and dollar amount of these expenditures, created the appearance that certain of the expenditures were not attributable to bona fide campaign or political purposes.

G. SUMMARY OF FINDINGS

Based on any or all of the five areas described above, the Investigative Subcommittee found that between November 9, 1994 and until at least December, 1998, on any or all of the occasions listed above, Representative Shuster conducted himself in a manner that did not reflect creditably on the House of Representatives, in violation of former Rule 43, Clause 1 of the House of Representatives.

V. CONDUCT OF THE INQUIRY

A. FILING OF COMPLAINT

On February 8, 1996, Roll Call published an article alleging that Representative Shuster regularly stayed overnight at Ms. Eppard's Alexandria, Virginia, townhouse, in potential violation of House Rules. ***Exhibit 44.*** That same day, on February 8, 1996, Representative Shuster's congressional office issued a statement from his family concerning the Roll Call article.[68] The next day, February 9, 1996, The Wall Street Journal published an article summarizing the Roll Call allegations and discussing the lobbying activities of Ms. Eppard before the Committee on Transportation and Infrastructure chaired by Representative Shuster. ***Exhibit 45.***

On March 6, 1996, Common Cause requested that the Committee on Standards of Official Conduct open an investigation into the matters cited in the Roll Call and The Wall Street Journal articles. ***Exhibit 46.***

On March 7, 1996 and May 10, 1996, Representative Shuster sent letters to the Committee on Standards of Official Conduct concerning his professional and social relationship with Ms. Eppard. ***Exhibit 47.*** On June 13, 1996, the Committee on Standards of Official Conduct responded to Representative Shuster's letters. ***Exhibit 48.***

On September 5, 1996, a complaint was filed with the Committee on Standards of Official Conduct ("the Committee") against Representative Shuster by the Congressional Accountability Project. ***Exhibit 49.***[69] The complaint focused on two primary areas, the "complex relationship between Representative Shuster and lobbyist Ann Eppard" and Representative Shuster's "interventions with federal agencies" on behalf of Maurice

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[68] *See* Exhibit 31.

[69] The complaint was filed on the last day permissible under former Committee Rule 14(i)[current rule 16(h)] which provided, "[T]he Committee shall not accept, and shall return to the complainant, any complaint submitted within 60 days prior to an election in which the subject of the complaint is a candidate."

Lawruk, a business partner of Representative Shuster's sons.[70] Specifically, the complaint alleged that Representative Shuster and Ms. Eppard, his former congressional chief of staff "have developed a complex interconnecting web of legislative, political, financial, and personal ties."[71] The complaint alleged that Ms. Eppard's roles between November 1994 and September 1996 included:

- Washington fundraiser and assistant treasurer for Representative Shuster's congressional campaign committee.
- "Top political aide" and political consultant to Representative Shuster's congressional campaign responsible for district affairs.
- Press aide for Representative Shuster's congressional office.
- Chairman of the Bud Shuster Portrait Committee.
- Campaign aide and fundraiser for the congressional campaign of Representative Shuster's son, Robert Shuster.
- Liaison for special interests wanting Representative Shuster to appear at Washington events.
- Provider of lodging for Representative Shuster.
- *De facto* official staff person.[72]

In addition, the "complex web" allegation charged that Representative Shuster "implicitly recommended Eppard to potential lobbying clients."[73] The complaint also noted that the Congressional Accountability Project had sent a letter to the Department of Justice urging an investigation into the charges in the complaint "as well as the appearance that Ann Eppard may have violated the one-year post-employment prohibition against personal staff lobbying their former employer."[74]

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[70] Exhibit 49 at 1.

[71] *Id.* at 2.

[72] *Id.* at 2-4.

[73] *Id.* at 4.

[74] *Id.* at 1.

The complaint also raised three other issues regarding Representative Shuster's relationship with Ms. Eppard. These issues included:[75]

- Whether Representative Shuster violated House Gift rules by reportedly staying overnight at Ms. Eppard's Alexandria, Virginia, townhouse.
- Whether some of Ms. Eppard's clients, including Frito-Lay, Inc, Federal Express Corporation, the Outdoor Advertisers Association of America and Amtrak, may have received significant legislative benefits from Representative Shuster and the Committee on Transportation and Infrastructure that he chaired because of Ms. Eppard's political and personal relationships with Representative Shuster.
- Whether Representative Shuster and Ms. Eppard violated federal criminal statutes prohibiting the solicitation and acceptance of illegal gratuities.

Finally, the complaint asked the Committee to investigate whether Representative Shuster improperly intervened with two federal agencies on behalf of Maurice Lawruk, who was associated with Representative Shuster's two adult sons, Robert Shuster and William Shuster, in a Pennsylvania Chrysler dealership.[76] In support of all the allegations, the Congressional Accountability project included seventeen attachments to the complaint, consisting primarily of newspaper articles concerning the allegations charged in the complaint.[77] The complaint also requested the appointment of an outside counsel to investigate the charges.[78]

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[75] *Id.* at 5-11.

[76] *Id.* at 11-13.

[77] *Id.* (attachments)

[78] *Id.* at 13. In 1999, the Congressional Accountability Project and Common Cause renewed calls for an outside counsel. Committee Rule 6(h) provides, "Subject to the approval of the Committee on House Administration, the Committee may retain counsel not employed by the House of Representatives whenever the Committee determines, by an affirmative vote of a majority of the members of the committee, that the retention of outside counsel is necessary and appropriate." Pursuant to the Report of the Ethics Reform Task Force on H. Res. 168 (see Committee Print dated June 17, 1997, at 8-9) the Committee rules were amended in 1997 to provide for a nonpartisan staff. Committee Rule 6(a) provides that, "The staff is to be assembled and retained as a professional, nonpartisan staff" and Rule 6(d) provides, "No member of the staff shall engage in any partisan activity directly affecting any congressional or presidential election." The Shuster Investigative Subcommittee is the second investigative subcommittee to proceed under the rules requiring a professional and nonpartisan staff (the first was the investigation of Representative Jay Kim, concluded in 1998). The Investigative Subcommittee believes this report will

Representative Shuster responded to the charges in a letter from his attorneys filed with the Committee on September 10, 1996. ***Exhibit 50.*** The letter alleged three procedural deficiencies in the filing of the complaint: (1) the signatures of two Members of Congress on the refusal letters required by House Rule 10, clause 4(e)(2)(B)(ii) did not match the signatures on file with the Clerk of the House; (2) the Congressional Accountability Project failed to attach the refusal letters to the copy of the complaint given to Representative Shuster; and (3) the complaint itself was not sworn under oath.[79] On September 11, 1996, the Committee considered the procedural issues raised by Representative Shuster and on September 12, 1996, the Chairman and Ranking Member of the Committee sent a letter to Representative Shuster informing him that the complaint met the procedural requirements of the Committee's rules. ***Exhibit 51.*** In addition, on the same day, the Committee's then Chief Counsel, Theodore Van Der Meid, sent a letter to Representative Shuster's attorney responding in detail to the procedural challenges raised in the September 10, 1996, letter. ***Exhibit 52.*** The then Chief Counsel indicated in the letter that he had contacted the two Members whose signatures were challenged and that they had informed him that they had intended to transmit the letter of refusal. The letter also stated that the Committee had subsequently provided Representative Shuster with copies of the refusal letters and that the Committee was not prepared to reject the complaint on the basis that the service copy of the complaint must include copies of the refusal letters. Finally, the Chief Counsel indicated that the Committee had in the past accepted complaints utilizing the form of the notarization in the complaint filed by the

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demonstrate that the Committee counsel aided the Investigative Subcommittee in conducting a thorough and fair investigation in this matter.

[79] *Id.* Former House Rule 10, clause 4(e)(2)(B), stated that the Committee may undertake an investigation if "(ii) upon receipt of a complaint, in writing and under oath, directly from an individual not a Member of the House if the Committee finds that such complaint has been submitted by such individual to not less than three Members of the House who have refused, in writing, to transmit such complaint to the committee." Former Committee Rule 14(e) stated, "Legible copies of each refusal letter must accompany the complaint...A legible copy of the exact complaint submitted to and considered by the Member must be attached to that Member's refusal letter."

Congressional Accountability Project and was reluctant to reject a complaint on a basis that it had not previously enunciated.[80]

On October 7, 1996, Representative Shuster's attorney's responded formally to the filing of the complaint. ***Exhibit 53.*** No further action regarding the complaint occurred during the 104th Congress.

B. ETHICS MORATORIUM

On January 7, 1997, the House passed House Resolution 5, which reconstituted the Committee from the 104th Congress as a Select Committee on Ethics for the sole purpose of completing work in the investigation of Representative Newt Gingrich. Following the expiration of the Select Committee on Ethics, Representative James V. Hansen was appointed Chairman of the Committee on Standards of Official Conduct and Representative Howard L. Berman was appointed Ranking Minority Member. However, the Committee was not established until September 30, 1997, after the Ethics Task Force completed its work.

On January 12, 1997, the House named an Ethics Process Task Force ("Ethics Task Force"). It also announced that there was a moratorium on the filing of new ethics complaints until April 1, 1997. This moratorium was subsequently extended by unanimous consents until September 10, 1997. At the conclusion of the Ethics Task Force, the House passed House Resolution 168 on September 18, 1997. ***Exhibit 54.*** This resolution adopted recommendations of the Ethics Task Force, with amendments, regarding future and pending investigations by the Committee.

On September 29, 1997, the remaining Members of the Committee were appointed for the 105th Congress. Representatives Lamar Smith, Martin Olav Sabo, Joel Hefley, Edward Pastor, Robert Goodlatte, Chaka Fattah, Joseph Knollenberg, and Zoe

[80] Exhibit 52.

Lofgren joined the Committee. On September 30, 1997, the Committee met and was formally established for the 105th Congress.

C. CARRYOVER AND CONSIDERATION OF COMPLAINT

On September 11, 1997 and September 12, 1997, Representative Shuster's attorney sent letters to Representative James Hansen, Chairman of the Committee, requesting that the Committee refrain from automatically considering the pending complaint against Representative Shuster. ***Exhibit 55.*** On September 30, 1997, the Committee voted to carryover the pending complaint against Representative Shuster. The Committee recognized its precedent of carrying over pending complaints once a new Committee is established for a new Congress. The Committee determined that the pending complaint against Representative Shuster would be processed under the rules and procedures adopted by the House for the 105th Congress, including the Ethics Task Force recommendations approved in House Resolution 168. The Committee also determined that the complaint filed on September 5, 1996, was properly filed and forwarded another copy to Representative Shuster for response.

On October 8, 1997, the Congressional Accountability Project requested permission to amend its September 5, 1996, complaint against Rep. Shuster. ***Exhibit 56.*** The amended complaint requested an investigation into various issues involving the Bud Shuster for Congress Committee. The Committee denied the request on October 8, 1997. ***Exhibit 57.***

On November 5, 1997, Representative Shuster responded to the October 7, 1997, notice of filing and sent a letter to the Committee containing a Motion to Dismiss the complaint. ***Exhibit 58.*** The Motion to Dismiss challenged the filing of the complaint under the new rules of the 105th Congress and also contended that the complaint was not in conformance with Committee Rule 16 (a)(4).[81] In addition, the motion challenged the

[81] Committee Rule 16 for the 105th Congress provided:

(a) A complaint submitted to the Committee shall be in writing, dated, and properly

factual basis for the allegations in the complaint and included affidavits regarding the complaint from Representative Shuster and from Ms. Eppard.

D. ESTABLISHMENT OF INVESTIGATIVE SUBCOMMITTEE

On November 9, 1997, the Chairman and Ranking Minority Member of the Committee informed the Committee that they had decided to establish an Investigative Subcommittee pursuant to Committee Rule 17(c)(2) to conduct an inquiry concerning Representative Shuster.[82] The Chairman and Ranking Minority Member of the Committee reviewed the complaint and Representative Shuster's motion to dismiss and determined that the complaint had been properly filed and that an inquiry by an Investigative Subcommittee was warranted. The Chairman and Ranking Member of the Committee informed the Committee of their decision on November 9, 1997. Representative Joel Hefley (R-CO) was named chairman of the subcommittee and Representative Zoe Lofgren (D-CA) was named ranking minority member. Pursuant to House Rule 10, Clause 6(a)(3) and Section 1 of House Resolution 168, Representatives Jim McCrery (R-LA) and Chet Edwards (D-TX) were also named to the Investigative Subcommittee.[83] In a letter to Representative Shuster dated November 14, 1997, the Chairman and Ranking Democratic Member informed Representative Shuster that they had established an Investigative Subcommittee and forwarded the complaint and response to the Investigative Subcommittee. ***Exhibit 59.*** The Committee publicly announced the

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verified (a document will be considered properly verified where a notary executes it with the language, "Signed and sworn to (or affirmed" before me on (date) by (the name of the person)" setting forth in simple, concise, and direct statements-

...

(4) the facts alleged to give rise to the violation. The complaint shall not contain innuendo, speculative assertions, or conclusory statements.

[82] Committee Rule 17(c)(2) for the 105th Congress provided:

(b) Whenever the Chairman and Ranking Minority Member jointly determine that information submitted to the Committee meets the requirements of the Committee's rules for what constitutes a complaint, they shall have 45 calendar days or 5 legislative days...unless the Committee by an affirmative vote of a majority of its members votes otherwise, to-

(2) establish an investigative subcommittee.

[83] *See* Exhibit 54. Section 1 of the Resolution provided for the use of non-Committee members on Investigative Subcommittees and amended House Rule 10, Clause 6(a) to add subsection (a)(3) to conform with the resolution.

establishment of the Investigative Subcommittee on November 14, 1997. ***Exhibit 60.*** The scope of the inquiry by the Investigative Subcommittee was not announced.

E. INVESTIGATIVE PROCESS

The Investigative Subcommittee was established on November 14, 1997, and investigated this matter through March 2000. During 1998, many documentary subpoenas were served and a large volume of responsive documents were reviewed by the Investigative Subcommittee and its counsel. However, as described in more detail below, at the request of the Department of Justice, the Investigative Subcommittee deferred from interviewing or deposing witnesses throughout most of the calendar year 1998. At the end of 1998, the Investigative Subcommittee declined to continue to defer its investigation and announced that it would begin actively interviewing and deposing witnesses.

In January 1999, the Committee voted unanimously to carryover the investigation of Representative Shuster into the 106th Congress. During the remainder of 1999 and early 2000, the Investigative Subcommittee interviewed and deposed witnesses and served numerous additional documentary subpoenas. Between January and August of 1999, approximately 75 individuals were interviewed by counsel for the Investigative Subcommittee. In the fall of 1999 the Investigative Subcommittee formally deposed 32 individuals regarding the inquiry. In March 2000, Ms. Eppard was deposed over the course of two days. After the Eppard deposition, the Investigative Subcommittee submitted a draft Statement of Alleged Violation to Representative Shuster's attorneys. Shortly thereafter, Representative Shuster and the Investigative Subcommittee initiated negotiations concerning a settlement of the inquiry with an admission of violation of House Rules by Representative Shuster. On July 26, 2000 Representative Shuster admitted to a negotiated SAV in settlement of the investigation.

1. Documents obtained by the Investigative Subcommittee

In the course of the investigation, the Investigative Subcommittee authorized approximately 150 subpoenas for documents and served over 100 of those subpoenas.[84] In January 1998, the Investigative Subcommittee authorized 19 subpoenas for documents. It authorized additional subpoenas for documents in May 1998, June 1998, August 1998, October 1998, March 1999, July 1999, August 1999, September 1999 and October 1999. The Investigative Subcommittee received documents from Representative Shuster (in both personal and official capacities), Representative Shuster's congressional office, the Committee on Transportation and Infrastructure, current and former employees of Representative Shuster's congressional office, current and former employees of the Committee on Transportation and Infrastructure, Ms. Eppard, AEA, numerous clients and associates of Ms. Eppard,[85] the Bud Shuster for Congress Committee, financial institutions, government institutions and other relevant sources of information.

Documents obtained by the Investigative Subcommittee included: Representative Shuster's personal and official calendars, Ms. Eppard's personal and business calendars, Representative Shuster's personal financial records, Ms. Eppard's personal financial records and the financial records of Ann Eppard Associates, Ltd., Representative Shuster's personal telephone records, Ann Eppard's business telephone records, relevant telephone records of the Bud Shuster for Congress Committee, Representative Shuster's

[84] Not all subpoenas authorized by the Investigative Subcommittee were served.

[85] On February 2, 1999, Representative Shuster's attorneys sent a letter to the Investigative Subcommittee alleging that "virtually every client" of Ms. Eppard's had been subpoenaed and that the Committee counsel were engaged in a "war of economic attrition" against Ms. Eppard. This letter is attached as ***Exhibit 61***. The Investigative Subcommittee notes that during the course of the investigation, thirteen clients of AEA were subpoenaed. Records in the office of the House Clerk indicate AEA has approximately twenty-nine clients. Each subpoena was based on an allegation made in the original complaint or based upon information uncovered during the investigation and was duly authorized under Committee Rules by the Investigative Subcommittee. In addition, pursuant to Committee rules, each subpoena was signed by the Chairman and Ranking Minority Member of the full Committee. The letter also stated that "Committee counsel have, on numerous occasions, told recipients [of subpoenas] they would be in contempt of Congress if they did not reply quickly enough for them." The Investigative Subcommittee emphasizes that any discussions by their counsel regarding enforcement of subpoenas with any party were expressly authorized by the Investigative Subcommittee. In fact, any mention by counsel concerning enforcement options available to the Committee came in response to questions from the organizations or individuals served with subpoenas regarding the enforcement process.

personal income tax returns, Ann Eppard's personal and business tax returns, items from Ann Eppard Associates and numerous clients of Ann Eppard Associates related to Ann Eppard's lobbying activities, items from the Bud Shuster for Congress Committee, items from the Bud Shuster Portrait Committee, those from several caterers used by Ann Eppard Associates, and others related to the investigation.

In early 2000, the Investigative Subcommittee also received documents from the U.S. Attorney's office for the District of Massachusetts related to its criminal investigation of Ms. Eppard, discussed further below.

2. Interviews and Depositions

In addition, counsel for the Investigative Subcommittee interviewed approximately 75 individuals and the Investigative Subcommittee deposed 33 individuals. Although most interviews were conducted in the Committee offices, a number of interviews were conducted at other locations or by telephone. Witnesses who voluntarily consented to be interviewed by Committee counsel were not placed under oath. The witnesses who were deposed by the Investigative Subcommittee were placed under oath pursuant to Committee Rule 20(a)(6). Most of the witnesses who were deposed appeared pursuant to subpoena, but a number of the witnesses agreed to appear for their depositions voluntarily. At least two Members of the Investigative Subcommittee were present for all depositions as required by Committee rules, although in fact, at least three Members were present for most of the depositions by the Investigative Subcommittee. Witnesses deposed included Ann Eppard, employees of Ann Eppard Associates, current and past employees of Representative Shuster's congressional office, current and past employees of the Committee on Transportation and Infrastructure, officers and volunteers of the Bud Shuster for Congress Committee, clients of AEA, officers of the Bud Shuster Portrait Committee, and other relevant witnesses.

F. REQUEST FOR DEFERRAL BY U.S. DEPARTMENT OF JUSTICE AND REQUEST FOR STAY BY REPRESENTATIVE SHUSTER

In conducting its inquiry, the Investigative Subcommittee was concerned about the possible adverse impact its activities could have on an ongoing criminal investigation by the U.S. Department of Justice ("Department of Justice") relating to Ann Eppard and others. In December 1997, the Investigative Subcommittee notified the Department by letter that it had initiated an investigation of Representative Shuster. ***Exhibit 62.*** On January 16, 1998, the U.S. Attorney responded, "[W]e believe that it would be adverse to the interests of justice for the Committee to proceed with a full investigation at this time. Therefore, we respectfully request that the Committee not interview any witnesses or subpoena witnesses to testify before the Committee. We have no objection to the Committee serving subpoenas for the production of documents." ***Exhibit 63.*** The letter further stated, "[W]e expect that we will be in a position to provide you with further information on or about March 1, 1998."[86] The Investigative Subcommittee served 20 subpoenas for documents in late January 1998 and in early February 1998 but no witnesses were interviewed pending a decision by the Committee on the deferral request by the Department of Justice.[87]

The Investigative Subcommittee was not obligated to grant this request from the Department of Justice but voluntarily chose to do so based on the compelling reasons presented by the Department of Justice at that time.

On March 11, 1998, the Investigative Subcommittee and the Chairman and Ranking Member of the Committee and counsel met with the United States Attorney for Massachusetts and his staff.[88] The United States Attorney urged the Investigative

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[86] Exhibit 63.

[87] Representative Shuster and his congressional office were subpoenaed to produce numerous records relevant to the Investigative Subcommittee's investigation.

[88] On March 11, 1998, the Office of the U.S. Attorney for the District of Massachusetts faxed a subpoena to the House General Counsel's office directing the Committee to produce documents to that office by March 17, 1998. On March 17, 1998, the Committee provided a copy of the subpoena to Representative Shuster. On March 20, 1998, the U.S. Attorney's office withdrew the subpoena. ***Exhibit 64.***

Subcommittee to defer its investigation for at least several months. Both the United States Attorney and his staff advised the Investigative Subcommittee at the outset that it could not discuss information that constituted grand jury material within the meaning of Rule 6(e) of the Federal Rules of Criminal Procedure.[89] The Investigative Subcommittee also informed the U.S. Attorney's Office that Committee rules prevented it from disclosing any evidence to the Department of Justice.[90] Notwithstanding these substantial limitations, because it was public record that the Investigative Subcommittee was investigating Representative Shuster, and it was also public record that a grand jury in Boston was investigating allegations that concerned Representative Shuster, the Investigative Subcommittee and the Department of Justice were able to discuss the issue of deferral in a way that did not violate the respective rules of either party regarding confidentiality.

On March 17, 1998, the Department of Justice again asked the Committee to defer its investigation of Representative Shuster. The letter stated that the United States Attorney "is particularly concerned about issues relating to possible congressional immunity, witness interviews by the Committee, possible discovery obligations resulting from the committee's investigation, and identification of any witnesses who may be cooperating or have testified in the grand jury pursuant to court ordered immunity." ***Exhibit 65.***

On April 9, 1998 a grand jury in Boston, Massachusetts, indicted Ms. Eppard for conspiracy to violate the federal gratuity statute and related fraud charges while Ms. Eppard had served as Representative Shuster's chief of staff. ***Exhibit 66.***[91] A press

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[89] Rule 6(e)(2) provides a general rule against disclosure of "matters occurring before the grand jury" unless a specific exception to the rule applies.

[90] Committee Rule 11 provides, "Committee members and staff shall not disclose any evidence relating to an investigation to any person or organization outside the Committee unless authorized by the Committee."

[91] Indictment of Ann M. Eppard. The indictment charged Eppard and co-defendant Vernon Clark with conspiring to violate 18 U.S.C. § 201 (c)(1)(A) regarding official actions Eppard took while serving as Representative Shuster's Chief of Staff. Eppard was also charged with six counts of mail and wire fraud in violation of 18 U.S.C. §§ 1341 and 1343. Clark was also charged with aiding and abetting Eppard's mail and wire fraud charges.

release issued by the United States Attorneys Office for the District of Massachusetts indicated, "[T]he investigation is continuing." ***Exhibit 67.***

The Committee, in consultation with the Investigative Subcommittee and the Department of Justice, announced on June 10, 1998, that it would suspend interviews and depositions at the request of the Department of Justice. ***Exhibit 68.*** The Committee statement specified, "[T]he Department of Justice has indicated that its ongoing criminal investigation may relate to matters similar to those under investigation by the Committee." On June 15, 1998, the Committee released a second press statement which included as an attachment a letter to the Chairman and Ranking Member of the Committee from the Department of Justice requesting that the Committee "defer its formal investigation" of Representative Shuster. ***Exhibit 69.*** The letter from the Department of Justice stated that the Committee's investigation "will pose certain unavoidable risks to the cases currently under indictment, United States v. Ann Eppard and Vernon A. Clark, Crim. No 98-10069-JLT (D. Mass.) and United States v. Vernon A. Clark, Crim. No. 10069-JLT (D. Mass.), as well as the ongoing criminal investigation."

On September 24, 1998, counsel for the Investigative Subcommittee spoke with the United States Attorney by telephone. The United States Attorney again requested that the Investigative Subcommittee continue to defer its investigation of Representative Shuster. The U.S. Attorney indicated that his office had concerns that an active investigation by the Investigative Subcommittee might have an adverse impact on their investigation.[92]

On October 5, 1998, the Investigative Subcommittee voted to end its deferral of the investigation and to commence interviewing and deposing witnesses. The Investigative Subcommittee determined that it would be possible to go forward in a way

[92] In particular, the Office of the U.S. Attorney was concerned about the possibility of inconsistent statements created by witnesses interviewed by the Investigative Subcommittee and who testified before the grand jury regarding the identical topic. In addition, the Office of the U.S. Attorney was concerned about the impact on its case if the Investigative Subcommittee obtained an immunity order for any witness material to its investigation.

that minimized the risk of complicating the investigation by the Office of the U.S. Attorney.[93] Another factor in the decision to begin interviewing witnesses was the fact that Representative Shuster was only under investigation and had not been indicted.[94]

On December 4, 1998, the Committee issued a press statement stating, "[T]he Investigative Subcommittee will proceed with interviews and depositions of witnesses in connection with its investigation of Representative Shuster." ***Exhibit 70.*** The Committee's obligation and legal authority to pursue an investigation is independent of any other investigation that might be conducted by another branch of the federal government. Although the Committee has the discretion to defer action on a complaint against a Member when it has reason to believe that the same conduct "is being reviewed by appropriate law enforcement or regulatory authorities" or when the Committee otherwise determines that it would be appropriate to have the conduct investigated by other parties, it is not obligated to defer its action.[95] In the instant matter, the Committee initially deferred interviews and depositions of witnesses at the request of the Department of Justice but after a period of months the Committee concluded that it would be appropriate to move forward with its own investigation.[96]

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[93] The Investigative Subcommittee determined that absent compelling circumstances vital to its investigation that outweighed any other factors, it would not request testimonial immunity orders for Ms. Eppard or Representative Shuster. It also decided that the Investigative Subcommittee would notify the Department of Justice before it interviewed a witnesses to ascertain if the Department had any strong objections to the interview or deposition of that witness. The notification would be done with the express understanding that the Investigative Subcommittee would not be bound by the response from the Department of Justice but that the Investigative Subcommittee would be able to gauge whether interviewing that witness would have a material impact on the Department's case. During the course of its investigation, the Investigative Subcommittee gave the Department of Justice the names of approximately 100 potential witnesses. Of those witnesses, the Department had strong objections to five witnesses. Of those, the Investigative Subcommittee interviewed three. On October 5, 1998, the full Committee approved this policy as an exception to Committee Rule 11. Committee Rule 11 prohibits disclosure of evidence absent authorization by the Committee.

[94] The Investigative Subcommittee was concerned that if it deferred its investigation for the duration of the grand jury investigation, it might be several years before the Subcommittee would be able to commence an investigation that did not conflict with the grand jury investigation.

[95] Committee Rule 16(f).

[96] The Committee has previously elected to defer investigations upon receipt of a formal request from the United States Attorney to do so. *See, e.g., Summary of Activities, A Report of the Committee on Standards of Official Conduct, One Hundred Third Congress,* H.R. Rept. No. 103-873, at 8. However, the Committee has not commonly deferred an investigation where the respondent was the subject of a Grand Jury

In a letter dated March 12, 1998, Representative Shuster, through his counsel, requested a stay of the Investigative Subcommittee's investigation pending the outcome of the criminal investigation by the Department of Justice. ***Exhibit 71.***[97] In the letter, Representative Shuster's attorneys acknowledged that a grand jury was investigating Representative Shuster:

> As counsel to Representative Shuster, we must formally request on behalf of Mr. Shuster that your investigative Subcommittee stay all proceedings in this matter pending the resolution of a federal Grand Jury matter in the District of Massachusetts that, regrettably, appears to involve considerably overlapping, if not parallel, areas of investigation with those being pursued by your Subcommittee.

On March 20, 1998, the Committee notified Representative Shuster that it was denying the request for a stay. ***Exhibit 72.***[98] The Committee noted that while it has previously deferred cases at the request of the Department of Justice, it has not done so at the request of respondents.[99]

G. ENFORCEMENT OF SUBPOENAS TO REPRESENATIVE SHUSTER AND CONGRESSIONAL EMPLOYEES

On January 27, 1998, the Investigative Subcommittee authorized a subpoena for records from Representative Shuster. ***Exhibit 73.*** The subpoena was served on counsel for Representative Shuster on January 27, 1998. The subpoena required Representative Shuster to produce records described in eleven different areas during periods of time relevant to the inquiry, including:

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investigation but had not been indicted. *See, e.g., In the Matter of Representative Barbara-Rose Collins,* H.R. Rept. No. 104-876, at 2-3.

[97] The Investigative Subcommittee noted that the March 12, 1998, letter from Representative Shuster was addressed to the full Committee and labeled "Motion to Dismiss", while the accompanying letter from Representative Shuster's attorneys was addressed to the Investigative Subcommittee.

[98] The letter was from the full Committee because other issues addressed in the response dealt with full Committee issues (*i.e.*, enforcement of subpoenas). One footnote in the letter has been redacted.

[99] *See, e.g., In the Matter of Representative Barbara-Rose Collins,* at 2-3.

- Correspondence or other communications between Representative Shuster and Maurice Lawruk and/or Lawruk Builders, Inc.

- Records and documents relating to the development and construction of the Penn Alto Hotel.

- Records and documents relating to the development and construction of Shuster Chrysler [the business of William and Robert Shuster].

- Correspondence, meetings and/or appointments between Representative Shuster and/or Ann Eppard and Maurice Lawruk or representatives of Lawruk Builders, Inc.

- Correspondence, meetings and/or appointments between Representative Shuster and Ann Eppard and many of her clients.

- Meetings and/or appointments of Representative Shuster from January 1, 1995 to the date of the subpoena.

- A list of specific dates on which Representative Shuster sought lodging in the Washington, D.C. metropolitan area from January 1, 1991 to the date of the subpoena, including documentation reflecting the dates Representative Shuster stayed overnight in the following locations:

  - Any and all personal residences owned by Ms. Eppard.

  - Any and all personal residences owned by Representative Shuster in the Washington, D.C. metropolitan area.

  - Any and all personal residences owned by Representative Shuster in Pennsylvania.

- Representative Shuster's office in the House Office Building of the U.S. House of Representatives.

- Any and all other locations where Representative Shuster stayed overnight in the Washington, D.C. metropolitan area.

- Records and documents reflecting ownership by Representative Shuster of any and all residences in the Washington, D.C. metropolitan areas including any records reflecting dates any such personal residences were occupied by members of Representative Shuster's family and/or tenants.

- Documents and records reflecting proof of payment of rental and/or lodging expenses paid by Representative Shuster and/or members of his family in the Washington, D.C. metropolitan area.

- Representative Shuster's tax returns.

- Personal, official and campaign telephone records.

In an effort to ensure that all relevant documents were obtained by the Investigative Subcommittee, Representative Shuster's Chief of Staff and scheduler were also served with subpoenas for documents related to the investigation.

Counsel for the Investigative Subcommittee met with attorneys for Representative Shuster on February 6, 1998. After a series of telephone conversations, Representative Shuster's attorneys agreed to produce a portion of the responsive documents on February 23, 1998. On February 23, 1998, however, with no prior notification to the Investigative Subcommittee, Representative Shuster's attorneys informed counsel for the Investigative Subcommittee that due to a possible "overlap" between the grand jury investigation in the District of Massachusetts and the Investigative Subcommittee's inquiry, they had been unable to obtain the subpoenaed documents and requested an extension until March 2,

1998. The Investigative Subcommittee granted Representative Shuster's request for an extension. ***Exhibit 74.*** After another request for more time, on March 5, 1998, the Investigative Subcommittee directed Representative Shuster to produce the subpoenaed documents no later than March 12, 1998. ***Exhibit 75.***

After being granted another extension, on March 13, 1998, Representative Shuster produced leases, copies of checks, and deeds reflecting his ownership of a townhouse in the Washington, D.C. metropolitan area.[100] In addition to requesting a deferral, Representative Shuster raised Fifth Amendment questions regarding the production of the remaining items subpoenaed by the Investigative Subcommittee, focusing on his personal appointment calendars for 1995 and 1996, which had also been subpoenaed by the Office of U.S. Attorney.[101]

The Investigative Subcommittee considered Representative Shuster's requests and on March 20, 1998, the Committee demanded production of all remaining documents responsive to the subpoena.[102] The Committee noted that the subpoenas required production of official records and were therefore not subject to protection by the Fifth Amendment. The Committee did authorize Representative Shuster to redact portions of documents reflecting the substance of communications between Representative Shuster and his attorneys and national security entries or entries of a personal nature provided Representative Shuster advanced a specific request demonstrating compelling reasons to do so and permitted counsel for the Investigative Subcommittee to review the original unredacted documents.[103] The Committee informed Representative Shuster that if he did

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[100] Representative Shuster produced 203 pages of documents primarily regarding a townhouse in Arlington, Virginia. *See* ***Exhibit 76*** for correspondence related to this production.

[101] *See* Exhibit 71. In this letter, Representative Shuster's attorneys argued that production to the Investigative Subcommittee of documents "does raise significant constitutional concerns for Mr. Shuster and, perhaps current or former members of his staff. The Supreme Court has recognized that the act of producing materials in response to a subpoena may be testimonial in nature..."

[102] *See* Exhibit 72.

[103] Representative Shuster was also instructed to provide a privilege log for any documents which he asserted "may tend to defame, degrade, or incriminate" pursuant to House Rule XI(k)(5). Representative Shuster was informed that the constitutional issues he raised had been discussed with the Office of the

not produce the relevant documents, the Committee would seek to enforce compliance on the Floor of the House.

On March 27, 1998 and March 30, 1998, Representative Shuster produced additional documents responsive to the subpoena, including redacted copies of his personal calendars for 1995 and 1996.[104] On March 27, 1998, Representative Shuster also produced documents responsive to the subpoenas to his chief of staff and scheduler. ***Exhibit 77.*** [105]

On April 1, 1998, Representative Shuster's counsel orally informed counsel for the Investigative Subcommittee that Representative Shuster was requesting that the Committee on Standards apply for a court order granting him act of production immunity for the documents he had already produced and for the unredacted personal calendars. On April 1, 1998, the Investigative Subcommittee informed Representative Shuster that it would take his request for act of production immunity under advisement. ***Exhibit 78.***

The Investigative Subcommittee determined to hold production of the unredacted personal calendars in abeyance pending further developments in the federal grand jury investigation in Massachusetts. On June 10, 1998, the Committee advised Representative

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General Counsel for the House of Representatives and that "the legal views expressed by the Committee are consistent with the guidance we have received from that office."

[104] These documents included appointment requests, photocopies of Representative Shuster's official calendars for 1995 and 1996, bank records and telephone records. Representative Shuster maintained to the Investigative Subcommittee that he had not retained any copies of his personal tax returns for the relevant periods. However, Representative Shuster agreed to request that the Internal Revenue Service provide copies of the tax returns. Copies of the relevant tax returns were eventually provided to the Investigative Subcommittee by the Internal Revenue Service.

[105] This exhibit includes the correspondence regarding these subpoenas. The Investigative Subcommittee notes that it did not find merit with the position taken by Representative Shuster and his staff regarding these subpoenas. The Committee and the Investigative Subcommittee maintain the position that congressional staff may possess documents relevant to an inquiry that are "personal" and not "official." Because the relevant items were eventually produced by Representative Shuster the Investigative Subcommittee chose not to pursue this matter further. Any party subpoenaed by this Committee has an independent obligation to comply with the subpoena and failure to do so may result in disciplinary action by the full Committee. *See* Letter from Representative Joel Hefley and Representative Zoe Lofgren dated March 20, 1998, at 2, which is included in the correspondence provided in Exhibit 72.

Shuster that his request for act of production immunity should have been made prior to the initial production of the redacted calendars and that it lacked authority to grant act of production immunity retroactively. ***Exhibit 79.***

H. ENFORCEMENT OF SUBPOENAS AND ACT OF PRODUCTION IMMUNITY FOR ANN M. EPPARD

On January 27, 1998, the Investigative Subcommittee authorized subpoenas for records from Ms. Eppard personally and from Ms. Eppard in her capacity as president of Ann Eppard Associates, Ltd. ("AEA"). ***Exhibit 80.*** The subpoenas were served on counsel for Ms. Eppard on January 28, 1998. The subpoenas required Ms. Eppard to produce records from time periods relevant to the inquiry, that included:

- Records related to Maurice Lawruk, Lawruk Builders, Inc., Shuster Chrysler, or the Penn Alto Hotel.

- Communications between Ms. Eppard and Representative Shuster regarding many of her clients.

- Communications between Ms. Eppard and current or former Members of the House Committee on Transportation and Infrastructure regarding many of her clients.

- Communications between Ms. Eppard and current or former employees of Representative Shuster's congressional offices regarding many of her clients.

- Bank accounts maintained by Ann Eppard Associates, Ltd.

- Documents reflecting Ms. Eppard's providing transportation of Representative Shuster.

- Telephone records.

- Rental or lodging expenses paid by Representative Shuster and family members to Ms. Eppard or her business.

- A list of specific dates on which Representative Shuster sought lodging in any and all personal residences owned by Ms. Eppard.

- Any payments or expenditures made by Ms. Eppard or her business on behalf of Representative Shuster or members of his family.

During February 1998 counsel for the Investigative Subcommittee and the attorney for Ms. Eppard and AEA had a series of telephone conversations and meetings in which they agreed that the Investigative Subcommittee would narrow its requests for documents. Between February 26, 1998 and March 16, 1998, Ms. Eppard produced five installments of approximately 1250 pages of documents responsive to the subpoenas.[106]

At a meeting on February 19, 1998, Ms. Eppard's attorney indicated that he was coordinating his representation with Ms. Eppard's attorney in Boston and inquired as to the possibility of act of production immunity. In subsequent telephone conversations, counsel for the Investigative Subcommittee indicated that act of production immunity was rarely requested of congressional committees and that it would require a proffer from Ms. Eppard. On March 3, 1998, Ms. Eppard's attorney gave an oral proffer to counsel for the Investigative Subcommittee. On March 4, 1998, Ms. Eppard's attorney informed counsel for the Investigative Subcommittee that Ms. Eppard had received act of production immunity in connection with the grand jury investigation.

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[106] Ms. Eppard produced twenty-two additional documents on April 22, 1998. The Investigative Subcommittee notes it never "modified" the January 27, 1998, subpoenas to Ms. Eppard and AEA as indicated in the April 22, 1998, letter from her attorney. The Investigative Subcommittee merely agreed that production of certain documents would satisfy the subpoena but always reserved the right to require complete compliance with the subpoena.

On March 10, 1998, Ms. Eppard's attorney advised Subcommittee counsel that his client would assert her Fifth Amendment rights if the Subcommittee sought to compel her production of the documents unless she received act of production immunity. On March 11, 1998, Ms. Eppard was informed that the Investigative Subcommittee would take her request to receive act of production immunity under advisement. ***Exhibit 81.***

Based on the oral proffer provided to Subcommittee counsel, the Investigative Subcommittee determined that obtaining the documents subpoenaed from Ms. Eppard was substantially important to its inquiry. For that reason, the Subcommittee unanimously voted on March 17, 1998 to recommend that the Committee seek an order granting act of production immunity. On March 18, 1998, the Committee voted to seek a court order granting act of production immunity to Ms. Eppard, pursuant to the requirements of 18 U.S.C. § 6005.[107]

On April 15, 1998, the U.S. District Court for the District of Columbia signed an order giving Ms. Eppard act of production immunity. ***Exhibit 82.*** Pursuant to the order, Ms. Eppard produced: (1) redacted and unredacted personal calendars for 1995; (2) redacted tax returns for 1995 and 1996; and (3) bank deposit slips relating to funds received from Representative Shuster. Pursuant to the order, AEA produced: (1) telephone records for 1995 and 1996; (2) bank statements for 1995; (3) redacted credit card statements and receipts for 1995, 1996 and 1997; (4) unredacted and redacted calendars for 1995, 1996 and 1997; and (5) redacted invoice ledgers for 1996 and 1997.

Based on its review of the redacted calendars produced by Ms. Eppard and AEA, the Investigative Subcommittee determined that review of the unredacted calendars was necessary to a complete investigation of the allegations against Representative Shuster. On May 7, 1998, the Investigative Subcommittee authorized subpoenas for unredacted copies of all calendars maintained by Ms. Eppard and AEA between January 1, 1994, to

[107] Section 6005 of Title 18 sets forth the procedures for obtaining a court order immunizing a witness in a congressional proceeding.

the present. ***Exhibit 83.***[108] These documents were due to be produced no later than May 15, 1998. Counsel to the Investigative Subcommittee engaged in a series of discussions with counsel for Ms. Eppard.

Ms. Eppard's counsel indicated that Ms. Eppard remained uncomfortable with producing unredacted calendars to the Investigative Subcommittee that had not been produced to the grand jury. In an effort to accommodate those concerns, Subcommittee counsel agreed to review the original unredacted calendars with the understanding that after they completed their review, the Investigative Subcommittee would only require production of the documents that it deemed relevant to its investigation. On May 15, 1998, Ms. Eppard filed a motion to limit the scope of the May 7, 1998 subpoenas. Her attorneys argued that the new subpoenas were outside the scope of the Investigative Subcommittee's jurisdiction and were also unfair to a defendant in a parallel criminal case. ***Exhibit 84.***

On May 20, 1998, the Investigative Subcommittee denied Ms. Eppard's motion and directed Ms. Eppard to produce the documents by no later than May 21, 1998 or such other date as was mutually agreed upon by counsel. ***Exhibit 85.***[109] The Investigative Subcommittee directed its counsel to endeavor to work out production with Ms. Eppard in mutually satisfactory terms. On May 21, 1998, Ms. Eppard's attorney produced unredacted tax returns for Ms. Eppard and AEA and agreed to produce Ms. Eppard's responsive personal bank or personal credit card records by May 29, 1998. ***Exhibit 87.*** In addition, her attorney agreed to a tentative *in camera* inspection of calendars of Ms. Eppard and AEA by counsel for the Investigative Subcommittee. Counsel for the

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[108] These subpoenas also required production of relevant unredacted tax returns, credit card receipts, and bank account information.

[109] On May 20, 1998, the Investigative Subcommittee also authorized additional subpoenas for: (1) documents from Ms. Eppard and AEA related to her involvement with the closing of the Letterkenny Army Depot in Chambersburg, Pennsylvania; (2) AEA bank records from the Burke and Herbert Bank and Trust Company; and (3) American Express accounts maintained by Ms. Eppard and AEA. American Express, Burke and Herbert and Ms. Eppard/AEA complied with these subpoenas. While agreeing to narrow compliance with the subpoenas, the Investigative Subcommittee always reserved the right to enforce complete compliance at any time. ***Exhibit 86.***

Investigative Subcommittee subsequently met with Ms. Eppard's attorney and reviewed the unredacted calendars for Ms. Eppard and AEA. Based on this review, counsel recommended to the Investigative Subcommittee production of approximately 1000 unredacted calendar pages. On June 3, 1998, and June 4, 1998, Ms. Eppard and AEA produced the requested unredacted calendars pages.[110]

I. EXPANSION OF JURISDICTION

On October 6, 1998, the Investigative Subcommittee voted unanimously to expand the jurisdiction of its inquiry, pursuant to Committee Rule 20 (c), to include an inquiry into practices of the Bud Shuster for Congress Committee between 1994 and 1998. On October 6, 1998, the full Committee voted to expand the Investigative Subcommittee's jurisdiction to include these issues. The Committee's report for the 105th Congress indicated that the jurisdiction of the Investigative Subcommittee had been expanded to include "an examination of whether violations of House Rules and/or federal law were committed with respect to Representative Shuster's 1994, 1996, and 1998 campaigns for election to the U.S. House of Representatives."

The Committee notified Representative Shuster of the expansion of jurisdiction pursuant to Committee Rule 27(g)(4) and on October 20, 1998, Representative Shuster filed a motion with Committee objecting to the expansion. ***Exhibit 89.***[111] On November 18, 1998, the Committee affirmed that the expansion was proper. In a letter to Representative Shuster, the Committee indicated that the expansion was based upon a recommendation by the Investigative Subcommittee which was approved by the Committee. ***Exhibit 90.***

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[110] The Investigative Subcommittee agreed that it would only release relevant portions of the calendars in any public report issued in conjunction with this inquiry. On July 9, 1998, and July 10, 1998, Ms. Eppard and AEA also produced more legible copies of calendars previously produced to the Investigative Subcommittee. *See* ***Exhibit 88.***

[111] In his letter, Representative Shuster stated, "I respectfully object to the expansion of the probe into areas which were not contained in the original complaint itself, but instead in a proposed amendment. 'A complaint may not be amended without leave of the Committee.' Committee on Standards of Official Conduct Rule 16(g). As the Committee has not, to my knowledge, granted leave regarding the amendment, its subject matter is not properly before the Committee."

Pursuant to a subpoena from the Investigative Subcommittee, counsel for the Bud Shuster for Congress Committee authorized staff for the Investigative Subcommittee complete access to all records maintained by the campaign committee. In December 1998, counsel for the Investigative Subcommittee and GAO auditors detailed to the case spent three days in Altoona, Pennsylvania reviewing all original documents possessed by the BSCC treasurer. Subsequent to this review, the Bud Shuster for Congress Committee photocopied thousands of pages of relevant documents and produced them to the Investigative Subcommittee. In addition, the BSCC produced thousands of pages of original documents into the custody of the Investigative Subcommittee.[112] In August 1999, counsel for the Investigative Subcommittee returned to Altoona, Pennsylvania and reviewed a portion of the original documents in the possession of the campaign. Pursuant to this review, the BSCC produced copies and originals of several hundred pages of additional records to the Investigative Subcommittee.

In October 1998, the Investigative Subcommittee subpoenaed Ms. Eppard and AEA for documents relevant to the expansion of the inquiry. ***Exhibit 91.***[113]

J. CARRYOVER OF COMPLAINT TO 106TH CONGRESS

On January 20, 1999, the Committee voted to carryover the pending complaint against Representative Shuster. ***Exhibit 92.*** On February 10, 1999, the Chairman and Ranking Member of the Committee reappointed Representatives Hefley and Lofgren to the Investigative Subcommittee and announced to the Committee that Representatives McCrery and Edwards had been reappointed to the Investigative Subcommittee pursuant to House Rule 10, clause 5(a)(4).

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[112] The original documents and photocopies produced by the BSCC consisted primarily of records relating to FEC reports filed by the BSCC between March 1996 and April 1998. Subsequently the Investigative Subcommittee determined that the original campaign documents from January 1993-February 1996 were in the custody of the Office of the United States Attorney for the District of Massachusetts. Copies of these documents were provided to the Investigative Subcommittee by the Department of Justice in early 2000. *See* below.

[113] Ms. Eppard and AEA produced documents relevant to these subpoenas.

On February 2, 1999, Representative Shuster, through his attorneys, requested the termination of the investigation.[114] The Committee responded to this letter on February 4, 2000. ***Exhibit 93.*** The Investigative Subcommittee responded on March 10, 1999. ***Exhibit 94.***[115]

K. WITNESS IMMUNITY

In response to subpoenas for their testimony, four material witnesses asserted their rights against self incrimination under the Fifth Amendment to the U.S. Constitution: Thomas J. Hoyne, Maurice A. Lawruk, Ms. Eppard and a House employee who formerly worked in Representative Shuster's congressional office.[116] The Investigative Subcommittee determined that the testimony of each witness was substantially important to its inquiry. The Department of Justice did not oppose a grant of immunity to any of these witnesses. Each of these witnesses received a grant of testimonial immunity from the U.S. District Court for the District of Columbia and testified before the Investigative Subcommittee pursuant to the immunity order.

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[114] *See* Exhibit 61. This letter claimed that Representatives Livingston and Cardin, the co-chairmen of the bipartisan Ethics Task Force which reviewed Committee rules during the first session of the 105th Congress (see above), both stated on the record that the Shuster case would be decided under any new rules adopted by the Task Force. The Investigative Subcommittee notes that the statements quoted in Representative Shuster's letter refer to the conduct of the investigation under the new rules, and not its filing. As discussed above, when the complaint was carried over to the 105th Congress, the Committee determined that the investigation would proceed under the rules adopted by the Ethics Task Force and that the filing had been proper under the rules in place when the complaint was filed.

[115] The Investigative Subcommittee notes that Representative Hansen, the then Committee Chairman, sought out Representative Shuster once in the fall of 1998 to inform Representative Shuster that the inquiry had been expanded, see above. All other contacts between Representative Shuster and Representative Hansen were initiated by Representative Shuster. The record indicates that both the Committee and Representative Hansen sent letters to Representative Shuster informing him that any requests for meetings or information regarding the investigation should have been properly directed to the Investigative Subcommittee. The Investigative Subcommittee also determined that Representative Shuster received all notices required by the rules of the Committee, including a copy of the complaint filed by the CAP and a letter informing him on the expansion. After reviewing Representative Shuster's request, the Investigative Subcommittee determined that a meeting would not be appropriate at that point in the investigation. Subsequently, Representative Shuster was invited to appear before the Investigative Subcommittee.

[116] Mr. Hoyne has been BSCC treasurer from November 1994 to date. Lawruk was a material witness concerning the allegation in the CAP complaint regarding an alleged improper intervention with government agencies on his behalf by Representative Shuster.

Prior to requesting an immunity order for the House employee, the Investigative Subcommittee reviewed precedents for granting testimonial immunity to employees of the House of Representatives. The Investigative Subcommittee found that the Committee has authorized grants of immunity involving current House employees prior to the investigation of Representative Shuster.[117]

Ms. Eppard's testimonial immunity order is discussed below.

L. DOCUMENT PRODUCTION BY U.S. DEPARTMENT OF JUSTICE AND TESTIMONIAL IMMUNITY FOR ANN M. EPPARD

On November 1, 1999, Ms. Eppard pleaded guilty in the U.S. District Court for the District of Massachusetts to a one-count information charging that she received illegal compensation from a lobbyist while she was employed as Representative Shuster's chief of staff. ***Exhibit 95.***[118]

On November 1, 1999, the U.S. Attorney informed counsel for the Investigative Subcommittee that the grand jury investigation of Representative Shuster was probably concluded.[119] In The New York Times the next day, the U.S. Attorney was quoted as saying, "[T]his ends the case against Ann Eppard and Vernon Clark, and it ends the

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[117] In 1982, the Committee conducted a Preliminary Inquiry into allegations against Representative Frederick W. Richmond. *See* H.R. Rep. 97-1004, 97th Cong. 1st Sess., 6 (1982). During the course of that investigation the Committee staff requested authorization to seek immunity orders for at least nine House employees. In 1982 and 1983, the Committee conducted an investigation into narcotics use and sexual misconduct by Members and House employees. During the course of this investigation, the Committee obtained immunity orders for numerous witnesses. At least two of the orders appeared to be for witnesses who were employed by the House at the time the immunity order was granted, an employee of the Majority Cloakroom and a tour guide.

[118] Ms. Eppard pleaded guilty to a violation of 18 U.S.C. § 203 (a)(1) and (a)(2) - Compensation Other than as Authorized by Law.

[119] The U.S. Attorney told counsel that for the foreseeable future the investigation "wasn't going anywhere."

investigation." ***Exhibit 96.***[120] On February 8, 2000, the Committee wrote to the U. S. Attorney for the District of Massachusetts, requesting assistance in the Committee's investigation. ***Exhibit 97.***[121] Pursuant to this request, in February and March 2000, the Investigative Subcommittee received several thousands of pages of documents from the Office of the United States Attorney relevant to this investigation. Many of these documents were duplicative of materials the Investigative Subcommittee had obtained through its investigation.

On November 2, 1999, the Investigative Subcommittee subpoenaed Ms. Eppard to testify before the Subcommittee. ***Exhibit 98.*** Pursuant to her attorney's request, the subpoena was served on Ms. Eppard by U.S. Marshals on November 17, 1999. On January 11, 2000, Ms. Eppard's attorney notified counsel for the Investigative Subcommittee that Ms. Eppard intended to refuse to answer any question based on her constitutional privilege against self-incrimination.

Based on her positions in Representative Shuster's campaign, as a lobbyist appearing frequently before the Committee on Transportation and Infrastructure and her role as his former Chief of Staff, the Investigative Subcommittee determined that obtaining the testimony of Ms. Eppard was vital to the conclusion of its inquiry. It was also a significant factor for the Investigative Subcommittee that the Department of Justice was not opposed to Ms. Eppard's request for testimonial immunity.[122] For these reasons, the Investigative Subcommittee unanimously voted on February 1, 2000, to recommend

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[120] Based on Ms. Eppard's corruption conviction and Mr. Stern's public statement that the investigation was ended, the Congressional Accountability Project and Common Cause both requested the Investigative Subcommittee obtain relevant documents from the U. S. Attorney's Office.

[121] The letter requested production of information obtained by the Department of Justice during its investigation of Ann M. Eppard, Vernon A. Clark and Representative Shuster, provided that such transfer of information would not violate the integrity or secrecy of the grand jury process, compromise any ongoing Department of Justice investigation or otherwise violate any applicable law, rule or regulation.

[122] Prior to the Investigative Subcommittee's vote, the Office of Legislative Affairs for the Department of Justice informed counsel for the Investigative Subcommittee by telephone that the Department would not oppose the immunity request for Ms. Eppard.

that the Committee seek an order granting testimonial immunity.[123] On February 2, 2000, the Committee voted unanimously to seek a court order granting testimonial immunity to Ms. Eppard, pursuant to the requirements of 18 U.S.C. § 6005. The Department of Justice did not oppose the Committee's request for this immunity order.

On February 17, 2000, the U.S. District Court for the District of Columbia, signed an order giving Ms. Eppard testimonial immunity. ***Exhibit 99***. Pursuant to the order, Ms. Eppard testified before the Investigative Subcommittee on March 7 and March 8, 2000.

M. ACT OF PRODUCTION IMMUNITY FOR REPRESENTATIVE SHUSTER

On November 3, 1999, two days after Ms. Eppard entered a guilty plea and the U.S. Attorney indicated that the grand jury investigation was concluded, the Investigative Subcommittee directed Representative Shuster to produce unredacted copies of his personal calendars for 1995 and 1996. ***Exhibit 100.*** Production of these documents had been held in abeyance pending resolution of the grand jury investigation, see above. On November 9, 1999, Representative Shuster requested that the Investigative Subcommittee defer its request pending assurances from the Department of Justice that Representative Shuster was not under investigation by any component of the Department. ***Exhibit 101.*** Included as an attachment to this correspondence was a letter from the U.S. Attorney in Massachusetts addressed to Representative Shuster's counsel in Boston stating, "I will state that, at this time, Congressman Shuster is neither a subject nor a target (as those terms are defined in the United States Attorneys Manual) of any investigation being conducted or supervised by this office." On November 12, 1999, Representative Shuster's attorneys wrote the Department of Justice again, inquiring, "whether any Office (including any Office of United States Attorney) or Division of the United States Department of Justice currently has ongoing any investigation of which Congressman Shuster is the subject or target." ***Exhibit 102.***

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[123] The vote of the Investigative Subcommittee for the immunity recommendation was 3-0, one member being absent.

On February 17, 2000, the Investigative Subcommittee sent a letter to Representative Shuster, through his attorneys, in which it demanded production of the unredacted portions of Representative Shuster's personal calendars for 1995 and 1996. ***Exhibit 103.***[124] The letter acknowledged that Representative Shuster had previously asserted that the U.S. District Court in Boston had authorized him to redact three categories of material from his calendars before they were submitted to the grand jury: (1) matters related to national security; (2) matters subject to attorney-client privilege, and (3) matter that were deemed personal. In this letter, the Investigative Subcommittee also detailed the procedures that Representative Shuster should observe in producing the unredacted material to the Subcommittee or for justifying continued assertions of privilege. Despite receiving no indication from the Department of Justice that Representative Shuster remained under investigation, on February 24, 2000, Representative Shuster's attorneys advised the Investigative Subcommittee they would recommend that their client refuse to produce the documents without act of production immunity. ***Exhibit 104.***[125] Representative Shuster's attorneys continued to assert national security as one of the reasons for this position.

The Investigative Subcommittee unanimously voted on March 9, 2000 to recommend that the Committee seek an order granting act of production immunity to Representative Shuster for production of the unredacted personal calendars. The Investigative Subcommittee noted that there is a legitimate concern regarding whether it is sound policy to grant immunity of any sort to a Member of the House of Representatives. The Investigative Subcommittee took this action only after careful deliberation and a determination that act of production immunity would not be detrimental to its investigation or any other investigation. In addition, the Department of Justice informed the Committee on March 2, 2000, that it had no objection to the order. ***Exhibit 105.*** Therefore, the Investigative Subcommittee determined that the legal effect

[124] A portion of the exhibit is redacted.

[125] A portion of the exhibit is redacted.

of obtaining an additional act of production immunity order from the district court in Washington, D.C. would be nominal.[126] On March 15, 2000 the Committee voted unanimously to seek a court order granting act of production immunity to Representative Shuster, pursuant to the requirements of 18 U.S.C. § 6005.[127]

On March 17, 2000, the U.S. District Court for the District of Columbia, signed an order giving Representative Shuster act of production immunity for his unredacted personal calendars for 1995 and 1996. ***Exhibit 107.*** In a telephone conversation with counsel for the Subcommittee on March 17, 2000 an attorney for Representative Shuster indicated that there would be no redactions for national security reasons but requested three additional days before producing the unredacted calendars because he was preparing privilege logs.[128] On March 20, 2000 Representative Shuster produced copies of his unredacted calendars to the Investigative Subcommittee. ***Exhibit 108.*** The letter from his attorneys indicated that "there have been no redactions of any kind made from

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[126] The Investigative Subcommittee determined that the immunity order covered a very small portion of the calendars because Representative Shuster had already provided most of the calendars in a redacted form.

[127] The vote of the Committee was 8-0, two members being absent. A copy of the application from the General Counsel's office for the immunity order for Representative Shuster and its supporting Memorandum is included in ***Exhibit 106***.

[128] When counsel for the Subcommittee reminded Representative Shuster's attorney that Representative Shuster's attorneys had previously led the Investigative Subcommittee to believe that Representative Shuster had submitted a request to the U.S. District Court in Massachusetts to redact several categories of materials, including those related to national security, the attorney for Representative Shuster responded that he believed the court had told Representative Shuster that he would have to submit an affidavit to the court if he intended to redact any material on the grounds it related to national security. The attorney went on it say it was his understanding that no such affidavit was ever submitted so he assumed that Representative Shuster had relied on attorney-client privilege or the personal nature of the material to redact the information from the documents produced to the U.S. District Court in Boston. The Investigative Subcommittee remains very troubled as to why Representative Shuster and his attorneys continued to assert up through February 24, 2000, in papers to the Investigative Subcommittee that materials had been redacted for national security reasons when in fact this does not appear to have been the case. This remains important to the Investigative Subcommittee because Representative Shuster's assertion of national security and the attorney-client privilege were material reasons in the Subcommittee's recommendation that Representative Shuster receive act of production immunity. A review of the unredacted calendars demonstrated that the personal matters asserted by Representative Shuster included his cholesterol count, items dealing with breeding horses, his son's 1996 congressional race and brief notations relating to his wife's health. While these items are of a personal nature, none of these issues demonstrated a compelling need for redaction requiring a grant of immunity. In summary, the Investigative Subcommittee took the unprecedented step of recommending that the full Committee grant limited immunity for a sitting Member of Congress based on assertions by the Member's counsel that proved to be less than compelling when the documents were finally produced.

the entries in these calendars." Consequently, no privilege logs of redacted information were turned over to the Investigative Subcommittee.

VI. STATEMENT OF ALLEGED VIOLATION

A. Settlement Negotiations

After the conclusion of depositions in March, 2000, lengthy discussions were held between the Investigative Subcommittee, through its counsel, with Representative Shuster's attorneys.

On July 19, 2000, the Investigative Subcommittee and Representative Shuster reached mutually acceptable settlement terms. The Investigative Subcommittee agreed to adopt the SAV in its current form, dated July 26, 2000, conditioned on Representative Shuster's agreement to admit to the charges contained in the document. The Investigative Subcommittee never proceeded to Committee Rule 27(c) and therefore never provided any of the evidence upon which it was relying to Representative Shuster.

Rule 27 (c) of the Rules of the Committee on Standards of Official Conduct provides that:

> [n]ot less than 10 calendar days before a scheduled vote by an investigative subcommittee on a Statement of Alleged Violation, the subcommittee shall provide the respondent with a copy of the Statement of Alleged Violation it intends to adopt together with all evidence it intends to use to prove those charges which it intends to adopt, including documentary evidence, witness testimony, memoranda of witness interviews, and physical evidence...

Representative Shuster and the Investigative Subcommittee initiated settlement negotiations after the Investigative Subcommittee concluded its investigation but before the Investigative Subcommittee proceeded to Rule 27(c). Had the Investigative

Subcommittee drafted a Statement of Alleged Violation and forwarded it to Representative Shuster along with all documentary evidence it intended to rely upon under Rule 27(c), that initial draft could have been made a part of the record of these proceedings. The Investigative Subcommittee clearly advised Representative Shuster and his attorneys that in electing to settle the matter prior to proceeding to Rule 27(c), Representative Shuster would not receive the documentary evidence identified in Rule 27(c). Representative Shuster voluntarily elected to settle the matter with the Investigative Subcommittee at that stage of the proceedings, thereby waiving his right to review the documentary evidence the Investigative Subcommittee had obtained in the course of its investigation.[129]

B. Recommended Sanction

On July 19, 2000, the Investigative Subcommittee and Representative Shuster further agreed that the Investigative Subcommittee would recommend to the full Committee on Standards of Official Conduct that the Committee impose a letter of reproval at the conclusion of its deliberations. Representative Shuster understood that although the full Committee on Standards would give great weight to the recommendations of the Investigative Subcommittee as to the sanction the full Committee should impose, the full Committee was not obligated to follow the Subcommittee's recommendation. As a condition to admitting to the charges, Representative Shuster requested that the Investigative Subcommittee execute an agreement providing that in the event the full Committee did not vote to impose a Letter of Reproval at the conclusion of its deliberations, Representative Shuster could withdraw his answer to the July 26 Statement of Alleged Violation, in which case the proceedings would revert to regular order under Committee Rules of Procedure. If that should occur,

[129] In numerous instances throughout his written response to the Report of the Investigative Subcommittee, Representative Shuster makes references to statements that witnesses allegedly made during their appearances before the Investigative Subcommittee. (*See, e.g.*, Respondent's Views at 45-53.) The Investigative Subcommittee stresses that consistent with its agreement to settle this matter before proceeding to Rule 27(c), Representative Shuster and his attorneys have not reviewed any witness transcripts, nor were they present during the appearances of other witnesses.

the Investigative Subcommittee may adopt, if it chooses to do so, another version of a Statement of Alleged Violations which would, in all likelihood, require an adjudicatory hearing to prove all charges in the new Statement of Alleged Violations.

Representative Shuster waived his right to an adjudicatory hearing under Committee Rule 24 and his right to have the settlement terms reduced to writing under Committee Rule 27(h). On July 25, 2000, Representative Shuster admitted to a Statement of Alleged Violation pursuant to a negotiated settlement with the Investigative Subcommittee. Pursuant to the negotiated agreement, the Investigative Subcommittee agreed to recommend to the Committee that the appropriate sanction for Representative Shuster's misconduct would be a letter of reproval written by the Committee.

The four Members of the Investigative Subcommittee unanimously agreed that the Statement of Alleged Violation identifies misconduct by Representative Shuster that brought discredit to the House of Representatives. Indeed, the Investigative Subcommittee determined that the violations to which Representative Shuster admitted could constitute the type of serious conduct meriting the imposition of a reprimand. Such a view could be supported by several other factors, including the duration of the conduct engaged in by Representative Shuster and the repetitive nature of the conduct.

On balance, however, the Investigative Subcommittee determined that a letter of reproval is an appropriate recommended sanction in this matter. A fundamental difference between the sanction of reprimand and that of a letter of reproval is that reprimand is imposed by the full House of Representatives, whereas a letter of reproval is a sanction imposed by the Committee on Standards of Official Conduct.[130] But it should be emphasized that a letter of reproval itself is intended to be a clear public statement of rebuke of a Member's conduct issued by a body of that Member's peers acting, as the Committee on Standards of Official Conduct, on behalf of the House of Representatives.

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[130] Under Committee Rule 25(d), a Letter of Reproval is an appropriate sanction if the Committee determines it "constitutes sufficient action." Other sanctions require approval by the House. Under

In determining that a letter of reproval is an appropriate recommended sanction in this matter the Investigative Subcommittee gave weight to the fact that its findings regarding Representative Shuster's conduct would be fully and publicly aired. A letter of reproval is written by the Committee and is made public with any report to the House. The Investigative Subcommittee emphasizes here our consideration of the fact that any letter of reproval would be written unilaterally by the Committee, with no input from Representative Shuster. Finally, the Investigative Subcommittee notes that this Report, to be made public pursuant to Committee Rules, details the Investigative Subcommittee's findings regarding and evaluations of Representative Shuster's conduct.

The Investigative Subcommittee considered a number of other factors in concluding that a letter of reproval would be an appropriate recommended sanction, all of which factors were balanced by the determination of all the Members of the Investigative Subcommittee that any sanction should adequately reflect the seriousness of the conduct. The Investigative Subcommittee gave great weight to the fact that Representative Shuster was filing an answer admitting to the charges and waiving his right to an adjudicatory hearing. The Investigative Subcommittee also gave great weight to the fact that, by admitting to the charges, Representative Shuster acknowledged that his conduct did not reflect creditably on the House of Representatives.

The conclusion of the Investigative Subcommittee as to recommending a letter of reproval as the sanction to be imposed in this matter explicitly recognizes that the full Committee will make the ultimate decision as to what sanction is imposed. As noted, if the full Committee declines to accept the recommendation of the Investigative Subcommittee, the settlement agreement is void and the full Committee will proceed to an adjudicatory hearing.

Committee Rule 25(g), reprimand is appropriate for "serious violations," censure for more serious violations, and expulsion for the most serious violations.

C. Adoption of Statement of Alleged Violation

On July 26, 2000, at a meeting held in executive session, the Investigative Subcommittee unanimously adopted the Statement of Alleged Violation dated July 26, 2000, and accepted Representative Shuster's answer admitting to the charges contained in the Statement of Alleged Violation. All four Members of the Investigative Subcommittee were present.

Later that day, at a meeting held in executive session, the four Members of the Investigative Subcommittee met with the Members of the full Committee on Standards of Official Conduct.[131] At that meeting, the Investigative Subcommittee informed the full Committee that it had settled the matter with Representative Shuster and asked the full Committee to consider Representative Shuster's waiver of an adjudicatory hearing. The Investigative Subcommittee further advised the full Committee that each and every action it had taken throughout the entire investigation had been completely unanimous and conducted in an entirely bipartisan manner.

Counsel to the Investigative Subcommittee maintained an extremely close working relationship with the four Members of the Investigative Subcommittee throughout the course of the investigation, often having daily contact with all four Members for their guidance and input. This method ensured that the investigative process properly reflected the will of the Members individually and collectively at each stage of the proceedings.

The motion to accept Representative Shuster's waiver of an adjudicatory hearing was unanimously accepted by the nine Members of the full Committee who were present at the meeting. ***Exhibit 125.*** The Investigative Subcommittee stressed that it and Representative Shuster strongly desired to conclude proceedings in September.

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[131] The full Committee voted unanimously at the commencement of its meeting to permit Representatives McCrery and Edwards to attend.

D. Post-July 26, 2000 Activity

During the August District Work Period, counsel to the Investigative Subcommittee drafted this Report of the proceedings which was subsequently reviewed and edited by all four Members of the Investigative Subcommittee.

The Investigative Subcommittee instructed Representative Shuster, and Representative Shuster has agreed, that in his response to this Report, as part of its negotiated settlement, Representative Shuster cannot undermine the Statement of Alleged Violation.

The Members of the Investigative Subcommittee and the full Committee on Standards of Official Conduct agreed that there would be no public comment by any party on this matter prior to September. The Investigative Subcommittee will provide this Report and Representative Shuster's response to the full Committee on Standards of Official Conduct as soon as it is practicable to do so.

VII. RESULTS OF INQUIRY REGARDING CONDUCT NOT CHARGED IN STATEMENT OF ALLEGED VIOLATION

The following section of the Report discusses evidence regarding matters alleged in the original complaint and also within the scope of the Investigative Subcommittee's jurisdiction due to the expansion of jurisdiction in October 1998, that did not result in charges against Representative Shuster. This evidence is included in the Report to ensure that there is an accessible public record of the results of the inquiry concerning each matter within the scope of the Subcommittee's investigation.

A. "Complex Web"

The complaint raised numerous allegations regarding "a complex interconnecting web of legislative, political, financial, and personal ties" between Representative Shuster

and Ms. Eppard.[132] According to the complaint, the roles that Ms. Eppard played for Representative Shuster's included between November 1994 and September 1996 included:

- Ms. Eppard's role as a Washington fundraiser for Representative Shuster and as assistant treasurer for Representative Shuster's campaign committee during 1995.

- Ms. Eppard's role as Representative Shuster's "Top political aide" and as a political consultant to Representative Shuster's campaign committee responsible for district affairs.

- Ms. Eppard served as a "Press aide" for Representative Shuster's congressional office during a period of time in 1996.

- Ms. Eppard was Chairman of the Bud Shuster Portrait Committee.

- Ms. Eppard worked as a campaign aide and fundraiser for Robert Shuster during his 1996 primary campaign for the House of Representatives.

- Ms. Eppard was a "Liaison for special interests wanting Mr. Shuster to appear at Washington events."

- Ms. Eppard provided housing to Representative Shuster.

- Ms. Eppard remained a *de facto* official staff person for Representative Shuster after she left his congressional staff by often acting as Representative Shuster's driver to and from his office on Capitol Hill.

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[132] *See* Exhibit 49 at 2-5.

In addition, the "complex web" allegation charged that Representative Shuster "implicitly recommended Eppard to potential lobbying clients."[133] The complaint also alleged that it appeared Ms. Eppard "may have violated the one-year post-employment prohibition against personal staff lobbying their former employer."[134]

The Investigative Subcommittee subpoenaed documents from Representative Shuster, the Bud Shuster for Congress Committee, the Bob Shuster for Congress Committee, Robert Shuster, Ms. Eppard, Ann Eppard Associates, Ltd. ("AEA"), the Committee on Transportation and Infrastructure, the Pennsylvania Department of Motor Vehicles, the Virginia Department of Motor Vehicles, Bun Air Corporation, the Save Letterkenny Coalition, the Bud Shuster Portrait Committee and lobbyists and individuals with relevant information concerning these allegations. The Investigative Subcommittee also received documents from the Sergeant of Arms of the House and the House Finance Office.

After reviewing these documents, Ms. Eppard, employees of Representative Shuster's congressional office, employees of the Committee on Transportation and Infrastructure, employees of the House Sergeant of Arms Office, AEA employees, U.S. Capitol Police officers, current and former employees of Members of Congress and other lobbyists and individuals were interviewed or deposed. Witnesses involved with the Letterkenny Army Depot were also interviewed.[135]

Representative Shuster has admitted to a pattern of conduct between 1993 and 1998 that did not reflect creditably on the House of Representatives. Several of the areas

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[133] *Id.* at 4.

[134] *Id.* at 1. 18 U.S.C. § 207(e)(2)(A) restricts certain communications or appearances of senior congressional employees during a one-year period after they leave employment in the personal office of a Senator or a Member of the House of Representatives. See Section II.

[135] These witnesses included Patrick Joyce, a former employee of Representative Shuster, Jeff Davis, a consultant for AEA, Eric Orsini, Deputy Assistant Secretary of the Army (Logistics), Office of the Assistant Secretary of the Army (Installations, Logistics and Environment), and David Sciamanna of the Greater Chambersburg (PA) Chamber of Commerce. Mr. Sciamanna was also on the steering committee of the "Letterkenny Coalition."

of misconduct specified in the Statement of Alleged Violation adopted by the Investigative Subcommittee on July 26, 2000, focused on the conduct of Representative Shuster and Ms. Eppard. The Investigative Subcommittee found:

- Representative Shuster engaged in a pattern and practice of knowingly allowing Ms. Eppard to appear before or communicate with him in his official capacity, during the twelve-month period following her resignation as his chief of staff, on occasions and in a manner that created the appearance that his official decisions might have been improperly affected.

- Representative Shuster routinely encouraged, authorized or otherwise accepted the scheduling and advisory services of Ms. Eppard on matters that were official in nature and which should have been performed by his congressional staff during an eighteen-month period following her resignation as his chief of staff.

- While under the supervision and control of Representative Shuster as their employing Member of Congress, employees in Representative Shuster's congressional office worked for the Bud Shuster for Congress Committee to the apparent detriment of the time they were required to spend in the congressional office. While working for the BSCC, these congressional employees worked closely with Ms. Eppard and her firm, AEA.

- Certain expenditures by the Bud Shuster for Congress Committee ("BSCC") combined with record-keeping practices followed by the BSCC inadequate to verify the legitimate campaign purposes of these expenditures, created the appearance that certain of these expenditures may not have been attributable to bona fide campaign or political purposes. Ms. Eppard, in her role as Assistant Treasurer for the BSCC, approved these expenditures.

However, the Investigative Subcommittee determined that other than as set forth in the Statement of Alleged Violation and described in Section IV, above, it did not find substantial reason to believe that Representative Shuster's conduct and relationship with Ms. Eppard as specifically described and listed in the CAP complaint under the "complex web" allegation violated any law, rule, regulation, or other standard of conduct applicable to Representative Shuster.[136] The Investigative Subcommittee found no overall "complex web" of relationships between Representative Shuster and Ms. Eppard in violation of standards of conduct applicable to Representative Shuster.

1. The "Complex Web" Allegations Listed in the CAP Complaint

This section of the report summarizes the findings of fact by the Investigative Subcommittee regarding the "complex web" allegations listed in the CAP Complaint. Findings by the Investigative Subcommittee as set forth in the Statement of Alleged Violation are discussed in detail in Section IV, above.

a) Ms. Eppard's Role As A Washington Fundraiser For Representative Shuster And As Assistant Treasurer For Representative Shuster's Campaign Committee During 1995

The Investigative Subcommittee found that Ms. Eppard served as Assistant Treasurer of the Bud Shuster for Congress Committee ("BSCC") from 1972 to November 1994. The Investigative Subcommittee determined that Ms. Eppard retained this role in the BSCC while also serving as Representative Shuster's chief of staff in his congressional office. It also determined that in her role as Assistant Treasurer, Ms. Eppard was involved in fundraising for the BSCC. The Investigative Subcommittee also concluded that when Ms. Eppard left Representative Shuster's congressional office in November 1994, she retained her position as Assistant Treasurer for the campaign

[136] The standard of proof for the Investigative Subcommittee is found in Committee Rule 20(e) which provides that it "may adopt a Statement of Alleged Violation if it determines that there is substantial reason to believe" that a relevant rule, law or regulation has been violated by an individual under its jurisdiction.

committee and continued to raise money for the BSCC. Ms. Eppard testified that she was still the Assistant Treasurer for the BSCC as of the date of her appearance before the Investigative Subcommittee in March 2000.

The Investigative Subcommittee determined that in November 1994, Ms. Eppard's new firm, Ann Eppard Associates, Ltd., became a consultant to the BSCC.[137] Ms. Eppard and AEA employees testified that AEA organized fundraisers for the BSCC.

The Investigative Subcommittee did not find substantial reason to believe that Representative Shuster violated any law, rule, regulation, or other standard of conduct applicable to the conduct of a Member of the House by permitting Ms. Eppard to serve as Assistant Treasurer for the BSCC and by permitting the BSCC to hire AEA as a consultant. As set forth in Section IV, above, the Investigative Subcommittee had separate concerns regarding Ms. Eppard's actions in these roles and Representative Shuster's conduct in failing to ensure that her actions in these roles were proper.

b) Ms. Eppard's Role as "Political Advisor"

The Investigative Subcommittee found that Ms. Eppard was an important political advisor to Representative Shuster. The Investigative Subcommittee determined that in her role as chief of staff in his congressional office, as assistant treasurer to the BSCC and later as a consultant to the BSCC, Ms. Eppard was Representative Shuster's chief political advisor regarding matters in his congressional district.[138]

The Investigative Subcommittee received evidence that in 1995 and 1996, Ms. Eppard worked to prevent the closure of the Letterkenny Army Depot, located in

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[137] Federal Election Commission reports indicate the BSCC paid AEA approximately $3,000 each month for consulting between December 1994 and at least February 2000.

[138] The complaint also alleged that Ms. Eppard "interviewed candidates for county commissioner posts and advised Mr. Shuster on which candidates warrant his political backing." The Investigative Subcommittee found no evidence that Ms. Eppard engaged in this conduct.

Representative Shuster's Congressional district.[139] It determined Ms. Eppard worked closely on a volunteer basis with the "Letterkenny Coalition," a group of citizens formed in response to the Department of Defense's recommendation in 1993 to realign the Letterkenny Army Depot. The Investigative Subcommittee received evidence that Representative Shuster served as the Chairman of the "Letterkenny Coalition."

The Investigative Subcommittee also received testimony and reviewed BSCC reports to the Federal Election Commission and other BSCC documents indicating that in June, 1995, Representative Shuster used BSCC funds to fly to a hearing of the Department of Defense Base Closure and Realignment Commission ("BRAC") and testified against closing the Letterkenny Depot. The records revealed to the Investigative Subcommittee that Ms. Eppard traveled with Representative Shuster to this hearing. The Investigative Subcommittee determined that Ms. Eppard traveled in her role as Assistant Treasurer for the BSCC and consultant to the BSCC.

The Investigative Subcommittee did not find substantial reason to believe that Ms. Eppard represented Representative Shuster in her volunteer work for the "Letterkenny Coalition." The Investigative Subcommittee also did not find substantial reason to believe that there was an improper link between Ms. Eppard's volunteer work for the Letterkenny Coalition and her BSCC involvement in the BRAC hearing regarding the Letterkenny Depot.

The Investigative Subcommittee did not find substantial reason to believe that Representative Shuster violated any law, rule, regulation, or other standard of conduct applicable to a Member of Congress by permitting Ms. Eppard to serve as a political advisor regarding matters in his congressional district.

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[139] The Letterkenny Army Depot is located in Chambersburg, Pennsylvania.

c) Press Aide

The Investigative Subcommittee found no evidence that Ms. Eppard had served as a "press aide" for Representative Shuster's congressional office.

d) The Bud Shuster Portrait Committee

As part of its investigation into the various relationships between Representative Shuster and Ms. Eppard, the Investigative Subcommittee examined Ms. Eppard's role in raising funds for a portrait of Representative Shuster commemorating his chairmanship of the Committee on Transportation and Infrastructure. The Investigative Subcommittee did not find substantial reason to believe that Representative Shuster had direct knowledge of improper activities. The Investigative Subcommittee questioned, however, the propriety of certain information received concerning the financial activities of the Bud Shuster Portrait Committee.

The Investigative Subcommittee subpoenaed documents from the Bud Shuster Portrait Committee and Continental Airlines. Counsel for the Investigative Subcommittee interviewed Edward Hamberger, Secretary/Treasurer of the Portrait Committee, employees of Continental Airlines and a registered lobbyist.[140] Counsel also interviewed by telephone Everett R. Kinstler, the artist who painted the portrait of Representative Shuster. Ms. Eppard and Mr. Hamberger were deposed by the Investigative Subcommittee.

The Bud Shuster Portrait Committee was incorporated on or about June 12, 1995. ***Exhibit 109.*** Mr. Hamberger's former law firm, Baker, Donelson, Bearman and Caldwell, submitted a written request to the Internal Revenue Service dated November 27, 1995, requesting a private letter ruling providing that contributions to the Bud Shuster Portrait Committee could be tax deductible under Section 170 of the Internal Revenue Code. ***Exhibit 110.*** In its letter to the IRS, the Portrait Committee asserted that:

> [T]he [Portrait] Committee has been established for the sole purpose of locating a portrait painter and collecting contributions from individuals and corporate donors to defray the cost of such a painting, the cost of a suitable unveiling ceremony in the (Transportation] committee room and any administrative costs, including the expenses in connection with obtaining this ruling. The portrait will become the permanent property of the United States Government. Any funds collected in excess of the cost of the portrait, the unveiling ceremony and related expenses will be contributed to a charitable organization described in Section 170(c) of the Code.[141]

On March 27, 1996, the IRS issued a response stating that contributions to the Portrait Committee would be deemed tax deductible. The IRS letter indicated that "based on the information submitted [by the Portrait Committee in its letter of November 27]...we conclude that contributions to Portrait Committee will be charitable contributions within the meaning of section 170(c) of the Code." ***Exhibit 112.***

Evidence obtained by the Investigative Subcommittee revealed that the Portrait Committee collected contributions of approximately $85,650 and that the Portrait Committee's expenditures were approximately $85,600. ***Exhibit 113.*** The principal expenditures included a fee for the artist, Mr. Kinstler, in the amount of $45,000. In addition, the Portrait Committee hosted a private reception and dinner in Room 2167 of the Rayburn House Office Building on September 26, 1995, to introduce Mr. Kinstler to several of the contributors to the Portrait Committee.[142] Total costs for the September reception and dinner, including flowers, music and catering costs, were approximately $5,700.[143]

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[140] Ms. Eppard served as President of the Portrait Committee.

[141] The Investigative Subcommittee obtained a letter signed by Mr. Hamberger on July 28, 1995, in which Mr. Hamberger represented to a potential donor to the Portrait Committee that the Committee had applied to the IRS for tax-exempt status. Although this letter was written four months before the Committee submitted an application to the IRS, Mr. Hamberger testified that it his understanding that that the Committee has applied for tax-exempt status at the time he drafted this letter to the donor. ***Exhibit 111.***

[142] The main hearing room of the Committee on Transportation and Infrastructure is in Room 2167 of the Rayburn House Office Building.

[143] Exhibit 113 at 3.

The Portrait Committee expended additional funds in connection with the public portrait unveiling ceremony on Monday, January 22, 1996, in the hearing room of the Committee on Transportation and Infrastructure in the Rayburn House Office Building. As part of the public unveiling ceremony, the Portrait Committee hosted a lunch for approximately 200 guests. The cost of the lunch was approximately $15,400, including catering costs, live music and flowers.[144] On the evening of Sunday, January 21, 1996, the Portrait Committee hosted a private dinner for 54 guests in the Rayburn House Office Building. The cost of the dinner was approximately $9,000.[145]

Guests at the Sunday evening dinner included members of Representative Shuster's family, contributors to the Portrait Committee, the portrait artist and his wife, and congressional staff. In addition, the Portrait Committee hired Capital Limousine, Inc., at a cost of $1,424, to drive the artist and his wife from the Willard Hotel to the Rayburn House Office Building, and paid a private driver in New York $100 to transport the artist and his wife to the airport.[146] The Investigative Subcommittee was unable to determine whether these limousines were used to transport other guests to this or other Portrait Committee events. The Portrait Committee also paid for the artist's lodging at the Willard Hotel and transportation from New York to Washington.

Mr. Hamberger was deposed by the Investigative Subcommittee on September 21, 1999. The Investigative Subcommittee reminded Mr. Hamberger during his appearance that the IRS had issued its private letter ruling based on the Portrait Committee's representations that the funds would be used for "a suitable public unveiling ceremony." The Investigative Subcommittee then asked Mr. Hamberger how the Portrait Committee justified the expenditure of two additional events: one in September 1995, and the other

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[144] ***Exhibit 114*** at 3 and 8; Exhibit 113 at 3.

[145] Exhibit 114 at 1; Exhibit 113 at 3.

[146] Exhibit 114 at 10 and 11; Exhibit 113 at 3.

on the Sunday night preceding the Monday public unveiling ceremony.[147] With respect to the private dinner the Sunday evening before the public unveiling ceremony, Mr. Hamberger further testified that he "would call it one event. And that is to say that it was an invited event, but all surrounding the unveiling."[148] When asked whether the dinner on Sunday evening was open to the public, Mr. Hamberger replied:

> A: I think that might be a term of art. If someone was walking down the street, they could not walk in, no.
> Q: Someone who was not invited would not be able to attend the dinner the night before, is that correct?
> A: Yes.
> Q: It was invitation only, right?
> A: Yes.
> Q: How do you reconcile that with the IRS paperwork that talks about the unveiling ceremony being a public event?
> A: I guess, as I say, I saw the whole thing as one big event.[149]

Tax deductible contributions were used to pay for all of these costs. The costs associated with these events exceeded the contributions the Portrait Committee had on deposit. The Portrait Committee found it necessary to continue its solicitation activities until it raised sufficient funds to defray its expenditures sometime into the spring of 1996.[150] In a letter dated April 11, 1995, the government affairs office at Continental Airlines agreed to contribute two first-class tickets round-trip tickets to Hawaii to the Portrait Committee. Mr. Hamberger testified that he sold the tickets to a registered lobbyist on behalf of the Portrait Committee shortly thereafter and in exchange obtained a $4,000 contribution to the Portrait Committee.

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[147] Although in his capacity as Treasurer of the Portrait Committee he signed all checks for the Committee's expenditures, Mr. Hamberger testified that he has no recollection that the September Portrait Committee event took place.

[148] Dep. of Edward R. Hamberger, September 21, 1999, at 52.

[149] *Id.* at 70-71.

[150] ***Exhibit 115.*** (Letter from Ed Hamberger to Barry Palmer dated April 9, 1996, nearly three months after the event took place. This letter erroneously suggests that the Committee on Transportation and Infrastructure rather than the Bud Shuster Portrait Committee was planning these activities.)

After off-setting its final expenditures, the Portrait Committee had a positive balance remaining in the amount of $2.65 which it contributed to the American Red Cross. ***Exhibit 116.***

The Investigative Subcommittee questioned whether the manner in which the Portrait Committee expended its funds by Ms. Eppard, Mr. Hamberger and others associated with the Portrait Committee was consistent with the language contained in the private letter ruling issued by the Internal Revenue Service. The Investigative Subcommittee did not find substantial reason to believe, however, that Representative Shuster was personally aware of or involved in decisions regarding the manner in which these funds were used.

e) Campaign Aide And Fundraiser For Robert Shuster

The Investigative Subcommittee found that Ms. Eppard served as a fundraiser for Representative Shuster's son, Robert Shuster, during his 1996 congressional campaign. The Investigative Subcommittee did not find substantial reason to believe that Ms. Eppard's role in this campaign violated any standard of conduct applicable to Representative Shuster.

f) Liaison For Groups Requesting Appearances By Representative Shuster

The Investigative Subcommittee found no evidence that Ms. Eppard served as a liaison for any group requesting that Representative Shuster appear at Washington events. The Investigative Subcommittee did determine that Ms. Eppard had substantial involvement in Representative Shuster's official schedule as described in Section IV.

g) Provider Of Housing

The Investigative Subcommittee investigated this allegation as a possible violation of House gift rules, see below.

h) De Facto Staff Person

The complaint alleged that Ms. Eppard served as a *"[D]e facto* official staff person" for Representative Shuster because she "provided staff-like services to Rep. Shuster, acting as his driver to and from his office on Capitol Hill."[151] The Investigative Subcommittee determined that Ms. Eppard frequently drove Representative Shuster to meetings in and around the Washington, D.C. area in connection with her position as assistant treasurer for the BSCC and as a fundraiser and consultant for the BSCC. The Investigative Subcommittee did not find substantial reason to believe that this activity violated any standard of conduct applicable to Representative Shuster.

However, as described in Section IV, above, the Investigative Subcommittee found Representative Shuster routinely accepted the scheduling and advisory services of Ms. Eppard on official matters during an eighteen-month period between November 1994 and May 1996 in violation of former House Rule 45.

i) Representative Shuster's Recommendation Of Ms. Eppard As A Lobbyist

The Investigative Subcommittee found no evidence that Representative Shuster directly or indirectly recommended Ms. Eppard's services to potential lobbying clients.

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[151] *See* Exhibit 49 at 4, and Attachment 2, "Lobbyist's '95 Revenues Could Top $1 Million", Journal of Commerce, February 8, 1996.

j) Allegation That Ms. Eppard "may have violated the one-year post-employment prohibition against personal staff lobbying their former employer."

The Investigative Subcommittee's findings regarding Ms. Eppard's representation of her clients during the one-year period after she left Representative Shuster's congressional office is discussed in Section IV, above.

B. House Gift Rules Regarding Lodging with Ms. Eppard

The complaint alleged that Representative Shuster may have violated House gift rules by staying overnight at Ms. Eppard's Arlington, Virginia, townhouse without paying rent for the fair market value of the accommodations she provided.[152]

The Investigative Subcommittee subpoenaed documents from Representative Shuster, Ms. Eppard, Ann Eppard Associates, Ltd. ("AEA"), and financial institutions. After reviewing the documents, counsel for the Investigative Subcommittee interviewed employees of Representative Shuster's congressional office and employees of AEA. Ms. Eppard, AEA employees and employees of Representative Shuster's congressional office were deposed by the Investigative Subcommittee.

The Investigative Subcommittee determined that Representative Shuster and Ms. Eppard had known each other since the late 1960's when Representative Shuster initially hired Ms. Eppard at his private business several years before he became a Member of

[152] Exhibit 49 at 5-7. Under the Gift rule in effect in 1995 (House Rule 43, Clause 4), Members and employees were prohibited from accepting personal hospitality more than 30 days in a calendar year without prior written waiver from the Committee on Standards. Under the rule that went into effect on January 1, 1996 (House Rule 51, later renumbered as House Rule 52), Members were prohibited from accepting personal hospitality from a lobbyist unless the lobbyist were determined to be a *bona fide* personal friend. Gifts based on personal friendship were also prohibited if the Member had reason to believe that, "under the circumstances, the gift was provided because of your official position and not because of the personal friendship." Under the new rule, Members were not allowed to accept gifts worth more than $250 under the personal friendship exception "unless the Committee...issues a written determination that" the personal friendship exemption to the gift rule applies. The Gift Rules for 1995 and 1996 are attached as ***Exhibit 117***.

Congress. The Investigative Subcommittee also determined that over the course of time, the Shuster and Eppard families became close. Ms. Eppard testified before the Investigative Subcommittee that Representative Shuster was her "best friend."[153] In a letter provided to the Investigative Subcommittee, Representative Shuster stated that he and his family stayed at Ms. Eppard's Virginia residence on many occasions in the past.[154] The files of the Committee on Standards of Official Conduct contain no written waivers, written determinations of personal friendship or requests from Representative Shuster for either of these written determinations for calendar years 1995 or 1996.

While the gift rule that took effect on January 1, 1996 allows Members and staff to accept gifts provided on the basis of personal friendship, it requires them to be especially cautious in accepting any such gift from a lobbyist or anyone else with interests before the Congress. Quite clearly, the concern regarding gifts from any such individuals is that they may in fact be motivated by the official position of the Member or staff person, rather than by friendship. In this regard, a 1994 Senate committee report on a gift reform proposal observed,

> [I]t seems appropriate to single out registered lobbyists and foreign agents for special treatment, because this category includes people who are, by definition, in the business of seeking to influence the outcome of public policy decisions. Because registered lobbyists and foreign agents are paid to influence the actions of public officials, including legislative branch officials, their gifts are uniquely susceptible to the appearance that they are intended to purchase access or influence.[155]

The gift rule includes two sets of provisions to help ensure that gifts proposed to be accepted on the basis of a personal friendship are indeed motivated by friendship, rather than because of the one's official position. First, the rule provides three specific criteria that Members and staff are to consider in determining whether a gift is provided

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[153] Dep. of Ann M. Eppard, March 7, 2000, at 25.

[154] *See* Exhibit 58, Attachment A.

[155] S. Rep. No. 103-255, 103d Cong., 2d Sess. 3-4 (1994).

on the basis of personal friendship, and hence may be accepted as a personal friendship gift:[156]

- The history of the relationship of the Member or staff person with the individual offering the gift, including any previous exchange of gifts between them. Quite clearly, if there has not been reciprocal exchange of gifts, but instead all of the gifts have flowed to the Member or staff person, there is reason to believe that the gifts are motivated by business concerns, rather than personal friendship.

- Whether the individual is paying for the gift personally and is not seeking a tax deduction or business reimbursement for the gift. Where the gift is paid for by a business, rather by the individual, or the individual will seek a tax deduction or business reimbursement for a gift, there is reason to believe that the gift has a business purpose.

- Whether the individual is giving or has given the same or similar gifts to other Members or staff. In that circumstance, again, there is reason to believe that the gift is motivated by business concerns, rather than by personal friendship.

Second, the rule provides that a Member or staff person may not accept a gift exceeding $250 in value on the basis of the personal friendship exception unless the Standards Committee issues a written determination that the exception applies.[157]

The Investigative Subcommittee did not find substantial reason to believe that Representative Shuster's acceptance of lodging from Ms. Eppard in 1996 was contrary to then Clause 1(c)(4) of then-House Rule 52, the personal friendship provision of the gift rule. This conclusion is substantially based on the evidence that the friendship between

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[156] Exhibit 117, Clause 1(c)(4)(B) of House Rule 52, 104th Cong., 2d Sess.

[157] *Id.* at Clause 1(e).

Representative Shuster, Ms. Eppard and their families spans several decades and that the friendship has included reciprocal gift exchange.

However, prior to accepting lodging from Ms. Eppard on any regular basis in 1996, Representative Shuster should have sought a personal friendship determination from the Committee on Standards under former Clause 1(e) of House Rule 52. In all likelihood, any single night's lodging would not have a value exceeding $250, but acceptance of lodging on a regular basis would certainly exceed the $250 threshold. In view of the Investigative Subcommittee's conclusion that the lodging was acceptable under the personal friendship provision, and in view of the fact that Representative Shuster has admitted to other violations discussed in this Report, the Investigative Subcommittee decided not to pursue a charge of a violation of the gift rule for Representative Shuster's failure to seek a personal friendship determination prior to his acceptance of the lodging.

For the reasons set forth above, compliance with the requirement that persons subject to the rule obtain a personal friendship determination from the Committee on Standards before accepting any gift exceeding $250 in value is vitally important to ensuring that the personal friendship exception to the gift rule is not misused. The Committee on Standards has issued numerous advisory memoranda and other publications to House Members and employees that highlight this requirement. The Investigative Subcommittee intends to underscore the obligation of Members and staff to comply with this requirement in this Report.

With regard to the lodging that Representative Shuster accepted from Ms. Eppard in 1995 before the current gift rule took effect, he was required under the rule then in effect to seek a waiver from the Committee on Standards only if he accepted lodging of more than 30 days during a calendar year. The Investigative Subcommittee did not find substantial reason to believe that he accepted more than 30 days of lodging from Ms. Eppard in 1995.

C. Significant Legislative Benefits to Ms. Eppard's Clients

The complaint also alleged that Ms. Eppard "produced significant legislative benefits for some of her clients seeking action on transportation-related issues before Chairman Shuster's committee."[158] The complaint alleged that these clients were Frito-Lay, Inc, Federal Express Corporation, the Outdoor Advertising Association of American and Amtrak. In addition to these clients, the Investigative Subcommittee subpoenaed documents from other clients of Ann Eppard Associates, Ltd. ("AEA") and other groups appearing before the Committee on Transportation and Infrastructure represented by Ms. Eppard or associated with Ms. Eppard or AEA.[159]

1. Frito-Lay, Inc.

The complaint cited the Journal of Commerce in stating that Frito-Lay:

> [H]ired Ms. Eppard to assist in marshaling through Congress a law directing the secretary of transportation to set up a regulatory relief program for mid-weight delivery trucks....The proposal, introduced in the House Transportation and Infrastructure Committee by Rep. Bill Emerson, R-Mo., who also wanted to win relief for farm vehicles, became controversial when trucking safety proponents and DOT officials raised questions about its workability. The language was later narrowed to make it a pilot program that was ultimately enacted.[160]

The Complaint also cited an article in the Memphis Commercial Appeal regarding this legislation:

> Frustrated after a five-year effort to soften safety rules for medium-sized trucks, such industry giants at Frito-Lay and Federal Express Corp. turned to friends in the new Republican Congress for help. And

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[158] Exhibit 49 at 7.

[159] Documents were subpoenaed and received from the American Association of Railroads, the American Road and Transportation Builders Association (ARTBA), the Pennsylvania Turnpike Commission, the Los Angeles County Metropolitan Transportation Association, Delta Development Corporation, Union Pacific, and the Natural Disaster Coalition.

[160] Exhibit 49 at 7.

> a quiet lobbying campaign aimed at the House Transportation Committee yielded in a few months what years of regulatory struggles had not: a waiver that could exempt service and delivery trucks from more than a dozen rules on the age and physical condition of drivers, on the number of hours they may drive and on paperwork for truck safety and maintenance.[161]

The Commercial Appeal article also stated:

> The American Bakers Association approached Rep. Bill Zeliff (R-N.H.), who introduced a version of the safety waivers as a House bill this year. When Transportation Committee chairman Bud Shuster (R-Pa.) opened the door to amendments to the highway bill, Zeliff's provision was rolled into the measure along with several other rules waivers.[162]

In another attachment to the complaint a Journal of Commerce article stated that Representative Shuster "sought to protect" the measure from "Senate opponents in a House-Senate conference..."[163]

The Investigative Subcommittee subpoenaed documents from Frito-Lay, Representative Shuster, Ms. Eppard, AEA, the Committee on Transportation and Infrastructure, the American Bakers Association and other lobbyists associated with this legislation. After reviewing the documents, employees of Representative Shuster's congressional office, employees of the Committee on Transportation and Infrastructure, employees of Members of Congress, Ms. Eppard, AEA employees and other lobbyists were interviewed or deposed.

The Investigative Subcommittee determined that the National Highway System Designation Act of 1995 contained a pilot project providing flexibility to carriers using trucks between 10-26,000 pounds in complying with federal safety regulations if they devised a program of safety management controls that DOT determined would provide an

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[161] *Id.* at 7-8.

[162] *Id.* Attachment 9, "Firms win concession on safety for trucks," at 2.

[163] *Id.* Attachment 9, "Frito Hires Eppard to Lobby on Truck Rules, November 9, 1995.

equal or greater level of safety.[164] The Investigative Subcommittee did not find substantial reason to believe that Representative Shuster's actions regarding this legislation at the Committee level or in conference with the Senate were improperly influenced by Ms. Eppard's representation of Frito-Lay. In fact, the Investigative Subcommittee did not find substantial reason to believe that Ms. Eppard appeared before or communicated with Representative Shuster regarding this legislative provision.

2. Federal Express

According to a Journal of Commerce article cited in the complaint, Federal Express:

> was able to obtain a subcommittee hearing on U.S.-Japan bilateral aviation relations just as U.S. negotiators were dealing with their counterparts. A dispute had developed between FedEx and Japanese officials over FedEx's plan to open cargo service between Tokyo and its new hub in the Philippines. The hearing in which lawmakers hinted at retaliatory action was little noticed in the United States, but was broadcast by television news channels in Japan.[165]

The Investigative Subcommittee subpoenaed documents from Ms. Eppard, Representative Shuster, the Committee on Transportation and Infrastructure, Federal Express and United Airlines. Ms. Eppard, employees of AEA, three employees from the government affairs office of Federal Express, current and former employees of the Committee on Transportation and Infrastructure, employees of Members of Congress, and other lobbyists were interviewed or deposed.[166]

The Investigative Subcommittee found that the Subcommittee on Aviation for the House Committee on Transportation and Infrastructure held a hearing on U.S.-Japan bilateral aviation relations on July 20, 1995.[167] It further determined that the decision to

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[164] Public Law 104-59, passed Nov. 28, 1995. Section 344.

[165] Exhibit 49 at 8.

[166] A former employee for the Senate Commerce Committee was also interviewed.

[167] See "Aviation Relations Between the United States and Japan", Committee Print 104-27, Committee on Transportation and Infrastructure, July 20, 1995. The Senate Commerce, Science and Transportation

recommend holding the hearing was made by the Aviation Subcommittee staff and approved by the Aviation Subcommittee Chairman, Representative John Duncan. Neither Representative Shuster, Ms. Eppard, nor Federal Express were consulted by the staff of the Aviation Subcommittee regarding the decision to hold the hearing. The Investigative Subcommittee also did not find substantial reason to believe that the comments made by Representative Shuster during the hearing which were quoted in the complaint were improper.[168]

3. Outdoor Advertising Association of America

According to a Journal of Commerce article attached to the complaint, the Outdoor Advertising Association of America ("OAAA") was:

> successful in winning a change to federal policy governing the placement of billboards along routes designated partially as scenic byways. Rep. Shuster dug in his heels during negotiations with the Senate on highway legislation to protect the language, which through a series of regulatory layers will have the effect of allowing more billboards than before.[169]

The Investigative Subcommittee subpoenaed documents from Ms. Eppard, Representative Shuster, the Committee on Transportation and Infrastructure, the OAAA, and other lobbyists. Ms. Eppard, AEA employees, the president of the OAAA, current and former employees of the Committee on Transportation and Infrastructure and other lobbyists were interviewed or deposed.

The Investigative Subcommittee determined that the Congress did pass legislation during 1995 regarding "scenic byways" and that Representative Shuster actively

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Committee's Subcommittee on Aviation held a hearing on the same subject in July 11, 1995. See S. HRG. 104-406, "Global Aviation Challenges: Tokyo, Heathrow, and Beyond." Frederick Smith, CEO of Federal Express, testified at both hearings.

[168] Exhibit 49 at 8. ("At the hearing... Chairman Shuster stated 'it is time for us to get tough' in the trade dispute with Japanese air cargo carriers.")

[169] *Id.* at 9.

supported this legislation.[170] The Investigative Subcommittee did not find substantial reason to believe that Ms. Eppard appeared before or communicated with Representative Shuster regarding this legislation. It also did not find substantial reason to believe that Representative Shuster's actions on behalf of this legislation or conduct during negotiations with the Senate regarding this legislation was influenced by Ms. Eppard's representation of the OAAA.[171]

4. Amtrak

The compliant again cited the Journal of Commerce:

> Rep. Shuster worked hard to save Amtrak from a shut-off of federal funding sought by some within the House Republican Caucus. He delivered a reform-and-privatization bill to the House floor that gave Amtrak much of what it wanted to achieve a badly needed financial restructuring.[172]

The Investigative Subcommittee subpoenaed documents from Ms. Eppard, Representative Shuster, the Committee on Transportation and Infrastructure, Amtrak, Conrail and other lobbyists. The Investigative Subcommittee also received documents from the U.S. Department of Transportation concerning this allegation. Employees of AEA, a lobbyist for Amtrak, employees of Conrail, employees of Members of Congress, current and former employees of the Committee on Transportation and Infrastructure and other lobbyists were interviewed.

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[170] Public Law 95-59, National Highway System Designation Act of 1995, Section 314.

[171] The Investigative Subcommittee noted that Representative Shuster has been a consistent supporter of similar legislation in the past.

[172] Exhibit 49 at 9-10.

Ms. Eppard, employees of AEA, lobbyists and employees of Amtrak and Conrail and employees of the Committee on Transportation and Infrastructure were deposed by the Investigative Subcommittee.[173]

The Investigative Subcommittee determined that on November 30, 1995, the House of Representatives passed H.R. 1788, the Amtrak Reform and Privatization Act of 1995, and that Representative Shuster actively supported this legislation.[174] The Investigative Subcommittee did not find substantial reason to believe that Ms. Eppard appeared before or communicated with Representative Shuster regarding this legislation. It also did not find substantial reason to believe that Representative Shuster's actions on behalf of this legislation was influenced by Ms. Eppard's representation of Amtrak.

D. Illegal Gratuities

The complaint further stated, "[G]iven the extensive interweaving of legislative, political, financial, and personal interests between Rep. Shuster and lobbyist Eppard, and their unusual mutual support efforts for one another...there is sufficient evidence to call into question whether Representative Bud Shuster and Ann Eppard have conformed their conduct to the letter of the law. In particular, we are concerned that section 201 of the U.S. Criminal Code has been triggered by their activities."[175] The complaint also requested that the Committee "conduct a preliminary inquiry into whether illegal gratuities were exchanged" between Ms. Eppard and Representative Shuster.[176]

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[173] The Investigative Subcommittee deposed Timothy Gillespie, a former lobbyist for Amtrak. The Investigative Subcommittee also deposed David LeVan, former president of Conrail and William Newman, a former lobbyist for Conrail. Among the employees of the Committee on Transportation and Infrastructure deposed by the Investigative Subcommittee were the Chief of Staff, the General Counsel and the minority staff director. The majority counsel for the Railroad Subcommittee was interviewed by counsel for the Investigative Subcommittee.

[174] ***Exhibit 118.*** *See also* H. Rept. 104-299.

[175] Exhibit 49 at 10. 18 U.S.C. § 201(c)(1)(B) provides: "Whoever—(1)(B) being a public official...directly or indirectly demands, seeks, receives, accepts, or agrees to receive or accept anything of value personally for or because of any official act performed or to be performed by such official or person...."shall be fined or imprisoned.

[176] Exhibit 49 at 10-11.

The Investigative Subcommittee subpoenaed documents from Ms. Eppard, Representative Shuster, the Committee on Transportation and Infrastructure, numerous clients of AEA and other lobbyists. AEA employees, lobbyists, clients of AEA and employees of the Committee on Transportation and Infrastructure were interviewed.

Ms. Eppard, employees of AEA, lobbyists, clients of AEA, and employees of the Committee on Transportation and Infrastructure were deposed by the Investigative Subcommittee regarding this allegation.[177]

The Investigative Subcommittee did not find substantial reason to believe that Representative Shuster received an illegal gratuity from Ms. Eppard or that he solicited an illegal gratuity from Ms. Eppard.

E. Allegations Concerning Representative Shuster and Maurice Lawruk

The complaint alleged that Representative Shuster improperly intervened with the U.S. Department of Labor and the U.S. Department of Housing and Urban Development on behalf of Maurice A. Lawruk.[178] The complaint alleged that Mr. Lawruk was a business partner of Representative Shuster's sons, William Shuster and Robert Shuster.[179] The complaint cited a Roll Call article which stated:

> Rep. Bud Shuster (R-Pa) helped a family friend win a $3 million contract with the Department of Housing and Urban Development, then twice intervened with the executive branch in an effort to save the real estate developer $350,000 in labor costs.
>
> Even as Shuster's official actions aided Altoona businessman Maurice Lawruk...the multimillionaire in 1990 became a financial backer of a new car dealership. His partners in that enterprise: Shuster's sons.[180]

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[177] Among the employees of the Committee on Transportation and Infrastructure deposed were the Chief of Staff, the General Counsel and the minority staff director.

[178] Exhibit 49 at 11-13.

[179] *Id.* at 12.

[180] *Id.*

The Investigative Subcommittee subpoenaed documents from Ms. Eppard, Representative Shuster, Mr. Lawruk, the Shuster Chrysler dealership located in East Freedom, Pennsylvania, Robert Shuster and William Shuster. The Investigative Subcommittee also obtained documents from the U.S. Department of Housing and Urban Development and the U.S. Department of Labor. Counsel to the Investigative Subcommittee interviewed AEA employees and employees of Representative Shuster's congressional office.[181]

Ms. Eppard, employees of Representative Shuster's congressional office and Mr. Lawruk were deposed by the Investigative Subcommittee.

The Investigative Subcommittee determined that Mr. Lawruk met Representative Shuster in 1972 and has been a political supporter since that time. It also determined that the Lawruk and Shuster families have socialized together and that Mr. Lawruk considers Representative Shuster a personal friend. By 1990, Mr. Lawruk owned or was a partner in several car dealerships as well as many other businesses in the Altoona area.

The Investigative Subcommittee found that in 1989, a company partially owned by Maurice Lawruk entered into an approximately $3 million contract with the Department of Housing and Urban Development to renovate the Penn Alto Hotel in Altoona, Pennsylvania. The Penn Alto is the largest hotel located in Altoona. Mr.

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[181] On December 5, 1998, *Congressional Quarterly* published an article concerning the relationship between Representative Shuster and Mr. Lawruk. Counsel for the Investigative Subcommittee interviewed several witnesses quoted in the article. ***Exhibit 119***. The article also alleged on page 3235 that "[I]n 1995, the dealership moved to a choice location in East Freedom, Pa., alongside Interstate 99, a major lifeline in the district built with federal funds secured by the congressman and known as the Bud Shuster Highway. About the same time, the Pennsylvania Department of Transportation undertook a road-widening project at a cost of more than $8 million that improved access to the dealership and to other businesses nearby. Shuster sponsored the project in the 1991 surface transportation reauthorization bill (P. L. 102-240). The land for the new location was purchased by S&L Partnership, a collaboration of the Shuster and Lawruk families, for $145,000, county land records show." The Investigative Subcommittee did not find substantial reason to believe that Representative Shuster acted improperly in connection with this matter.

Lawruk testified that he never met with or discussed this issue with Representative Shuster.[182]

The Investigative Subcommittee also determined that on August 31, 1990, Mr. Lawruk guaranteed a lease for Shuster Chrysler, then located in Roaring Spring, Pennsylvania, in the amount of $260,000. Representative Shuster's sons, William Shuster and Robert Shuster, were officers of Shuster Chrysler. Mr. Lawruk, William Shuster and Robert Shuster were all on the Board of Directors of the Shuster Chrysler business. Mr. Lawruk had known William Shuster for many years and William Shuster had experience in the automobile business. Mr. Lawruk never met with or discussed this business relationship with Representative Shuster.

The Investigative Subcommittee also determined that in late 1990 and early 1991, Representative Shuster sent two letters to federal agencies in an effort to save approximately $350,000 in labor costs for a company partially owned by Mr. Lawruk. These costs were related to renovations of the Penn Alto Hotel. ***Exhibit 120.*** Mr. Lawruk testified that he discussed these letters with Ms. Eppard but never met with or discussed these letters with Representative Shuster.

The Investigative Subcommittee did not find substantial reason to believe that Representative Shuster had any financial interest in Shuster Chrysler.

The House Ethics Manual states that a Member is not "precluded from providing any official assistance" to a supporter. It further provides that, "as long as there is no *quid pro quo*, a Member is free to assist all persons equally."[183] Members are again reminded that "the private financial interests and investment holdings of Members ...as

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[182] The Investigative Subcommittee determined that renovation of the Penn Alto Hotel was supported by a broad range of bipartisan groups in the Altoona area.

[183] House Ethics Manual at 250. *See also* ***Exhibit 121***, Memorandum from the Committee, "Prohibition Against Linking Official Actions to Partisan or Political Considerations, or Personal Gain," dated May 11, 1999.

well as their immediate families, may present conflicts of interest with official duties."[184] The Committee reviews each situation on a case by case basis to determine whether an actual conflict of interest exists.[185] The Committee emphasizes in the House Ethics Manual that all Members should "avoid situations in which even an inference might be drawn suggesting improper action."[186]

The Investigative Subcommittee found that under the facts as determined by this investigation that it did not find substantial reason to believe that Representative Shuster intervened improperly with any government agency on Mr. Lawruk's behalf or that Representative Shuster was improperly influenced by the financial relationship between Mr. Lawruk and Representative Shuster's sons. The Investigative Subcommittee further determined that it did not find substantial reason to believe Representative Shuster acted improperly regarding any legislation concerning the Penn Alto Hotel.

F. Allegation of Linkage Between Official Actions by Representative Shuster and Fundraising Activities

When the Investigative Subcommittee expanded its jurisdiction to look into practices by the Bud Shuster for Congress Committee, it inquired into allegations that there was an improper linkage between BSCC fundraisers and fact-finding trips to transportation projects by Representative Shuster. These allegations were originally brought to the attention of the Investigative Subcommittee by the Congressional Accountability Project in October 1997, when that group requested that the complaint be amended to include an investigation into Representative Shuster's campaign activities. During its inquiry, the Investigative Subcommittee focused on allegations contained in attachments to the CAP request for amending the complaint. These newspaper articles

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[184] House Ethics Manual at 155.

[185] *Id.* at 159.

[186] *Id.*

contended, in effect, that Representative Shuster made his participation in fact-finding tours contingent on a fundraiser being held in the same community.[187]

The Investigative Subcommittee subpoenaed documents from The Bud Shuster for Congress Committee, Ms. Eppard, AEA, Representative Shuster, Carolyn Barranca of the Frederick Area Committee on Transportation, the Harlingen Area Chamber of Commerce and an individual quoted in the attachments to the CAP amendment, Howard Pebley, Jr. Counsel for the Investigative Subcommittee interviewed AEA employees, employees of the Committee on Transportation and Infrastructure, employees of Representative Shuster's congressional office and local witnesses involving fundraisers and fact-finding tours by Representative Shuster. These interviews focused on BSCC fundraisers held between 1995 and 1996 in:

- Chicago, Illinois (April 17, 1995)
- Los Angeles, California (April 18, 1995)
- Frederick, Maryland (October 25, 1996)
- McAllen, Texas (August 8-9, 1996)
- Portland, Oregon (September 15, 1996)
- Salt Lake City, Utah and Provo, Utah (September 16, 1996)

Former Representative William Orton of Utah was also interviewed by Subcommittee counsel. The former Chairman of the Committee on Standards of Official Conduct, Representative James V. Hansen of Utah was also interviewed by counsel for the Investigative Subcommittee.

Ms. Eppard, Sandra Dickey, Julie Chlopecki, Thomas Hoyne, David Carmen, Nancy Fletcher, Nancy Butler, Edward Hamburger, Raymond Holdsworth and several

[187] *See* Exhibit 56, Amendment to CAP Complaint, including attachments regarding fundraisers.

employees from Representative Shuster's congressional office were deposed by the Investigative Subcommittee concerning fundraising practices by the BSCC.[188]

The Investigative Subcommittee did not find substantial reason to believe that Representative Shuster acted improperly. Specifically, the Investigative Subcommittee could not prove a direct linkage between fundraising activities by the BSCC and fact-finding tours or inspections of transportation projects by Representative Shuster. The Investigative Subcommittee emphasizes that no charges were brought against Representative Shuster with respect to these matters and that no inferences of guilt or liability should be drawn from this discussion.

However, the Investigative Subcommittee did determine that BSCC fundraisers are frequently held in proximity to fact-finding trips or inspections of transportation projects by Representative Shuster.[189] This troubled the Investigative Subcommittee. Members are directed to the guidance given in the House Ethics Manual:

> The Senate Committee [regarding the Keating Five matter] concluded that 'established norms of Senate behavior do not permit linkage between . . .official actions and. . .fund raising activities." House Members, too should be aware of the appearance of impropriety that could arise from championing the causes of contributors and take care not to show favoritism to them over other constituents.[190]

The House Ethics Manual further cautions Members to avoid even the appearance of linkage between campaign contributions and official activity, "Caution should always be exercised to avoid the appearance that solicitations of campaign contributions from

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[188] Ms. Chlopecki is employed by AEA. Ms. Dickey is a government affairs representative for Federal Express. David Carmen is a lobbyist and also a client of AEA. Nancy Butler is a vice president for DMJM, a client of AEA. Mr. Hoyne is BSCC treasurer. Ms. Fletcher is president of OAAA, an AEA client. Mr. Hamberger is president of the Association of American Railroads. Mr. Holdsworth is the CEO and President of DMJM, a client of AEA.

[189] On each occasion examined by the Investigative Subcommittee, Representative Shuster attended a fundraiser for his campaign. Immediately before or after these fundraisers Representative Shuster also visited local transportation projects.

[190] House Ethics Manual at 251 (citations removed).

constituents are connected in any way with a legislator's official advocacy."[191] The Committee has recently reminded Members to exercise caution regarding the appearance of any relationship between official actions and campaign activities.[192] The Manual also quotes former Senator Paul Douglas of Illinois:

> It is probably not wrong for the campaign managers of a legislator to request contributions from those for whom the legislator has done appreciable favors, but this should never be presented as a payment for the services rendered. Moreover, the possibility of such a contribution should never be suggested by the legislator or his staff at the time the favor is done. *Furthermore, a decent interval of time should be allowed to lapse so that neither party will feel that there is a close connection between the two acts.* [193]

Members are cautioned that proof of a linkage between campaign contributions and official actions could result in disciplinary activity by the Committee.[194]

G. DMJM Contract for Ms. Eppard

While investigating the relationship between Representative Shuster, Ms. Eppard and her client Daniel, Mann, Johnson and Mendenhall ("DMJM"), the Investigative Subcommittee also examined whether Representative Shuster was involved in efforts to obtain a contract for Ms. Eppard with the government of Puerto Rico.

The Investigative Subcommittee was troubled by evidence it received suggesting that DMJM may have been involved in an effort to improperly coerce the Government of

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[191] *Id.* at 257.

[192] ***Exhibit 122***, Memorandum from the Committee, "Rules and Standards of Conduct Relating to Campaign Activity," dated March 2, 2000; *See also* Exhibit 121, Memorandum from the Committee, "Prohibition Against Linking Official Actions to Partisan or Political Considerations, or Personal Gain," dated May 11, 1999. In a press statement regarding a private letter sent to Representative Tom DeLay on November 7, 1997, the Committee reminded Members to avoid even the appearance of linkage between official activities and campaign contributions.

[193] House Ethics Manual at 257, quoting Senator Paul H. Douglas, Ethics in Government 87 (1952)(emphasis added).

[194] Exhibit 121.

Puerto Rico to execute a contract for Ms. Eppard. Due to its lack of jurisdiction over DMJM or Ms. Eppard, however, the Investigative Subcommittee was unable to reach a conclusion regarding DMJM's actions. The documents that trouble the Investigative Subcommittee are included in this report as ***Exhibit 123***.[195] The Investigative Subcommittee was particularly troubled by a confidential DMJM memorandum dated July 13, 1995, to a high official in the Puerto Rican government entitled, "Ann Eppard's Contract." ***Exhibit 124***.[196] In this memorandum, Gilbert Butler, the head of the DMJM's Tren Urbano project in San Juan Puerto Rico, stated:

> Ray Holdsworth attempted to telephone you this morning but was unable to reach you. He has asked me to write you that he is embarrassed to learn from Ann Eppard that she is still not under any form of contract through John Cahill. *Ann is also publicly embarrassed because she told Congressman Shuster and others on the hill that she was under contract which was an important aspect in obtaining the $15 million appropriation.*
>
> Ray also wanted me to let you know that the people in Miami have contacted her about representing them in Puerto Rico. Because Ann is so embarrassed by the lack of cooperation from John Cahill she will not now accept a contract through him. *Therefore, we need to know from you by Friday noon in writing if the GMAEC is authorized to enter into a task order contract with Ann Eppard for $75K annually.* If not, we will tell her to take the Miami offer which is DMJM's next major client.
>
> We are concerned that John Cahill's nonresponsiveness with Ann Eppard, thus the Republican side, *could significantly jeopardize the $15 million in committee as well as losing ISTEA reauthorization next year.* Ray is bewildered by the manner in which this has been handled, particularly since you had promised both him and Nancy Butler it was taken care of. If you feel that you do not need DMJM's resources to help you in Washington we will accept that and use those resources elsewhere.

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[195] A portion of the exhibit is redacted. The Investigative Subcommittee was also particularly troubled by the fact that DMJM possessed material documents regarding the February, 1995, visit of Representative Shuster to Puerto Rico and did not produce these documents to the Investigative Subcommittee in its initial production of documents. In fact, DMJM did not produce these documents until after the initial appearance of Mr. Holdsworth and another DMJM employee before the Investigative Subcommittee (both were recalled to testify a second time before the Investigative Subcommittee.)

[196] A portion of the exhibit is redacted.

(Emphasis added)

During her appearance before the Investigative Subcommittee, Ms. Eppard strongly denied that she had made the statements attributed to her in this memorandum.[197]

The Investigative Subcommittee was also troubled by the testimony of Raymond Holdsworth, DMJM's CEO and President. While testifying before the Investigative Subcommittee on October 21, 1999, Mr. Holdsworth did not recall that Representative Shuster traveled to Puerto Rico in February 1995, to inspect a project managed by DMJM. Exhibits involving this trip are attached and are also discussed in Section IV. When subpoenaed to testify before the Investigative Subcommittee a second time on December 4, 1999, Mr. Holdsworth indicated that he did recall that Representative Shuster participated in the February 1995, trip.

Based on the facts before it, the Investigative Subcommittee did not find substantial reason to believe that Representative Shuster improperly attempted to gain a contract for Ms. Eppard with the government of Puerto Rico.

[197] The Investigative Subcommittee notes that Ms. Eppard filed a Lobbying Registration Form with the Office of the Clerk of the House of Representatives on July 20, 1995, indicating that she represented "Puerto Rico Department of Highways and Transportation c/o McDermott/O'Neill." *See* Exhibit 3. The Investigative Subcommittee further notes that the first filing by Ms. Eppard in the Office of the Clerk regarding her direct representation of DMJM was dated February 13, 1996. *Id.*

APPENDIX

The Investigative Subcommittee noted that in many of the consulting agreements Ms. Eppard executed with her clients during the first year following her resignation from Representative Shuster's office, the parties inserted language acknowledging that her communications before Representative Shuster and his staff were limited and that the parties would observe those limitations. The Investigative Subcommittee questions the extent to which Ms. Eppard's activities and the activities of certain of her clients during the one-year period were consistent with the safeguard language contained in many of the consulting agreements. The Investigative Subcommittee concluded that in some instances the actions of Ms. Eppard and her clients, while consistent with the letter of the law, may have violated the spirit of the law. The Investigative Subcommittee found that in some instances, as he admitted in his answer, Representative Shuster's actions with respect to Ms. Eppard and her clients in this regard created the appearance that his official decisions might have been improperly affected.

In communications with the Committee on Standards, Representative Shuster asserted that all of his communications and contact with Ms. Eppard during the twelve-month period immediately following her resignation from his office were appropriate and consistent with the advice he had obtained from Mr. Hosken. Similarly, Ms. Eppard testified that she had asked Mr. Hosken for his views on the propriety of her proposed conduct during the twelve-month period following her resignation from Representative Shuster's staff. The Investigative Subcommittee notes that neither Representative Shuster nor Ms. Eppard ever submitted a request for a written advisory opinion from the Committee on Standards of Official Conduct regarding the propriety of their contemplated conduct.

The Investigative Subcommittee issued a subpoena for Representative Shuster requesting any records or notes in his possession to corroborate his suggestion that Mr. Hosken had specifically condoned the notion that it was appropriate for Representative Shuster and Ms. Eppard to have meetings or meals with her clients during the twelve-

month period following her resignation provided no specific legislative issues were discussed. Both Representative Shuster and Ms. Eppard asserted that Mr. Hosken advised them that all contact was permissible provided the parties were careful to avoid discussing any specific legislation in the presence of Ms. Eppard. In contrast, Mr. Hosken presented credible testimony to the Investigative Subcommittee which strongly suggested that neither Representative Shuster or Ms. Eppard ever presented that specific question for his consideration.

During his appearance before the Investigative Subcommittee, Mr. Hosken testified as follows:

> Q: The bottom of the first page [of Hosken Exhibit 4][198], the letter dated March 7 from Mr. Shuster to Nancy Johnson [then the Chair of the Committee on Standards of Official Conduct], the very last two lines, Mr. Hosken reiterated that it was permissible as long as Ann did not lobby me on legislation for 1 year from the time she retired. Do you recall or have any notes that would help you recall any discussion, any questions from Mr. Shuster to you about how do you define "lobbying"?
>
> A: I'm sorry, Congressman, I just don't have a specific recollection.
>
> Q: Okay. Do you specifically or generally recollect how you might have defined "lobbying"? To be specific, would you have ever told Mr. Shuster or anyone else that if you had a client, and you set up appointments for that client to meet with your former employer for the purpose of discussing legislation, as long as you just set up the appointment, you attended the -- you were there when your client met the former employer in the office, but then you walked out of the meeting when they got to discuss the legislation, would you have said to anyone that would not be lobbying?
>
> A: No, I would have called that lobbying. Setting up the appointment I would have considered lobbying. A personal introduction or whatever, I would consider that lobbying.
>
> Q: So when we read this letter from Mr. Shuster to Ms. Johnson, and it says you -- suggesting that you told him it was permissible as long as she did not lobby me on legislation, your comment would be for the record that that should not be interpreted to say that anything short of her specifically asking

[198] *See* Exhibit 47.

him about a specific piece of legislation was okay to do; you did not give him that advice?

A: I did not, sir.

Q: You would not have given that to anyone?

A: No, sir, you're right. I would not have given that to anyone.

Q: Had they asked?

A: Right, sir.

Q: And you're clear in your recollection of that interpretation -- you didn't see the lobbying definition as being so narrow that setting up an appointment for a client and meeting the client at the Member's office would have been okay?

A: That just -- in a court of law, you might have survived beyond a reasonable doubt. But the advice, we always operated on a conservative approach to keep the Member from ever having to face the Public Integrity Section. And I think for the advice I gave, it was pretty consistent with what we all gave. And I can't say as we ever found a court case that said signing a letter is a contact, but why take the chance? All you have to do is have another person make the call. You tell them who to call.

Q: Just one last question on this point. Based on your note-keeping process, not keeping notes, if it's a standard question, clear-cut, black and white, right or wrong, but you made notes if it started getting into a complicated area or a gray area? You didn't -- if you didn't take any notes regarding what is the definition of lobbying, and if she said -- if someone sets up an appointment for me, is that lobbying or not, the fact that you didn't take any notes, would you suggest that's an indication that that was never asked of you?

A: No, I wouldn't say that it's an indication it was never asked. I would just say that the questions from the Member did not give me any concern, or if the questions gave me any concern, when I gave the answer, the Member seemed to accept it without any quibbling and that I thought the Member was going to follow the advice. Because if I thought the Member was arguing with me and disagreed with me, I would then make a note to the file to protect myself that I had advised against something.

Q: Finally, to finish on this, but you're very clear in your recollection of your understanding of any advice you would have given anyone regarding the definition of lobbying and that that didn't -- he didn't raise a question about that definition that so concerned you you took notes on?

A: That's correct, sir.

Q: Okay, thank you.

Q: What about the question of Mr. Shuster and Mrs. Eppard having a social dinner with Mrs. Eppard's clients, but them saying it was clear that no legislative items would be discussed, that it would just be a social dinner? Do you recall that question ever being asked to you?

A: I really do not.

Q: What would your answer have been if you had been asked that?

A: It's theoretically possible, but I would think legally improbable, especially if we look at the front page of The Washington Post test.

Q: What about Mrs. Eppard introducing a client of hers to Mr. Shuster and then leaving so that she wasn't involved in any discussion between them? Do you recall any questions like that being asked of you?

A: I do not.

Q: Okay. What would your answer have been to that question?

A: That's a contact and would be precluded by the law.

Q: Okay. Do you recall ever being asked if it would be permissible for Mr. Shuster and Mrs. Eppard to have dinner with any of her clients in the Rayburn House Office Building?

A: I have no recollection of anything like that.

Q: What would your answer have been to that?

A: No.

Q: Why?

A: Well, again, I think that would violate the statute. She's making a contact.

Q: Okay. Do you recall if Mr. Shuster or Mrs. Eppard ever discussed with you the propriety of Mrs. Eppard having input into Mr. Shuster's schedule after she left as his chief of staff?

A: That's possible, because that would very well relate to his questions about her working on the campaign, and could she say that I want to schedule a fund-raiser and does that conflict with your congressional schedule. So I can see where that's probably -- that probably was asked or discussed.

Q: Okay. And what would your advice have been?

A: Well, since she's appropriately on the campaign, or if she's appropriately -- regardless of if she's on the campaign, then I don't see why she couldn't discuss when they could schedule a campaign event.

Q: Okay. What about scheduling of official appointments for Mr. Shuster?

A: Well, that gets into the volunteer working in the office issue we used to have, and I would say that's a no-no.

Q: Why would that be improper?

A: Well, she's not an official employee of his office, so she shouldn't get involved in the official operation of his office beyond that scheduling for campaign events.

Q: And what about Mrs. Eppard being involved in scheduling official appointments for her clients; do you recall ever being asked that?

A: I do not recall being asked that.

Q: And what would your answer have been?

A: No.

Q: Why?

A: Well, then I think that it would violate the statute. She would be making a contact with intent to influence even if she wasn't going to do it personally, but the people for whom she was making the introduction were going to try and influence the Congressman.[199]

Representative Shuster's failure to produce any notes or other evidence to support his claims, combined with the credible testimony of Mr. Hosken that he was unaware of the full extent and nature of Representative Shuster's contact with Ms. Eppard during this period, raised doubts about the accuracy of Representative Shuster's claims that he was acting in accordance with advice he received from Committee counsel.

[199] Dep. of Edward W. Hosken, Jr., October 13, 1999, at 31-37.

INDEX TO EXHIBITS

Exhibit 1.....Committee on Standards of Official Conduct, In the Matter of Representative E. G. "Bud" Shuster, Statement of Alleged Violation, dated July 26, 2000

Exhibit 2.....Respondent's Answer to Statement of Alleged Violation, dated July 26, 2000

Exhibit 3.....Disclosure Forms filed by Ann Eppard Associates, Ltd., with the Office of Records and Registration, U. S. House of Representatives, dated December 16, 1994 (2), February 1, 1995 (3), March 16, 1995, July 20, 1995 (2), October 4, 1995, February 13, 1996; LOA between The Carmen Group and Ann Eppard Associates, dated March 6, 1995 and LOA between Alcalde and Fay and Ann Eppard Associates, dated May 22, 1995.

Exhibit 4.....Shuster for Congress Committee, FEC Form 3, dated January 31, 1996

Exhibit 5.....Disclosure Form filed by Ann Eppard Associates, Ltd., with the Office of Records and Registration, U. S. House of Representatives, dated December 16, 1994

Exhibit 6.....Marketing materials prepared by Ann Eppard Associates, Ltd. (undated)

Exhibit 7.....Consulting Agreement between Ann Eppard Associates, Ltd. And Daniel, Mann, Johnson & Mendenhall ("DMJM"), dated December 1, 1994, with letter from Ann Eppard to Debra Tilson Lambeck, dated December 14, 1994

Exhibit 8.....DMJM Employee Expense Report for Nancy M. Butler for 11-11-94 through 11-21-94

Exhibit 9.....Letter from Edward R. Hamberger to Nancy M. Butler, dated November 17, 1994

Exhibit 10.....Representative Shuster's official calendar reflecting entries for January 4, 1995

Exhibit 11.....Letter to The Hon. E. G. Shuster from Haley Barbour, dated January 4, 1995, and DMJM's Table Buyer Guest List for Gala on February 9, 1995

Exhibit 12.....Letter from Raymond W. Holdsworth, dated February 13, 1995 (partially redacted)

Exhibit 13.....Itinerary for "Congressman Bud Schuster [sic] Tren Urbano Site Visit February 17-20, 1995," El Conquistador Resort and Country Club room charges for Anne [sic] Eppard, Nancy Butler and Bud Schuster [sic]

Exhibit 14.....“Guess [sic] List" for Congressman Bud Shuster Dinner, February 19, 1995, Congressman Bud Shuster Tren Urbano Site Visit, February 17-20, 1995

Exhibit 15.....The San Juan Star, "Urban train project gets important OK; Shuster 'impressed'" (February 21, 1995)

Exhibit 16.....Representative Shuster's official calendar reflecting entries for February 21, 1995; Ann M. Eppard's calendar for February 20 through February 26, 1995 (partially redacted)

Exhibit 17.....Nancy Fletcher's expense report for OAAA reflecting entries for July 5 through July 7, 1995

Exhibit 18.....Representative Shuster's official calendar reflecting entries for September 27, 1995; Ann Eppard Associates' calendar reflecting entries for September 27, 1995 (partially redacted)

Exhibit 19	Handwritten memorandum from Representative Shuster's congressional employee JPM to co-worker "Tracy" (EGS-M 000992)(undated)
Exhibit 20	Representative Shuster's official calendar reflecting entries for January 31, 1995
Exhibit 21	Letter from Thomas M. Downs to The Hon. Bud Shuster dated August 16, 1995
Exhibit 22	Representative Shuster's personal calendar reflecting entries for October 9 through October 15, 1995
Exhibit 23	Letter from Pennsylvania Turnpike Commission to The Hon. E. G. "Bud" Shuster, dated May 13, 1995
Exhibit 24	Letter from National Association of Flood and Stormwater Management Agencies to Rep. Bud Shuster, dated May 5, 1995; fax cover sheet from Ann Eppard Associates to Representative Shuster's congressional office, dated August 1, 1995, with accompanying memorandum from Joci Shrewder to David Carmen, dated July 18, 1995 and material regarding NAFSMA 1995 Annual Meeting November 1 through 4, 1995
Exhibit 25	Memorandum from Joci Shrewder to David Carmen, dated July 18, 1995
Exhibit 26	Letter from Ann M. Eppard to George C. Tagg dated March 17, 1995; Consulting Agreement between Ann Eppard Associates, Ltd. And Federal Express Corporation, dated March 1, 1995; Letter from Ann M. Eppard to George Tagg, dated February 15, 1995; Inter-Office Memorandum from Dyan Eastman to Vendor Accounting, dated March 1, 1995

Exhibit 27.....Federal Express Aircraft Trip Logs, dated April 17, 1995, April 25, 1995, June 3, 1995, August 27, 1995, August 29, 1995 and August 30, 1995; Bud Shuster for Congress Committee ("BSCC") checks: # 2897 for $1252, # 2900 for $2170, # 2901 for $1939.50, # 3065 for $2292, # 3066 for $2451 and #3063 for $2583; Verner, Liipfert, Bernhard, McPherson and Hand check # 28041 for $326

Exhibit 28.....Inter-Office Memorandum from Ann S. Dickey to Frederick W. Smith, dated January 11, 1996

Exhibit 29.....Letter from Ann S. Dickey to Jack L. Schenendorf, dated April 28, 1995; Letter from Ann S. Dickey to Ann Eppard, dated April 28, 1995

Exhibit 30.....Alexandria Pastry Shop invoice, dated March 6, 1995, with letter to Ann Eppard, dated March 1, 1995; Alexandria Pastry Shop invoice, dated March 29, 1995, and duplicate without handwritten note with letter to Ann Eppard, dated March 28, 1995; revised letter to Ann Eppard from Alexandria Pastry Shop, dated March 28, 1995; Alexandria Pastry Shop invoice, dated June 21, 1995, and duplicate with letter to Ann Eppard, dated June 19, 1995; Alexandria Pastry Shop invoice, dated June 28, 1995, with letter to Ann Eppard, dated June 27, 1995; Alexandria Pastry Shop invoice, dated March 15, 1995, with duplicate, revised invoice, dated March 15, 1995, and letter to Ann Eppert [sic], dated March 8, 1995; stub for check number 201697 from Baker, Donelson, Bearman & Caldwell, dated March 16, 1995, in the amount of $1,114.32.

Exhibit 31.....Congressman Bud Shuster Press Release, dated February 8, 1996

Exhibit 32.....Representative Shuster's Financial Disclosure Statement for Calendar Year 1995, dated May 15, 1996 (pages 1, 2 and 7)

Exhibit 33.....Representative Shuster's Financial Disclosure Statement for Calendar Year 1996, dated May 15, 1997 (pages 1 and 6)

Exhibit 34.....Facsimile cover sheet from R. W. Holdsworth, dated April 17, 1995 (partially redacted)

Exhibit 35.....Facsimile cover sheet from Ray Holdsworth, dated April 18, 1995 (partially redacted)

Exhibit 36.....Handwritten note from Gil Butler to "Ken," dated October 19, 1995; Lease Agreement for two (2) nights, dated July 7, 1995, executed by Bud Shuster on September 25, 1995; Addendum to Lease Agreement (undated); Lease Agreement for six (6) nights, dated July 7, 1995, executed by Gilbert Butler on October 19, 1995; Price Breakdown for Rental Agreement; Letter from Representative Bud Shuster to Kenneth W. McGrath, dated September 25, 1995; Bud Shuster/Patricia R. Shuster check # 1612, dated September 25, 1995, in the amount of $500, TRI check # 12309, dated October 2, 1995, in the amount of $1610, OAAA check # 7145, dated October 5, 1995, in the amount of $1607

Exhibit 37.....Letter from Representative Bud Shuster to Kenneth W. McGrath, Agent, dated November 6, 1995; Bud Shuster/Patricia R. Shuster check # 1629, dated November 6, 1995, in the amount of $771; Letter from Kenneth McGrath to Representative Bud Shuster, dated February 1, 1996; Kenneth W. McGrath check # (illegible) in the amount of $200

Exhibit 38.....Receipts from Hyatt Regency Cerromar Beach, dated December 26, 1995 and

December 31, 1995; Invoice from Hyatt Regency Cerromar Beach dated January 1, 1996

Exhibit 39.....Letter to Congressman Bud Schuster [sic], dated December 11, 1995 (partially redacted)

Exhibit 40.....OAAA check # 7503, dated December 20, 1995, in the amount of $420

Exhibit 41.....Appointment Requests and other miscellaneous materials related to scheduling in Representative Shuster's congressional office (48 pages)

Exhibit 42.....Appointment Requests and other miscellaneous materials related to scheduling in Representative Shuster's congressional office (9 pages)

Exhibit 43.....Bud Shuster for Congress Committee, FEC Form 3, dated October 15, 1998; BSCC check # 4856, dated August 25, 1998, in the amount of $500; Invoice # 981114 submitted by Ann Eppard Associates, Ltd. to BSCC, dated August 20, 1998; American Express receipt for Ann Eppard, Allegro Ristorante, Altoona, PA, dated December 24, 1997, in the amount of $500 (partially redacted)

Exhibit 44.....Roll Call, "Transportation Chair Lodges With Ex-Aide Who Makes Six Figures Lobbying His Panel" (February 8, 1996)

Exhibit 45.....The Wall Street Journal, "Pennsylvania's Rep. Shuster Stayed At Home of Ex-Aide, Now a Lobbyist" (February 9, 1996)

Exhibit 46.....Letter from Common Cause to The Hon. Nancy Johnson, dated March 6, 1996, with attachments

Exhibit 47.....Letter from Benjamin L. Ginsberg to The Hon. Nancy Johnson, dated March 7, 1996;

Letter from Representative Bud Shuster to The Hon. Nancy Johnson, dated March 7, 1996; Letter from Representative Bud Shuster to The Hon. Nancy Johnson, dated May 10, 1996

Exhibit 48.....Letter from Representatives Nancy L. Johnson and Jim McDermott to The Hon. Bud Shuster, dated June 13, 1996, with attachments

Exhibit 49.....Complaint filed by Congressional Accountability Project with the Committee on Standards of Official Conduct, dated September 5, 1996, with attachments

Exhibit 50.....Letter to The Hon. Nancy Johnson from Benjamin L. Ginsberg, dated September 10, 1996, with attachments

Exhibit 51.....Letter from Representatives Nancy L. Johnson and Jim McDermott to The Hon. Bud Shuster, dated September 12, 1996

Exhibit 52.....Letter from Theodore J. Van Der Meid to Benjamin L. Ginsberg, Esq., dated September 12, 1996

Exhibit 53.....Letter from Benjamin L. Ginsberg to The Hon. Nancy Johnson, dated October 7, 1996

Exhibit 54.....H. Res. 168, 105th Cong., 1st Sess. (September 18, 1997)

Exhibit 55.....Letters from Benjamin L. Ginsberg to The Hon. James V. Hansen, dated September 11, 1997, and September 12, 1997

Exhibit 56.....Request to Amend Complaint from Congressional Accountability Project, dated October 8, 1997, with attachments

Exhibit 57.....Letter from Representatives James V. Hansen and Howard L. Berman to Gary Ruskin, dated October 8, 1997

Exhibit 58.....Cover letter from Representative Bud Shuster to The Hon. James Hanson [sic] and The Hon. Howard Berman, dated November 5, 1997; Motion to Dismiss filed by Representative Bud Shuster, dated November 4, 1997, with attachments

Exhibit 59.....Letter from Representatives James V. Hansen and Howard L. Berman to The Hon. Bud Shuster, dated November 14, 1997

Exhibit 60.....Press Statement of the Committee on Standards of Official Conduct, dated November 14, 1997

Exhibit 61.....Letter from Representative Bud Shuster, Benjamin L. Ginsberg and Mitchell R. Berger to The Hon. Lamar Smith and The Hon. Howard Berman, dated February 2, 1999, with attachment

Exhibit 62.....Letter from Representatives Joel Hefley and Zoe Lofgren to United States Attorney Donald K. Stern, dated December 23, 1997

Exhibit 63.....Letter from Donald K. Stern to The Hon. Joel Hefley and The Hon. Zoe Lofgren, dated January 16, 1998

Exhibit 64.....Letter from Assistant United States Attorney Alexandra Leake to Kerry W. Kircher, Deputy General Counsel, U. S. House of Representatives, dated March 11, 1998; Subpoena to Testify before Grand Jury directed to Keeper of Records, Committee on Standards of Official Conduct, dated March 10, 1998; Letter from Representative James V. Hansen to The Hon. Newt Gingrich, dated March 16, 1998; Letter from Kerry W. Kircher to Alexandra Leake, Esq., dated March 17, 1998; Letter from Kerry W. Kircher to Alexandra Leake, Esq., dated March 20, 1998

Exhibit 65.....Letter from Andrew Fois, Office of Legislative Affairs, U. S. Department of

Justice, to The Hon. James V. Hansen, dated March 17, 1998

Exhibit 66.....Indictment, *In Re: United States of America v. Ann M. Eppard, Vernon A. Clark,* United States District Court, District of Massachusetts, No. 98-10114-JLT (D. Mass.)

Exhibit 67.....Press Release of United States Attorney, District of Massachusetts, U. S. Department of Justice, dated April 9, 1998

Exhibit 68.....Press Release of Committee on Standards of Official Conduct, dated June 10, 1998

Exhibit 69.....Press Statement of Committee on Standards of Official Conduct, dated June 15, 1998; Letter from L. Anthony Sutin, Office of Legislative Affairs, U. S. Department of Justice, to The Hon. James V. Hansen and The Hon. Howard L. Berman, dated June 8, 1998

Exhibit 70.....Press Statement of Committee on Standards of Official Conduct, dated December 4, 1998

Exhibit 71.....Letter from Benjamin L. Ginsberg to Virginia H. Johnson, Esq., dated March 16, 1998; Letter from Representative Bud Shuster to The Hon. James V. Hansen and The Hon. Howard Berman, dated March 12, 1998; Letter from Benjamin L. Ginsberg and Mitchell R. Berger to The Hon. Joel Heffley [sic] and The Hon. Zoe Lofgren, dated March 12, 1998 (Motion to Dismiss Complaint Filed Against Representative Bud Shuster By Congressional Accountability Project, with attachments, partially redacted)

Exhibit 72.....Letter from Representatives James V. Hansen and Howard L. Berman to The Hon. Bud Shuster, dated March 20, 1998 (partially redacted)

Exhibit 73.....*Subpoena Duces Tecum* issued to Representative Bud Shuster by Committee on Standards of Official Conduct, dated January 27, 1998

Exhibit 74.....Letter from Representatives Joel Hefley and Zoe Lofgren to Benjamin L. Ginsberg, Esq., and Mitchell R. Berger, Esq., dated February 26, 1998

Exhibit 75.....Letter from Representatives Joel Hefley and Zoe Lofgren to The Hon. Bud Shuster, dated March 5, 1998

Exhibit 76.....Letter from Virginia H. Johnson to Benjamin L. Ginsberg, Esq., dated March 12, 1998; Letter from Virginia H. Johnson to Benjamin L. Ginsberg, Esq., and Mitchell R. Berger, Esq., dated March 13, 1998; Letter from Benjamin L. Ginsberg and Mitchell R. Berger to Virginia H. Johnson, Esq., dated March 13, 1998; Letter from Virginia H. Johnson to Benjamin L. Ginsberg, Esq., and Mitchell R. Berger, Esq., dated March 13, 1998

Exhibit 77.....Letter from Representative Bud Shuster to The Hon. James V. Hansen and The Hon. Howard Berman, dated March 27, 1998; Letter from Benjamin L. Ginsberg and Mitchell R. Berger to The Hon. James V. Hansen and The Hon. Howard Berman, dated March 27, 1998 (with attachments [Roll Call, "Ethics Resists Shuster Subpoena" (March 26, 1996) and letter from Stephen R. Delinsky to Benjamin L. Ginsberg, Esq., and Mitchell R. Berger, Esq., dated March 24, 1998]); Letters from Tracy G. Mosebey to The Hon. James V. Hansen and The Hon. Howard Berman, dated February 20, 1998, February 23, 1998, and April 3, 1998; Letters from Timothy D. Hugo to The Hon. James V. Hansen and The Hon. Howard Berman, dated February 23, 1998, and April 3, 1998; Letters from Representatives Joel Hefley and Zoe

Lofgren to Tracy Mosebey and Timothy D. Hugo dated March 13, 1998, and March 20, 1998; Letters from Peter R. Ginsberg to Virginia H. Johnson, Esq., dated March 13, 1998, March 14, 1998, March 24, 1998 and March 31, 1998; Letter from Peter R. Ginsberg to The Hon. Joel Hefley and The Hon. Zoe Lofgren, dated March 13, 1998; Letter from Virginia H. Johnson to Peter R. Ginsberg, Esq., dated March 13, 1998; Letter from Benjamin L. Ginsberg and Mitchell R. Berger to Virginia H. Johnson, Esq., dated March 19, 1998

Exhibit 78.....Letter from Representatives Joel Hefley and Zoe Lofgren to The Hon. Bud Shuster, dated April 1, 1998

Exhibit 79.....Letter from Representatives James V. Hansen and Howard L. Berman to The Hon. Bud Shuster, dated June 10, 1998

Exhibit 80.....*Subpoena Duces Tecum* issued to Ann M. Eppard and *Subpoena Duces Tecum* issued to Ann Eppard Associates, Ltd., by Committee on Standards of Official Conduct, both dated January 27, 1998

Exhibit 81.....Letter from Representatives Joel Hefley and Zoe Lofgren to Ann E. [sic] Eppard, dated March 11, 1998

Exhibit 82.....Order, *Committee on Standards of Official Conduct, Applicant*, United States District Court for the District of Columbia, Misc. No. 98-154 (April 15, 1998)

Exhibit 83.....*Subpoena Duces Tecum* issued to Ann M. Eppard and *Subpoena Duces Tecum* issued to Ann Eppard Associates, Ltd., by Committee on Standards of Official Conduct, both dated May 7, 1998

Exhibit 84.....Motion to Revise and Limit the Scope of Subpoenas Issued to Ann M. Eppard and

Ann Eppard Associates, Ltd., dated May 15, 1998

Exhibit 85.....Letter from Representatives Joel Hefley and Zoe Lofgren to Ann M. Eppard, dated May 20, 1998

Exhibit 86.....Letter from Richard M. Egbert to Virginia H. Johnson, dated September 24, 1998; Letter from Virginia H. Johnson to Richard M. Egbert, Esq., dated October 2, 1998

Exhibit 87.....Letter from Richard J. Leon to Virginia H. Johnson, Esq., dated May 21, 1998

Exhibit 88.....Letter from Representatives Joel Hefley and Zoe Lofgren to Richard J. Leon, Esq., dated June 9, 1998; Letters from Richard J. Leon to Virginia Johnson, dated June 3, 1998, June 4, 1998, July 9, 1998, and July 10, 1998

Exhibit 89.....Letter from Representative Bud Shuster to The Hon. James Hansen and The Hon. Howard Berman, dated October 20, 1998 (Motion to Dismiss Complaint)

Exhibit 90.....Letter from Representatives James V. Hansen and Howard L. Berman to The Hon. Bud Shuster, dated November 19, 1998

Exhibit 91.....*Subpoena Duces Tecum* issued to Ann M. Eppard and *Subpoena Duces Tecum* issued to Ann Eppard Associates, Ltd., by Committee on Standards of Official Conduct, both dated October 15, 1998; Letter from Steven R. Schuh to Paul Lewis, Esq., dated November 9, 1998; Letter from Paul M. Lewis to Steven Schuh, Esq., dated November 10, 1998

Exhibit 92.....Press Statement of the Committee on Standards of Official Conduct, dated January 20, 1999

Exhibit 93.....Letter from Representatives Lamar Smith and Howard L. Berman to The Hon. Bud Shuster, dated February 4, 1999; Letter from Representatives Joel Hefley and Zoe Lofgren to The Hon. Bud Shuster, dated November 20, 1998; Letter from Benjamin L. Ginsberg to Theodore J. Van Der Meid, Esq., dated November 12, 1998; Letter from Representative James V. Hansen to The Hon. Bud Shuster, dated October 30, 1998

Exhibit 94.....Letter from Representatives Joel Hefley and Zoe Lofgren to The Hon. Bud Shuster, dated March 10, 1999

Exhibit 95.....Superceding Information, *United States v. Ann M. Eppard, Vernon A. Clark,* United States District Court, District of Massachusetts, Criminal No. 98-10114-JLT (October 27, 1999); Press Release of United States Attorney, District of Massachusetts, U. S. Department of Justice, dated November 1, 1999

Exhibit 96.....The New York Times, "Lobbyists Plead Guilty, Ending Inquiry Into a Lawmaker" (November 2, 1999)

Exhibit 97.....Letter from Representatives Lamar Smith and Howard L. Berman to United States Attorney Donald K. Stern, dated February 8, 2000

Exhibit 98.....*Subpoena Ad Testificandum* issued to Ann M. Eppard by Committee on Standards of Official Conduct, dated November 2, 1999

Exhibit 99.....Order, *Committee on Standards of Official Conduct, Applicant,* United States District Court for the District of Columbia, Misc. No. 00-110 (February 17, 2000)

Exhibit 100.....Letter from Representatives Joel Hefley and Zoe Lofgren to Benjamin L. Ginsberg, Esq., and Mitchell R. Berger, Esq., dated November 3, 1999

Exhibit 101.....Letter from Mitchell R. Berger and Benjamin L. Ginsberg to The Hon. Joel Hefley and The Hon. Zoe Lofgren, dated November 9, 1999; Letter from Mitchell R. Berger and Benjamin L. Ginsberg to The Hon. Lamar Smith and The Hon. Howard L. Berman, dated November 9, 1999; Letter from Stephen R. Delinsky and A. John Pappalardo to United States Attorney Donald K. Stern, dated November 4, 1999; Letter from United States Attorney Donald K. Stern to Stephen R. Delinsky, Esq., and A. John Pappalardo, Esq., dated November 8, 1999; Letter from Mitchell R. Berger and Benjamin L. Ginsberg to Dennis K. Burke, Acting Assistant Attorney General, Office of Legislative Affairs, dated November 9, 1999

Exhibit 102.....Letter from Mitchell R. Berger and Benjamin L. Ginsberg to Robert Raben, Assistant Attorney General, Office of Legislative Affairs, dated November 12, 1999

Exhibit 103.....Letter from Representatives Joel Hefley and Zoe Lofgren to Benjamin L. Ginsberg, Esq., and Mitchell R. Berger, Esq., dated February 17, 2000 (partially redacted)

Exhibit 104.....Letter from Mitchell R. Berger and Benjamin L. Ginsberg to The Hon. Joel Hefley and The Hon. Zoe Lofgren, dated February 24, 2000 (partially redacted)

Exhibit 105.....Letter from James K. Robinson and John C. Keeney to Robert L. Walker, dated March 2, 2000

Exhibit 106.....Application of the Committee on Standards of Official Conduct of the U. S. House of Representatives for an Order Immunizing the Act of Production of Records by E. G. "Bud" Shuster, United States District Court for the District of Columbia, Misc. No. 00-161 (March 17, 2000) with attached

Memorandum of Points and Authorities In Support of the Application

Exhibit 107.....Order, *Committee on Standards of Official Conduct, Applicant,* United States District Court for the District of Columbia, Misc. No. 00-161 (March 17, 2000)

Exhibit 108.....Letter from Mitchell R. Berger and Benjamin L. Ginsberg to The Hon. Joel Hefley and The Hon. Zoe Lofgren, dated March 20, 2000

Exhibit 109.....Articles of Incorporation of Bud Shuster Portrait Committee, Inc., filed June 13, 1995; Certificate of Incorporation issued to Bud Shuster Portrait Committee, Inc., by Government of the District of Columbia, dated June 13, 1995

Exhibit 110.....Letter from Thomas L. Howard with Declaration of Edward R. Hamberger to Internal Revenue Service, dated November 27, 1995

Exhibit 111.....Letter from Edward R. Hamberger to Wiley N. Jones, dated July 28, 1995

Exhibit 112.....Letter from Internal Revenue Service to Thomas L. Howard, Esq., (Private Letter Ruling for Bud Schuster [sic] Portrait Committee), dated March 27, 1996

Exhibit 113.....Bud Shuster Portrait Committee List of Contributors and Expenses Paid as of September 3, 1996

Exhibit 114.....Catering By Windows Invoice # 59385, dated January 21, 1996; Catering By Windows Invoice # 59386, dated January 22, 1996; Bud Shuster Portrait Committee Checks #1004 (September 26, 1995), #1005 through 1008 (October 13, 1995), #1009 (October 24, 1995), #1010 (November 21, 1995), #1011 (January 17, 1996), #1012 (January 24, 1996), #1016 (February 21,

1996), #1017 (Feb. 26, 1996), #1018 (March 4, 1996), #1019 and #1020 (March 12, 1996), #1021 (April 8, 1996), #1022 and #1023 (April 8, 1996) and #1024 (April 19, 1996)

Exhibit 115.....Letter from Edward R. Hamberger to R. Barry Palmer, dated April 9, 1996

Exhibit 116.....Letter from Edward R. Hamberger to First Union National Bank, dated February 7, 1997; Letter from Susan Campbell to American Red Cross, dated March 14, 1997

Exhibit 117.....Rule XLIII [43] and Rule LII [52] (Gift Rule) of the Rules of the House of Representatives, 104th Cong., 2d Sess. (1996)

Exhibit 118.....Bill Summary and Status for 104th Congress, Amtrak Reform and Privatization Act of 1995, H. R. 1788, 104th Cong., 1st Sess.

Exhibit 119.....C Q Weekly, "Friends in Deed: The Story Of Congressman and Developer" (December 5, 1998)

Exhibit 120.....Letter from Representative Bud Shuster to The Hon. Jack Kemp, Secretary of Housing and Urban Development, dated October 12, 1990; Letter from Representative Bud Shuster to The Hon. Lynn Martin, Secretary of Labor, dated March 21, 1991

Exhibit 121.....Memorandum from Committee on Standards of Official Conduct, Re: Prohibition Against Linking Official Actions to Partisan or Political Considerations, or Personal Gain (May 11, 1999)

Exhibit 122.....Memorandum from Committee on Standards of Official Conduct, Re: Rules and Standards of Conduct Relating to Campaign Activity (March 2, 2000); Press Statement

of Committee on Standards of Official Conduct, dated November 7, 1997

Exhibit 123.....Letters from Gordon A. Coffee to Virginia H. Johnson, Esq., dated October 25, 1999, and November 4, 1999; Declaration of Debra Tilson Lambeck (unsigned, undated and partially redacted); Letter from Raymond W. Holdsworth, dated February 22, 1998 (partially redacted); Memorandum from R. W. Holdsworth to A. Eppard, dated April 20, 1995; Facsimile Cover Sheet from Ray Holdsworth, dated June 16, 1995 (partially redacted); Letter from Raymond W. Holdsworth, dated June 19, 1995 (partially redacted); Handwritten Memorandum to File from Gil Butler, dated July 17, 1995 (partially redacted); Letter to Gilbert L. Butler, dated July 20, 1995 (partially redacted); Letter to Ann Eppard, dated September 8, 1995

Exhibit 124.....Memorandum from Gilbert L. Butler, dated July 13, 1995 (partially redacted)

Exhibit 125.....Letter from Representatives Lamar Smith and Howard L. Berman to Representative E. G. "Bud" Shuster, dated July 27, 2000; Waivers executed by Representative E. G. "Bud" Shuster, dated July 26, 2000

ATTACHMENT A

Bud Shuster for Congress Committee Disbursements for "Political Meetings" 1993-1998

1993-1994

(a) Mid-State Bank and Keystone Financial, Inc.

1. Mid-State Bank, Altoona, PA

Date	Amount	Purpose of Disbursement[1]
1/6/93:	$4382	Political Meetings, Meals
2/3/93:	$4578	Political Meetings, Meals
3/9/93	$4803	Political Meetings, Meals
3/31/93	$4747	Political Meetings, Meals
5/5/93	$2733	Political Meetings, Meals
6/3/93	$3080	Political Meetings, Meals
10/5/93	$3174	Political Meetings, Meals
10/5/93	$298	Political Meetings, Meals
10/28/93	$219	Political Meetings, Meals
12/1/94	$3281	Political Meetings, Meals

2. Keystone Financial, Inc., Altoona, PA and Omaha, NE

Date	Amount	Purpose of Disbursement
7/1/93	$3918	Political Meetings, Meals
7/28/93	$3468	Political Meetings, Meals
8/25/93	$4736	Political Meetings, Meals
11/3/93	$3927	Political Meetings, Meals
12/1/93	$4313	Political Meetings, Meals
1/6/94	$262	Political Meetings, Meals
1/6/94	$3234	Political Meetings, Meals
2/2/94	$2485	Political Meetings, Meals
3/2/94	$666	Political Meetings, Meals
3/2/94	$4557	Political Meetings, Meals
3/30/94	$204	Political Meetings, Meals
4/6/94	$3516	Meals, Political Meetings
5/5/94	$4051	Meals, Political Meetings

[1] Based on information provided by the Bud Shuster for Congress Committee ("BSCC") to the Federal Election Commission. Throughout Attachments A and B the terms listed under the heading "Purpose of Disbursement" are the terms provided by the BSCC to the Commission. "Political Meetings" at the Capitol Hill Club in Washington, DC are not included in this list.

6/2/94	$3585	Meals, Political Meetings
7/6/94	$3867	Political Meetings, Meals
8/2/94	$3977	Political Meetings, Meals
9/1/94	$5345	Political Meetings, Meals
10/5/94	$2486	Political Meetings, Meals
11/3/94	$2175	Political Meetings, Meals
Total:	$92,067	

(b) Nick's Airport Inn, Hagerstown, MD

Date	Amount	Purpose of Disbursement
5/5/93	$1638	Political Meetings
6/3/93	$199	Political Meetings
7/28/93	$1093	Political Meetings
8/25/93	$433	Political Meetings
10/5/93	$395	Political Meetings
11/3/93	$907	Political Meetings
12/1/93	$283	Political Meetings
5/5/94	$407	Political Meetings
6/2/94	$371	Political Meetings
7/6/94	$403	Political Meetings
10/5/94	$237	Political Meeting
12/1/94	$207	Political Meetings
Total:	$6,573	

(c) Allegro Restaurant, Altoona, PA

Date	Amount	Purpose of Disbursement
5/5/93	$536	Political Meetings
12/1/93	$350	Political Meeting
1/6/94	$773	Political Meeting
4/6/94	$448	Political Meeting
5/5/94	$255	Political Meetings
6/2/94	$448	Political Meetings
12/1/94	$345	Political Meetings
Total:	$3,155	

(d) Other Political Meetings in Pennsylvania or Maryland

1. Justine's Restaurant, Hollidaysburg, PA

Date	Amount	Purpose of Disbursement
3/9/93	$417	Political Meetings
5/12/93	$575	Political Meetings
7/1/93	$426	Political Meetings
9/8/93	$59	Political Meetings
8/10/93	$101	Political Meetings
10/13/93	$62	Political Meetings
3/9/94	$279	Political Meetings
Total:	$1,919	

2. Howard Johnson Hotel, Hagerstown, MD

Date	Amount	Purpose of Disbursement
4/28/93	$1588	Rooms and Meetings
5/26/93	$490	Rooms and Meetings
7/7/93	$582	Rooms and Political Meetings
8/18/93	$487	Rooms and Political Meetings
4/19/94	$527	Rooms, Political Meetings
6/15/94	$438	Political Meetings, Rooms
7/21/94	$523	Political Meetings
Total:	$4,635	

3. Hilton Hotel, Harrisburg, PA

Date	Amount	Purpose of Disbursement
5/5/93	$788	Political Meetings
7/28/93	$678	Political Meetings
2/2/94	$2041	Political Meetings, Rooms
3/2/94	$2453	Political Meetings, Rooms
7/6/94	$1026	Political Meetings
8/2/94	$315	Political Meetings
Total:	$7,301	

4. Holiday Inn, Chambersburg PA

Date	Amount	Purpose of Disbursement
8/10/93	$386	Fundraiser, Rooms, Political Meetings
9/15/93	$13566	Fundraiser, Rooms, Political Meetings
10/20/93	$186	Fundraiser, Rooms, Political Meetings
5/4/94	$47	Rooms, Political Meetings
6/22/94	$1802	Rooms, Political Meetings
Total:	$15,987	

5. Schoenberger's, Chambersburg, PA

Date	Amount	Purpose of Disbursement
4/7/93	$118	Political Meetings
5/5/93	$394	Political Meetings
1/21/94	$116	Political Meeting
11/3/94	$255	Political Meetings
Total:	$883	

6. Nittany Lion Inn, State College, PA

Date	Amount	Purpose of Disbursement
8/4/93	$728	Political Meetings
9/15/93	$98	Political Meeting
11/17/94	$655	Rooms, Political Meetings
12/7/94	$489	Rooms, Political Meetings
Total:	$1,970	

7. Days Inn, Huntingdon, PA

Date	Amount	Purpose of Disbursement
9/8/93	$125	Political Meetings
10/28/93	$80	Political Meetings
5/26/94	$280	Rooms, Political Meetings
Total:	$485	

8. Holiday Inn, Altoona, PA

Date	Amount	Purpose of Disbursement
2/17/93	$1603	Telephone Calls, Rooms, Political Meetings
2/24/93	$670	Telephone Calls, Rooms, Political Meetings
Total:	$2,273	

9. Mercersburg Inn, Mercersburg, PA

Date	Amount	Purpose of Disbursement
5/5/93	$293	Political Meetings

10. Kirby's, Lewistown, PA

Date	Amount	Purpose of Disbursement
10/5/93	$471	Political Meeting

11. Hampton Inn, Chambersburg, PA

Date	Amount	Purpose of Disbursement
12/14/93	$269	Political Meeting

12. Days Inn, Clearfield PA

Date	Amount	Purpose of Disbursement
1/6/94	$471	Political Meetings, Rooms

13. Penn Harris Hotel, Camp Hill PA

Date	Amount	Purpose of Disbursement
3/2/94	$1295	Rooms, Political Meetings

14. Best Western Hoss's Inn, Bedford PA

Date	Amount	Purpose of Disbursement
5/26/94	$1590	Political Meetings, Rooms

15. Howard Johnson, Chambersburg

Date	Amount	Purpose of Disbursement
5/26/94	$251	Rooms, Political Meetings

16. Ramada Inn, Du Bois, PA

Date	Amount	Purpose of Disbursement
6/15/94	$812	Political Meetings, Rooms

17. 2001 Caterers, Johnstown, PA

Date	Amount	Purpose of Disbursement
8/6/94	$2981	Catering for Political Meeting

18. Waynesboro Country Club, Waynesboro, PA

Date	Amount	Purpose of Disbursement
10/19/94	$308	Political Meetings

19. Seasons, Hollidaysburg, PA

Date	Amount	Purpose of Disbursement
12/1/94	$1048	Political Meetings

Total: $45,242

(e) Ramada Inn, Altoona PA

Date	Amount	Purpose of Disbursement
8/4/93	$32	Rooms, Political Meetings
10/5/93	$912	Rooms, Political Meetings
10/20/93	$38	Rooms, Political Meetings
2/23/94	$558	Rooms & Political Meetings
3/9/94	$77	Rooms & Political Meetings
3/16/94	$357	Rooms & Political Meetings
4/28/94	$1234	Rooms, Political Meetings
5/10/94	$400	Rooms, Political Meetings
5/13/94	$15	Rooms, Political Meetings
6/2/94	$275	Primary Day Expenses, Rooms, Political Meetings
6/15/94	$4590	Primary Day Expenses, Rooms, Political Meetings

Total: $8,488

(f) Representative Shuster

Date	Amount	Purpose of Disbursement
5/19/93	$615	Political Meetings, Meals
5/25/93	$80	Political Meetings, Meals

8/27/93	$267	Political Meetings, Mileage, Meals
1/24/94	$32	Political Meetings, Mileage, Meals
1/26/94	$43	Political Meetings, Mileage, Meals
3/16/94	$106	Political Meetings, Mileage, Meals
Total:	$1,143	

Total Expenses for 1993-1994: $156, 668

1995-1996

(h) Nick's Airport Inn, Hagerstown, MD

Date	Amount	Purpose of Disbursement
5/8/95	$1492	Political Meeting
9/15/95	$137	Political Meeting
10/6/95	$385	Political Meeting
12/29/95	$47	Political Meeting
4/1/96	$280	Political Meeting
5/8/96	$406	Lodging/Political Meeting
6/17/96	$295	Political Meeting
10/14/96	$106	Political Meeting
10/14/96	$25	Political Meeting
Total:	$3,173	

(i) Allegro Restaurant, Altoona, PA

Date	Amount	Purpose of Disbursement
2/6/95:	$119	Political Meetings
9/15/95	$105	Political Meetings
12/29/95	$86	Political Meeting
12/29/95	$100	Political Meeting
3/15/96	$419	Political Meeting
3/15/96	$149	Political Meeting
5/8/96	$148	Political Meeting
5/8/96	$11	Political Meeting
8/7/96	$548	Political Meeting
9/12/96	$742	Political Meeting
9/12/96	$148	Political Meeting
10/14/96	$563	Political Meeting
10/14/96	$211	Political Meeting
10/28/96	$932	Political Meeting
10/31/96	$42	Political Meeting
10/31/96	$268	Political Meeting
11/4/96	$294	Political Meeting
11/8/96	$232	Political Meeting
11/8/96	$450	Political Meeting
Total:	$5,567	

(j) Other Disbursements in Pennsylvania and Maryland

1. Ramada Hotel, Altoona, PA

Date	Amount	Purpose of Disbursement
2/3/95	$42	Political Meetings
2/20/95	$248	Rooms, Political Meetings
3/5/96	$302	Political Meeting
3/21/96	$185	Political Meeting
4/23/96	$92	Political Meeting
4/23/96	$76	Political Meeting
5/1/96	$57	Political Meeting
6/17/96	$174	Political Meeting
7/8/96	$489	Political Meeting
7/24/96	$262	Political Meeting
9/17/96	$329	Political Meeting
9/26/96	$369	Political Meeting
9/30/96	$392	Political Meeting
9/30/96	$443	Political Meeting
10/14/96	$457	Political Meeting
10/14/96	$118	Political Meeting
10/14/96	$81	Political Meeting
10/14/96	$174	Political Meeting
10/23/96	$355	Political Meeting
10/28/96	$108	Political Meeting
10/31/96	$434	Political Meeting
11/11/96	$366	Political Meeting
11/11/96	$366	Political Meeting
11/25/96	$310	Political Meeting
11/25/96	$1274	Political Meeting
11/25/96	$1198	Political Meeting
11/25/96	$3266	Political Meeting
12/10/96	$66	Political Meeting
Total:	$12,033	

2. Hilton Hotels, Harrisburg, PA

Date	Amount	Purpose of Disbursement
2/6/95	$605	Political Meeting
3/15/96	$485	Political Meeting
3/15/96	$928	Fundraising Planning Meeting
5/8/96	$738	Lodging/Political Meeting
5/8/96	$200	Lodging/Political Meeting
5/8/96	$172	Lodging/Political Meeting

8/7/96	$169	Political Meeting
4/1/96	$171	Fundraising Meeting
4/1/96	$300	Fundraising Meeting
4/1/96	$207	Fundraising Meeting
4/1/96	$417	Fundraising Meeting
4/1/96	$184	Fundraising Meeting
10/24/96	$174	Political Meeting
10/24/96	$179	Political Meeting
10/24/96	$260	Political Meeting
12/12/96	$175	Political Meeting
Total:	$5,364	

3. U.S. Hotel, Hollidaysburg, PA

Date	Amount	Purpose of Disbursement
4/1/96	$40	Political Meeting
10/21/96	$77	Political Meeting
10/30/96	$44	Political Meeting
10/30/96	$70	Political Meeting
11/4/96	$93	Political Meeting
11/5/96	$26	Political Meeting
11/8/96	$35	Political Meeting
11/8/96	$36	Political Meeting
11/8/96	$31	Political Meeting
11/8/96	$52	Political Meeting
11/8/96	$86	Political Meeting
11/8/96	$80	Political Meeting
11/8/96	$80	Political Meeting
12/12/96	$77	Political Meeting
12/12/96	$45	Political Meeting
12/12/96	$93	Political Meeting
Total:	$965	

4. TGI Friday, Altoona, PA

Date	Amount	Purpose of Disbursement
2/6/95	$19	Political Meeting
11/2/95	$72	Political Meeting
12/29/95	$47	Political Meeting
12/29/95	$23	Political Meeting
12/29/95	$59	Political Meeting
12/29/95	$115	Political Meeting
3/15/96	$25	Political Meeting
3/15/96	$69	Political Meeting

3/15/96	$25	Political Meeting
3/15/96	$60	Fundraising Planning Meeting
9/12/96	$34	Political Meeting
9/12/96	$55	Political Meeting
10/14/96	$26	Political Meeting
10/14/96	$41	Political Meeting
10/19/96	$35	Political Meeting
Total:	$705	

5. Jethro's, Altoona, PA

Date	Amount	Purpose of Disbursement
3/31/95	$25	Political Meeting
4/21/95	$81	Political Meeting
7/5/95	$37	Political Meeting
7/28/95	$19	Political Meeting
11/6/95	$28	Political Meeting
11/28/95	$15	Political Meeting
4/26/96	$15	Political Meeting
7/5/96	$232	Political Meeting
12/23/96	$13	Political Activity
Total:	$465	

6. The Dream Restaurant, Hollidaysburg, PA

Date	Amount	Purpose of Disbursement
12/29/95	$40	Political Meeting
10/14/96	$26	Political Meeting
10/14/96	$142	Political Meeting
10/14/96	$98	Political Meeting
10/14/96	$24	Political Meeting
10/23/96	$34	Political Meeting
10/23/96	$12	Political Meeting
11/5/96	$250	Political Meeting
11/8/96	$42	Political Meeting
Total:	$668	

7. Hotel Hershey, Hershey, PA

Date	Amount	Purpose of Disbursement
2/6/95	$3868	Political Meeting
6/17/96	$270	Political Meeting
6/17/96	$306	Political Meeting

6/17/96	$201	Political Meeting
6/17/96	$275	Political Meeting
6/17/96	$176	Political Meeting
6/17/96	$309	Political Meeting
Total:	$5,405	

8. Howard Johnson Plaza Hotel, Chambersburg, PA

Date	Amount	Purpose of Disbursement
12/29/95	$221	Political Meeting
3/15/96	$203	Political Meeting
5/8/96	$205	Lodging/Political Meeting
4/1/96	$207	Fundraising Meeting
9/12/96	$200	Political Meeting
9/12/96	$12	Political Meeting
Total:	$1,048	

9. Howard Johnson, Hagerstown, MD

Date	Amount	Purpose of Disbursement
2/7/95	$610	Political Meetings
5/30/96	$348	Political Meetings
6/17/96	$135	Political Meeting
12/9/96	$507	Political Meeting
Total:	$1,600	

10. Atherton Hotel, State College, PA

Date	Amount	Purpose of Disbursement
3/15/96	$584	Political Meeting
3/15/96	$315	Political Meeting
3/15/96	$250	Political Meeting
10/19/96	$176	Political Meeting
Total:	$1,325	

11. Seasons at Hilltop, Hollidaysburg, PA

Date	Amount	Purpose of Disbursement
4/21/95	$408	Political Meeting
7/5/95	$232	Political Meeting
10/6/95	$824	Political Meeting
9/5/96	$692	Political Meeting
Total:	$2,156	

12. Marriott Hotels, Harrisburg, PA

Date	Amount	Purpose of Disbursement
5/8/96	$7	Lodging/Political Meeting
5/8/96	$149	Lodging/Political Meeting
5/8/96	$200	Lodging/Political Meeting
5/8/96	$170	Lodging/Political Meeting
Total:	$526	

13. Best Western Hoss's Inn, Bedford, PA

Date	Amount	Purpose of Disbursement
10/22/96	$100	Political Meeting
10/22/96	$31	Political Meeting
10/23/96	$360	Political Meeting
12/10/96	$161	Political Meeting
Total:	$652	

14. Casa Rillo, Camp Hill, PA

Date	Amount	Purpose of Disbursement
2/6/95	$21	Political Meeting
2/6/95	$157	Political Meeting
2/6/95	$121	Political Meeting
Total:	$299	

15. The Phoenix, Altoona, PA

Date	Amount	Purpose of Disbursement
4/1/96	$67	Political Meeting
5/8/96	$241	Political Meeting
6/17/96	$95	Political Meeting
Total:	$403	

16. The Orchards, Chambersburg, PA

Date	Amount	Purpose of Disbursement
5/8/96	$45	Meals
9/12/96	$679	Political Meeting
11/8/96	$81	Political Meeting
Total:	$805	

17. Jethro's, Hollidaysburg, PA

Date	Amount	Purpose of Disbursement
9/12/96	$8	Political Meeting
10/14/96	$54	Political Meeting
10/16/96	$7	Political Meeting
Total:	$69	

18. Giant Eagle, Altoona, PA

Date	Amount	Purpose of Disbursement
2/6/95	$60	Supplies for Political Meeting
2/6/95	$112	Supplies for Political Meeting
Total:	$172	

19. Wine & Spirits, Du Bois, PA

Date	Amount	Purpose of Disbursement
5/8/95	$44	Political Meeting
4/1/96	$30	Political Meeting
Total:	$74	

20. Westin Hotels, Pittsburgh, PA

Date	Amount	Purpose of Disbursement
3/15/96	$159	Fundraising Planning Meeting
3/15/96	$195	Fundraising Planning Meeting
Total:	$354	

21. Four Seasons Hotels, Philadelphia, PA

Date	Amount	Purpose of Disbursement
3/15/96	$340	Fundraising Planning Meeting
3/15/96	$26	Fundraising Planning Meeting
Total:	$366	

22. The Restaurant on Chocolate, Hershey PA

Date	Amount	Purpose of Disbursement
6/17/96	$211	Political Meeting
6/17/96	$311	Political Meeting
Total:	$522	

23. Bruno's Diner, Chambersburg, PA

Date	Amount	Purpose of Disbursement
10/14/96	$38	Political Meeting
10/14/96	$34	Political Meeting
Total:	$72	

24. Zach's Sociable Food, Altoona, PA

Date	Amount	Purpose of Disbursement
10/14/96	$45	Political Meeting
11/8/96	$52	Political Meeting
Total:	$97	

25. Hotel Washington Restaurant, Chambersburg, PA

Date	Amount	Purpose of Disbursement
5/8/95	$47	Political Meeting

26. Carettis Pizza, Chambersburg, PA

Date	Amount	Purpose of Disbursement
5/8/95	$16	Political Meeting

27. Tommy D's, Du Bois, PA

Date	Amount	Purpose of Disbursement
6/1/95	$45	Political Meeting

28. Main Street Deli, Chambersburg, PA

Date	Amount	Purpose of Disbursement
9/15/95	$17	Political Meeting

29. Eat N Park Restaurant, Altoona PA

Date	Amount	Purpose of Disbursement
12/29/95	$25	Political Meeting

30. Kelly Hoak, Pittsburgh, PA

Date	Amount	Purpose of Disbursement
12/29/95	$166	Political Meeting

31. Food Lion, Altoona, PA

Date	Amount	Purpose of Disbursement
12/29/95	$24	Political Meeting

32. Wine & Spirits, Altoona, PA

Date	Amount	Purpose of Disbursement
12/29/95	$110	Political Meeting

33. Hershey Lodge & Convention Center, Hershey, PA

Date	Amount	Purpose of Disbursement
3/15/96	$299	Fundraising Planning Meeting

34. Union Canal House, Hershey, PA

Date	Amount	Purpose of Disbursement
3/15/96	$90	Fundraising Planning Meeting

35 . The Coachlite, Tyrone, PA

Date	Amount	Purpose of Disbursement
3/15/96	$25	Political Meeting

36. Howard Johnson, Pittsburgh, PA

Date	Amount	Purpose of Disbursement
4/1/96	$328	Fundraising Meeting

37. Travelodge, Chambersburg, PA

Date	Amount	Purpose of Disbursement
5/8/96	$27	Political Meeting

38. Holiday Inn of Lewistown, Burnham, PA

Date	Amount	Purpose of Disbursement
5/13/96	$212	Political Meeting

39. Ramada Inn, Du Bois, PA

Date	Amount	Purpose of Disbursement
6/20/96	$159	Political Meeting

40. Kirby's Restaurant, Lewistown, PA

Date	Amount	Purpose of Disbursement
9/12/96	$908	Political Meeting

41. Tony's Cottage Inn, Lewistown, PA

Date	Amount	Purpose of Disbursement
10/14/96	$230	Political Meeting

42. Olivio's Restaurant, Altoona, PA

Date	Amount	Purpose of Disbursement
10/14/96	$19	Political Meeting

43. Nittany Lion Inn, State College, PA

Date	Amount	Purpose of Disbursement
10/14/96	$619	Political Meeting

44. Comfort Inn, Selinsgove, PA

Date	Amount	Purpose of Disbursement
10/14/96	$349	Political Meeting

45. Front Street Station, Northumberland, PA

Date	Amount	Purpose of Disbursement
10/14/96	$229	Political Meeting

46. Hedges Food and Spirits, Clearfield, PA

Date	Amount	Purpose of Disbursement
10/21/96	$17	Political Meeting

47. Days Inn, Huntingdon, PA

Date	Amount	Purpose of Disbursement
10/24/96	$94	Political Meeting

48. Denny's, Selinsgrove, PA

Date	Amount	Purpose of Disbursement
10/24/96	$18	Political Meeting

49. Sheetz, Hollidaysburg, PA

Date	Amount	Purpose of Disbursement
10/29/96	$14	Political Meeting

50. Chi-Chi's, Altoona, PA

Date	Amount	Purpose of Disbursement
11/8/96	$23	Political Meeting

51. Henderson Limousine Service, Harrisburg, PA

Date	Amount	Purpose of Disbursement
11/8/96	$172	Political Meeting-Travel

52. Days Inn, Altoona, PA

Date	Amount	Purpose of Disbursement
11/8/96	$106	Political Meeting

53. Econolodge, Harrisburg, PA

Date	Amount	Purpose of Disbursement
11/8/96	$58	Political Meeting
Total:	$40,591	

(k) The Capital Grille, Washington, DC

Date	Amount	Purpose of Disbursement
3/15/96	$537	Political Meeting
3/15/96	$23	Political Meeting
4/1/96	$272	Political Meeting
4/1/96	$364	Political Meeting
4/1/99	$99	Political Meeting
5/8/96	$393	Political Meeting
8/7/96	$173	Political Meeting
8/7/96	$108	Political Meeting
9/12/96	$470	Political Meeting
10/14/96	$313	Political Meeting
10/14/96	$115	Political Meeting
11/8/96	$333	Political Meeting
Total:	$3200	

(l) The Alexandria Pastry Shop, Alexandria, VA

Date	Amount	Purpose of Disbursement
1/20/95	$356	Political Meeting
5/8/95	$340	Political Meeting
5/8/95	$290	Political Meeting
6/1/95	$278	Political Meeting
6/27/95	$424	Political Meeting
6/27/95	$439	Political Meeting
7/7/95	$412	Political Meeting
8/3/95	$937	Political Meeting
9/13/95	$287	Political Meeting
12/14/95	$31	Political Meeting
2/1/96	$41	Political Meeting

4/2/96	$40	Political Meeting
5/10/96	$32	Political Meeting
6/5/96	$174	Political Meeting
Total:	$4081	

(m) Other Establishments in Alexandria, VA or Arlington, VA

1. Landini Brothers

Date	Amount	Purpose of Disbursement
3/15/96	$176	Political Meeting
3/15/96	$242	Political Meeting
3/15/96	$176	Political Meeting
6/17/96	$137	Political Meeting
9/12/96	$207	Political Meeting
10/14/96	$213	Political Meeting
Total:	$1,151	

2. Chadwicks Old Town

Date	Amount	Purpose of Disbursement
2/6/95	$49	Political Meeting
3/15/96	$181	Fundraising Planning Meeting
3/15/96:	$32	Fundraising Planning Meeting
11/6/96	$153	Political Meeting
12/12/96	$154	Political Meeting
Total:	$569	

3. Presto Valet of VA, Inc.

Date	Amount	Purpose of Disbursement
2/7/95	$37	Laundry Political Meetings (Tablecloths)
2/17/95	$36	Laundry Political Meetings (Tablecloths)
3/10/95	$115	Laundry Political Meetings (Tablecloths)
4/14/95	$18	Laundry Political Meetings (Tablecloths)
9/12/95	$90	Laundry Political Meetings
Total:	$296	

4. Giant Food

Date	Amount	Purpose of Disbursement
2/6/95	$30	Supplies for Political Meetings
3/10/95	$48	Supplies for Political Meetings
5/8/95	$29	Supplies for Political Meetings
5/8/95	$23	Supplies for Political Meetings
Total:	$130	

5. Red Hot & Blue

Date	Amount	Purpose of Disbursement
2/6/95	$149	Political Meeting
3/10/95	$142	Political Meeting
3/10/95	$166	Political Meeting
6/1/95	$100	Political Meeting
Total:	$557	

6. Ritz Carlton Hotel, Arlington, VA

Date	Amount	Purpose of Disbursement
6/17/96	$129	Political Meeting
12/11/96	$500	Political Meeting
Total:	$629	

7. Union Street Public House

Date	Amount	Purpose of Disbursement
10/14/96	$316	Political Meeting
10/14/96	$17	Political Meeting
Total:	$333	

8. Bittersweet

Date	Amount	Purpose of Disbursement
3/10/95	$244	Political Meeting

9. La Bergerie

Date	Amount	Purpose of Disbursement
6/17/96	$233	Political Meeting

10. Holiday Inn

Date	Amount	Purpose of Disbursement
9/12/96	$125	Political Meeting

11. Lone Star Steakhouse

Date	Amount	Purpose of Disbursement
11/8/96	$145	Political Meeting

Total: $4,412

(n) Other Restaurants in Washington, DC or suburban Washington, DC

1. Hyatt Hotel

Date	Amount	Purpose of Disbursement
3/15/96	$280	Political Meeting
9/12/96	$239	Political Meeting
11/8/96	$1874	Political Meeting
11/19/96	$320	Political Meeting
12/17/96	$405	Political Meeting

Total: $3,118

2. Four Seasons Hotel

Date	Amount	Purpose of Disbursement
12/29/95	$963	Political Meeting
12/12/96	$617	Political Meeting

Total: $1580

3. Gandel's, Washington, DC

Date	Amount	Purpose of Disbursement
2/6/95	$28	Political Meetings
9/13/95	$361	Political Meetings

Total: $389

4. Armand's Chicago Pizzeria

Date	Amount	Purpose of Disbursement
3/10/95	$81	Political Meeting
5/8/95	$41	Political Meeting
Total:	$122	

5. Tortilla Coast

Date	Amount	Purpose of Disbursement
5/8/95	$264	Political Meeting
11/7/96	$100	Political Meeting
Total:	$364	

6. Monocle on Capital Hill

Date	Amount	Purpose of Disbursement
3/15/96	$97	Political Meeting
10/14/96	$314	Political Meeting
Total:	$411	

7. Big Boy Restaurant

Date	Amount	Purpose of Disbursement
2/6/95	$11	Political Meeting

8. Kelley's-Irish Times

Date	Amount	Purpose of Disbursement
2/6/95	$136	Political Meeting

9. Tony Chengs Seafood

Date	Amount	Purpose of Disbursement
3/10/95	$204	Political Meeting

10. Heads

Date	Amount	Purpose of Disbursement
5/8/95	$60	Political Meeting

11. Hunan Dynasty Restaurant

Date	Amount	Purpose of Disbursement
5/8/95	$31	Political Meeting

12. Amtrak

Date	Amount	Purpose of Disbursement
3/15/96	$118	Fundraising Planning Meeting

13. Old Anglers Inn, Potomac MD

Date	Amount	Purpose of Disbursement
6/17/96	$113	Political Meeting

14. The Hermitage Inn, Clifton, VA

Date	Amount	Purpose of Disbursement
11/6/96	$130	Political Meeting

15. Bullfeathers Restaurant

Date	Amount	Purpose of Disbursement
11/20/96	$104	Political Meeting

Total: $6891

(o) Disbursements in New York City or Northern New Jersey

1. Inter-Continental Hotel, New York, NY

Date	Amount	Purpose of Disbursement
12/29/95	$3023	Political Meeting
12/29/95	$1891	Political Meeting
12/29/95	$4407	Political Meeting
12/29/95	$19	Political Meeting
12/29/95	$36	Political Meeting
12/16/96	$ 891	Political Meeting
12/23/96	$535	Political Meeting

Total: $10,802

2. Sardis, New York, NY

Date	Amount	Purpose of Disbursement
12/29/95	$390	Political Meeting
12/29/95	$318	Political Meeting
Total:	$708	

3. The Plaza Hotel, New York, NY

Date	Amount	Purpose of Disbursement
12/25/95	$273	Political Meeting

4. Herman Agar Co., Union City, NJ

Date	Amount	Purpose of Disbursement
12/29/95	$900	Political Meeting

5. Imperial Theatre, New York, NY

Date	Amount	Purpose of Disbursement
12/25/95	$360	Political Meeting

6. Broadway Theatre, New York, NY

Date	Amount	Purpose of Disbursement
12/29/95	$180	Political Meeting

7. The Bitter End, New York, NY

Date	Amount	Purpose of Disbursement
12/25/95	$108	Political Meeting

8. St. Regis Hotel, New York, NY

Date	Amount	Purpose of Disbursement
12/29/95	$27	Political Meeting

9. Ristorante Degrezia, New York, NY

Date	Amount	Purpose of Disbursement
8/7/96	$370	Political Meeting

10. Hotel Plaza Athenee, New York, NY

Date	Amount	Purpose of Disbursement
8/7/96	$881	Political Meeting
Total:	$14,609	

Total Expenses 1995-1996: $82,524

1997-1998

(q) Nick's Airport Inn, Hagerstown, MD

Date	Amount	Purpose of Disbursement
2/10/97	$274	Political Meeting
9/10/97	$109	Political Meeting
9/10/97	$26	Political Meeting
9/10/97	$1298	Political Meeting
9/10/97	$20	Political Meeting
10/09/97	$1096	Political Meeting
5/13/98	$876	Political Meeting
10/16/98	$730	Political Meeting
Total:	$4,429	

(r) Allegro Restaurant, Altoona, PA

Date	Amount	Purpose of Disbursement
1/6/97	$933	Political Meeting
1/6/97	$42	Political Meeting
1/6/97	$269	Political Meeting
1/6/97	$295	Political Meeting
2/10/97	$580	Political Meeting
7/8/97	$285	Political Meeting
11/10/97	$168	Political Meeting
1/22/98	$237	Political Meeting
4/16/98	$331	Meeting Expense
6/17/98	$121	Political Meeting
8/25/98	$500	Political Meeting
Total:	$3,761	

(s) Other Disbursements in Pennsylvania and Maryland

1. Hilton Hotels, Harrisburg, PA

Date	Amount	Purpose of Disbursement
1/6/97	$179	Political Meeting
1/6/97	$260	Political Meeting
3/19/97	$32	Political Meeting
3/19/97	$878	Political Meeting
3/19/97	$195	Political Meeting
3/19/97	$216	Political Meeting

3/19/97	$355	Political Meeting
4/10/97	$188	Political Meeting
4/10/97	$241	Political Meeting
4/10/97	$254	Political Meeting
7/8/97	$104	Political Meeting
7/8/97	$213	Political Meeting
7/8/97	$189	Political Meeting
7/8/97	$269	Political Meeting
10/9/97	$301	Political Meeting
10/9/97	$203	Political Meeting
10/9/97	$214	Political Meeting
10/9/97	$201	Political Meeting
10/9/97	$204	Political Meeting
1/22/98	$185	Political Meeting
1/22/98	$193	Political Meeting
2/16/98	$707	Political Meeting
3/16/98	$306	Political Meeting
3/16/98	$212	Political Meeting
5/13/98	$151	Political Meeting
5/13/98	$201	Political Meeting
5/13/98	$192	Political Meeting
5/13/98	$124	Political Meeting
5/13/98	$723	Political Meeting
5/13/98	$136	Political Meeting
10/16/98	$153	Political Meeting
Total:	$7,979	

2. R.L. Lynn & Co., Hollidaysburg, PA

Date	Amount	Purpose of Disbursement
3/16/98	$30	Political Meeting
3/16/98	$43	Political Meeting
4/16/98	$15	Meeting Expense
4/16/98	$32	Meeting Expense
5/13/98	$22	Meeting Expense
6/17/98	$62	Campaign Expense
6/17/98	$18	Campaign Expense
6/17/98	$9	Campaign Expense
7/6/98	$15	Campaign Expense
11/11/98	$22	Campaign Expense
11/11/98	$23	Campaign Expense
Total:	$291	

3. U.S. Hotel, Hollidaysburg, PA

Date	Amount	Purpose of Disbursement
1/6/97	$69	Political Meeting
1/6/97	$26	Political Meeting
2/10/97	$79	Political Meeting
4/10/97	$285	Political Meeting
4/10/97	$234	Political Meeting
7/8/97	$208	Political Meeting
Total:	$901	

4. Nittany Lion Inn, State College, PA

Date	Amount	Purpose of Disbursement
6/17/98	$444	Campaign Expense
6/17/98	$104	Campaign Expense
6/17/98	$212	Campaign Expense
6/17/98	$214	Campaign Expense
6/17/98	$104	Campaign Expense
6/17/98	$23	Campaign Expense
Total:	$1,101	

5. Howard Johnson, Chambersburg, PA

Date	Amount	Purpose of Disbursement
6/17/98	$420	Campaign Expense
7/6/98	$130	Campaign Expense
7/6/98	$428	Campaign Expense
7/6/98	$84	Campaign Expense
7/6/98	$57	Campaign Expense
8/10/98	$36	Campaign Expense
Total:	$1155	

6. Ramada Hotel, Altoona, PA

Date	Amount	Purpose of Disbursement
1/17/97	$108	Political Meeting
3/24/97	$118	Political Meeting
4/24/97	$58	Political Meeting
9/10/97	$181	Political Meeting
11/19/97	$148	Political Meeting
Total:	$613	

7. TGI Friday, Altoona, PA

Date	Amount	Purpose of Disbursement
1/6/97	$35	Political Meeting
11/10/97	$80	Political Meeting
11/10/97	$25	Political Meeting
4/16/98	$7	Meeting Expense
Total:	$147	

8. Seasons at Hilltop, Hollidaysburg, PA

Date	Amount	Purpose of Disbursement
8/8/97	$543	Political Meeting
8/14/97	$1484	Political Meeting
11/3/97	$928	Political Meeting
2/4/98	$710	Political Meeting
Total:	$3,665	

9. Cosy Inn, Chambersburg, PA

Date	Amount	Purpose of Disbursement
11/10/97	$1905	Political Meeting
6/17/98	$192	Campaign Expense
7/6/98	$98	Campaign Expense
8/10/98	$122	Campaign Expense
Total:	$2317	

10. Sheetz, Inc., Chambersburg, PA

Date	Amount	Purpose of Disbursement
7/6/98	$22	Campaign Expense
7/6/98	$186	Campaign Expense
7/6/98	$14	Campaign Expense
7/6/98	$24	Campaign Expense
Total:	$246	

11. The Dream Restaurant, Hollisdaysburg, PA

Date	Amount	Purpose of Disbursement
1/6/97	$250	Political Meeting
1/6/97	$34	Political Meeting
1/6/97	$12	Political Meeting
Total:	$296	

12. Best Western Hoss's, Bedford, PA

Date	Amount	Purpose of Disbursement
1/6/97	$101	Political Meeting
1/6/97	$31	Political Meeting
1/6/97	$361	Political Meeting
Total:	$493	

13. Howard Johnson Plaza Hotel, Hagerstown, PA

Date	Amount	Purpose of Disbursement
2/10/97	$281	Political Meeting
10/9/97	$572	Political Meeting
10/20/97	$651	Political Meeting
Total:	$1504	

14. Brunos Diner, Chambersburg, PA

Date	Amount	Purpose of Disbursement
6/17/98	$40	Campaign Expense
6/17/98	$28	Campaign Expense
6/17/98	$230	Campaign Expense
Total:	$298	

15. Food Lion, Altoona, PA

Date	Amount	Purpose of Disbursement
2/10/97	$14	Political Meeting
2/11/98	$15	Meeting Expense
Total:	$29	

16. Jethro's Restaurant, Hollidaysburg, PA

Date	Amount	Purpose of Disbursement
11/10/97	$17	Political Meeting
11/10/97	$41	Political Meeting
Total:	$58	

17. Irving's Bagels Inc., Altoona, PA

Date	Amount	Purpose of Disbursement
2/11/98	$12	Meeting Expense
4/16/98	$14	Meeting Expense
Total:	$26	

18. Outback Steakhouse, Altoona, PA

Date	Amount	Purpose of Disbursement
7/6/98	$208	Political Meeting
11/11/98	$43	Campaign Expense
Total:	$251	

19. Sunrise, Chambersburg, PA

Date	Amount	Purpose of Disbursement
7/6/98	$8	Campaign Expense
7/6/98	$222	Campaign Expense
Total:	$230	

20. Atherton Hotel, State College, PA

Date	Amount	Purpose of Disbursement
1/6/97	$176	Political Meeting

21. Chi Chi's, Altoona, PA

Date	Amount	Purpose of Disbursement
1/6/97	$29	Political Meeting

22. Days Inn, Huntingdon, PA

Date	Amount	Purpose of Disbursement
1/6/97	$95	Political Meeting

23. Hedges Fine Food, Clearfield, PA

Date	Amount	Purpose of Disbursement
1/6/97	$18	Political Meeting

24. Denny's Restaurant, Selinsgrove, PA

Date	Amount	Purpose of Disbursement
1/6/97	$18	Political Meeting

25. Scott's Bar and Grille, Harrisburg, PA

Date	Amount	Purpose of Disbursement
3/19/97	$61	Political Meeting

26. Carettis Pizza, Chambersburg, PA

Date	Amount	Purpose of Disbursement
3/19/97	$45	Political Meeting

27. Best Western Hotels, Waynesboro, PA

Date	Amount	Purpose of Disbursement
9/10/97	$79	Political Meeting

28. Clarion Hotel, Burnham, PA

Date	Amount	Purpose of Disbursement
9/10/97	$82	Political Meeting

29. Riden's Restaurant, Yeagertown, PA

Date	Amount	Purpose of Disbursement
9/30/97	$1107	Political Meeting

30. Creekside Inn, East Freedom, PA

Date	Amount	Purpose of Disbursement
11/10/97	$84	Political Meeting

31. Sheetz, Frederick, MD

Date	Amount	Purpose of Disbursement
1/21/98	$36	Political Meeting

32. Carnegie House, Inc., State College, PA

Date	Amount	Purpose of Disbursement
1/22/98	$256	Political Meeting
Total:	$23,686	

(t) Capital Grille, Washington, D.C.

Date	Amount	Purpose of Disbursement
7/8/97	$709	Political Meeting
7/8/97	$288	Political Meeting
8/8/97	$408	Political Meeting
10/9/97	$378	Political Meeting
10/9/97	$329	Political Meeting
10/9/97	$443	Political Meeting
11/10/97	$419	Political Meeting
1/22/98	$129	Political Meeting
1/22/98	$278	Political Meeting
1/22/98	$633	Political Meeting
4/16/98	$44	Meeting Expense
4/16/98	$86	Meeting Expense
5/13/98	$60	Meeting Expense
5/13/98	$95	Meeting Expense
6/17/98	$266	Political Meeting
7/6/98	$3252	Political Meeting
7/6/98	$67	Campaign Expense
7/6/98	$369	Political Meeting
7/6/98	$260	Political Meeting
7/6/98	$26	Political Meeting
8/10/98	$95	Political Meeting
10/16/98	$47	Political Meeting
10/16/98	$46	Political Meeting
11/11/98	$56	Political Meeting
11/11/98	$325	Campaign Expense
11/11/98	$17	Political Meeting
Total:	$9125	

(u) Disbursements in Virginia

1. La Bergerie, Alexandria

Date	Amount	Purpose of Disbursement
3/19/97	$191	Political Meeting
7/8/97	$154	Political Meeting
11/10/97	$253	Political Meeting
6/17/98	$170	Political Meeting
6/1798	$42	Political Meeting
6/17/98	$346	Political Meeting
6/17/98	$349	Political Meeting
6/17/98	$116	Political Meeting
6/17/98	$250	Political Meeting
7/6/98	$333	Political Meeting
8/10/98	$100	Political Meeting
Total:	$2304	

2. Stella's Restaurant, Alexandria, VA

Date	Amount	Purpose of Disbursement
8/8/97	$27	Political Meeting
8/8/97	$178	Political Meeting
8/8/97	$22	Political Meeting
8/8/97	$21	Political Meeting
8/8/97	$24	Political Meeting
10/9/97	$112	Political Meeting
Total:	$384	

3. Alexandria Pastry Shop

Date	Amount	Purpose of Disbursement
7/8/97	$31	Political Meeting
7/22/97	$382	Political Meeting
6/10/98	$273	Political Meeting
6/10/98	$114	Political Meeting
6/19/98	$82	Political Meeting
Total:	$882	

4. Chadwicks Old Town, Alexandria

Date	Amount	Purpose of Disbursement
2/10/97	$165	Political Meeting
7/8/97	$153	Political Meeting
5/13/98	$261	Political Meeting
5/13/98	$247	Political Meeting
Total:	$826	

5. Ritz Carlton Hotel, Arlington

Date	Amount	Purpose of Disbursement
1/15/97	$500	Political Meeting
8/8/97	$24	Political Meeting
8/8/97	$309	Political Meeting
Total:	$833	

6. Bistro Bistro, Arlington

Date	Amount	Purpose of Disbursement
4/10/97	$150	Political Meeting
1/9/98	$127	Meeting Expense
1/9/98	$14	Meeting Expense
Total:	$291	

7. Carlyle Grand Café, Arlington

Date	Amount	Purpose of Disbursement
5/12/97	$190	Political Meeting
3/16/98	$35	Political Meeting
Total:	$225	

8. Ruby Tuesday, Fairfax

Date	Amount	Purpose of Disbursement
3/16/98	$5	Political Activity
3/16/98	$52	Political Activity
Total:	$57	

9. Holiday Inn Dulles, Sterling Virginia

Date	Amount	Purpose of Disbursement
1/6/97	$551	Political Meeting
1/6/97	$42	Political Meeting
Total:	$593	

10. Giant Food, Arlington

Date	Amount	Purpose of Disbursement
5/12/97	$51	Supplies for Political Meeting
7/8/97	$29	Supplies for Political Meeting
Total:	$80	

11. The Hermitage Inn, Clifton, VA

Date	Amount	Purpose of Disbursement
1/6/97	$131	Political Meeting

12. The Kingsmill Resort, Williamsburg

Date	Amount	Purpose of Disbursement
3/19/97	$20	Political Meeting

13. Sutton Place Gourmet, Alexandria

Date	Amount	Purpose of Disbursement
9/10/97	$310	Political Meeting

14. Ecco Café, Alexandria

Date	Amount	Purpose of Disbursement
9/10/97	$203	Political Meeting

15. Ann M. Eppard, Alexandria

Date	Amount	Purpose of Disbursement
12/31/97	$608	Expense Reimbursement/Political Meetings

16. Merit, Alexandria

Date	Amount	Purpose of Disbursement
1/21/98	$23	Political Meeting

17. Hilton Hotel, Norfolk

Date	Amount	Purpose of Disbursement
3/16/98	$71	Political Activity
Total:	$7841	(47 disbursements)

(v) Disbursements in Washington, D.C.

1. Hyatt Hotels Washington

Date	Amount	Purpose of Disbursement
1/15/97	$321	Political Meeting
2/10/97	$405	Political Meeting
2/17/97	$628	Political Meeting
4/10/97	$76	Political Meeting
5/12/97	$180	Political Meeting
7/8/97	$189	Political Meeting
7/8/97	$30	Political Meeting
8/8/97	$151	Political Meeting
8/8/97	$75	Political Meeting
8/8/97	$102	Political Meeting
9/10/97	$676	Political Meeting
9/10/97	$1415	Political Meeting
9/10/97	$286	Political Meeting
11/10/97	$209	Political Meeting
1/9/98	$170	Political Meeting
1/9/98	$625	Political Meeting
4/16/98	$72	Political Meeting
6/17/98	$199	Political Meeting
10/6/98	$134	Campaign Expense
11/11/98	$208	Political Meeting
Total:	$6151	

2. Schneider's of Capitol Hill

Date	Amount	Purpose of Disbursement
3/19/97	$333	Food, Beverage/Political Meeting
9/10/97	$874	Political Meeting
1/9/98	$78	Meeting Expense
10/6/98	$346	Campaign Expense

10/6/98	$166	Campaign Expense
10/6/98	$11	Campaign Expense
Total:	$1808	

3. Tortilla Coast

Date	Amount	Purpose of Disbursement
1/15/97	$12	Political Meeting
1/15/97	$95	Political Meeting
4/10/97	$108	Political Meeting
7/6/98	$332	Campaign Expense
10/16/98	$35	Political Meeting
Total:	$582	

4. Congressional Liquors

Date	Amount	Purpose of Disbursement
4/16/98	$52	Meeting Expense
4/16/98	$10	Meeting Expense
4/16/98	$114	Meeting Expense
8/10/98	$111	Campaign Expense
Total:	$287	

5. Bullfeathers Restaurant

Date	Amount	Purpose of Disbursement
1/15/97	$105	Political Meeting
3/19/97	$30	Political Meeting
Total:	$135	

6. Gandel's

Date	Amount	Purpose of Disbursement
1/9/98	$23	Meeting Expense
11/11/98	$91	Campaign Expense
Total:	$114	

7. Intercontinental

Date	Amount	Purpose of Disbursement
3/16/98	$23	Political Activity
3/16/98	$79	Political Activity
Total:	$102	

8. Hunan King

Date	Amount	Purpose of Disbursement
1/9/98	$62	Meeting Expense

9. Monocle on Capitol Hill

Date	Amount	Purpose of Disbursement
10/16/98	$217	Political Meeting

10. Mr. K's

Date	Amount	Purpose of Disbursement
11/11/98	$237	Campaign Expense
Total:	$9695	(45 disbursements)

(w) Disbursements in New York City

1. Inter-Continental Hotel, New York, NY

Date	Amount	Purpose of Disbursement
1/15/97	$2958	Political Meeting
1/15/97	$891	Political Meeting
2/10/97	$535	Political Meeting
1/21/98	$9	Political Meeting
1/21/98	$3145	Political Meeting
Total:	$7538	

Total Expenses for 1997-1998: $66,075

Total "Political Meetings" 1993-1998: $305,267

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ATTACHMENT B

Bud Shuster for Congress Committee Disbursements for "Transportation" 1993-1998 Related to Bun Air Corporation and other Charter Flights in Pennsylvania

1993-1994

(a) Bun Air Corporation, Bedford, PA

Date	Amount	Purpose of Disbursement
1/8/93	$4731	Transportation
2/10/93	$468	Transportation
3/9/93	$9221	Transportation
4/8/93	$2542	Transportation
5/5/93	$749	Transportation
5/12/93	$2772	Transportation
6/10/93	$3230	Transportation
7/7/93	$396	Transportation
8/10/93	$1844	Transportation
10/13/93	$2631	Transportation
11/10/93	$3413	Transportation
12/14/93	$6067	Transportation
1/6/94	$3211	Transportation
2/10/94	$2830	Transportation
3/9/94	$7306	Transportation
4/14/94	$5737	Transportation
5/13/94	$3691	Transportation
6/8/94	$5691	Transportation
7/21/94	$5150	Transportation
8/10/94	$2753	Transportation
9/7/94	$1782	Transportation
11/17/94	$14421	Transportation
12/7/94	$7780	Transportation
Total:	$98,416	

Other Charters

Date	Amount	Purpose of Disbursement
2/3/94	$750	Transportation (Valley Air)

5/4/94	$1928	Transportation (Beechwoods Flying Service)
9/28/94	$2406	Transportation (Beechwoods Flying Service)
Total:	$5084	

Total 1993-1993: $103,500

1995-1996

(b) Bun Air Corporation, Bedford, PA

Date	Amount	Purpose of Disbursement
2/3/95	$5454	Transportation
2/10/95	$4367	Transportation
3/10/95	$2979	Transportation
4/26/95	$8374	Transportation
5/16/95	$5732	Transportation
7/27/95	$7435	Transportation
9/01/95	$5049	Transportation
9/12/95	$4757	Transportation
11/6/95	$2713	Transportation
12/19/95	$12415	Transportation
1/25/96	$16009	Transportation
2/1/96	12440	Transportation
3/29/96	$5376	Transportation
4/1/96	$11830	Transportation
4/23/96	$11796	Transportation
5/1/96	$1659	Transportation
5/28/96	$8953	Transportation
6/6/96	$1794	Transportation
9/9/96	$10130	Transportation
9/30/96	$1067	Transportation
10/14/96	$9122	Transportation
11/11/96	$340	Transportation
11/21/96	$13680	Transportation

Total in 1995-1996: $163,471

1997-1998

(c) Bun Air Corporation, Bedford, PA

Date	Amount	Purpose of Disbursement
1/6/97:	$16606	Transportation
1/13/97	$3871	Transportation
3/26/97	$13013	Transportation
5/13/97	$6150	Transportation
5/21/97	$3954	Transportation
6/27/97	$4813	Transportation
7/22/97	$3698	Transportation
11/19/97	$15475	Transportation
11/21/97	$658	Transportation
1/8/98	$2824	Transportation
2/12/98	$2599	Transportation
2/24/98	$3741	Transportation
4/9/98	$6309	Transportation
5/8/98	$7241	Transportation
6/22/98	$12138	Transportation
7/21/98	$7095	Transportation
8/25/98	$2739	Transportation
10/29/98	$8935	Transportation
Total:	$121,859	

Other Charters

Date	Amount	Purpose of Disbursement
12/2/97	$1100	Transportation (Prospect Aviation)
11/9/98	$6028	Transportation (Crown American)
Total:	$7,128	

Total 1997-1998: $128,987

Overall Total 1993-1998: $395,958

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EXHIBIT 1

U.S. House of Representatives

Committee on Standards of Official Conduct

In the Matter of Representative E. G. "Bud" Shuster

July 26, 2000

Statement of Alleged Violation

1. At all times relevant to this Statement of Alleged Violation, Representative E.G. "Bud" Shuster ("Representative Shuster") was a Member of the United States House of Representatives representing the 9th District of Pennsylvania.

COUNT I: Representative Shuster Engaged In A Pattern Of Conduct That Did Not Reflect Creditably On The House Of Representatives In Violation Of Former Rule 43, Clause 1, Of The U.S. House Of Representatives.

Summary and Applicable Standards

2. The Investigative Subcommittee found that Representative Shuster's conduct as set forth in this Statement of Alleged Violation did not reflect creditably on the House of Representatives. The Investigative Subcommittee found that the conduct set forth in paragraph 4, below, did not reflect creditably on the House of Representatives and violated former House Rule 43, Clause 1.

3. Former House Rule 43, Clause 1 (current House Rule 24, Clause 1) provides that each Member of the House of Representatives shall conduct himself at all times in a manner which reflects creditably on the House of Representatives.

Conduct Constituting Alleged Violation

4. Representative Shuster's conduct did not reflect creditably on the House of Representatives between 1993 and 1998, inclusive, in the following manner:

(a) Representative Shuster engaged in a pattern and practice of knowingly allowing Ann M. Eppard to appear before or communicate with him in his official capacity, during the 12-month period following her resignation as his chief of staff, on occasions and in a manner that created the appearance that his official decisions might have been improperly affected;

(b) Representative Shuster violated House Gift Rules [former Rule 43(4) for 1995 and Rule 52 for 1996] by accepting expenses from the Outdoor Advertising Association of America ("OAAA") and Daniel, Mann, Johnson and Mendenhall ("DMJM") related to a trip with his family to Puerto Rico in December 1995 and January 1996;

(c) Representative Shuster violated former House Rule 45 by authorizing and/or accepting the scheduling and advisory services of Ann M. Eppard on matters that were official in nature for approximately 18 months after she resigned from his congressional office;

(d) While under the supervision and control of Representative Shuster as their employing Member, employees in Representative Shuster's congressional office worked for the Bud Shuster for Congress Committee ("BSCC") to the apparent detriment of the time they were required to spend in the congressional office and performed services for the BSCC in his congressional offices;

(e) The number and dollar amount of expenditures by the Bud Shuster for Congress Committee ("BSCC") for meals designated as "political meetings" and for transportation on chartered airplane flights, as reported in Federal Election Commission reports filed by the BSCC between 1993 and 1998, combined with record-keeping practices followed by the BSCC inadequate to verify the legitimate campaign purposes of these expenditures, created the appearance that certain expenditures may not have been attributable to bona fide campaign or political purposes.

Alleged Violation

4. Based on the foregoing paragraph 4, the Investigative Subcommittee found that between 1993 and 1998, inclusive, Representative Shuster conducted himself in a manner that did not reflect creditably on the House of Representatives, in violation of former Rule 43, Clause 1 of the House of Representatives.

Representative Joel Hefley
Chairman

Representative Zoe Lofgren
Ranking Minority Member

Representative Jim McCrery

Representative Chet Edwards

EXHIBIT 2

U.S. House of Representatives

Committee on Standards of Official Conduct

In the Matter of Representative E. G. "Bud" Shuster

Respondent's Answer to Statement of Alleged Violation

I, E.G. "Bud" Shuster, admit to the Statement of Alleged Violation dated July 26, 2000.

Representative E.G. "Bud" Shuster
Respondent

Reid H. Weingarten
Counsel to Representative Shuster

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 26 day of July, 2000.

Representative E. G. "Bud" Shuster

EXHIBIT 3

PLEASE RETURN 1 ORIGINAL TO: THE CLERK OF THE HOUSE OF REPRESENTATIVES, OFFICE OF RECORDS AND REGISTRATION, 2054 LONGWORTH HOUSE OFFICE BUILDING, WASHINGTON, D.C. 20515

PLEASE RETURN 1 ORIGINAL TO: THE SECRETARY OF THE SENATE, OFFICE OF PUBLIC RECORDS, 232 HART SENATE OFFICE BUILDING, WASHINGTON, D.C. 20510

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19...94. ←

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
X				

(Mark one square only)

IDENTIFICATION NUMBER 1924 9002

Is this an Amendment? ☐ YES ☒ NO

A. ORGANIZATION OR INDIVIDUAL FILING (1. State name, address, and nature of business. ☐ CHECK IF ADDRESS IS DIFFERENT THAN PREVIOUSLY REPORTED) (2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.)

Ann Eppard Associates, Ltd.
30 Wolfe Street
Alexandria, VA 22314

A company filing on behalf of all principals and salaried personnel

B. EMPLOYER—State name, address, and nature of business. If there is no employer, write "None."

Outdoor Advertising Association of America, Inc.
1850 M Street, N.W., Suite 1040
Washington, D.C. 20036

C. LEGISLATIVE INTERESTS AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the ☐ box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the specific legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed, in connection with legislative interests, set forth: (a) description, (b) quantity distributed, (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed.)

1. Duration of 103rd Congress and 104th Congress.

2. Legislative interests may concern issues relating to transportation legislation and other related matters.

3. None.

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and, if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. *If this is a "Quarterly" Report, disregard this item "C" and fill out boxes "D" and "E" on the back of this page.* Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly" Report. Anticipated expenses will consist of transportation costs, duplication fees and entertainment charges. Though difficult to estimate, expenses will probably exceed $100 per quarter. Compensation will vary, although difficult to predict, will probably exceed $100 per quarter.

PURSUANT TO THE LOBBYING DISCLOSURE ACT

RECEIVED
94 DEC 29 PM 2:14
OFFICE OF THE CLERK
U.S. HOUSE OF REPRESENTATIVES

STATEMENT OF VERIFICATION

I declare under penalty of perjury that the information contained herein is true and correct.

Executed on December 16, 1994 (date) (Signature) (Typed) Ann Eppard

Check ONE of the following boxes:

☐ I am reporting AS AN INDIVIDUAL.

☒ I am Counsel of the above-named organization and I am authorized to make this verification on behalf of such organization.

NOTE on ITEM "A"—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(1) "Employer"—To file as an "employer," state (in Item "B") the name, address, and nature of business of the "employer." (If the "employer" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employer.")
(2) "Employee"—To file as an "employee," write "None" in answer to Item "B."
(b) SEPARATE REPORTS. An agent or employee *should* not attempt to combine his Report with the employer's Report.
(1) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(2) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

NOTE on ITEM "B"—*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers; except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) if the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employer"—is to be filed each quarter.

NOTE ON ITEM "C"—(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." The term "legislation" means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).
(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

PLEASE RETURN 1 ORIGINAL TO: THE CLERK OF THE HOUSE OF REPRESENTATIVES, OFFICE OF RECORDS AND REGISTRATION, B36 LONGWORTH HOUSE OFFICE BUILDING, WASHINGTON, D.C. 20515

PLEASE RETURN 1 ORIGINAL TO: THE SECRETARY OF THE SENATE, OFFICE OF PUBLIC RECORDS, 232 HART SENATE OFFICE BUILDING, WASHINGTON, D.C. 20510

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Year: 19...94... ←

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th
X				

(Mark one square only)

IDENTIFICATION NUMBER 19249001

Is this an Amendment? ☐ YES ☒ NO

A. ORGANIZATION OR INDIVIDUAL FILING

1. State name, address, and nature of business.
☐ CHECK IF ADDRESS IS DIFFERENT THAN PREVIOUSLY REPORTED

Ann Eppard Associates, Ltd.
30 Wolfe Street
Alexandria, VA 22314

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

A company filing on behalf of all principals and salaried personnel

B. EMPLOYER—State name, address, and nature of business. If there is no employer, write "None."

Conrail
200 Market Street
Philadelphia, PA 19101-1407

C. LEGISLATIVE INTERESTS AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports. ☐

2. State the general legislative interests of the person filing and set forth the specific legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed, in connection with legislative interests, set forth: (a) description, (b) quantity distributed, (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed.)

1. Duration of 103rd and 104th Congress.

2. Legislative interests may concern issues relating to transportation legislation and other related matters.

3. None.

4. *If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report,* state below what the nature and amount of anticipated expenses will be; and, if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. *If this is a "Quarterly" Report, disregard this Item "C" and fill out Items "D" and "E" on the back of this page.* Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly Report."

Anticipated expenses will consist of transportation costs, application fees and entertainment charges. Though difficult to estimate, expenses will probably exceed $100 per quarter. Compensation will vary, although difficult to predict, probably exceed $100 per quarter.

RECEIVED
OFFICE OF RECORDS & REGISTRATION
CLERK OF THE HOUSE OF REPRESENTATIVES
94 DEC 29 PM 2:14

STATEMENT OF VERIFICATION

I declare under penalty of perjury that the information contained herein is true and correct.

Executed on December 16, 1994 (date)

(Signature) (Typed) Ann Eppard

Check ONE of the following boxes:

☐ I am reporting AS AN INDIVIDUAL.

☒ I am President of the above-named organization and I am authorized to make this verification on behalf of such organization.

NOTE on ITEM "A"-(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

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(ii) "Employee"—To file as an "employee," write "None" in answer to Item "B."

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

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Year: 19..94..

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
	1st	2d	3d	4th X

(Mark one square only)

IDENTIFICATION NUMBER 19249000 — Is this an Amendment? ☐ YES ☒ NO

A. ORGANIZATION OR INDIVIDUAL FILING

1. State name, address, and nature of business. ☐ CHECK IF ADDRESS IS DIFFERENT THAN PREVIOUSLY REPORTED

Ann Eppard Associates, Ltd.
30 Wolfe Street
Alexandria, VA 22314

4. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

A company filing on behalf of all principals and salaried personnel

B. EMPLOYER – State name, address, and nature of business. If there is no employer, write "None."

AMTRAK
60 Massachusetts Avenue, N.E.
Washington, D.C. 20002

C. LEGISLATIVE INTERESTS AND PUBLICATIONS in connection therewith:

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(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed.)

1. Duration of 103rd Congress and 104th Congress.

2. Legislative interests may concern issues relating to transportation legislation and other related matters.

3. None.

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STATEMENT OF VERIFICATION

I declare under penalty of perjury that the information contained herein is true and correct.

Executed on February 1, 1995 (date) (Signature) (Typed) Ann Eppard

Check ONE of the following boxes:

☐ I am reporting AS AN INDIVIDUAL.

☒ I am President of the above-named organization and I am authorized to make this verification on behalf of such organization.

NOTE on ITEM "A"-(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

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(ii) "Employer"–To file as an "employer," write "None" in answer to Item "B."

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(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).

(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

Fill in every blank. If the answer to any numbered item is "None," write "NONE" in the space following the number.

Receipts (other than loans)

1. $	None	Dues and assessments
2. $	None	Gifts of money or anything of value
3. $	None	Printed or duplicated matter received as a gift
4. $	None	Receipts from sale of printed or duplicated matter
5. $	2,500.00	Received for services (e.g., salary, fee, etc.)
6. $	2,500.00	TOTAL for this Quarter (Add "1" through "5")
7. $	n/a	Received during previous Quarters of calendar year
8. $	2,500.00	TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received – "The term 'contribution' includes a . . . loan . . ." – § 302(a)

9. $	None	TOTAL now owed to others on account of loans
10. $	None	Borrowed from others during this Quarter
11. $	None	Repaid to others during this Quarter
12. $	None	"Expense Money" and Reimbursements received this quarter.

Contributors of $500 or More (from Jan. 1 through this Quarter)

13. Have there been such contributors? Please answer "yes" or "no": ..... Ans

14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last day of this Quarter, total $500 or more

Attach hereto plain sheets of paper, approximately the size of this page, tabulate data under the headings "Amount" and "Name and Address of Contributor", and indicate whether the last day of the period is March 31, June 30, September 30 or December 31. Prepare such tabulation in accordance with the following example:

Amount	*Name and Address of Contributor* ("Period" from Jan. 1 through ..... 19 ...)
$1,500.00	John Doe, 1621 Blank Bldg., New York, N.Y.
1,783.00	The Roe Corporation, 2511 Doe Bldg., Chicago, Ill.
$3,283.00	TOTAL

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "NONE" in the space following the number.

Expenditures (other than loans)

1. $	None	Public relations and advertising services
2. $	None	Wages, salaries, fees, commissions (other than item "1")
3. $	None	Gifts or contributions made during Quarter
4. $	None	Printed or duplicated matter, including distribution cost
5. $	None	Office overhead (rent, supplies, utilities, etc.)
6. $	None	Telephone and telegraph
7. $	None	Travel, food, lodging, and entertainment
8. $	None	All other expenditures
9. $	None	TOTAL for this Quarter (Add "1" through "8")
10. $	None	Expended during previous Quarters of calendar year
11. $	None	TOTAL from Jan. 1 through this Quarter (Add "9" and "10")

Loans Made to Others – "The term 'expenditure' includes a . . . loan . . ." – § 302(b).

12. $	None	TOTAL now owed to person filing
13. $	None	Lent to others during this Quarter
14. $	None	Repayments received during this Quarter

15. *Recipients of Expenditures of $10 or More* _____

If there were no single expenditures of $10 or more, please so indicate by using the word "NONE".

In the case of expenditures made during this Quarter by, or on behalf of, the person filing: Attach plain sheets of paper approximately the size of this page and tabulate data as to expenditures under the following headings: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates – Name and Address of Recipient – Purpose*
$1,750.00	7-11: Roe Printing Co., 3214 Blank Ave., St. Louis, Mo. – Printing and mailing circulars on the "Marthlanks Bill."
$2,400.00	7-15, 8-15, 9-15: Britten & Blatten, 3127 Gremlin Bldg., Washington, D.C. – Public relations services at $800.00 per month.
$4,150.00	TOTAL

NOTE on ITEM "D." – (a) IN GENERAL. The term "contribution" includes *anything of value*. Where an organization or individual uses printed or duplicated matter in a campaign attempting to influence legislation, money received by such organization or individual – for such printed or duplicated matter – is a "contribution." "The term 'contribution' includes a gift, subscription, loan, advance, or deposit of money, or anything of value and includes a contract, promise, or agreement, whether or not legally enforceable, to make a contribution" – § 302(a) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN EMPLOYER. – (i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or will be made, in connection with legislative interests.

(ii) *Receipts of Business Firms and Individuals.* – A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures which it makes in attempting to influence legislation – but which has no funds to expend except those which are available in the ordinary course of operating a business not connected in any way with the influencing of legislation – will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multi-purpose Organizations.* – Some organizations do not receive any funds which are to be expended solely for the purpose of attempting to influence legislation. Such organizations make such expenditures out of a general fund raised by dues, assessments, or other contributions. The percentage of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered to have been paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other contributions on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. – (i) *In general.* In the case of many employees, all receipts will come under Items "D 5" (received for services) and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is to reimburse you for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.* – Where your contribution from your employer (in the form of salary, fee, etc.) accounts to $500 or more, it is not necessary to report such contributions under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the "employer" has been given under Item "B" on page 1 of this report.

NOTE on ITEM "E." – (a) IN GENERAL. "The term *expenditure* includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure" – § 302(b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. In the case of many employees, all expenditures will come under telephone and telegraph (Item "E 6") and travel, food, lodging, and entertainment (Item "E 7").

GPO: 1992 59-824 (30)

PLEASE RETURN 1 ORIGINAL TO: THE CLERK OF THE HOUSE OF REPRESENTATIVES, OFFICE OF RECORDS AND REGISTRATION, SOB LONGWORTH HOUSE OFFICE BUILDING, WASHINGTON, D.C. 20515

PLEASE RETURN 1 ORIGINAL TO: THE SECRETARY OF THE SENATE, OFFICE OF PUBLIC RECORDS, 232 HART SENATE OFFICE BUILDING, WASHINGTON, D.C. 20510

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Year: 19..95.. ←

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

	QUARTER			
P	1st	2d	3d	4th
X				

(Mark one square only)

IDENTIFICATION NUMBER 19249005

Is this an Amendment? ☐ YES ☒ NO

A. ORGANIZATION OR INDIVIDUAL FILING

1. State name, address, and nature of business.
☐ CHECK IF ADDRESS IS DIFFERENT THAN PREVIOUSLY REPORTED

Ann Eppard Associates, Ltd.
30 Wolfe Street
Alexandria, VA 22314

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

A company filing on behalf of all principals and salaried personnel

1995 FEB -6 AM 7:28

B. EMPLOYER - State name, address, and nature of business. If there is no employer, write "None."

Natural Disaster Coalition
1301 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

C. LEGISLATIVE INTERESTS AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports. ☐

2. State the general legislative interests of the person filing and set forth the specific legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed in connection with legislative interests, set forth (a) description, (b) quantity distributed, (c) date of distribution, (d) name of printer or publisher (If publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed.)

1. Duration of 104th Congress.

2. Legislative interests may concern issues relating to the Natural Disaster Protection Act and other related matters.

3. None

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and, if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. *If this is a "Quarterly" Report, disregard this Item "C" and fill out Items "D" and "E" on the back of this page.* Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly Report." Anticipated expenses will consist of transportation costs, duplication fees and entertainment charges. Though difficult to estimate, expenses will probably exceed $100 per quarter. Compensation will vary, although difficult to predict, will probably exceed $100 per quarter.

FEB - 6 1995

STATEMENT OF VERIFICATION

I declare under penalty of perjury that the information contained herein is true and correct.

Executed on 2/1/95 (date) (Signature) (Typed) Ann Eppard ✓

Check ONE of the following boxes:

☐ I am reporting AS AN INDIVIDUAL.

☒ I am President of the above-named organization and I am authorized to make this verification on behalf of such organization.

NOTE on ITEM "A"-(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) "Employer"-To file as an "employer," state (in Item "B") the name, address, and nature of business of the "employer." (If the "employer" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employer.")
(ii) "Employee"-To file as an "employee," write "None" in answer to Item "B."
(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:
(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

NOTE on ITEM "B"-*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers; except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified. (b) If the work is done in the interest of one person but payment therefor is made by another, a single Report—naming both persons as "employer"—is to be filed each quarter.

NOTE ON ITEM "C"-(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." The term "legislation" means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House" - § 302(e).
(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

PLEASE RETURN 1 ORIGINAL TO: THE CLERK OF THE HOUSE OF REPRESENTATIVES, OFFICE OF RECORDS AND REGISTRATION, 1036 LONGWORTH HOUSE OFFICE BUILDING, WASHINGTON, D.C. 20515

PLEASE RETURN 1 ORIGINAL TO: THE SECRETARY OF THE SENATE, OFFICE OF PUBLIC RECORDS, 232 HART SENATE OFFICE BUILDING, WASHINGTON, D.C. 20510

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19..95.. ←

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
X	1st	2d	3d	4th
	(Mark one square only)			

IDENTIFICATION NUMBER 192490006

Is this an Amendment? ☐ YES ☒ NO

A. ORGANIZATION OR INDIVIDUAL FILING

1. State name, address, and nature of business.
☐ CHECK IF ADDRESS IS DIFFERENT THAN PREVIOUSLY REPORTED

Ann Eppard Associates, Ltd.
30 Wolfe Street
Alexandria, VA 22314

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

A company filing on behalf of all principals and salaried personnel

1995 FEB -9 AM 7:28

B. EMPLOYER – State name, address, and nature of business. If there is no employer, write "None."

Pennsylvania Turnpike Commission
P.O. Box 67676
Harrisburg, PA 17106-7676

C. LEGISLATIVE INTERESTS AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the ☐ box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the specific legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed, in connection with legislative interests, set forth: (a) description, (b) quantity distributed, (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed.)

1. Duration of 104th Congress.

2. Legislative interests may concern issues relating to surface transportation legislation and other related matters.

3. None

4. *If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and, if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this Item "C 4" and fill out Items "D" and "E" on the back of this page.* Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly Report." Anticipated expenses will consist of transportation costs duplication fees and entertainment charges. Though difficult to estimate, expenses will probably exceed $100 per quarter. Compensation will vary, although difficult to predict, will probably exceed $100 per quarter.

FEB 8 1995

STATEMENT OF VERIFICATION

I declare under penalty of perjury that the information contained herein is true and correct.

Executed on 2/1/95 (date) (Signature) (Typed) Ann Eppard

Check ONE of the following boxes:

☐ I am reporting AS AN INDIVIDUAL.

☒ I am President of the above-named organization and I am authorized to make this verification on behalf of such organization.

NOTE on ITEM "A."–(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) "Employer".–To file as an "employer," state (in Item "B") the name, address, and nature of business of the "employer." (If the "employer" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employer.")
(ii) "Employer".–To file as an "employee," write "None" in answer to Item "B."
(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:
(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

NOTE on ITEM "B."–*Reports by Agents or Employees.* An employee is to file, each quarter, as many Reports as he has employers; except that (a) if a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) if the work is done in the interest of one person but payment therefor is made by another, a single Report–naming both persons as "employers"–is to be filed each quarter.

NOTE ON ITEM "C."–(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"–§ 302(e).
(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

THE CARMEN GROUP, INC.

LETTER OF AGREEMENT

BETWEEN

THE CARMEN GROUP, INC.

AND

ANN EPPARD & ASSOCIATES, LTD

SCOPE OF WORK

Ann Eppard Associates, Ltd. will provide assistance to The Carmen Group, Inc. in servicing its client, ADVO, Inc. Ann Eppard Associates, Ltd. and its designated employees, will report directly to David Carmen.

TERM

This agreement will commence March 1, 1995 and continue on a month to month basis. Either party may terminate this agreement by giving 30 day's written notice.

FEES

The fee will be $5,000.00 per month payable upon presentation of an invoice. A reconciliation of hours worked for a given month will be submitted at the end of that month for Carmen Group billing purposes.

EXPENSES

All extra ordinary expenses are to be approved in advance by use of a signed Carmen Group, Inc. purchase order. The Carmen Group, Inc. will not be responsible for any expenses not specifically authorized in advance in writing.

730 PENNSYLVANIA AVENUE N.W. SUITE 1050
WASHINGTON D.C. 20006
(202)785-0500 FAX: (202)785-5277

NON-DISCLOSURE AND NON-COMPETE

Ann Eppard Associates, Ltd. agrees that while they are in association with The Carmen Group, Inc. and for a two-year period after the termination of this association with The Carmen Group, Inc. they shall not directly or indirectly attempt in any manner to solicit from ADVO, or compete for any business or to persuade this client of The Carmen Group, Inc. to cease to do business or to reduce the amount of business the client customarily has done.

Ann Eppard Associates, Ltd. further agrees that they will not disclose to anyone any confidential information or trade secrets of The Carmen Group, Inc., nor of its clients.

AGREEMENT

This agreement shall be governed by and construed in accordance with the laws of the District of Columbia, in the United States of America. If this agreement as outlined above meets with your approval, please sign this document and return it to us.

Sincerely,

David Carmen
President

Agreed and accepted this 6th day of March, 1995.

Ann Eppard Associates, Ltd.

Its_____

PLEASE RETURN 1 ORIGINAL TO: THE CLERK OF THE HOUSE OF REPRESENTATIVES, OFFICE OF RECORDS AND REGISTRATION, 1036 LONGWORTH HOUSE OFFICE BUILDING, WASHINGTON, D.C. 20515

PLEASE RETURN 1 ORIGINAL TO: THE SECRETARY OF THE SENATE, OFFICE OF PUBLIC RECORDS, 232 HART SENATE OFFICE BUILDING, WASHINGTON, D.C. 20510

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19. 95 ←

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

	QUARTER			
P	1st	2d	3d	4th
X				

(Mark one square only)

IDENTIFICATION NUMBER 19249007

Is this an Amendment? ☐ YES ☒ NO

A. ORGANIZATION OR INDIVIDUAL FILING

1. State name, address, and nature of business.
☐ CHECK IF ADDRESS IS DIFFERENT THAN PREVIOUSLY REPORTED

Ann Eppard Associates, Ltd.
30 Wolfe Street
Alexandria, VA 22314

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

A company filing on behalf of all principals and salaried personnel.

RECEIVED
95 MAR 22 AM 8:33
OFFICE OF THE CLERK
HOUSE OF REPRESENTATIVES

B. EMPLOYER– State name, address, and nature of business. If there is no employer, write "None."

Metropolitan Washington Airports Authority
44 Canal Center Plaza
Alexandria, VA 22314

C. LEGISLATIVE INTERESTS AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the ☐ box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the specific legislative interests by reciting: (*a*) Short titles of statutes and bills; (*b*) House and Senate numbers of bills, where known; (*c*) citations of statutes, where known; (*d*) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed, in connection with legislative interests, set forth: (*a*) description, (*b*) quantity distributed, (*c*) date of distribution, (*d*) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed.)

1. Duration of 104th Congress.

2. Legislative interests may concern issues relating to the Metropolitan Washington Airports Amendments Act of 1995 and other related matters.

3. None

4. *If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and, if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "C 4" and fill out Items "D" and "E" on the back of this page.* Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly Report." ← Anticipated expenses will consist of transportation costs, duplication fees and entertainment charges. Though difficult to estimate, expenses will probably exceed $100 per quarter. Compensation will vary, although difficult to predict, will probably exceed $100 per quarter.

STATEMENT OF VERIFICATION

I declare under penalty of perjury that the information contained herein is true and correct.

Executed on March 16, 1995 (date) (Signature) Ann Eppard (Typed) Ann Eppard

Check ONE of the following boxes:

☐ I am reporting AS AN INDIVIDUAL.

☒ I am President of the above-named organization and I am authorized to make this verification on behalf of such organization.

NOTE on ITEM "A."–(*a*) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) *"Employee"*.–To file as an "employee," state (in Item "B") the name, address, and nature of business of the "employer." (If the "employee" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employee.")
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(*b*) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:
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NOTE ON ITEM "C."–(*a*) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." The term "legislation" means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"–§ 302(*e*).
(*b*) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(*c*) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

ALCALDE & FAY

GOVERNMENT & PUBLIC AFFAIRS CONSULTANTS

April 24, 1995

Ms. Ann Eppard
Ann Eppard & Associates
19 Wilkess Street
Alexandria, VA 22312

Dear Ms. Eppard,

It was a pleasure meeting with you recently regarding our retention of your services.

Consistent with applicable restrictions, we will work together on issues related to the future of the economic regulation of the motor carrier industry and such other issues which may arise from time to time. On no occasion shall your assistance be sought on matters related to truck size and weights.

Our payment to you of $4,000 per month shall be for services rendered and shall be tendered immediately upon receipt of your monthly statement.

The terms of this agreement shall be deemed effective as of April 1, 1995, and shall expire on December 31, 1995, except that they may be extended for a period of one year at the option of Alcalde & Fay. Should either party signatory to this agreement desire its abrogation, it may be annulled upon 60 days written notice, without cause, by either party.

On behalf of everyone at Alcalde & Fay, Ann, let me say how pleased we are to be entering into this agreement. We look forward to a long and fruitful relationship, which shall commence with my signature and your countersignature below.

Sincerely,

Hector Alcalde

Ann Eppard
Ann Eppard & Associates

5-22-95
Date

PLEASE RETURN 1 ORIGINAL TO THE CLERK OF THE HOUSE OF REPRESENTATIVES, OFFICE OF RECORDS AND REGISTRATION, 232 LONGWORTH HOUSE OFFICE BUILDING, WASHINGTON, D.C. 20515

PLEASE RETURN 1 ORIGINAL TO THE SECRETARY OF THE SENATE, OFFICE OF PUBLIC RECORDS, 232 HART SENATE OFFICE BUILDING, WASHINGTON, D.C. 20510

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

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"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19 95 ⇦

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

R	QUARTER			
	1st	2d	3d	4th
		X		

(Mark one square only)

IDENTIFICATION NUMBER 19249010

Is this an Amendment? ☐ YES ☒ NO

A. ORGANIZATION OR INDIVIDUAL FILING (1) Name, address, and nature of business. ☐ CHECK IF ADDRESS IS DIFFERENT THAN PREVIOUSLY REPORTED

Ann Eppard Associates, Ltd.
30 Wolfe Street
Alexandria, VA 22314

(2) If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

A company filing on behalf of all principals and salarie personnel

B. EMPLOYER—State name, address, and nature of business. If there is no employer, write "None."

2

Federal Express Corporation
Post Office Box 727
Memphis, TN 38194-1842

C. LEGISLATIVE INTERESTS AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports. ☐

2. State the general legislative interests of the person filing and set forth the specific legislative interests by marking (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against each statute and bills.

3. In the case of those publications which the person filing has caused to be issued or disseminated in connection with legislative interests set forth (a) descriptions, (b) quarterly distribution and date of distribution, (c) name of printer or publisher. (If publications were paid for by person filing, name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed.)

1. Duration of 104th Congress.

2. Legislative interests may concern issues relating to transportation legislation and other related matters.

3. None

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be, and, if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. *If this is a "Quarterly" Report, disregard this item "C" and fill out Items "D" and "E" on the back of this page.* Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly Report."

JUL 22 1995

95 JUL 25 PM 2:04

STATEMENT OF VERIFICATION

I declare under penalty of perjury that the information contained herein is true and correct.

Executed on July 20, 1995 (date) (Signature) (Typed) Ann Eppard

Check ONE of the following boxes:

☐ I am reporting AS AN INDIVIDUAL.

☒ I am President of the above-named organization and I am authorized to make this verification on behalf of such organization.

NOTE on ITEM "A."—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(i) "Employer"—To file as an "employer," state (in Item "B") the name, address, and nature of business of the "employer" (if the "employer" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employer").

(ii) "Employee"—To file as an "employee," write "None" in answer to Item "B."

(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report.

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(ii) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employees.

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(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

D. RECEIPTS (INCLUDING CONTRIBUTIONS AND LOANS):

Fill in every blank. If the answer to any numbered item is "None," write "NONE" in the space following the number

Receipts (other than loans)

1. $ None — Dues and assessments
2. $ None — Gifts of money or anything of value
3. $ None — Printed or duplicated matter received as a gift
4. $ None — Receipts from sale of printed or duplicated matter
5. $ $8,333.00 — Received for services (e.g., salary, fee, etc.)
6. $ $8,333.00 — TOTAL for this Quarter (Add "1" through "5")
7. $ n/a — Received during previous Quarters of calendar year
8. $ $8,333.00 — TOTAL from Jan. 1 through this Quarter (Add "6" and "7")

Loans Received – The term contribution includes a [illegible]

9. $ None — TOTAL now owed to others on account of loans
10. $ None — Borrowed from others during this Quarter
11. $ None — Repaid to others during this Quarter
12. $ None — "Expense Money" and Reimbursements received during this quarter

Contributors of $500 or More from Jan. 1 through this Quarter

13. Have there been such contributors? Please answer "yes" or "no" do
14. In the case of each contributor whose contributions (including loans) during the "period" from January 1 through the last day of this Quarter, were $500 or more, [illegible]

Attach hereto plain sheets of paper, approximately the size of this page, and supply data under the headings "Amount" and "Name and Address of Contributor," for each case whether the last day of the period is March 31, June 30, September 30, or December 31. Prepare such tabulations in accordance with the following example:

Amount	*Name and Address of Contributor*
	("Period" from Jan. 1 through [illegible])
$1,500.00	John Doe, 1611 Blank Bldg., New York, N.Y.
1,785.00	The Roe Corporation, 2511 Doe Bldg., Chicago 3
$3,285.00	TOTAL

E. EXPENDITURES (INCLUDING LOANS) in connection with legislative interests:

Fill in every blank. If the answer to any numbered item is "None," write "NONE" in the space following the number

Expenditures (other than loans)

1. $ None — Public relations and advertising services
2. $ None — Wages, salaries, fees, commissions (other than item "1")
3. $ None — Gifts or contributions made during Quarter
4. $ None — Printed or duplicated matter, including distribution cost
5. $ None — Office overhead (rent, supplies, utilities, etc.)
6. $ None — Telephone and telegraph
7. $ None — Travel, food, lodging, and entertainment
8. $ None — All other expenditures
9. $ None — TOTAL for this Quarter (Add "1" through "8")
10. $ None — Expended during previous Quarters of calendar year
11. $ None — TOTAL from Jan. 1 through this Quarter (Add "9" and "10")

Loans Made to Others – The term expenditure includes a [illegible] of loan

12. $ None — TOTAL now owed to person filing
13. $ None — Lent to others during this Quarter
14. $ None — Repayments received during this Quarter
15. *Recipients of Expenditures of $10 or More* _____

If there were no single expenditures of $10 or more, please so indicate by the word "NONE"

In the case of expenditures made during this Quarter by, or on behalf of, the person filing, Attach plain sheets of paper approximately the size of this page and supply data as to expenditures under the following headings: "Amount," "Date or Dates," "Name and Address of Recipient," "Purpose." Prepare such tabulation in accordance with the following example:

Amount	*Date or Dates*	*Name and Address of Recipient*	*Purpose*
$1,750.00	7-11,	Roe Printing Co., 3214 Blank Ave., Mo.	Printing and mailing circulars on the "No. Bill."
$2,400.00	7-15, 8-15, 9-15,	Brown & Blather, 3127 Gre[illegible], Washington, D.C.	Public relations at $800.00 per month
$4,150.00	TOTAL		

NOTE on ITEM "D." – (a) IN GENERAL. The term "contribution" includes anything of value. When an organization or individual sends printed or duplicated matter as a campaign aimed primarily to influence legislation, money received by such organization or individual – for such printed or duplicated matter – is a "contribution," "expenditure," "gift," subscription, loan, advance, or deposit of money, or anything of value and includes a contract, promise, or agreement, whether enforceable, to make a contribution – § 302(a) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN EMPLOYER. – (i) *In General.* Item "D" is designed for the reporting of all receipts from which expenditures are made, or to be made, in connection with legislative interests.

(ii) *Receipts of Business Firms and Individuals.* – A business firm (or individual) which is subject to the Lobbying Act by reason of expenditures for the purpose of influencing to influence legislation – but which has no funds or expend except those which are available in the ordinary course of operating a business or in any way with the influencing of legislation – will have no receipts to report, even though it does have expenditures to report.

(iii) *Receipts of Multi-purpose Organizations.* – Some organizations do not receive any funds which are to be expended solely for the purpose of influencing legislation. Such organizations make such expenditures out of a general fund made up of dues, assessments, or other contributions. The proportion of the general fund which is used for such expenditures indicates the percentage of dues, assessments, or other contributions which may be considered as paid for that purpose. Therefore, in reporting receipts, such organizations may specify what that percentage is, and report their dues, assessments, and other receipts on that basis. However, each contributor of $500 or more is to be listed, regardless of whether the contribution was made solely for legislative purposes.

(c) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. – (i) *In general.* In the case of many employees, all receipts will come under items "D 5" (salaries), whereas and "D 12" (expense money and reimbursements). In the absence of a clear statement to the contrary, it will be presumed that your employer is making for all expenditures which you make in connection with legislative interests.

(ii) *Employer as Contributor of $500 or More.* – When your contribution from your employer in the form of salary, fee, etc., amounts to $500 or more, it is not necessary to report such contributions under "D 13" and "D 14," since the amount has already been reported under "D 5," and the name of the employer has been given under item "B" on page 1 of this report.

NOTE on ITEM "E." – (a) IN GENERAL. The term expenditure includes a payment, distribution, loan, advance, deposit, or gift of money or anything of value, and includes a contract, promise, or agreement, whether or not legally enforceable, to make an expenditure – § 302(b) of the Lobbying Act.

(b) IF THIS REPORT IS FOR AN AGENT OR EMPLOYEE. – (i) *In general.* In the case of many employers, all expenditures will come under telephone and telegraph [illegible] travel, food, lodging, and entertainment (item "7").

PLACE AN "X" BELOW THIS ADDRESS

"WOLF" 19249014
"ORIG" Ann Eppard Associates, Ltd
BY 30 Wolfe Street
do Alexandria, VA 22314
cop

Year: Re: Puerto Rico Dept of Highways and Transportation

"REPORT" HEADING BELOW:

X before the appropriate figure, if the amendment on page "A" and left compliance with all quarterly

P	QUARTER			
	1st	2d	3d	4th
	(Check one square only)			

Is this an Amendment?
☐ YES ☒ NO

IDENTIF.

A. ORGANIZATION OR INDIVIDUAL FILING 2. If this Report is for a Employer, list names of agents or employees who will file Reports for this Quarter.

1. State name, address, and nature of business.
☐ CHECK IF ADDRESS IS DIFFERENT THAN PREVIOUSLY REPORTED

Ann Eppard Associates, Ltd.
30 Wolfe Street
Alexandria, VA 22314

A company filing on behalf of all principals and salaried personnel

RECEIVED
95 AUG -4 AM 11:45
HAND DELIVERED
OFFICE OF THE SECRETARY

B. EMPLOYER—State name, address, and nature of business. If there is no employer, write "None."

Puerto Rico Department of Highways and Transporcation
c/o McDermott/O'Neill
1 Beacon Street, Arlington, VA 22201

C. LEGISLATIVE INTERESTS AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports. ☐

2. State the general legislative interests of the person filing and set forth the specific legislation (by bill number if known) in connection with which such interests are to be carried on, and (if known or ascertainable) the name of each house of Congress and the committees and subcommittees of each house of Congress and the names of the chairmen thereof by which such legislation is to be considered. If the interests are limited to specific Executive action (such as the preparation, promulgation, amendment, or interpretation of any rule, regulation, or executive order), state such action.

3. In the case of those publications which the person filing has caused to be issued or distributed, in connection with legislative interests, set forth (a) description, (b) quantity distributed, (c) dates of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or source of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed.)

1. Duration of 104th Congress.

2. Legislative interests may concern issues relating to transportation legislation and other related matters.

3. None

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state briefly what the nature and amount of each anticipated expenditure will be; and, if the expenditure or employment will take place only when the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this item "4" and fill out Items "5" and "6" on the back of this page. (It may suffice to combine a "Preliminary" Report like anything with a "Quarterly Report".) Anticipated expenses will consist of transportation costs, duplic. fees and subsistence charges. Though difficult to estimate, expenses will probab. exceed $100 per quarter. Compensation will vary, although difficult to predict, wi. probably exceed $100 per quarter.

RECEIVED
95 AUG 31 PM 2:07
OFFICE OF THE SECRETARY

STATEMENT OF VERIFICATION

I declare under penalty of perjury that the information contained herein is true and correct.

Executed on July 20, 1995 (Date) (Signature) (Typed) Ann Eppard

Check ONE of the following items:

☐ I am reporting AS AN INDIVIDUAL.

☒ I am President of the above-named organization and I am authorized to make this verification on behalf of such organization.

NOTE on FILING "A" (or) (b) GENERAL. This "Report" form may be used by either an organization or an individual. As follows:
(a) "Employer"—To file as an "employer," state (in Item "B") the name, address, and nature of business of the "employer." If the "employer" is a firm (such as a law firm or public relations firm), partners and salaried staff members of such firm may join in filing a Report as an "employee."
(b) "Employee"—To file as an "employee," write "None" in answer to Item "B."
(c) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report.
(1) Employers subject to the Act must file separate Reports and are not relieved of the requirement of quarterly income Reports are filed by their agents or employees.
(2) Employees subject to the Act must file separate Reports and are not relieved of the requirement merely because Reports are filed by their employers.

PLEASE RETURN 1 ORIGINAL TO: THE CLERK OF THE HOUSE OF REPRESENTATIVES, OFFICE OF RECORDS AND REGISTRATION, B36 LONGWORTH HOUSE OFFICE BUILDING, WASHINGTON, D.C. 20515

PLEASE RETURN 1 ORIGINAL TO: THE SECRETARY OF THE SENATE, OFFICE OF PUBLIC RECORDS, 232 HART SENATE OFFICE BUILDING, WASHINGTON, D.C. 20510

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE "REPORT" HEADING BELOW:

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3" and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19..95.. ←

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

	QUARTER			
P	1st	2d	3d	4th
X				

(Mark one square only)

IDENTIFICATION NUMBER 19249017

Is this an Amendment? ☐ YES ☒ NO

A. ORGANIZATION OR INDIVIDUAL FILING

1. State name, address, and nature of business.
☐ CHECK IF ADDRESS IS DIFFERENT THAN PREVIOUSLY REPORTED

Ann Eppard Associates, Ltd.
30 Wolfe Street
Alexandria, VA 22314

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

A company filing on behalf of all principals and salaried personnel.

B. EMPLOYER–State name, address, and nature of business. If there is no employer, write "None."

Frito-Lay, Inc.
P.O. Box 660634
Dallas, TX 76266-0634

C. LEGISLATIVE INTERESTS AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the ☐ box at the left, so that this Office will no longer expect to receive Reports.

2. State the general legislative interests of the person filing and set forth the specific legislative interests by reciting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed, in connection with legislative interests, set forth: (a) description, (b) quantity distributed, (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer items 1, 2, and 3 in the space below. Attach additional pages if more space is needed.)

1. Duration of 104th Congress.

2. Legislative interests may concern issues relating to transportation legislation and other related matters.

3. None

4. *If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be, and, if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this Item "C" and fill out Items "D" and "E" on the back of this page.* Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly Report."← Anticipated expenses will consist of transportation costs, duplication fees and entertainment charges. Though difficult to estimate, expenses will probably exceed $100 per quarter. Compensation will vary, although difficult to predict, will probably exceed $100 per quarter.

OCT 1 1995

STATEMENT OF VERIFICATION

I declare under penalty of perjury that the information contained herein is true and correct.

Executed on October 4, 1995 (date) (Signature) (Typed) Ann Eppard

Check ONE of the following boxes:

☐ I am reporting AS AN INDIVIDUAL.

☒ I am President of the above-named organization and I am authorized to make this verification on behalf of such organization.

95 OCT 23 PM 3:03

NOTE on ITEM "A"–(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:
(i) *"Employer"*–To file as an "employer," state in Item "B" the name, address, and nature of business of the "employer." (If the "employer" is a firm (such as a law firm or public relations firm), partners and salaried staff members of such firm may join in filing a Report as an "employer.")
(ii) *"Employer"*–To file as an "employer," write "None" in answer to Item "B."
(b) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report:
(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.
(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

NOTE on ITEM "B"–*Reports by Agents or Employers.* An employee is to file, each quarter, as many Reports as he has employers; except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named, and the contribution of each member is to be specified; (b) if the work is done in the interest of one person but payment therefor is made by another, a single Report–naming both persons as "employers"–is to be filed each quarter.

NOTE ON ITEM "C"–(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with attempting, directly or indirectly, to influence the passage or defeat of legislation." "The term 'legislation' means bills, resolutions, amendments, nominations, and other matters pending or proposed in either House of Congress, and includes any other matter which may be the subject of action by either House"–§ 302(e).
(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are required to file a "Preliminary" Report (Registration).
(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either received or expended anything of value in connection with legislative interests.

93 FEB 16 10:05

Secretary of the Senate
Clerk of the House of Representatives 30919003

For Official Use
2

LOBBYING REGISTRATION

Lobbying Disclosure Act of 1995 (Section 4)

Check if this is an amended registration ☐

REGISTRANT

1. Name of Registrant Ann Eppard Associates, Ltd.

Address 19 Wilkes Street

City Alexandria State VAZip 22314

2. Principal place of business *(if different from line 1)*

City Same State/Zip (or Country)

3. Telephone number and contact name

(703) 739-2545 Contact Ann Eppard

4. General description of registrant's business or activities

Consultant

CLIENT *A lobbying firm is required to file a separate registration for each client. An Organization employing in-house lobbyists will indicate "Self" on line 5 and proceed to line 8.*

5. Name of Client Daniel, Mann, Johnson & Mendenhall

Address 3250 Wilshire Boulevard

City Los Angeles State CAZip 90010

6. Principal place of business *(if different from line 5)*

City Same State/Zip (or Country)

7. General Description of client's business or activities

Engineering

REGISTRANT EMPLOYEES

8. Name and title of each employee of the registrant who has acted or is expected to act as a lobbyist for the client identified on line 5. Indicate any employee who served as a "covered executive branch official" or "covered legislative branch official" within 2 years before the date that the employee first acted or will act as a lobbyist for the client, *and state the executive or legislative branch position(s) in which the employee served.* Attach Lobbying Registration Addendum if necessary.

Jeff Davis, Staff Assistant to Rep. James Quillen; Ann Eppard, Chief of Staff to Rep. Bud Shuster; Stacey Hugo, Staff Assistant for the Comittee on Transportation and Infrastructure; Timothy Hugo; Legislative Director to Rep. Jennifer Dunn; Karen Schecter, Staff Assistant to Rep. Bud Shuster; Julie Chlopecki; Tim Baroody.

LOBBYING ISSUES

9. General lobbying issue areas *(select applicable codes, listed in instructions on reverse side of Form LD-1, page 1)*

TRA _ _ _ _ _ _

10. Specific lobbying issues (current and anticipated)

Issues that may effect transportation legislation

AFFILIATED ORGANIZATIONS

11. Name, address, and principal place of business of any entity *other than the client* that contributes more than $10,000 to the lobbying activities covered by this registration in a semiannual period, *and* in whole or in major part plans, supervises, or controls the registrant's lobbying activities, If none, so state.

Name	Address	Principal place of business (city and state or country)
None		

FOREIGN ENTITIES

12. Name, address, and principal place of business, amount of any contribution of more than $10,000, and approximate percentage of equitable ownership in the client of any foreign entity that:

a) holds at least 20% equitable ownership in the client or in any organization identified on line 11; or
b) directly or indirectly, in whole or in major part, plans, supervises, controls, directs, finances or subsidizes the activities of the client or any organization identified on line 11; or
c) is an affiliate of the client or any organization identified on line 11 and has a direct interest in the outcome of the lobbying activity.

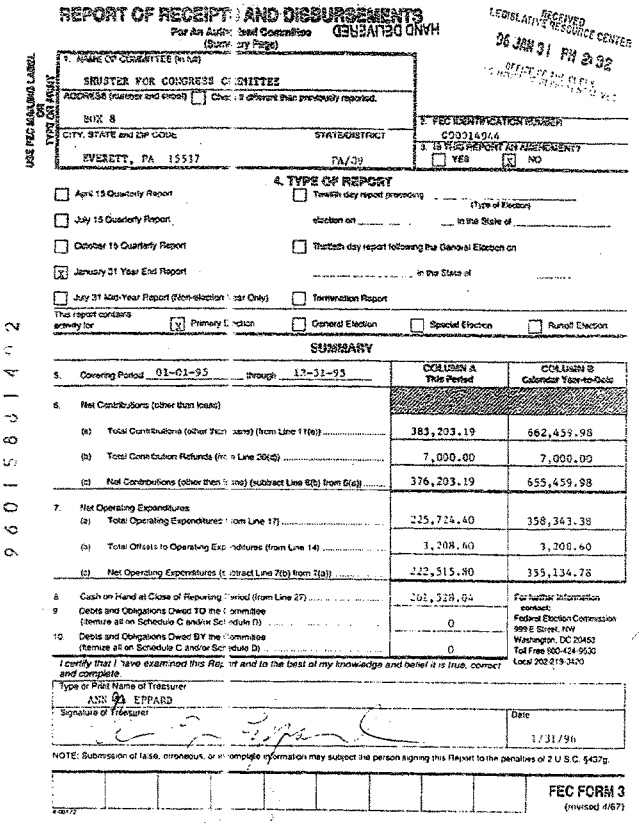
If none, so state.

Name	Address	Principal place of business (city and state or Country)	Amount of contribution for lobbying activities	Ownership Percentage in client
None				

Signature A Eppard Date 2-13-96

Printed Name and Title ANN EPPARD, PRESIDENT

EXHIBIT 4



REPORT OF RECEIPTS AND DISBURSEMENTS
For An Authorized Committee
(Summary Page)

HAND DELIVERED

RECEIVED
LEGISLATIVE RESOURCE CENTER
96 JAN 31 PM 2:32
OFFICE OF THE CLERK

USE PEC MAILING LABEL OR TYPE OR PRINT

1. NAME OF COMMITTEE (In Full)
SHUSTER FOR CONGRESS COMMITTEE

ADDRESS (Number and Street) Check if different than previously reported.
BOX 8

CITY, STATE and ZIP CODE
EVERETT, PA 15537

STATE/DISTRICT
PA/09

2. FEC IDENTIFICATION NUMBER
C00314044

3. IS THIS REPORT AN AMENDMENT?
☐ YES ☒ NO

4. TYPE OF REPORT

☐ April 15 Quarterly Report
☐ July 15 Quarterly Report
☐ October 15 Quarterly Report
☒ January 31 Year End Report
☐ July 31 Mid-Year Report (Non-election Year Only)
☐ Twelfth day report preceding _____ (Type of Election) election on _____ in the State of _____
☐ Thirtieth day report following the General Election on _____ in the State of _____
☐ Termination Report

This report contains activity for ☒ Primary Election ☐ General Election ☐ Special Election ☐ Runoff Election

SUMMARY

		COLUMN A This Period	COLUMN B Calendar Year-to-Date
5.	Covering Period 01-01-95 through 12-31-95		
6.	Net Contributions (other than loans)		
	(a) Total Contributions (other than loans) (from Line 11(a))	383,203.19	662,459.98
	(b) Total Contribution Refunds (from Line 28(d))	7,000.00	7,000.00
	(c) Net Contributions (other than loans) (subtract Line 6(b) from 6(a))	376,203.19	655,459.98
7.	Net Operating Expenditures		
	(a) Total Operating Expenditures (from Line 17)	225,724.40	358,343.38
	(b) Total Offsets to Operating Expenditures (from Line 14)	1,208.60	3,208.60
	(c) Net Operating Expenditures (subtract Line 7(b) from 7(a))	222,515.80	355,134.78
8	Cash on Hand at Close of Reporting Period (from Line 27)	201,528.04	
9	Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)	0	
10	Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)	0	

For further information contact:
Federal Election Commission
999 E Street, NW
Washington, DC 20463
Toll Free 800-424-9530
Local 202-219-3420

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer
ANN M EPPARD

Signature of Treasurer

Date
1/31/96

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to the penalties of 2 U.S.C. §437g.

FEC FORM 3
(revised 4/87)

96015814472

SCHEDULE B
Operating Expenditures

ITEMIZED DISBURSEMENTS

PAGE 1 OF 21
FOR LINE NUMBER 17

NAME OF COMMITTEE(in Full)
ENGLISH FOR CONGRESS COMMITTEE [illegible]

Any information copied from such Reports and Statements may not be sold or used by any person for the purposes of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Full Name Mailing Address	Purpose of Disbursement	Date MM/DD/YY	Amount
ANN EPPARD ASSOCIATES, LTD. 19 WILKES STREET Alexandria, VA 22314-	CONSULTING Disbursement for [X]Primary	01/27/95	$3000.00
ANN EPPARD ASSOCIATES, LTD. 19 WILKES STREET Alexandria, VA 22314-	CONSULTING Disbursement for [X]Primary	03/01/95	$3000.00
ANN EPPARD ASSOCIATES, LTD. 19 WILKES STREET Alexandria, VA 22314-	CONSULTING Disbursement for [X]Primary	04/03/95	$3000.00
ANN EPPARD ASSOCIATES, LTD. 19 WILKES STREET Alexandria, VA 22314-	CONSULTING Disbursement for [X]Primary	05/03/95	$3000.00
ANN EPPARD ASSOCIATES, LTD. 19 WILKES STREET Alexandria, VA 22314-	CONSULTING Disbursement for [X]Primary	05/26/95	$3000.00
ANN EPPARD ASSOCIATES, LTD. 19 WILKES STREET Alexandria, VA 22314-	CONSULTING Disbursement for [X]Primary	06/26/95	$3000.00
ANN EPPARD ASSOCIATES, LTD. 19 WILKES STREET Alexandria, VA 22314-	REIMBURSEMENT FOR ADD'L C ONSULTANT Disbursement for [X]Primary	06/27/95	$800.00
ANN EPPARD ASSOCIATES, LTD. 19 WILKES STREET Alexandria, VA 22314-	CONSULTING Disbursement for [X]Primary	07/27/95	$3000.00
ANN EPPARD ASSOCIATES, LTD. 19 WILKES STREET Alexandria, VA 22314-	REIMBURSEMENT FOR FUND RA ISING ACT. Disbursement for [X]Primary	07/28/95	$153.23

SUBTOTAL of Disbursements This Page.....> $21953.23

TOTAL This Period.....>

SCHEDULE B — ITEMIZED DISBURSEMENTS — PAGE 2 OF
Operating Expenditures — FOR LINE NUMBER

NAME OF COMMITTEE(in Full)
SENSTER FOR CONGRESS COMMITTEE [illegible]

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

Full Name Mailing Address	Purpose of Disbursement	Date MM/DD/YY	Amount
ANN EPPARD ASSOCIATES, LTD. 19 WILKES STREET Alexandria, VA 22314-	CONSULTING Disbursement for [X]Primary	08/28/95	$3000.00
ANN EPPARD ASSOCIATES, LTD. 19 WILKES STREET Alexandria, VA 22314-	CONSULTING Disbursement for [X]Primary	09/21/95	$3000.00
ANN EPPARD ASSOCIATES, LTD. 19 WILKES STREET Alexandria, VA 22314-	CONSULTING Disbursement for [X]Primary	10/23/95	$3000.00
ANN EPPARD ASSOCIATES, LTD. 19 WILKES STREET Alexandria, VA 22314-	REIMBURSEMENT FOR FLAGS Disbursement for [X]Primary	11/28/95	$78.10
ANN EPPARD ASSOCIATES, LTD. 19 WILKES STREET Alexandria, VA 22314-	CONSULTING Disbursement for [X]Primary	12/06/95	$3000.00
ANN EPPARD ASSOCIATES, LTD. 19 WILKES STREET Alexandria, VA 22314-	CONSULTING Disbursement for [X]Primary	12/18/95	$3000.00
FEDERAL EXPRESS CORP P.O. BOX 1140 DEPT A Memphis, TN 38101-1140	POSTAGE Disbursement for [X]Primary	01/25/95	$35.13
FEDERAL EXPRESS CORP P.O. BOX 1140 DEPT A Memphis, TN 38101-1140	POSTAGE Disbursement for [X]Primary	02/07/95	$53.12
FEDERAL EXPRESS CORP P.O. BOX 1140 DEPT A Memphis, TN 38101-1140	POSTAGE Disbursement for [X]Primary	02/17/95	$17.71

SUBTOTAL of Disbursements This Page.....> $15184.06

TOTAL This Period.....>

96016043780

EXHIBIT 5

PLACE AN "X" BELOW THE APPROPRIATE LETTER OR FIGURE IN THE BOX AT THE RIGHT OF THE [illegible]

"PRELIMINARY" REPORT ("Registration"): To "register," place an "X" below the letter "P" and fill out page 1 only.

"QUARTERLY" REPORT: To indicate which one of the four calendar quarters is covered by this Report, place an "X" below the appropriate figure. Fill out both page 1 and page 2 and as many additional pages as may be required. The first additional page should be numbered as page "3," and the rest of such pages should be "4," "5," "6," etc. Preparation and filing in accordance with instructions will accomplish compliance with all quarterly reporting requirements of the Act.

Year: 19...94

REPORT

PURSUANT TO FEDERAL REGULATION OF LOBBYING ACT

P	QUARTER			
X	1st	2d	3d	4th
	(Mark one square only)			

IDENTIFICATION NUMBER 19249000

Is this an Amendment? ☐ YES ☒ NO

A. ORGANIZATION OR INDIVIDUAL FILING

1. State name, address, and nature of business.
☐ CHECK IF ADDRESS IS DIFFERENT THAN PREVIOUSLY REPORTED

Ann Eppard Associates, Ltd.
30 Wolfe Street
Alexandria, VA 22314

2. If this Report is for an Employer, list names of agents or employees who will file Reports for this Quarter.

A company filing on behalf of all principals and salaried personnel

B. EMPLOYER

—State name, address, and nature of business. If there is no employer, write "None."

ANTRAK
60 Massachusetts Avenue, N.E.
Washington, D.C. 20002

C. LEGISLATIVE INTERESTS AND PUBLICATIONS in connection therewith:

1. State approximately how long legislative interests are to continue. If receipts and expenditures in connection with legislative interests have terminated, place an "X" in the box at the left, so that this Office will no longer expect to receive Reports. ☐

2. State the general legislative interests of the person filing and set forth the specific legislative interests by setting: (a) Short titles of statutes and bills; (b) House and Senate numbers of bills, where known; (c) citations of statutes, where known; (d) whether for or against such statutes and bills.

3. In the case of those publications which the person filing has caused to be issued or distributed, in connection with legislative interests, set forth: (a) description, (b) quantity distributed, (c) date of distribution, (d) name of printer or publisher (if publications were paid for by person filing) or name of donor (if publications were received as a gift).

(Answer Items 1, 2, and 3 in the space below. Attach additional pages if more space is needed.)

1. Duration of 103rd Congress and 104th Congress.

2. Legislative interests may concern issues relating to transportation legislation and other related matters.

3. None.

4. If this is a "Preliminary" Report (Registration) rather than a "Quarterly" Report, state below what the nature and amount of anticipated expenses will be; and, if for an agent or employee, state also what the daily, monthly, or annual rate of compensation is to be. If this is a "Quarterly" Report, disregard this Item "C 4" and fill out Item "D" and "E" on the back of this page. Do not attempt to combine a "Preliminary" Report (Registration) with a "Quarterly Report."— Anticipated expenses will consist of transportation costs, duplicat[illegible] fees and entertainment charges. Though difficult to estimate, expenses will probably exceed $100 per quarter. Compensation will vary, although difficult to predict, will probably exceed $100 per quarter.

RECEIVED
OFFICE OF RECORDS & REGISTRATION
DEC 29 PM 2:14
OFFICE OF THE CLERK
HOUSE OF REPRESENTATIVES

STATEMENT OF VERIFICATION

I declare under penalty of perjury that the information contained herein is true and correct.

Executed on December 16, 1994 (date) (Signature) (Typed) Ann Eppard

Check ONE of the following boxes:

☐ I am reporting AS AN INDIVIDUAL.

☒ I am [signature] of the above-named organization and I am authorized to make this verification on behalf of such organization.

NOTE on ITEM "A."—(a) IN GENERAL. This "Report" form may be used by either an organization or an individual, as follows:

(b) "Employer"—To file as an "employer," state (in Item "B") the name, address, and nature of business of the "employer" (if the "employer" is a firm [such as a law firm or public relations firm], partners and salaried staff members of such firm may join in filing a Report as an "employer.")

(c) "Employer"—To file as an "employer," write "None" in answer to Item "B."

(d) SEPARATE REPORTS. An agent or employee should not attempt to combine his Report with the employer's Report.

(i) Employers subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their agents or employees.

(ii) Employees subject to the Act must file separate Reports and are not relieved of this requirement merely because Reports are filed by their employers.

NOTE on ITEM "B."—Reports by Agents or Employees. An employee is to file, each quarter, as many Reports as he has employers; except that: (a) If a particular undertaking is jointly financed by a group of employers, the group is to be considered as one employer, but all members of the group are to be named [illegible] such member is to be specified; (b) If the work is done in the interest of one person but payment therefor is made by another, a single Report "employer"—is to be filed each quarter.

NOTE ON ITEM "C."—(a) The expression "in connection with legislative interests," as used in this Report, means "in connection with interests to influence the passage or defeat of legislation." The term legislation means bills, resolutions, amendments, nominations, and other matters pe[illegible] Houses of Congress, and includes any other matter which may be the subject of action by either House"—§ 302(e).

(b) Before undertaking any activities in connection with legislative interests, organizations and individuals subject to the Lobbying Act are req[illegible] Report (Registration).

(c) After beginning such activities, they must file a "Quarterly" Report at the end of each calendar quarter in which they have either rec[illegible] of value in connection with legislative interests.

EXHIBIT 6

The Ann Eppard Associates, Ltd. Approach

Creativity, experience, judgement and an abiding commitment to quality. These are the key ingredients of an effective public and government affairs program. And they define the way we do business at Ann Eppard Associates, Ltd. -- for every client, on every project.

At Ann Eppard Associates, we understand that quality work takes strategic planning and crisp execution. We know that long-term success rests on a commitment to responsive, personal service and a creative, results-oriented approach.

Our clients include leading corporations, associations and other entities that rely on us to meet a broad range of goals. We know that every client has different needs, goals and resources. We take the time to understand each client's issues and objectives -- both short- and long-term -- inside and out. We listen. Ask questions. Do our homework and exchange ideas. Offer advice based on logic, insight and experience. Evaluate what will work, and what will not.

But what matters most is we get results.

Our services include:

- Developing long-term political and legislative strategies.
- Building coalitions and establishing networks for clients.
- Creating public policy programs and positioning clients for leadership on these issues.
- Orchestrating government affairs and lobbying efforts on the state and federal level.

The staff of Ann Eppard Associates includes top professionals who have worked in federal government, in national and statewide political campaigns, on Capitol Hill, in international politics, and in business. It is a full-service team. We offer our clients an extensive network of contacts in Congress, in state capitals, in the corporate world, with international leaders, and local governments.

At Ann Eppard Associates, we make the client's goals our goals, and measure success by the results achieved for our client. That is our mission, and our promise.



Ann Eppard Associates, Ltd.

14 Wolfe Street, Alexandria, VA 22314 Phone 703-739-2545 FAX: 703-739-2718
211 North Union Street, Suite 100, Alexandria VA 22314 Phone 703-838-5571

Ann Eppard

Ann Eppard is President of Ann Eppard Associates, Ltd., a group she founded after leaving government service in 1994. Mrs. Eppard's firm specializes in public and government affairs and offers services, primarily in Washington, DC.

From 1972 to 1994, Mrs. Eppard served as Chief of Staff to Representative Bud Shuster (R-PA), handling chief executive duties and management of four Congressional offices: Washington, DC, Altoona, Chambersburg and Clearfield, PA. She coordinated Congressman Shuster's activities with the Public Works & Transportation Committee (now the Committee on Transportation & Infrastructure), the Budget Committee, and the Select Committee on Intelligence. In this capacity, she learned the details of the many programs under these committees, in particular those within the Transportation Committee's jurisdiction. These include aviation, rail, highway, and transit programs as well as environmental issues such as Clean Air, Clean Water and Superfund. In her role as Chief of Staff, she was also Congressman Shuster's liason to other Committee members as well as the House Leadership and the Pennsylvania delegation. Consequently, Mrs. Eppard offers a vast network of contacts throughout the U.S. House of Representatives and the state of Pennsylvania, among Members and their staffs. She also has extensive experience working with these contacts on a wide variety of topics.

Mrs. Eppard served as Assistant to the Chairman of the National Transportation Policy Commission, Assistant to the Chairman of the 1976 Pennsylvanians for Ford Presidential Committee, and Assistant to the Western Pennsylvania Chairman of the 1980 Reagan-Bush Presidential Campaign. She has held the office of Assistant Treasurer and Campaign Manager of the Bud Shuster for Congress Committee.

A native Pennsylvanian, Mrs. Eppard was a Congressional Exchange Fellow with the German Bundestag, is a graduate of St. Mary's Academy, and attended the George Washington University Graduate School of Government Studies.

EXHIBIT 7



December 14, 1994

Ms. Debra Tilson Lambeck
Daniel, Mann, Johnson & Mendenhall
3250 Wilshire Boulevard
Los Angeles, California 90010

Dear Ms. Lambeck:

Pursuant to my meeting with Mr. Ray Holdsworth and subsequent discussions with Ms. Nancy Butler, enclosed please find two executed copies of a consulting agreement between Daniel, Mann, Johnson & Mendenhall and Ann Eppard & Associates.

As agreed, this contract is effective as of December 1, 1994 and runs through December 31, 1995. It is my understanding that there are several task orders currently under consideration to be activated in January 1995 under this contract. I anticipate that possibility with great interest.

Please execute both copies of the contract and return one for my files. I appreciate the confidence Daniel, Mann, Johnson & Mendenhall has expressed in my company and look forward to working with you and your colleagues.

Sincerely,

Ann Eppard

Enclosures

cc: Ray Holdsworth
Nancy Butler

CONSULTING AGREEMENT

[redacted]

This Agreement is entered into by and between Daniel, Mann, Johnson, & Mendenhall (the "Company"), headquartered in Los Angeles, California, and Ann Eppard, an individual located in Alexandria, Virginia ("Consultant").

I. Employment of Consultant

1.01 Term. The Company hereby employs Consultant as the Company's consultant to provide professional services as determined by Nancy Butler/Ray Holdsworth for a term commencing December 1, 1994 and terminating December 31, 1995, unless terminated earlier by either party upon 30 days notice to the other party.

1.02 Work Schedule. Consultant will perform services for specific activities only as requested by Nancy Butler/Ray Holdsworth, on an on-call basis.

SERVICES TO BE PERFORMED: Advice and counsel on policy and funding decisions regarding transportation projects nationwide. No minimum amount of services (or hours) is guaranteed by DMJM.

1.03 Consultant's Fee. For his services hereunder, Company will pay to Consultant a retainer fee of $5,000 per month plus mutually agreed compensation for specific Tasks Orders authorized by the Company. All reasonable pre-approved out-of-pocket expenses incurred in performing the requested Task Order services for the Company will be reimbursed to Consultant. Consultant shall submit a written statement to Ray Holdsworth, at the end of each month, setting forth the amount of compensation due Consultant plus itemized pre-approved expenses.

1.04 Status. It is understood that Consultant shall not be deemed an employee of the Company for any purpose whatsoever but, rather, an independent contractor entitled only to the compensation and benefits specifically set forth in this Agreement.

II. Compliance with Applicable Law and Business Standards

2.01 Laws, Regulations, Code of Business Practices. In performing his responsibilities under this Agreement:

(a) Consultant is aware of the substance of the United States Foreign Corrupt Practices Act of 1976 and agrees that no action will be undertaken in violation of it.

(b) Consultant will not contravene or otherwise violate any law, regulation or administration decree of any foreign country (unless compliance would violate the laws of the United States of America).

(c) Consultant shall specifically comply with all federal, state, and local laws including, without limitation, laws that govern the conduct of lobbying and political activities at any level. Consultant shall assure that it and its employees are properly licensed under all such laws and that all disclosures and reports required by such laws are timely made.

2.02 Payments to Others. Consultant represents and warrants that no part of any consulting fee or other payment received by him from the Company will be offered or promised to, shared with or paid to, directly or indirectly, any official, employee or agent of any government, government agency or government-controlled corporation, or to any political party or candidate for public office, or to any client or any officer, employee, agent or owner of any client.

2.03 Payment to Company Employees, et al. Consultant represents and warrants that no part of any consulting fee or other payment received by him from the Company will be offered or promised to, shared with or paid to, directly or indirectly, any director, officer, employee or agent of the Company or any of its parent, subsidiary or affiliated companies.

2.04 Payments in Violation of Law. Consultant represents and warrants that no part of any consulting fee or other payment received by him from the Company will be made, offered or promised for any purpose that is in violation of any United States law or the laws of any foreign countries.

2.05 Payments in Violation of Tax or Foreign Exchange Laws. Consultant shall not request, and the Company shall not make, any payments to Consultant in a manner that violates the tax or foreign exchange laws of the United States or any foreign countries.

2.06 Books and Records. Consultant represents and warrants that no false or artificial entries that in any way relate to the consulting services or any consulting fee or other payment received by him from the Company shall be made on the books or the records of the Consultant, and no employee or affiliate of Consultant shall engage in any activity that results in such prohibited acts.

2.07 Conflicting Duties. Consultant represents and warrants that neither he nor his employees are officials or employees of any government or any political party and are not candidates for a political office or subject to any duty to any governmental agency or any other person or entity that is in conflict with, or that would prevent him from performing his responsibilities hereunder.

2.08 Compliance with Agreement. Consultant represents and warrants that he will take whatever steps are necessary to ensure compliance by his employees and affiliates with the terms of this Agreement.

2.09 Deleted.

2.10 Company Requests. Consultant agrees to promptly respond to requests from the Company and its duly authorized representatives concerning compliance with the terms of this Agreement, including reasonable requests for data and other relevant information.

2.11 Termination. The event of a breach by Consultant of any of the provisions of this Article II shall give the Company the right to immediately terminate this Agreement and this Agreement will automatically terminate, without any notice from or action by the Company, if Consultant, or any of his employees or affiliates, becomes an employee or an official of any government or any political party or becomes a candidate for political office.

III. Miscellaneous Provisions

3.01 Notice. Notices shall be deemed given hereunder when received or, if mailed by prepaid certified or registered with a return receipt request, three (3) days after mailing. Notices shall be addressed as follows:

Company: Daniel, Mann, Johnson, & Mendenhall
3250 Wilshire Boulevard
Los Angeles, California 90010

cc: Debra Tilson Lambeck

Consultant: _____
_____
_____

3.02 Amendment. This Agreement may be amended, modified or altered only by a writing executed by the Company, acting by a duly authorized officer, and by Consultant.

3.03 Law Governing. This Agreement shall be governed by and interpreted under the laws of the State of California.

3.04 Execution. This Agreement will become effective on the latter of the two dates entered below and may be executed in two or more identical counterparts.

COMPANY:

DANIEL, MANN, JOHNSON, & MENDENHALL

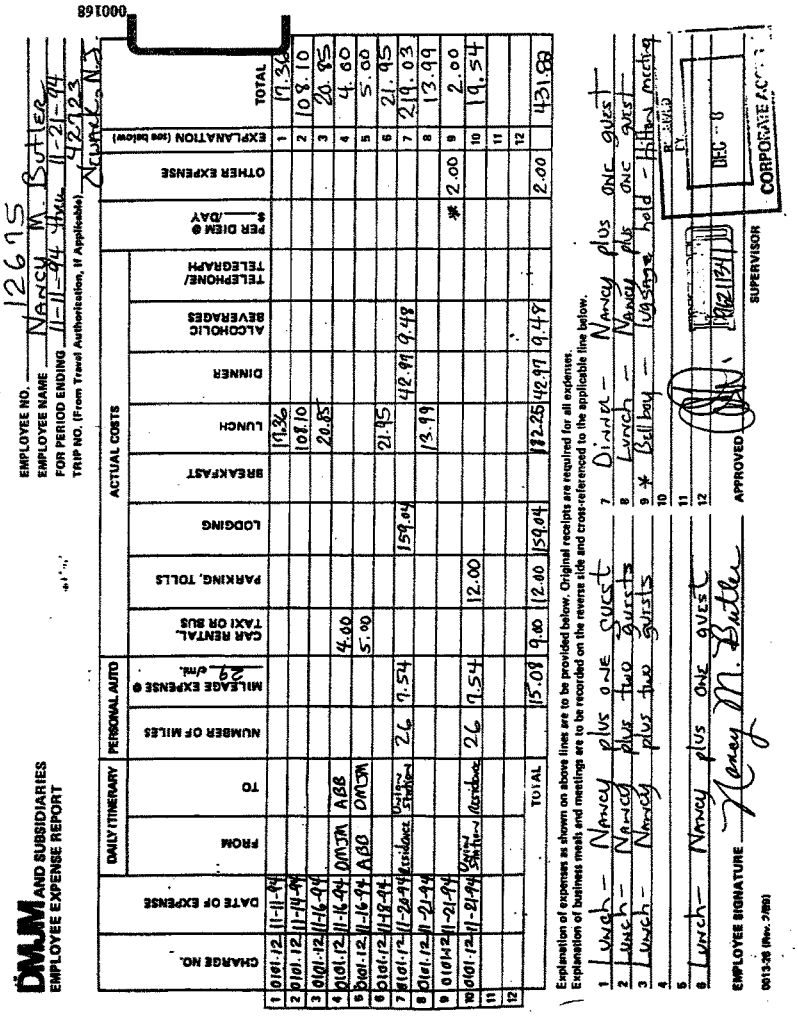
By: Nancy M Butler Date: 12-1-94
Title: Vice President

CONSULTANT:

Ann Eppard Date: 12-1-94
Name of Consultant
Ann Eppard + Assoc.

jah\lobbyagmt.t 12/7/94

EXHIBIT 8



DMJM AND SUBSIDIARIES
EMPLOYEE EXPENSE REPORT

EMPLOYEE NO. 12675
EMPLOYEE NAME Nancy M. Butler
FOR PERIOD ENDING 11-11-94 thru 11-21-94
TRIP NO. (From Travel Authorization, If Applicable) 42723 Newark, N.J.

000168

	CHARGE NO.	DATE OF EXPENSE	DAILY ITINERARY FROM	DAILY ITINERARY TO	PERSONAL AUTO NUMBER OF MILES	PERSONAL AUTO MILEAGE EXPENSE @ 29 c/mi.	ACTUAL COSTS CAR RENTAL, TAXI OR BUS	PARKING, TOLLS	LODGING	BREAKFAST	LUNCH	DINNER	ALCOHOLIC BEVERAGES	TELEPHONE/ TELEGRAPH	PER DIEM @ $___/DAY	OTHER EXPENSE	EXPLANATION (see below)	TOTAL
1	0101.12	11-11-94									17.36						1	17.36
2	0101.12	11-14-94									108.10						2	108.10
3	0101.12	11-16-94									20.85						3	20.85
4	0101.12	11-16-94	DMJM	ABB			4.00										4	4.00
5	0101.12	11-16-94	ABB	DMJM			5.00										5	5.00
6	0101.12	11-18-94									21.95						6	21.95
7	0101.12	11-20-94	Residence	Union Station	26	7.54			159.04			42.97	9.48				7	219.03
8	0101.12	11-21-94									13.99						8	13.99
9	0101.12	11-21-94													*	2.00	9	2.00
10	0101.12	11-21-94	Union Station	Residence	26	7.54		12.00									10	19.54
11																	11	
12																	12	
				TOTAL		15.08	9.00	12.00	159.04		182.25	42.97	9.48			2.00		431.82

Explanation of expenses as shown on above lines are to be provided below. Original receipts are required for all expenses.
Explanation of business meals and meetings are to be recorded on the reverse side and cross-referenced to the applicable line below.

1 Lunch – Nancy plus one guest
2 Lunch – Nancy plus two guests
3 Lunch – Nancy plus two guests
4
5
6 Lunch – Nancy plus one guest
7 Dinner – Nancy plus one guest
8 Lunch – Nancy plus one guest
9 * Bellboy – luggage hold – Hilton meeting
10
11
12

EMPLOYEE SIGNATURE Nancy M. Butler

APPROVED [signature] 9621134
SUPERVISOR

RECEIVED BY
DEC - 8
CORPORATE ACCT

0013-26 (Rev. 2/89)

EXPLANATION OF
BUSINESS MEALS, MEETINGS, AND ENTERTAINMENT

	DATE	GUESTS NAME	GUESTS TITLE	GUESTS ORGANIZATION	PLACE	BUSINESS PURPOSE	AMOUNT
1	11-11-94	Fruzsina Harsanyi	V. P. Corporate Communications	ABB	Samantha's	Finalize PMJM Commitment letter for ABB train proposal	$ 17.36
2	11-14-94	Edward Hamberger	Transportation Consultant	Baker Worthington	Mr K's	Discuss Tren Urbano and Alameda Corridor	
3		Ann Eppard	Chief of Staff	Congressman Bud Shuster	"	Discuss potential Consultant role with PMJM	$ 108.10
4	11-16-94	Leonard Rattigan Bill Hooper	Post Buckley V.P.	Post Buckley PMJM	Luigi's	Pizza - Working session to compile RFP for SEPTA	20.85
5	11-18-94	Lynda Clayton	President	Contract Compliance Inc	Mick's	Discuss DBE construction firms for Hudson River Project	21.95
6	11-20-94	Jay Shapiro	V.P.	Tishman Construction Corp of New Jersey	Chatfield's drinks Toucan at Marriott	Discuss Tishman role for major construction on NJ project	9.48 42.97
7	11-21-94	Allan Shapiro	V.P.	PMJM	Newark Hilton Deli	Hudson River Waterfront Seminar - working lunch	13.99
8							

* allowable 12/16/94

Account Reconciliation:

Beginning Balance _____

Plus Advance _____ **Check No.** _____

Subtotal _____

Less: Total Expenses _____

New Balance _____

Due Employee ☐

Due Company ☐

ACCOUNTING DEPARTMENT USE ONLY

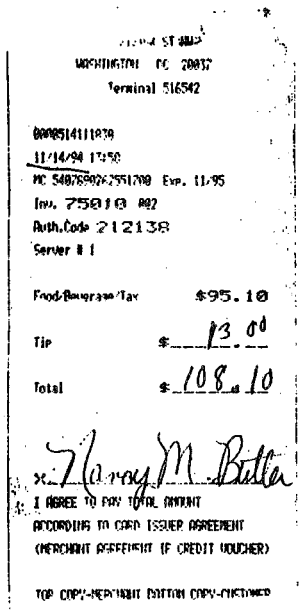
AMOUNT	CHARGE NO.	BUS UNIT	G/L ACCT. NO.	TASK	SUBTASK

Ent. No. _____

Bus. Unit _____

00

000175



[illegible] ST [illegible]
WASHINGTON DC 20037
Terminal 516542

0000514111839
11/14/94 17:50
MC 5407690262551700 Exp. 11/95
Inv. 75010 002
Auth.Code 212138
Server # 1

Food/Beverage/Tax $95.10

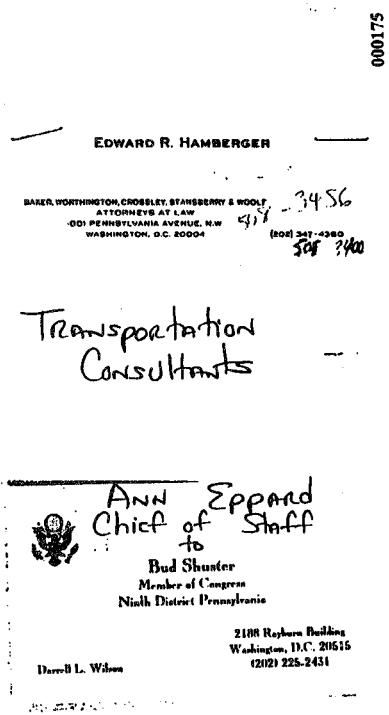
Tip $ 13.00

Total $ 108.10

x Nancy M. Butler

I AGREE TO PAY TOTAL AMOUNT
ACCORDING TO CARD ISSUER AGREEMENT
(MERCHANT AGREEMENT IF CREDIT VOUCHER)

TOP COPY-MERCHANT BOTTOM COPY-CUSTOMER



EDWARD R. HAMBERGER

BAKER, WORTHINGTON, CROSSLEY, STANSBERRY & WOOLF
ATTORNEYS AT LAW
1001 PENNSYLVANIA AVENUE, N.W.
WASHINGTON, D.C. 20004
(202) 347-4380
518 - 3456
508 3400

Transportation Consultants

Ann Eppard
Chief of Staff
to
Bud Shuster
Member of Congress
Ninth District Pennsylvania

2188 Rayburn Building
Washington, D.C. 20515
(202) 225-2431

Darrell L. Wilson

EXHIBIT 9

LAW OFFICES
BAKER, DONELSON, BEARMAN & CALDWELL
A PROFESSIONAL CORPORATION
MARKET SQUARE
801 PENNSYLVANIA AVE., NW
SUITE 800
WASHINGTON, DC 20004
(202) 508-3400
FACSIMILE
(202) 508-3402

CHATTANOOGA, TENNESSEE
HUNTSVILLE, TENNESSEE
JOHNSON CITY, TENNESSEE
KNOXVILLE, TENNESSEE
MEMPHIS, TENNESSEE
NASHVILLE, TENNESSEE

November 17, 1994

Ms. Nancy M. Butler
Director, Transportation Programs
Daniel, Mann, Johnson & Mendenhall
1900 M Street, N.W.
Suite 800
Washington, D.C. 20036

Dear Nancy:

Pursuant to our conversation, I am pleased to forward to you some background information on the firm of Baker, Donelson, Bearman & Caldwell and some thoughts on how we might work with Ann Eppard & Associates on behalf of the Tren Urbano project in Puerto Rico. Thank you for the opportunity to present our thoughts to you.

As we discussed, the recent change in Congress brought about by the elections will make the effort to achieve major authorization and appropriation of transit projects even more difficult than in the past. As you know, many in the Republican party believe that transit should be a local responsibility and that the federal role in transit should be minimized. (You will recall the Reagan Administration's predisposition to recommend zero dollars for the transit programs.) While I do not believe that the federal aid to transit will be eliminated, your client should be aware that the climate for major transit projects is indeed grim.

Notwithstanding the above, there will be an opportunity to achieve authorization of such projects in the major surface transportation bill to be acted upon in 1995. In my conversations with leaders of the House and Senate Authorizing Committees, it has become clear that the re-authorization of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) will be attempted in 1995 rather than 1996. Thus, the opportunity for authorization will occur earlier than originally anticipated. This is both good news and bad news:

good news in that there will be an opportunity to achieve Congressional authorization of a project; bad news because it will give us less time to educate the many new Members of Congress in general and the relevant authorizing committees in particular of the benefits of the Tren Urbano project.

Similarly, Congress will, of course, enact a Fiscal Year 1996 Transportation Appropriations Bill. Despite the change in control of both Houses of Congress I anticipate that there will continue to be Congressional "earmarks" of transit projects. As you know, this means that Congress directs a certain amount of money to be spent on specific transit projects by the Department of Transportation. Because of the number of these earmarks, the so-called discretion of the Secretary to award money around the country is severely limited. The competition for these federal earmarks is intense.

Thus, both the Authorization and Appropriations Committees will be acting upon relevant legislation in 1995. To be included in those bills, a project sponsor must act now to develop support in Congress and the Executive Branch. We believe we are ideally suited to help in this effort. I have enclosed for your information some background material on the key members of the Baker, Donelson, Bearman & Caldwell Public Policy Law Practice Group. You will note that our practice is headed by former Senate Majority Leader and White House Chief of Staff Howard H. Baker, Jr. Senator Baker is a strong supporter of transit and is enjoying reveling in the transformation of the Senate to Republican power once again. (Brought about in no small measure by his efforts in helping to elect two Republican Senators from Tennessee.) Following detailed conversations with Senate Leadership, Senator Baker has concurred that 1995 will not be business as usual and that the need to curtail federal spending will bring increased scrutiny to every request for federal dollars. This means that the Tren Urbano project sponsors must act now to educate decision makers on the benefits of this project.

Working closely with Senator Baker on our team are John C. Tuck, former Assistant Secretary of the Senate for the Majority; James D. Range, former Counsel to the Majority Leader in the Senate; Kevin D. Jones, former Legislative Assistant for then Senator Lloyd M. Bentsen; W. Lee Rawls, former Administrative Assistant to Senator Pete V. Domenici, Chairman of the Senate Budget Committee and former Assistant Attorney General for Legislative Affairs; and myself. As indicated above, we have fortified our team by joint venturing with Ann Eppard who has been the Administrative Assistant to Congressman Bud Shuster for the last twenty-two years. As

such, she is intimately familiar with the workings of the Public Works Committee and can provide insight and strategy on how to achieve authorization of the Tren Urbano project.

Our team is designed to provide our clients with access to Democratic and Republican Members on both the House and Senate sides of the Capitol. In addition, we have close working relationships with policy makers at the Department of Transportation, the Office of Management and Budget, and the White House. In particular, several of our partners in Tennessee have worked for many years with Vice President Gore. Working in concert with you, Nancy, we think we can provide the political, strategic, and regulatory advice and counsel needed to secure authorization of the Tren Urbano project in the next major surface transportation bill and to achieve an adequate level of appropriations in the Fiscal Year 1996 Department of Transportation Appropriations Bill.

Both Ann Eppard and myself would be willing to meet with you or anybody you might suggest to further discuss this matter. We look forward to working together with you on the important Tren Urbano project.

With warm personal regard,

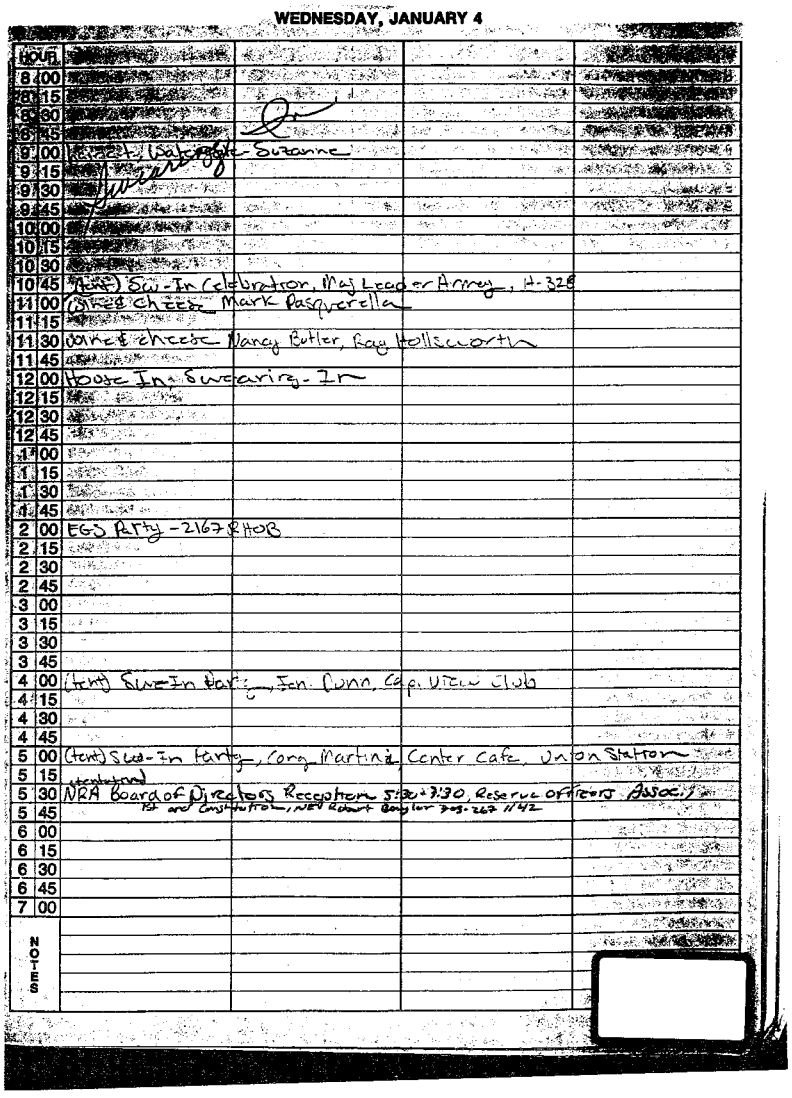
Sincerely,

Edward R. Hamberger

Enclosure

cc: Ann Eppard

EXHIBIT 10



WEDNESDAY, JANUARY 4

HOUR				
8 00				
8 15				
8 30				
8 45				
9 00	Breast, Watergate - Suzanne			
9 15				
9 30				
9 45				
10 00				
10 15				
10 30				
10 45	(tent) Sw-In Celebration, Maj Leader Armey, H-328			
11 00	Wine & cheese Mark Pasquerella			
11 15				
11 30	Wine & cheese Nancy Butler, Ray Hollsworth			
11 45				
12 00	House In, Swearing-In			
12 15				
12 30				
12 45				
1 00				
1 15				
1 30				
1 45				
2 00	EGS Party - 2167 RHOB			
2 15				
2 30				
2 45				
3 00				
3 15				
3 30				
3 45				
4 00	(tent) Sw-In Party, Jen. Dunn, Cap. View Club			
4 15				
4 30				
4 45				
5 00	(tent) Sw-In Party, Cong Martini Center Cafe, Union Station			
5 15				
5 30	NRA Board of Directors Reception 5:30-7:30, Reserve Officers Assoc., 1st and Constitution, NEV Robert Boyler 703-267 1142			
5 45				
6 00				
6 15				
6 30				
6 45				
7 00				
NOTES				

EXHIBIT 11

Republican National Committee

Haley Barbour
Chairman

To: Tracy	Date: 1-9
Co.	# of Pgs. 1
Dept. Scheduling	From Laura Yeates
Fax No. 225-2486	Phone # 863-8828

Republican National Committee

Feb 9 (HI)
12:00 -1

January 4, 1995

Called 1-25-95 No!

X

The Honorable E. G. Shuster
U.S. House of Representatives
Washington, DC 20515

Dear Bud:

By now you should have received a letter inviting you to attend the *1995 Republican Inaugural*, on February 9, 1995. I hope you will be able to join us for what is going to be a spectacular evening.

In conjunction with the Inaugural Gala receptions and dinner, the RNC will be hosting various satellite events the same day for our different major donor programs. The first of these events will be several state and regional luncheons honoring our Republican Congressmen and Senators. Attending the luncheons will be the 104th Republican Congressional delegations from your region and the members of the Chairman's Advisory Board and the President's Club, the RNC's $5,000 and $1,000 major donor programs.

We would be honored if you would attend this Inaugural kick-off event which is being held at either the Renaissance Hotel, 999 9th Street, N.W. or the Grand Hyatt Hotel, 1000 H Street, NW, from 12:00 p.m. - 2:00 p.m. We will send out confirmation letters stating what region you have been assigned to and where your luncheon will be held. We are hoping that the luncheon will be an opportunity for our major contributors to meet you in an informal setting before the larger celebration that evening.

Please have a member of your staff contact Laura Yeates at (202) 863-8828 or fax the enclosed form at (202) 863-8634 to arrange for your participation.

EGS-M 001051

I greatly appreciate your consideration of this request and sincerely hope to hear from you soon.

Call Nancy Butler purchased a table with S's assurances he would sit with her. Make sure this is on his schedule & he gets credit + that Haley doesn't [illegible]

Sincerely,

Haley

Haley Barbour
Chairman

Dwight D. Eisenhower Republican Center • [redacted]

ASAP

Table Buyer Guest List

Many thanks for your generous pledge/check of $16,000 for 1 table(s) for the Official 1995 Republican Inaugural Ga

- Please list below all guests attending the Gala on February 9 who will be seated at your table. A table consists of 10 guests. There will be no tables of 12.
- If you would like a VIP seated at your table, please include them as well as their spouse or guest as part of the ten gue at your table. Also, in the spaces provided below, if you are requesting a VIP (i.e. Congressman, Senator or Govern please list your first choice and two alternate choices. The VIP's prefer you go through us in acquiring them as your guest, so please make your request with us. We will do our best to accommodate your request, but hope you will understand any extenuating circumstances.
- Please note that table assignments will be based on a first come, first serve basis. The sooner we receive your check a completed form, the better the location of your table.
- Tickets for the gala will not be mailed but can be picked up at the Republican National Committee on February 7 a 8 from 9 a.m. to 6 p.m. or at the Washington Convention Center on February 9 from 9 a.m. to 8 p.m.

Please be as specific as possible when filling out this form. Thank you for your cooperation and support and if you have an questions, please call Heather Patterson at (202)863-8720.

TABLE BUYER NAME: Daniel, Mann, Johnson and Mendenhall

Contact Person: Nancy Butler PH#: 703 - 807 - 2556

Program Listing: In the space provided, please write or type exactly how you would like to be listed in the program.

Daniel, Mann, Johnson and Mendenhall

Table Guest List (please account for VIP member and guest if you are requesting one)

1. Chairman Bud Shuster
2. Ms. Ann Eppard
3. Mr. Raymond W. Holdsworth
4. Ms. Nancy M. Butler
5. Mr. [illegible] Zarian
6. Mr. Frank Wilson — relying his appearance — Ready Accepted
7. [illegible]
8. [illegible]
9. [illegible]
10. Mr. Richard White
11. Dr. Robert Martinez
12. Mr. Bill [illegible]

VIP Request (please list in order of preference)

1.
2.
3.

Invited Accepted

☐ Alexander Cavendor

EXHIBIT 12

Raymond W. Holdsworth
President
Chief Executive Officer

February 13, 1995

Government of Puerto Rico
Minillas South Building, Suite 1701
Minillas Governmental Center
Santurce, Puerto Rico 00940

Dear

I hope you enjoyed yourself Thursday evening.

The invitation to Chairman Schuster paid off - Ann Eppard just called Nancy Butler this morning and asked if the Chairman could visit Puerto Rico and the Tren Urbano Project this weekend.

Tentatively, he would arrive on Friday, February 17, and depart at 11:50 a.m. on Monday, February 20.

He would like a tour of the alignment on Monday and a limited weekend schedule which would be a small dinner party on Saturday evening and possibly a brief meeting with the Governor if he is in town and his schedule permits on such short notice.

Please let us know as soon as possible so we can confirm his visit.

Warmest regards,

Ray

Raymond W. Holdsworth
/lt

cc: Gil Butler
Nancy Butler

Daniel, Mann, Johnson, & Mendenhall
3250 Wilshire Boulevard
Los Angeles, California 90010-1599
Telephone: 213/381-3863
Telex: 4720018 DMJM LA Fax: 213/383-3853

Planning
Architecture
Engineering
Program/Construction
Management

CONGRESSMAN BUD SCHUSTER
TREN URBANO SITE VISIT
February 17-20, 1995

DATE	TIME	ACTIVITIES	STAFF	TRANSPORTATION	
Friday Feb 17	12:15 pm	Transfer to Airport Carlos Pasquera	Lourdes Pérez, Carmen Canino Contact Person: Virgilio Vilomar Cellular: 385-1434	Official vehicle: Blue Marquise	
	12:30 pm	Flight Arrival AA-937 Dulles-SJ	Lourdes Pérez		Request airline and luggage tickets from guests for Hotel Pre Check-in
	12:45pm	Official Vehicle transports Congressmen and aides to the Conquistador	Chauffeurs: Manuel Báez	Blue Marquise	
		Luggage Transfer	José Carambé Roberto	Vilomar's Car	
	1:30 pm	Hotel accommodations & luggage delivery	Lourdes Pérez VIP Hotel Services Contact Person: Carmen Cortés	Communications Vehicle	Check-in should be made and luggage delivered to each room. Registration # - 4364888 (Shuste 9837489 (Eppare 9837480 (Ryder)
Sunday Feb 19	3:00 pm	Setup Magnolia Room Flowers Seating Arrangements	Lourdes Pérez y Carmen Canino		
	7:00 pm	Dinner Reception	Lourdes Pérez, Carmen Canino		
Mon Feb 20	8:45 am	Transfer from el Conquistador to La Fortaleza	Carmen Canino Chaffeur: José Carambé		
	10:00 am	Meeting with Governor Rosselló Executive Mansion			
	10:30 am	VIP Fortaleza Tour Executive Mansion	Marjorie Ferraioli		
	11:00 am	Setup Luncheon and Project Overview Presentation Executive Mansion	Lourdes Pérez Vilomar, Manuel Báez,		All vehicles & chauffeurs ready at Fortaleza to transfer guests to Tre Urbano Office
	11:30 am	Transfer guests to Tren Urbano Office	Vilomar, Manuel Baez, José Carambé		

EXHIBIT 13

The Leading Hotels of the World

EL CONQUISTADOR
RESORT & COUNTRY CLUB
LAS CROABAS, PUERTO RICO

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LAS CROABAS PR 00738

TEL. (787) 863-1000
FAX 860-3200

Page 1

EPPARD, MS ANNE
US SENATOR/CHAIRMAN PUBLIC
APTDO 41269 MINILLAS STATION
SANTURCE, PR
00940

Arrival 2/17/95
Departure 2/20/95
No. in Party 1
Room No. 3440
Rate 425.00
Account No. 113703

Date	Description					Amount
A-STANDARD FOLIO						
2/17/95	LONG DISTANCE CALL	3440	2177919009	18:08	8147932349	$2.00
2/17/95	LONG DISTANCE CALL	3440	2178234004	20:40	7037392545	$2.00
2/17/95	LONG DISTANCE CALL	3440	2178256002	21:01	7172497252	$2.00
2/17/95	LONG DISTANCE CALL	3440	2178276006	21:09	3025379841	$2.00
2/17/95	ROOM CHARGE	3440	1066			$425.00
2/17/95	RESORT TAX & TARIFF	3440	1067			$76.50
2/18/95	LONG DISTANCE CALL	3440	2188752002	09:17	7037392545	$2.00
2/18/95	LONG DISTANCE CALL	3440	2189554003	16:23	8147932349	$2.00
2/18/95	LONG DISTANCE CALL	3440	2180094003	20:54	7037392545	$2.00
2/18/95	LONG DISTANCE CALL	3440	2180098002	20:57	7037392545	$2.00
2/18/95	REFRESHMENT CENTER	3440	7421	230225		$9.00
2/18/95	AVANTE SALON ELC	3440	8799			$22.50
2/18/95	ROOM CHARGE	3440	1091			$425.00
2/18/95	RESORT TAX & TARIFF	3440	1092			$76.50
2/19/95	LAS BRISAS REST.	3440	2008	095453		$19.50
2/19/95	LONG DISTANCE CALL	3440	2191180002	17:27	8146961316	$2.00
2/19/95	LONG DISTANCE CALL	3440	2191192005	17:29	4105863995	$2.00
2/19/95	LONG DISTANCE CALL	3440	2191207007	17:34	8147932349	$2.00
2/19/95	LONG DISTANCE CALL	3440	2191611003	21:59	7037392545	$2.00
2/19/95	LONG DISTANCE CALL	3440	2191618005	22:01	8146961316	$2.00
2/19/95	AVANTE SALON ELC	3440	9191			$44.40
2/19/95	ROOM CHARGE	3440	981			$425.00
2/19/95	RESORT TAX & TARIFF	3440	982			$76.50
2/20/95	LONG DISTANCE CALL	3440	2201862003	08:11	7037392545	$2.00
2/20/95	LONG DISTANCE CALL	3440	2201909019	08:12	3025379841	$2.00
2/20/95	VISA/MASTERCARD	3440	113910	VISA/MASTERCARD		$1,629.90CR

C/O Clerk-S&@ Time-11:38 * BALANCE DUE * $.00

I agree that my liability for this bill is not waived and agree to be personally liable in the event that the indicated person, company or association fails to pay for any or the full amount of these charges.

Yo estoy de acuerdo que mi deuda por esta factura no esta exonerada y acepto personalmente mi responsabilidad en el caso de que la persona indicada, compania o asociacion deje de pagar algun O todos los cargos.

Signature

member of "The Leading Hotels of the World"

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BUTLER, MS NANCY
US SENATOR/CHAIRMAN PUBLIC
APTDO 41269 MINILLAS STATION
SANTURCE, PR
00940

Page	1
Arrival	2/18/95
Departure	2/20/95
No. in Party	1
Room No.	3526
Rate	425.00
Account No.	113365

Date	Description					Amount
A-STANDARD FOLIO						
2/18/95	LONG DISTANCE CALL	3526	2189699003	17:18	7176467193	$2.00
2/18/95	LONG DISTANCE CALL	3526	2189754003	17:37	3103784922	$2.00
2/18/95	LONG DISTANCE CALL	3526	2189849006	18:10	6097312258	$2.00
2/18/95	ROOM CHARGE	3526	1177			$425.00
2/18/95	RESORT TAX & TARIFF	3526	1178			$76.50
2/19/95	PARKING	3526	49563			$10.00
2/19/95	LOCAL CALL	3526	2190678003	11:44	7211884	$1.00
2/19/95	LOCAL CALL	3526	2191127008	17:02	7211884	$1.00
2/19/95	LONG DISTANCE CALL	3526	2191205002	17:37	6097312258	$2.00
2/19/95	LONG DISTANCE CALL	3526	2191304002	18:20	7036202682	$2.00
2/19/95	ROOM CHARGE	3526	1056			$425.00
2/19/95	RESORT TAX & TARIFF	3526	1057			$76.50
2/20/95	LOCAL CALL	3526	2202245012	10:14	7650927	$1.00
2/20/95	LOCAL CALL	3526	2202458001	11:38	7650927	$1.00
2/20/95	CAFE TROPICAL	3526	3432	120934		$9.50
2/20/95	LOCAL CALL	3526	2202477002	11:47	7650927	$1.00
2/20/95	VISA/MASTERCARD	3526	123435	VISA/MASTERCARD		$1,037.50CR
	C/O Clerk-$&@ Time-12:34			* BALANCE DUE	*	$.00

I agree that my liability for this bill is not waived and agree to be personally liable in the event that the indicated person, company or association fails to pay for any or the full amount of these charges.

Yo estoy de acuerdo que mi deuda por esta factura no esta exonerada y acepto personalmente mi responsabilidad en el caso de que la persona indicada, compania o asociacion deje de pagar algun O todos los cargos.

Signature

member of The Leading Hotels of the World

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SCHUSTER, MR BUD
US SENATOR/CHAIRMAN PUBLIC
APTDO 41269 MINILLAS STATION
SANTURCE, PR
00940

Page	1
Arrival	2/17/95
Departure	2/20/95
No. in Party	1
Room No.	3514
Rate	425.00
Account No.	113364

Date	Description					Amount
A-STANDARD FOLIO						
2/17/95	LONG DISTANCE CALL	3514	2176782005	14:10	7037392545	$2.00
2/17/95	LONG DISTANCE CALL	3514	2176804005	14:16	8142242614	$2.00
2/17/95	LONG DISTANCE CALL	3514	2176823006	14:20	8145461653	$2.00
2/17/95	LONG DISTANCE CALL	3514	2177093004	15:26	7037392545	$2.00
2/17/95	LONG DISTANCE CALL	3514	2177097002	15:30	7172497252	$2.00
2/17/95	LONG DISTANCE CALL	3514	2177117004	15:32	7172376052	$2.00
2/17/95	LONG DISTANCE CALL	3514	2177143005	15:36	2022259446	$6.40
2/17/95	LONG DISTANCE CALL	3514	2177187004	15:50	2022259446	$2.00
2/17/95	LONG DISTANCE CALL	3514	2177223005	15:55	7035245011	$2.00
2/17/95	LONG DISTANCE CALL	3514	2177270006	16:00	2022894434	$2.00
2/17/95	ROOM SERVICE EC	3514	6098	165819		$218.28
2/17/95	LONG DISTANCE CALL	3514	2177675002	17:25	7037392545	$2.00
2/17/95	LONG DISTANCE CALL	3514	2177691003	17:29	8149436112	$2.00
2/17/95	LONG DISTANCE CALL	3514	2177727007	17:32	4105351200	$2.00
2/17/95	LONG DISTANCE CALL	3514	2177751003	17:38	8149436112	$2.00
2/17/95	LONG DISTANCE CALL	3514	2177815003	17:48	8149436111	$2.00
2/17/95	LONG DISTANCE CALL	3514	2177825003	17:51	8149436112	$2.00
2/17/95	ISABELLA REST	3514	6424	210407		$88.50
2/17/95	LONG DISTANCE CALL	3514	2178232003	20:40	8137875250	$5.44
2/17/95	ROOM CHARGE	3514	1121			$425.00
2/17/95	RESORT TAX & TARIFF	3514	1122			$76.50
2/18/95	LONG DISTANCE CALL	3514	2189273004	13:55	7037392545	$2.00
2/18/95	LONG DISTANCE CALL	3514	2189281003	14:02	4105351200	$2.00
2/18/95	MAIN POOL BAR	3514	6626	150951		$9.00
2/18/95	LONG DISTANCE CALL	3514	2189433002	15:38	7037392545	$2.00
2/18/95	LONG DISTANCE CALL	3514	2190092002	20:52	8137875250	$4.96
2/18/95	ISABELLA REST	3514	7155	215840		$203.50
2/18/95	REFRESHMENT CENTER	3514	7466	231333		$36.00
2/18/95	ROOM CHARGE	3514	1151			$425.00
2/18/95	RESORT TAX & TARIFF	3514	1152			$76.50
2/19/95	LONG DISTANCE CALL	3514	2190479003	09:17	8146417117	$5.44
2/19/95	REFRESHMENT CENTER	3514	7879	134642		$3.00
2/19/95	LAS BRISAS REST.	3514	2249	135214		$50.00

Continued...

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SCHUSTER, MR BUD
US SENATOR/CHAIRMAN PUBLIC
APTDO 41269 MINILLAS STATION
SANTURCE, PR
00940

Arrival	2/17/95
Departure	2/20/95
No. in Party	1
Room No.	3514
Rate	425.00
Account No.	113364

Date	Description					Amount
A-STANDARD FOLIO						
2/19/95	W.H SMITH ELC	3514		140144		$13.00
2/19/95	POOLSIDE MARINA	3514	5910			$20.00
2/19/95	MAIN POOL BAR	3514	7536	154706		$32.50
2/19/95	LONG DISTANCE CALL	3514	2191016002	16:17	7037392545	$2.00
2/19/95	LONG DISTANCE CALL	3514	2191296002	18:17	8137875250	$4.96
2/19/95	ROOM CHARGE	3514	1032			$425.00
2/19/95	RESORT TAX & TARIFF	3514	1033			$76.50
2/20/95	MAIN POOL BAR	3514	8504	101449		$6.00
2/20/95	MAIN POOL BAR	3514	6823	LATE CHARGE 2/18/95		$9.00
2/20/95	MAIN POOL BAR	3514	6698	LATE CHARGE 2/18/95		$38.50
2/20/95	MAIN POOL BAR	3514	8493	130320		$26.00
2/20/95	VISA/MASTERCARD	3514	3514	4549250004738473/595		$2,322.98CR
	C/O Clerk-MR Time-15:20			* BALANCE DUE *		$.00

I agree that my liability for this bill is not waived and agree to be personally liable in the event that the indicated person, company or association fails to pay for any or the full amount of these charges.

Yo estoy de acuerdo que mi deuda por esta factura no esta exonerada y acepto personalmente mi responsabilidad en el caso de que la persona indicada, compania o asociacion deje de pagar algun O todos los cargos.

Signature

EXHIBIT 14

CONGRESSMAN BUD SHUSTER DINNER
FEBRUARY 19, 1995
7:30 P.M.

GUESS LIST

1. HON. BALTASAR CORRADA DEL RIO & BEATRIZ CORRADA
   SECRETARY OF STATE

2. HON. CARLOS I. PESQUERA & IRASEMA PESQUERA
   SECRETARY
   DEPARTMENT OF TRANSPORTATION AND PUBLIC WORKS

3. HON. BUD SHUSTER

4. MS. ANN EPPARD

5. MS. NANCY BUTLER

6. MS. NORMA BURGOS
   PRESIDENT OF THE PLANNING BOARD

7. MR. MARCOS RODRIGUEZ-EMA & MARIBEL RODRIGUEZ EMA
   PRESIDENT
   GOVERNMENT DEVELOPMENT BANK OF PUERTO RICO

8. DR. SERGIO GONZALEZ
   EXECUTIVE DIRECTOR
   PUERTO RICO HIGHWAY AND TRANSPORTATION AUTHORITY

9. DR. CARLOS COLON & AIDA COLON
   DEPUTY EXECUTIVE DIRECTOR
   PUERTO RICO HIGHWAY AND TRANSPORTATION AUTHORITY

10. ENG. CESAR CABRERA & HELVEDIA BARROS
    EXECUTIVE DIRECTOR
    PUERTO RICO REPUBLICAN PARTY

11. HON. LUIS A. FERRE & TEODY FERRER
STATE CHAIRMAN OF THE
REPUBLICAN OF THE FEDERAL AFFAIRS DIVISION
GOVERNOR'S OFFICE

12. GIL BUTLER & NANCY BUTLER
PROYECT MANAGER
TREN URBANO
GENERAL MANAGEMENT ARCHITECT AND ENGINEERING CONSULTANTS

Congressman Bud Shuster Tren Urbano Site Visit
February 17-20, 1995

Friday, February 17, 1995

12:29 pm	Flight AA-937 from Dulles to San Juan Hotel Pre Check-in
pm	Free

Saturday, February 18, 1995

am	Free

Sunday, February 19, 1995

	Free
7:30 pm	Dinner Reception Magnolia Room Hotel El Conquistador

Monday, February 20, 1995

8:45 am	Departure from Hotel
2:00 pm	Tren Urbano Alignment Briefing
3:30 pm	Tren Urbano Alignment Aerial Tour
5:00 pm	Meeting with Honorable Governor of Puerto Rico Executive Mansion, Old San Juan
6:00 pm	Departure to airport
7:12 pm	Flight AA to DCA

35th Anniversary

The San Juan Star

The only Pulitzer Prize-Winning Publication in the Caribbean

Virgin Islands 85¢ | Tuesday, February 21, 1995 | Puerto Rico 35¢

Urban train passes hurdle

Congressman forecasts that federal funding should be "no problem." Page 3



Chiapas protests bishop

Anti-bishop protesters burn a pro-bishop banner near the cathedral in San Cristóbal de las Casas, in the southeastern Mexican state of Chiapas. Conservatives, who held a pro-military rally, demanded the resignation of Bishop Samuel Ruiz, who is blamed by some for fomenting the Zapatista uprising by defending Indian rights. Page 13

AP Photo/stream

EXHIBIT 15

LOCAL NEWS

Urban train project gets important OK; Shuster 'impressed'

Congressional committee chief supports funding

JULIO OHIGLIETTY
The STAR Staff

The chairman of a congressional committee on transportation described Puerto Rico's urban train project on Monday as "impressive" and "a very worthy project" that should not have any problems getting necessary funds.

Rep. Bud Shuster, R-Penn., chairman of the House Infrastructure and Transportation Committee, made the comments after a meeting with Gov. Rosselló in La Fortaleza.

Shuster, who was accompanied by transportation and Public Works Secretary Carlos Pesquera, said he was very impressed by the briefing he received "on a very exciting transit project during a meeting with Rosselló and by the management team put together by the Puerto Rican government.

"I have not seen a transit project in the United States[that has the potential for success that this one has," Shuster said, adding that he was "pleased that we have provided funding for this project."

He was referring to $5 million approved by Congress in September for the project's design stage. The House had authorized $10 million but the allocation was cut in half before the Senate agreed to approve it.

Shuster's words echoed those of the head of the Federal Transportation Administration, Gordon J. Linton, who said in October that the urban train project was "one of the best investments in transportation in the United States."

Shuster was particularly impressed with the fact that the Congress is only being asked to fund a third of the cost of the project, which has been estimated at $837 million.

"An enormous plus for the project," Shuster said, " is that a substantial amount of the property along the [proposed route of the light rail system] is already owned by the [commonwealth] government."

The congressman said that the modern technologies to be used in the light rail system also give the project a decided advantage for funding and, because of the Island's relationship with Latin America, would represent a bridge to that area for U.S. entrepreneurs.

"This project is ahead of anything else being done in the United States; that's why we support it," he said.

Obtaining the additional funding sought by Puerto Rico for the project should not be a problem, either, despite the Republican-dominated Congress' intention to cut spending.

The urban train project, he said, would be funded by the Highways and Transit Trust Fund, not the general fund. The trust fund is fed by taxes on gasoline and is used strictly for transit projects.

"There is money in the trust fund for high-priority projects . . . and I believe this is a very worthy project," Shuster said.

He said that his committee will be holding hearings later this month on the national highway system but did not expect that Puerto Rico's urban train project would come up "because we'll be dealing with problem areas."

Pesquera, who stood beside Shuster as he talked with reporters, said that Congress will be dealing with the national highway system issue for the next two years.

Please see TRAIN, Page 4



STAR photo by Frank Rivera

Rep. Bud Shuster, left, chairman of the House Infrastructure and Transportation Committee, said after a meeting with Gov. Rosselló at La Fortaleza Monday that Puerto Rico's urban train project should have no trouble getting millions in federal funds. At right is Transportation and Public Works Secretary Carlos Pesquera.

From Page 3

Train

trains operating by the summer of 2001.

The Rosselló administration hopes to begin construction of the first phase of the project — an 11.8-mile line that would serve Puerto Rico's capital city, San Juan, and its suburbs, Río Piedras, Bayamón, Cataño, Río Hondo and Santurce — by 1998 and have the first

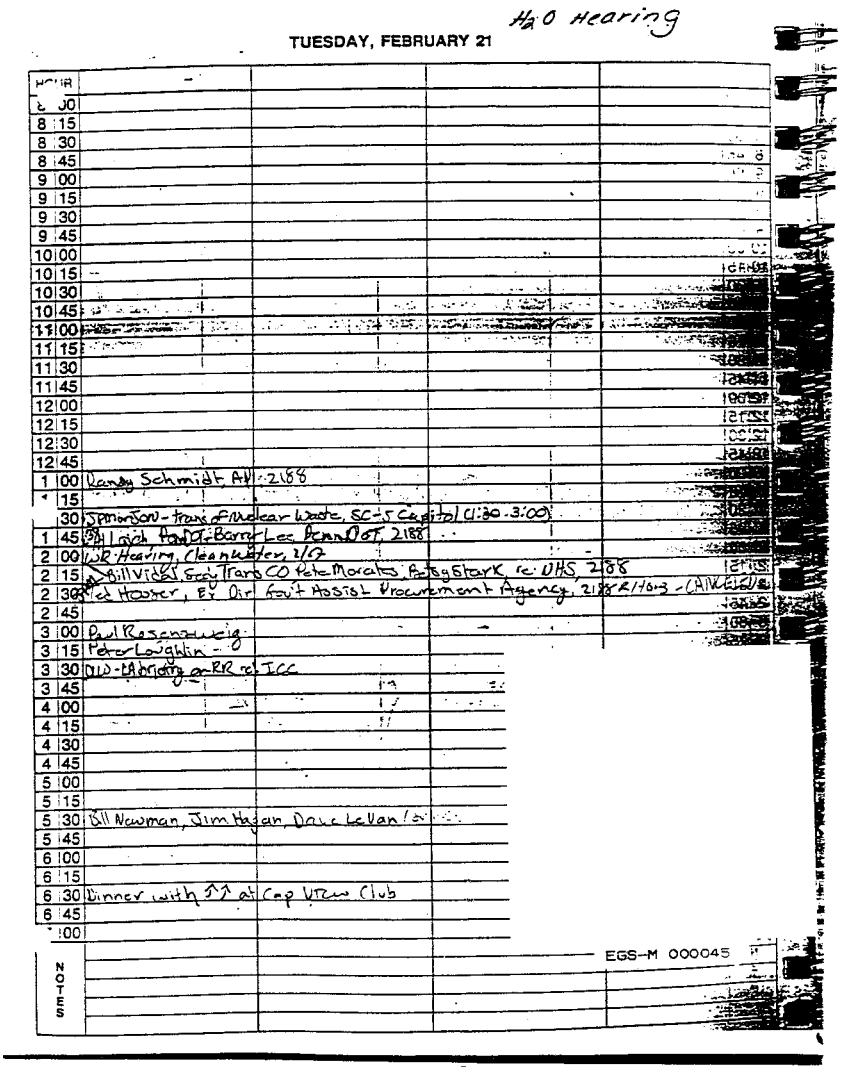
Shuster said the timetable, if it is met, would give Puerto Rico a leg-up in its effort to host the 2004 Olympic Games.

The congressman from Pennsylvania said he was familiar with Puerto Rico because he and his family had been vacationing on the island during the past 30 years.

"I have got Isabelle Friendly, Perpetual Assistance around the whole island," he said.

Guaynabo incinerator no... a 'done deal'

EXHIBIT 16



H_2O Hearing

TUESDAY, FEBRUARY 21

HOUR				
8 00				
8 15				
8 30				
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9 00				
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9 30				
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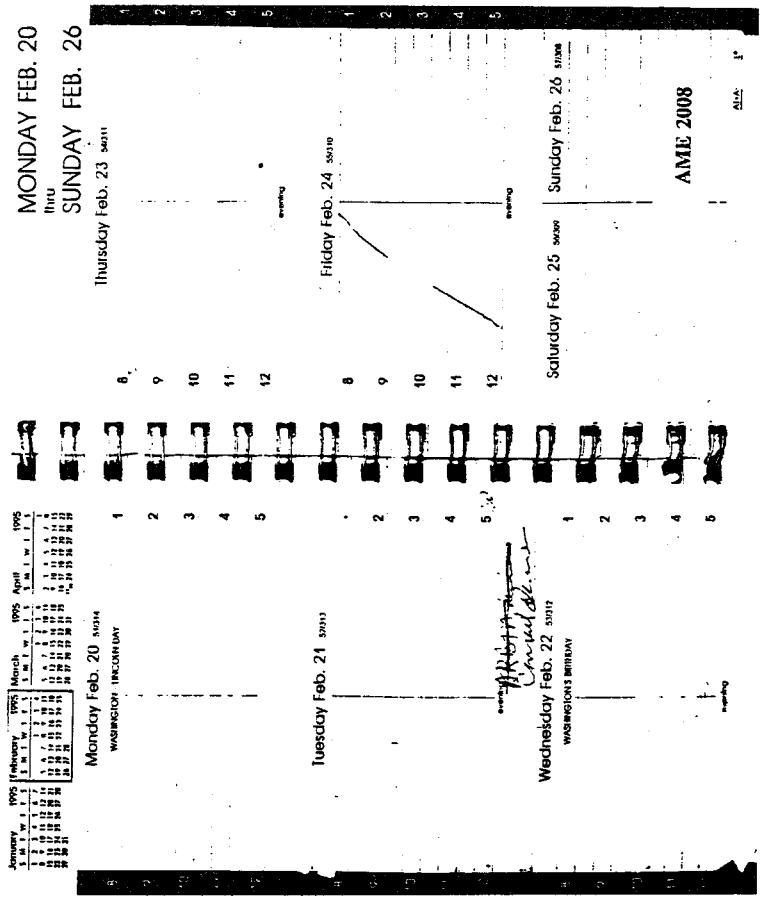
11 45				
12 00				
12 15				
12 30				
12 45				
1 00	Randy Schmidt, AP 2188			
1 15				
30	Spmon Jon - trans of Nuclear Waste, SC-5 Capitol (1:30-3:00)			
1 45	Al Loich, Pan DOT - Barry Lee, Penn DOT, 2188			
2 00	WR Hearing, Clean Water, 2/17			
2 15	Bill Vidal, Sec'y Trans CO Pete Morales, Betsy Stark, re: DHS, 2188			
2 30	Ted Hoover, Ex Dir Gov't Assist Procurement Agency, 2188 R/1603 - CANCELLED			
2 45				
3 00	Paul Rosenzweig			
3 15	Peter Loughlin -			
3 30	DLW - Liability on RR re: ICC			
3 45				
4 00				
4 15				
4 30				
4 45				
5 00				
5 15				
5 30	Bill Newman, Jim Hagan, Dave LeVan / [illegible]			
5 45				
6 00				
6 15				
6 30	Dinner with ↑↑ at Cap View Club			
6 45				
7 00				

NOTES

EGS-M 000045


MONDAY FEB. 20
thru
SUNDAY FEB. 26
Monday Feb. 20
Tuesday Feb. 21
Wednesday Feb. 22
Thursday Feb. 23
Friday Feb. 24
Saturday Feb. 25
Sunday Feb. 26
AME 2008

Date	Name/Business Connection	Location	Amount
06/30	Maureen Riehl-Consultant	Mayflower-DC	27.55
07/07	Cong. Shuster	Rainbow Room-NY	419.98
07/13	Emmett Jones-Donrey	The Williard Room	76.00
07/09	Vern Clark - VC&A	Mayflower-DC	17.03
07/20	Archie Amos-Penn Adv.	The Park Hyatt	34.05
	TOTALS		574.61

Date	Item Purchased	Reason	Amount
06/23	Airline Ticket	Credit	(200.10)
06/22	Long distance phone calls	business	8.37
06/22	Long distance phone calls	business	81.82
06/23	Airline ticket	NJF-Techno. Mtg	1287.00
06/23	Airline ticket	NJF-Gannett Mtg.	200.10
06/23	Airline ticket	Ron-Gannett Mtg.	200.10
06/23	Airline tickets	Kate/Paula - Gannett	400.20
06/26	Long distance phone calls	business	5.15
06/28	Long distance phone calls	business	41.21
07/05	Shuttle ticket	NJF - Shuster event	300.00
07/06	Gift basket	Ann Eppard	10.03
07/06	Gift basket	Cong. Shuster	15.30
07/13	Shuttle ticket	NJF - Staff mtg - NY	300.00
07/08	Airline guide	business	55.00
07/05	Train ticket	NJF	188.00
07/19	Airline ticket	NJF-Gannett	517.00
06/22	Long distance phone calls	business	58.61
	TOTAL		3667.89

EXHIBIT 17

EXHIBIT 18

WEDNESDAY, SEPTEMBER 27

HOUR				
8 00				
8 15				
8 30				
8 45				
9 00				
9 15				
9 30				
9 45				
10 00				
10 15				
10 30				
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11 00				
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11 45				
12 00				
12 15				
12 30				
12 45				
1 00	Arnie Havens, Diane Leibman, re: train presentation, 2188 RHOB			
1 15				
1 30	Dr. Graham Spanier, Ahu Pres PSU, re: meetgreet, 2188 Bob White 814 865 5[illegible]			
1 45				
2 00	[illegible] 2222 RHOB			
2 15				
2 30	Hastings [illegible], Graham, Norwood Shaffer, re: Nuclear Cleanup Report, 2188			
2 45				
3 00	Ed Hamberger, AI Sport Burlington Northern, re: labor, 2188			
3 15				
3 30				
3 45				
4 00				
4 15				
4 30				
4 45				
5 00	[illegible]			
5 15				43 [illegible] St SE
5 30	Petri German Bratwurst Fry w/ House GOP Leadership, [illegible]			
5 45	[illegible]			
6 00		2254		
6 15				
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7 00				
NOTES				

EGS-M 000232

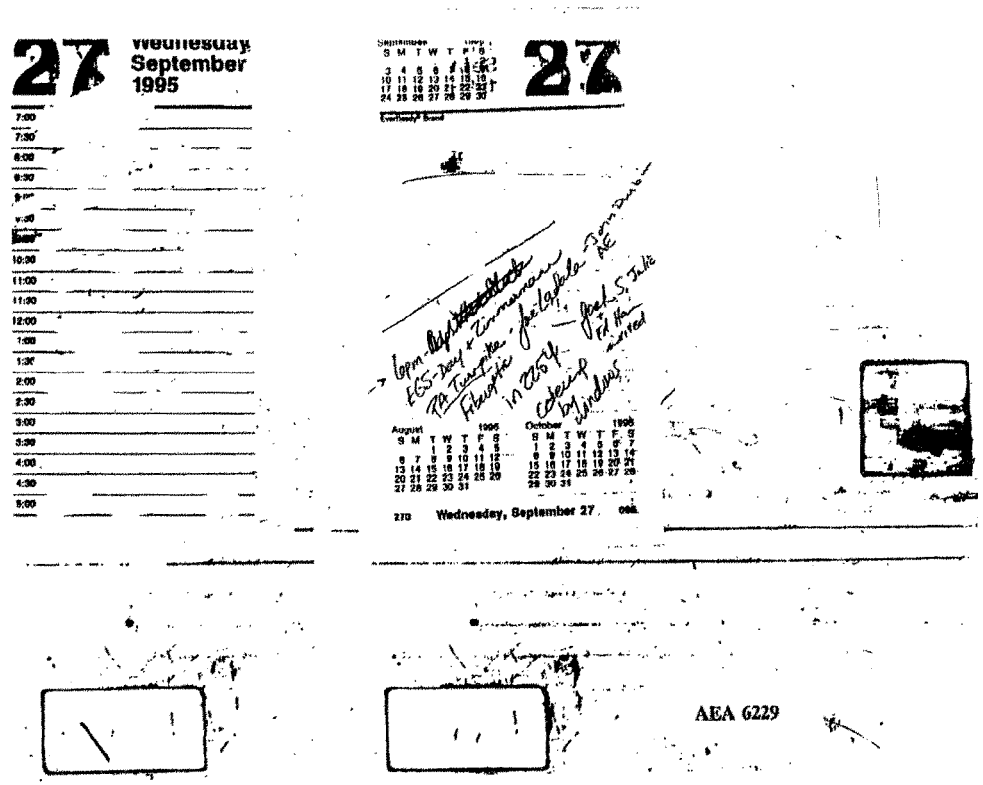

27
Wednesday
September
1995
27
Wednesday, September 27
AEA 6229

EXHIBIT 19

11:30

Tracy, Tues.

Ann called to set up a meeting for tomorrow at 11:30 am with Padisha Madda ~~Padisha Madda~~ Padisha Madda of the Japanese Export/Import Bank

Mr. Madda will be with [redacted]

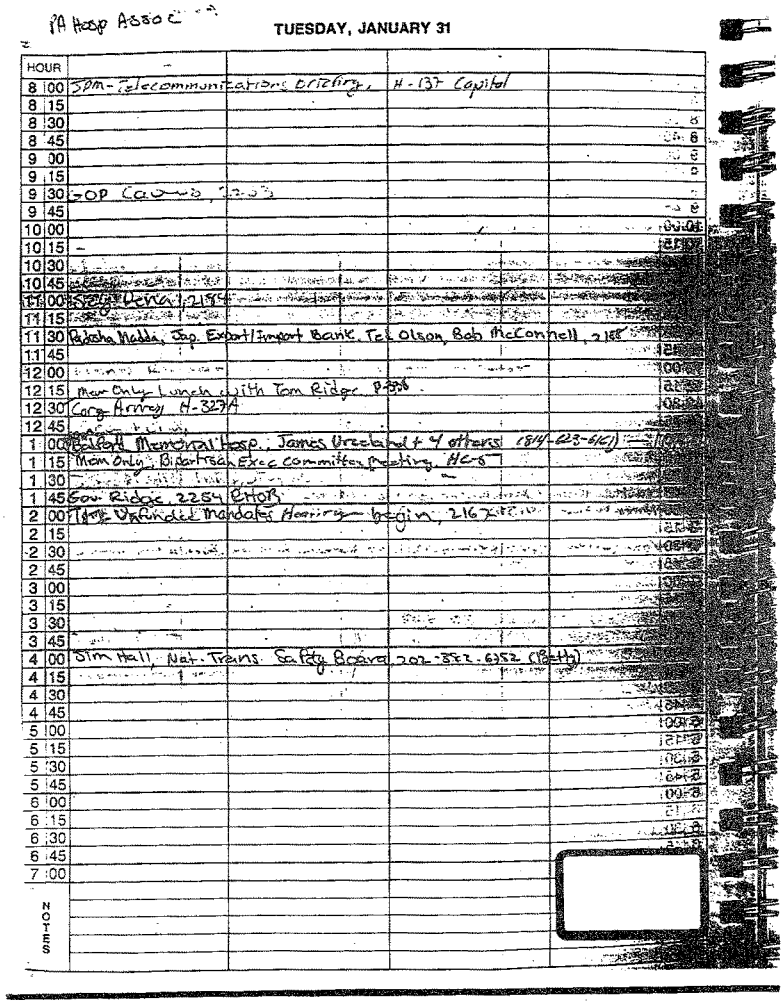
Ted Olsen or Bob McConnell

this has something to do with Amtrack. Glenn of T+I should be at the meeting. I don't believe he knows anything about this. The next time you talk to her please confirm because everything was given to me in a rush.

JPM

EGS-M 000992

EXHIBIT 20



PA Hosp Assoc

TUESDAY, JANUARY 31

HOUR				
8 00	SPM - Telecommunications briefing,		H-137 Capitol	
8 15				
8 30				
8 45				
9 00				
9 15				
9 30	GOP Caucus, 2203			
9 45				
10 00				
10 15				
10 30				
10 45				
11 00	Sec. Pena, 2154			
11 15				
11 30	Patrisha Nadda, Jap. Export/Import Bank, Tel Olson, Bob McConnell, 2188			
11 45				
12 00				
12 15	Mem Only Lunch with Tom Ridge P-338			
12 30	Corp Arrivy H-327A			
12 45				
1 00	Belford Memorial Hosp., James Vreeland + 4 others (814-623-6161)			
1 15	Mem Only, Bipartisan Exec Committee meeting, HC-5			
1 30				
1 45	Gov. Ridge, 2254 RHOB			
2 00	Tom Unfunded Mandates Hearing begin, 2167			
2 15				
2 30				
2 45				
3 00				
3 15				
3 30				
3 45				
4 00	Jim Hall, Nat. Trans. Safety Board, 202-382-6752 (Betty)			
4 15				
4 30				
4 45				
5 00				
5 15				
5 30				
5 45				
6 00				
6 15				
6 30				
6 45				
7 00				
NOTES				

EXHIBIT 21

Oct 14 '95

Tracy

Participate?

FYI

August 16, 1995

Honorable Bud Shuster
U.S. House of Representatives
Washington, DC 20515

Press?

[redacted]

Dear Bud:

Thank you for your July 18, 1995, letter regarding the upcoming "Railfest" to be held in Altoona this October.

We are currently working with various ideas to display our new equipment. As you know, after September 10, passengers boarding at Altoona for points west of Pittsburgh will be accommodated with new Superliner equipment. As part of our promotion of this service, we hope to have a Superliner display at Altoona for the Railfest. We are also working with Conrail and the Altoona Railroaders Memorial Museum to run several excursion trips between Altoona and Gallitzin, which will allow our train to round the famous "Horse Shoe Curve." We are very excited to be participating in this event, and it is my hope that the Railfest will be a tradition that will continue well into the future.

Thank you for your interest in this matter. If you have any additional concerns, please let me know.

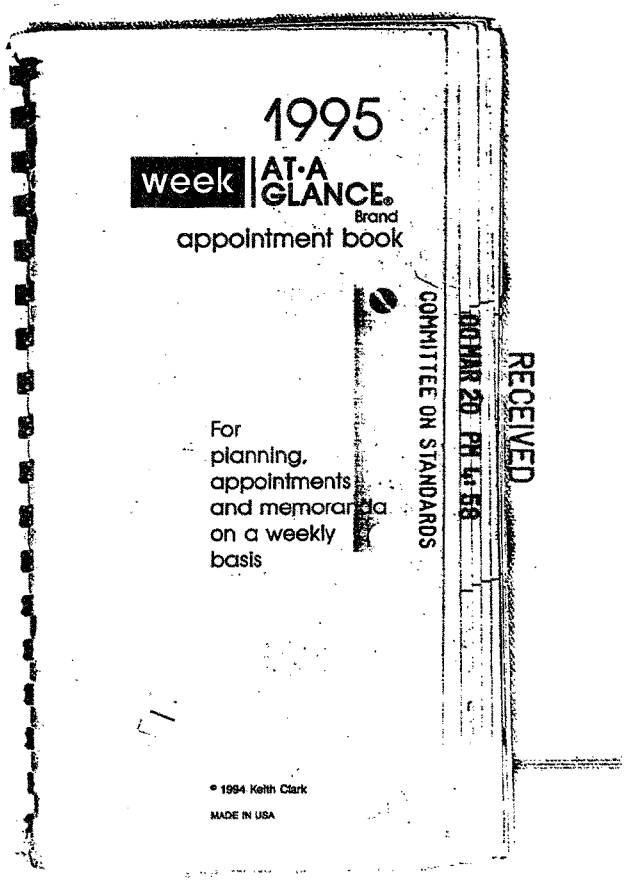
Sincerely,

Thomas M. Downs
President

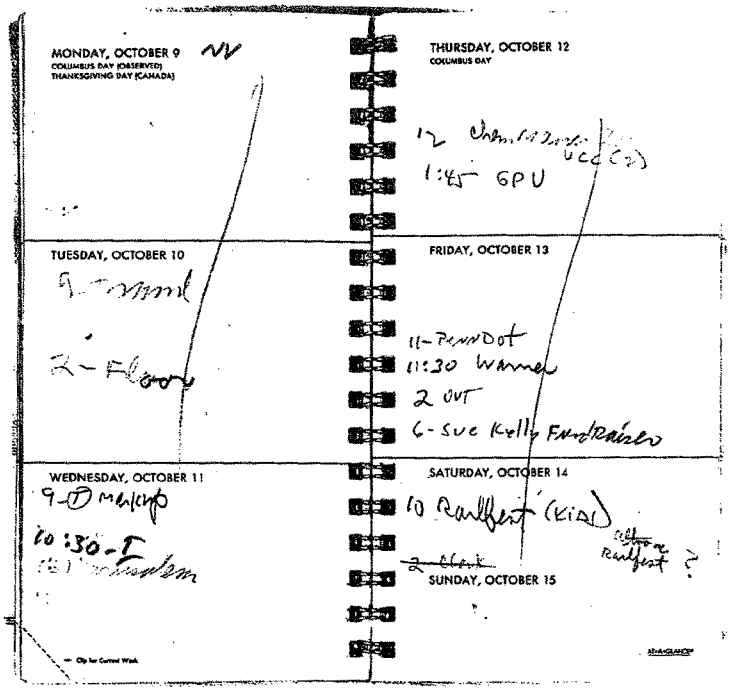
Superliner & Equipment
Train around curve for sides

AN EQUAL OPPORTUNITY EMPLOYER

EXHIBIT 22


1995
week AT·A GLANCE® Brand
appointment book
For planning, appointments and memoranda on a weekly basis
© 1994 Keith Clark
MADE IN USA
COMMITTEE ON STANDARDS
RECEIVED
96 MAR 20 PM 4:56

MONDAY, OCTOBER 9 NV
COLUMBUS DAY (OBSERVED)
THANKSGIVING DAY (CANADA)



TUESDAY, OCTOBER 10
9 - [illegible]
2 - Floor

WEDNESDAY, OCTOBER 11
9 - (T) Markup
10:30 - T
(E) [illegible]

THURSDAY, OCTOBER 12
COLUMBUS DAY
12 [illegible] UCC (2)
1:45 GPU

FRIDAY, OCTOBER 13
11 - Penn Dot
11:30 Warner
2 OUT
6 - Sue Kelly Fundraiser

SATURDAY, OCTOBER 14
10 Railfest (KIDS)
~~2 Clark~~
Railfest ?

SUNDAY, OCTOBER 15

← Clip for Current Week

EGS-C 000044

EXHIBIT 23

Pennsylvania Turnpike Commission

2400 Ardmore Boulevard Suite 800 ◆ Pittsburgh, PA 15221-5232 ◆ (412) 271-7191 FAX (412) 271-6996

May 13, 1995

Honorable E. G. (Bud) Shuster
U. S. House of Representatives
District 9
R. D. #2 Box 711
Altoona, PA 16601

Dear Congressman Shuster,

The Pennsylvania Turnpike Commission cordially invites you to the groundbreaking ceremony for the 17-mile Mon/Fayette Expressway from Interstate 70 in Washington County to State Route 51 in Allegheny County. In addition, we would also like for you to participate by making some remarks at the ceremony. An informational packet will be forwarded to you outlining the planned activities and information about the project, if you choose to participate.

DATE: June 2, 1995

TIME: 11:00 a.m. - Informal Reception with lite luncheon to follow.

LOCATION: The groundbreaking is being held at the interchange of Interstate 70 and Toll 43 in Fallowfield Township, Washington County near Speers and Charleroi.

The Mon/Fayette Expressway from Interstate 70 to State Route 51 will begin at the interchange between Interstate 70 and Toll 43, west of Speers Borough in Washington County. It will extend generally northward, west of the Monongahela River and the Mon Valley communities of Donora, Charleroi, Monongahela and New Eagle connecting with State Route 51 in the community of Large in Jefferson Borough, Allegheny County. Interchanges will provide access to Interstate 70, Coyle-Curtain Road, PA Route 136 near Ringgold High School, Finleyville-Elrama Road near Gastonville and PA Route 51.

The initial construction contract ($3.9 million) was awarded to Mashuda Corporation of Butler County. It will include construction of a bridge and approaches to carry a relocated section of Fallowfield Township Road 814 (Kennedy Road) over the future expressway. The Mon/Fayette Expressway from Interstate 70 to State Route 51 is expected to cost $477 million and be open to traffic in late 1998.

Attached is a map detailing the location of the groundbreaking ceremony. For more information, please call Tom Fox, Public Involvement Program Manager at (412) 271-7191.

JOIN US FOR THE CELEBRATION !

EGS-M 001346

EXHIBIT 24

AME rec. Yes

NATIONAL ASSOCIATION OF FLOOD AND STORMWATER MANAGEMENT AGENCIES
1225 Eye St., N.W., Suite 300 • Washington, D.C. 20005 • (202) 682-3761

May 5, 1995

Nov 2 (THIO)
12:15 pm

Rep. Bud Shuster
Chairman
Transportation & Infrastructure Committee
U.S. House of Representatives
Room 2188 Rayburn House Office Building
Washington, D.C. 20515

Thurs — Y / N

Dear Chairman Shuster:

The National Association of Flood and Stormwater Management Agencies (NAFSMA) would like to invite you to address attendees at the association's 1995 Annual Meeting, which will be held November 1 through 4 in the nation's capital. In particular, we are inviting you to speak at lunch on Friday, November 3, 1995. The November 3 luncheon is scheduled for 12:15 to 1:30 p.m. If Friday isn't possible, we could adjust the schedule to have you speak at Thursday's lunch instead. The meeting will be at the Hyatt Regency on Capitol Hill and we are expecting from 150-200 attendees.

The attendees are primarily the directors of large public works agencies nationwide, as well as federal government attendees and representatives of other public interest groups in town.

NAFSMA participated in the stormwater task force that your committee staff formed as part of the drafting process for the Clean Water Act Amendments (H.R. 961) and we appreciate the opportunity we have had to actively participate in this process. We would like to have you talk about Clean Water Act issues (particularly stormwater and wetlands), as well as the Water Resources Development Act and any other flood control related legislation that may be before the committee in the next few months.

As an example of the format for our Annual Meeting, attached is last year's program. Key to this year's meeting is a planned stormwater workshop, which we expect to be cosponsored by EPA, on November 1. We are also holding a congressional reception Wednesday night, November 1.

As background, NAFSMA is a national non-profit association of municipalities, special purpose districts and state agencies. Its members represent a broad nation-wide spectrum of flood control, water conservation, stormwater management, wastewater, and other water related districts, bureaus, departments and other instruments of state and local government. Our members, both individually and as an association, work closely with the Corps of Engineers and U.S. EPA and the association has sponsored a number of joint endeavors with the Corps. Examples of this joint cooperation include the 1989 Scottsdale Conference on Partnership and most recently, the Joint NAFSMA/Corps o. Engineers Partnership Task Force, of which the Project Cooperation Agreement for structural flood control projects initially released in August 1992 was a product. We have also worked closely with EPA officials working with the federal stormwater management program.

We are eager to have you participate in NAFSMA's 1995 Annual Meeting. I will contact your staff next week to discuss this invitation and to see if you have any questions. In the meantime, thank you for your consideration and please feel free to have your staff call me with any questions at 202-682-3761, ext. 239.

I hope that you will be able to join us.

Sincerely,

Susan Gilson
Executive Director

Ann Eppard Associates, Ltd.
19 Wilkes Street, Alexandria, VA 22314 Phone 703-739-2545 FAX: 703-739-2718

FAX Cover Sheet

Date: August 1, 1995

To: Tracy Moseby

Company Name:

FAX# (202) 225-2486

Total number of pages, including cover sheet: 3

From: James Hedding

Call (717) 233-7747 if there are any problems with this transmission.

COMMENTS:

Linton Mields Reisler & Cottone, Inc.
A Carmen Group Affiliate

Internal Memo

To: David Carmen

From: Joci Shrewder

cc: Susan Gilson

Date: 7/18/95

Subject: Request for Shuster at NAFSMA 1995 Annual Meeting November 1-4

Attached is a copy of the original letter of invitation sent to Congressman Shuster.

Congressman Pombo (R-CA), Chairman of the House Endangered Species Task Force, has been confirmed as a guest speaker during the conference.

Dr. Zirschky, Assistant Secretary of the Army for Civil Works, has been confirmed as a guest speaker.

Bob Perciasepe, Assistant Administrator for Water at EPA, is invited and still unconfirmed. Gi the EPA has agreed to sponsor the workshop, he will probably accept the invitation unless he h major scheduling conflict.

Let me know if you need additional information.

EGS-M 001489

Board of Directors Dinner Meeting
Tuesday, October 31, 1995 6:30 - 9:00 p.m.

Wednesday, November 1, 1995

National Stormwater Workshop
Cosponsored by U.S. EPA
"What works and what could be improved in NPDES stormwater permits"

7:45 a.m. Registration

8:00 - 10:00 a.m. General Session
Background and Case Studies

10:00 - 12:00 p.m. Breakout Session

1:30 - 3:30 p.m. Breakout Session

Local participants will be grouped with EPA and state attendees in regionalized discussions to insure that workshop sessions address the concerns of both the regulated and regulatory communities. Details will be recorded & published.

4:00 - 5:00 p.m. Report on Discussions & Development of Program Recommendations

6:00 - 7:30 p.m. Congressional Reception
Gold Room, Rayburn House Office Building
Cosponsored by Ogden Engineering, all registrants are invited.

Thursday, November 2, 1995

Water Resources Session

8:00 a.m. Registration

8:30 a.m. Water Resources Development Act of 95 and Flood Control Reform Initiatives
Michael Strachn, Majority Staff Director
House Water Resources and Environment Subcommittee
Jo Ellen Darcy, Minority Staff Assistant
Senate Drinking Water, Fisheries & Wildlife Subcommittee

9:30 a.m. Corps of Engineers Restructuring and Budget Issues
Hon. Dr. John A. Zirschky
Acting Assistant Secretary of the Army (Civil Works)

10:00 a.m. Break

10:30 a.m. Program Management Issues and Perspectives
Don Cluff, Chief, Program Management
US Army Corps of Engineers

11:00 a.m Current Real Estate Issues
Laura Ouverson Norman, Chief of Acquisition
Directorate of Real Estate, Corps of Engineers

12:00 - 1:00 p.m. Luncheon
Keynote Speaker: Hon. Bud Shuster (R-PA), Chairman

Regulatory Session

1:30 p.m. Section 404 Developments
Mike Davis, Chief, Regulatory Division
U.S. Army Corps of Engineers

2:00 p.m. Tulloch Rule and Endangered Species Litigation
Speaker to be announced

2:30 p.m. Endangered Species Act Reauthorization
Rep. Richard Pombo (R-CA)
Chairman, House Task Force on Endangered Species
Member, House Resources Committee

3:00 p.m. Endangered Species Federal Regulatory Changes
Hon. Robert P. Davison
Deputy Assistant Secretary for Fish and Wildlife and Parks
U.S. Department of the Interior

3:30 p.m. Break

3:45 p.m. City of San Diego's Multiple Species Conservation Program
Bob Cain, City of San Diego
Jerry Stalcup, Ogden Engineering

4:15 p.m. Critical Federal Emergency Management Agency Issues
Panel discussion of local flood control program issues

6:30 - 8:30 p.m. Reception
U.S. Navy Memorial
Cosponsored by Michael Baker, Jr., Inc.
All registrants are invited

Friday, November 3, 1995

Stormwater Policy Session

8:00 a.m. The Status of Clean Water Act Reauthorization
Jimmie Powell, Majority Staff Assistant (Invited)
Senate Environment and Public Works Committee

The Governors' Perspective
Tom Curtis, National Governors' Association

The Local Perspective
Carol Kocheisen, National League of Cities

9:00 a.m. Urban Wet Weather Federal Advisory Committee Update

Doug Harrison, NAFSMA President and FACA representative

Michael Cook, Director
Office of Wastewater Management, U.S. EPA
Stormwater Phase II Subcommittee

Scott Tucker, NAFSMA Stormwater Committee Chairman and Phase II Subcommittee member

9:45 a.m. The Role of the Urban Water Resources Institute
Kevin McCarty, Assistant Executive Director
U.S. Conference of Mayors

10:15 a.m. Break

10:30 a.m. Committee Meetings

Stormwater, Corps Liaison, FEMA Liaison and Watershed Management Committees to meet during this period.

12:30 - 1:30 p.m. Luncheon
Keynote Speaker
Robert Perciasepe (Invited)
Assistant Administrator for Water, U.S. EPA

2:00 p.m. General Motors Litigation
Jim Walle, GM Legal Counsel

New Initiatives Session

2:45 p.m. Watershed Management and its Relation to Urban Wet Weather Issues
James E. Murray, Director
Department of Environment
Wayne County Michigan

3:15 p.m. CZARA/CZMA as a Stormwater Management Tool
Rod Frederick, Chief
Urban Sources Section, U.S. EPA

3:45 p.m. Break

4:00 p.m. Flood Control Reform/ FEMA Issues
Speaker to be announced

5:00 - 6:00 p.m. General Business Session
Adjournment

Saturday, November 4, 1995

10:00 a.m. - 2:30 p.m. Group Tour
US Holocaust Memorial Museum

[illegible] secured a special room rate of $135 f[illegible] at the Hyatt Regency Washington on Capi[illegible] [illegible] Oct. 6, 1995. Call (202) 73[illegible] [illegible] and be sure to mention NAFSMA.

[illegible] located just blocks from [illegible] Washington, [illegible] National Airp[illegible] [illegible] from the Union Station Met[illegible] [illegible] convenient to most Washingt[illegible] [illegible]marks.

EGS-M 001490

NAFSMA 1995 Annual Meeting Update

November 1-4, 1995 • Hyatt Regency on Capitol Hill • Washington, D.C.

Congressman Bud Shuster, Congressman Richard Pombo, U.S. EPA Assistant Administrator for Water Robert Perciasepe, Assistant Secretary of the Army (Civil Works) and Many Others Confirmed to Address NAFSMA Annual Meeting

NAFSMA's upcoming Annual Meeting is going to be one of the association's strongest programs offered. Congressman Bud Shuster (R-PA), chairman of the House Committee on Transportation and Infrastructure, has confirmed that he will make the meeting's keynote address during the luncheon that will be held on Thursday, November 2. Chairman Shuster, a twelve-term member of the United States House of Representatives, spearheaded the drafting and House adoption of H.R. 961, the *Clean Water Act Reauthorization* bill. In addition to the *Clean Water Act*, his committee is also responsible for the *Water Resources Development Act* which is due for reauthorization this year, as well as other water resources issues.

Congressman Richard Pombo (R-CA), a member of the House Resources Committee and chairman of the House Task Force charged with reauthorization of the *Endangered Species Act* (ESA) will also address attendees at the NAFSMA Annual Meeting. On September 7, House Resources Committee Chairman Don Young (R-AK), with Rep. Pombo as co-sponsor, introduced legislation to reform the ESA. The proposed bill, the *Endangered species Conservation and Management Act of 1995* (H.R. 2275), was recently marked up in committee.

Also confirmed to speak at the upcoming meeting on endangered species issues is the Honorable Robert P. Davison, Deputy Assistant Secretary for Fish and Wildlife and Parks at the U.S. Department of Interior. NAFSMA is also pleased to announce that the U.S. Environmental Protection Agency's Assistant Administrator for Water, Robert Perciasepe, has also agreed to address meeting attendees and he will be speaking at the luncheon on Friday, November 3. Discussing recent Corps of Engineers restructuring and budget issues on Thursday, November 2 will be the Honorable Dr. A. Zirschky, Assistant Secretary of the Army (Civil Works).

There is still time to register for this important national meeting. Please fax the registration form provided below as soon as possible if you plan to attend. For more agenda details and hotel information, please contact Shannon Harton, NAFSMA Membership Coordinator at 202/682-3761, ext. 226. The Hyatt Regency (202/737-1234) is located just blocks from the Capitol at 400 New Jersey Ave., NW, Washington, D.C. 20001. We look forward to seeing you in Washington!

REGISTRATION

1995 *NAFSMA* Annual Meeting

November 1-4, 1995 • Hyatt Regency Capitol Hill, Washington, DC

Registration *before* Oct. 13,1995 (additional $50 for all registrations postmarked after 10/13/95)

☐ $350 / Public ☐ $400 / Private

☐ **Please Reserve a ticket to the Sat, Nov. 4 tour of the US Holocaust Memorial Museum**

Name _____

Title _____

Agency _____

Address _____

_____ EGS-M 001492 _____

Phone _____

FAX _____

Return to 1225 Eye Street, Suite 300 • Washington, DC 20002 or fax (202)842-0621

Call Membership Services Coordinator Shannon Harton at (202) 682-3761 if you have any questions. Payment must be received prior to commencement of the meeting. Cancellations received five business days or more before the meeting are entitled to reimbursement of the registration fee less a $50 processing fee. Cancellations received less than five days before the conference are not entitled to a refund.

EXHIBIT 25

Linton Mields Reisler & Cottone, Inc.
A Carmen Group Affiliate

Internal Memo

To: David Carmen

From: Joci Shrewder

cc: Susan Gilson

Date: 7/18/95

Subject: Request for Shuster at NAFSMA 1995 Annual Meeting November 1-4

Attached is a copy of the original letter of invitation sent to Congressman Shuster.

Congressman Pombo (R-CA), Chairman of the House Endangered Species Task Force, has been confirmed as a guest speaker during the conference.

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Let me know if you need additional information.

EGS-M 001489

EXHIBIT 26

Ann Eppard Associates, Ltd.
19 Wilkes Street, Alexandria, VA 22314 Phone 703-739-2545 FAX: 703-739-2718

March 17, 1995

Mr. George C. Tagg
Government Affairs
Federal Express Corporation
300 Maryland Avenue, NE
Washington, DC 20002

Re: Consulting Agreement

Dear George:

I have signed the enclosed original agreements and hereby return them to you. Please note that I have added and initialed one amendment to Section 2(b) regarding Term and Termination. Please initial your agreement.

I am delighted, George, that we have been able to come to agreement on this consulting contract and very much look forward to a mutually rewarding professional relationship.

Enclosed are Invoices for February and March 1995. I look forward to hearing from you in the near future.

I have these.

Sincerely,

Ann M. Eppard

Ann M. Eppard
President

Contract No. 95-0790

CONSULTING AGREEMENT

000035

THIS CONSULTING AGREEMENT, made as of the 1st day of March, 1995 between FEDERAL EXPRESS CORPORATION ("Federal") and ANN EPPARD ASSOCIATES, LTD. ("Consultant").

RECITALS

1. Federal desires to engage Consultant to perform the services described in this Agreement.

2. Consultant is willing and able to perform the services for Federal in accordance with the terms of this Agreement.

FOR AND IN CONSIDERATION of the mutual covenants contained in this Agreement, Federal and Consultant (the "parties") agree as follows:

Section 1. Scope of Work. In consideration of Federal's payments under this Agreement, Consultant shall perform in accordance with the terms of this Agreement the services described in Exhibit A (the "Work").

Section 2. Term and Termination. (a) The term of this Agreement (the "Term") shall commence on February 1, 1995 and shall expire when the Work is completed, which shall not be later than January 31, 1996 (the "Completion Date").

(b) Federal shall have the unlimited right to terminate this Agreement before the Completion Date by giving written notice to Consultant. In such event, Consultant shall be entitled only to portions of the Fee earned and Reimbursables actually incurred as of the effective date of termination.

Section 3. Consultant's Fee. In consideration of Consultant's complete performance of the Work in accordance with this Agreement, Federal shall pay Consultant a fee (the "Fee") determined in accordance with Exhibit B, and payable as provided in Exhibit B. However, no portion of the Fee shall be payable unless properly documented in accordance with Section 6.

Section 4. Taxes. Unless otherwise provided in Exhibit B, the Fee includes the amount of any present or future sales, use, excise or other similar tax applicable to the performance of the Work ("Tax"), and Federal shall have no responsibility for the payment of any such Tax.

Section 5. Reimbursables. In addition to the Fee, Federal shall reimburse Consultant for reasonable and necessary expenses incurred by Consultant in the performance of the Work ("Reimbursables") up to the Maximum Reimbursable Amount specified in Exhibit B. Reimbursables for travel expenses will be paid only in accordance with Federal's policy for the payment of expenses to its own employees, a copy of which will be provided to Consultant upon request. Any expenses incurred by Consultant in excess of the Maximum Reimbursable Amount shall not be deemed Reimbursables, and no Reimbursable claimed will be payable unless properly documented in accordance with Section 6.

000036

Section 6. Invoices and Payment. (a) Consultant shall invoice Federal for sums payable under this Agreement as provided in Exhibit B. Consultant shall submit to Federal an invoice (if requested, an original and two copies) for Work completed and Reimbursables incurred during the invoice period. Consultant's invoices must be accompanied by copies of invoices from its subcontractors, suppliers, materialmen and vendors (if any), together with complete documentation of any Reimbursables claimed and any other documentation as may be requested by Federal for its proper review of Consultant's invoice.

(b) Federal shall promptly review Consultant's invoice and approve for payment such amounts as Federal reasonably determines to be properly due under the Agreement. Payment by Federal shall be made within thirty (30) days of Federal's receipt and approval of Consultant's invoice. Federal shall state in writing its reason for withholding any or all of the monies requested by Consultant.

Section 7. Right of Audit. Consultant shall keep full and accurate records and documentation to substantiate the amounts claimed in any invoice, which records shall be made available to Federal at all times. In addition, Consultant's records shall be open to audit by Federal or any authorized representative of Federal during the term of this Agreement and until two years after completion of the Work or earlier termination of this Agreement, whichever occurs first.

Section 8. Right to Withhold Payments. In addition to its right to withhold payments under Sections 5 and 6, Federal may withhold any payment in whole or part to protect itself from (i) defective or unsatisfactory performance of the Work by Consultant, (ii) third-party claims filed or reasonable evidence indicating probable filing of third-party claims arising from Consultant's performance of the Work, (iii) failure of Consultant to make payments properly to any of its subcontractors, or (iv) evidence of fraud, overbilling or over-payment discovered upon audit.

Section 9. Independent Contractor Relationship. The parties intend that an independent contractor relationship will be created by this Agreement. Federal is interested only in the results of Consultant's work and shall not exercise any control over the conduct or supervision of the Work or the means of its performance. Consultant shall have full responsibility for the payment of all federal, state and local taxes and contributions, including penalties

and interest, imposed pursuant to unemployment insurance, social security, income tax, workers' compensation or any other similar statute, and Consultant shall be solely responsible for any liability to third parties resulting from the negligent or intentional acts or omissions of Consultant, its agents, employees or subcontractors arising from or occurring in the course of the Work.

Section 10. Disclosure of Information. Consultant acknowledges that certain of Federal's valuable, confidential and proprietary information may come into Consultant's possession. Accordingly, Consultant agrees that all such information furnished to Consultant by Federal shall remain the exclusive property of Federal, and agrees to hold all information it obtains from or about Federal in strictest confidence, not to use such information other than for the performance of the Work, and to cause any of its employees or subcontractors to whom such information is transmitted to be bound to the same obligation of confidentiality to which Consultant is bound. Consultant shall not communicate Federal's information in any form to any third party without Federal's prior written consent. In the event of any violation of this provision, Federal shall be entitled to preliminary and permanent injunctive relief as well as an equitable accounting of all profits or benefits arising out of such violation, which remedy shall be in addition to any other rights or remedies to which Federal may be entitled.

Section 11. Indemnification. Consultant agrees to indemnify, defend and hold harmless Federal, its directors, officers and employees from any and all liabilities, damages, losses, expenses, demands, claims, suits or judgments, including reasonable attorneys' fees and expenses, in any way related to Consultant's negligence or willful misconduct in connection with the performance of the Work, including but not limited to any claim for payment made by a subcontractor, agent or employee of Consultant, or any claim arising out of the breach by Consultant of any covenants, warranties or representations contained in this Agreement. Consultant's obligation to so indemnify, defend and hold harmless Federal shall survive the expiration or earlier termination of this Agreement.

Section 12. Insurance. Consultant shall maintain such insurance, including workers' compensation, public liability, property damage and automobile liability insurance, sufficient to protect itself and Federal against all losses and damages for which Consultant may be liable under this Agreement. Consultant will, if requested, produce a certificate of insurance showing that the necessary coverage is currently in force, and that such coverages cannot be altered or canceled without thirty (30) days' written notice to Federal.

Section 13. Ownership of Documents. (a) Consultant agrees that all formulae, processes, machines, compositions of matter (or improvements thereof), computer programs, know-how, discoveries, techniques, drawings, specifications, renderings and all other documents, data and materials ("Materials") in any way related to the Work produced by Consultant for Federal pursuant to this Agreement shall be the sole property of Federal and shall be delivered to Federal upon its request but in any event upon the expiration or earlier termination of this Agreement.

(b) Consultant hereby assigns to Federal any right now held or hereafter acquired by Consultant in the Materials including, but not limited to, any copyright, patent or other statutory or common law protection. Consultant agrees to assist Federal in every proper way to obtain and, from time to time, enforce any copyrights, patents or other statutory or common law protections for the Materials, including but not limited to, the execution of all documents necessary for Federal to apply for and obtain such copyrights, patents and other statutory or common law protections and enforcing the same, together with any assignments thereof to Federal. Consultant agrees that the obligations stated under this Section 13 shall survive the expiration or earlier termination of this Agreement.

(c) Consultant represents and warrants that the Materials and the Work are wholly and exclusively original with Consultant; that Consultant has the full right and power to make this Agreement; that there exists no adverse claim to the Materials or Work or any rights therein; and, that neither the Work nor Materials nor Federal's ownership and use thereof infringe upon any patent or copyright or any other personal or property right of any person, firm or corporation.

Section 14. Standard of Performance. The Work shall be performed in a good, workmanlike manner in accordance with the standards of Consultant's profession and such other accepted standards as may be applicable to Work of this kind.

Section 15. Changes in Work. (a) Federal may order extra work or make changes by altering, adding to or deducting from the Work by signing a change order in the form of Exhibit C ("Change Order"). Work pursuant to a valid Change Order shall be performed subject to the conditions of this Agreement.

(b) Federal also by written instruction to Consultant may make changes in the Work not involving extra cost and not inconsistent with the purposes of the Work without execution of a Change Order, but otherwise, no extra Work shall be done or changes made unless pursuant to a Change Order, and no claim for an addition to the Fee, an increase in the Maximum Reimbursable Amount or an extension of the Completion Date shall be valid unless so ordered in a signed Change Order.

(c) Upon receipt of a written request from Federal for changes in the Work or for extra work which would affect the Fee, the Maximum Reimbursable Amount or the Completion Date, Consultant shall submit a statement detailing Consultant's proposal for accomplishing the changes proposed by Federal and the effect, if any, on the Fee, the Maximum Reimbursable Amount and the Completion Date. If Federal accepts Consultant's proposal, a Change Order shall be executed by the parties to effect the Work, the Fee, Maximum Reimbursable Amount and Completion Date, as agreed.

Section 16. Compliance with Laws. (a) Consultant agrees that it will co[illegible] with all applicable federal, state, and local l[illegible]

000039

regulations, and codes in the performance of this Agreement. To the extent applicable to Consultant, it agrees to comply with the affirmative action requirements applicable to contracts with government contractors, as set forth in Title 41 of the Code of Federal Regulations and incorporated into this Agreement by reference.

(b) Consultant agrees to indemnify, defend and hold harmless Federal, its officers, directors and employees from and against any and all claims, losses, demands, actions, administrative proceedings, liabilities and judgments, including reasonable attorneys' fees and expenses, arising from Consultant's or its subcontractor's failure to comply with the provisions of this Section.

Section 17. Miscellaneous. (a) Assignment. This Agreement shall inure to the benefit of and be binding upon each of the parties and their respective successors and assigns, but neither the rights nor the duties of either party under this Agreement may be voluntarily assigned or delegated without the prior written consent of the other party, except that Federal may assign all or any part of its rights and delegate its duties under this Agreement to a wholly-owned subsidiary.

(b) Section Headings. All section headings and captions used in this Agreement are purely for convenience and shall not affect the interpretation of this Agreement.

(c) Exhibits. All exhibits described in this Agreement shall be deemed to be incorporated in and made a part of this Agreement, except that if there is any inconsistency between this Agreement and the provisions of any exhibit the provisions of this Agreement shall control. Terms used in an exhibit and also used in this Agreement shall have the same meaning in the exhibit as in this Agreement.

(d) Applicable Law. This Agreement shall be governed by and interpreted in accordance with the laws of Tennessee, and the parties submit to the jurisdiction of any appropriate court within Tennessee for adjudication of disputes arising from this Agreement.

(e) Modification. Except as otherwise provided, this Agreement shall not be modified except by written agreement signed on behalf of Federal and the Consultant by their respective authorized officers.

(f) Exclusive Agreement. This Agreement supersedes all prior understandings, representations, negotiations and correspondence between the parties, constitutes the entire agreement between them with respect to the matters described, and shall not be modified or affected by any course of dealing, course of performance or usage of trade.

(g) Severability. If any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired.

Exhibit A

to that certain

Consulting Agreement

between

Federal Express Corporation
("Federal")

and

Ann Eppard Associates, Ltd.
("Consultant")

C.000

SCOPE OF WORK

In accordance with the Consulting Agreement dated March 1, 1995, between Federal and Consultant, Consultant shall perform Legislative consulting services (specializing in the U.S. Transportation Committee) as may be directed from time to time by Federal and such other related tasks as Federal may reasonably require in connection therewith.

Exhibit B

to that certain

Consulting Agreement

between

Federal Express Corporation
("Federal")

and

Ann Eppard Associates, Ltd.
("Consultant")

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FEE, MAXIMUM REIMBURSABLE AMOUNT AND PAYMENT PROCEDURE

A. FEE. Federal will pay the Consultant in current funds for complete performance of the Work, subject to additions and deductions by Change Order or as otherwise provided in the Agreement, an amount not to exceed Sixty Thousand Dollars ($60,000.00).

The Fee is determined based upon a monthly payment to Consultant of Five Thousand Dollars ($5,000.00) for a maximum of twelve (12) months.

B. FEE PAYMENT PROCEDURE. The Fee is payable on a monthly basis for Work performed and net thirty (30) days after Federal's receipt and acceptance of an invoice therefor as provided in the Agreement.

C. The Maximum Reimbursable Amount is Five Thousand Dollars ($5,000.00).

D. Invoices shall be submitted by the Consultant to the following address:

Federal Express Corporation
300 Maryland Avenue N.E.
Washington, D.C. 20002
Attn.: George Tagg

Exhibit C
to that certain
Consulting Agreement
between

Federal Express Corporation
("Federal")

and

Ann Eppard Associates, Ltd.
("Consultant")

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CHANGE ORDER FORM

Consulting Agreement No. 95-0790 Change Order Date: _____

To Consultant: _____
Address: _____
City/State: _____

As provided in your Consulting Agreement with Federal Express Corporation dated March 1, 1995, the following changes in the Work are made:

This Change Order when signed by the parties will have the following effect:

a. Fee: _____
(increase/decrease/NA)

b. Maximum Reimbursable Amount: _____
(increase/decrease/NA)

c. Completion Date: _____

This Change Order in no other way alters the terms and conditions of the Consulting Agreement which are ratified and confirmed other than as amended by this Change Order.

ANN EPPARD ASSOCIATES, LTD.

By: _____

Title: _____
("Consultant")

FEDERAL EXPRESS CORPORATION

By: _____

Title: Vice President
("Federal")

Section 18. Validity of Agreement. This Agreement shall not be valid nor binding upon Federal unless it shall have been executed by an officer of Federal and approved by its Legal Department.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first above written.

FEDERAL EXPRESS CORPORATION

By: _____

Title: Vice President
("Federal")

ANN EPPARD ASSOCIATES, LTD.

By: _____

Title: _____
("Consultant")

APPROVED AS TO
LEGAL FORM

KHB 2/24/95

000043

(h) Waiver. The failure of either party at any time to require performance by the other of any provision of this Agreement shall in no way affect that party's right to enforce such provision, nor shall the waiver by either party of any breach of any provision of this Agreement be taken or held to be a waiver of any further breach of the same provision or any other provision.

(i) Survival. The provisions of this Agreement which by their nature extend beyond the expiration or earlier termination of the Agreement will survive and remain in effect until all obligations are satisfied. Specifically, the Consultant's obligations to indemnify Federal shall survive this Agreement.

(j) Disclosure. The Consultant shall in each instance obtain the prior written approval of Federal concerning exact text and timing of news releases, articles, brochures, advertisements, prepared speeches and other information releases concerning this Agreement.

(k) Change of Control. In addition to such other rights as Federal may have, Federal shall have the right to immediately terminate this Agreement upon any change in the majority ownership or voting control of the capital stock, business or assets of Consultant. Consultant shall promptly notify Federal in writing of any such change in control.

(l) Further Assurances. Each party agrees that it will take such actions, provide such documents, do such things and provide such further assurances as may reasonably be requested by the other party during the term of this Agreement. Consultant agrees to provide to Federal, from time to time, such financial information as Federal may reasonably request to determine Consultant's ability to perform its obligations under this Agreement.

(m) Counterparts. This Agreement may be executed in any number of counterparts and each fully executed counterpart shall be deemed an original.

(n) Notices. All notices, approvals, requests, consents and other communications given pursuant to this Agreement shall be in writing and shall be effective when received if hand-delivered, sent by facsimile, sent by Federal Express service or sent by United States certified or registered mail, addressed as follows:

If to Consultant:
Ann Eppard Associates, Ltd.
19 Wilkes Street
Alexandria, VA 22314

If to Federal:
Federal Express Corporation
Attn.: George C. Tagg
Government Affairs
300 Maryland Avenue N.E.
Washington, D.C. 20002

000044

Ann Eppard Associates, Ltd.
19 Wilkes Street, Alexandria, VA 22314 Phone 703-739-2545 FAX: 703-739-2718

February 15, 1995

Mr. George Tagg
Managing Director, Government Affairs
Federal Express
300 Maryland Avenue, N.E.
Washington, D.C. 20002

INVOICE #95007

FOR: Professional Services

PERIOD: February 1995

AMOUNT DUE: $5,000.00

Respectfully submitted,

Ann M. Eppard
President

000046

Government Affairs
300 Maryland Avenue, NE
Washington, DC 20002

Fax 202 546-3309

FedEx Express

INTER-OFFICE MEMORANDUM

DATE: March 1, 1995 TO: Vendor Accounting

FROM: Dyan Eastman cc: Marque Ledoux

SUBJECT: Ann Eppard Invoice

The attached invoice is one month overdue and we are presently in danger of losing this consultant. With this in mind could you please process it and send the check out as quickly as possible.

I have enclosed a completed supplier profile form for your records. The contract has been prepared, approved and is in the process of being executed.

If there are any further obstacles could you please notify me on the above number.

Many thanks for your help.

Dyan Eastman
Government Affairs Office

TDC/tdc/845_1.DOC

EXHIBIT 27

AIRCRAFT TRIP LOG

DATE 04-17-95 AIRCRAFT CL-60 N 3FE

FROM	TO	DIST.	T.O.	NIGHT LDG.	TIME	INSTRUMENT PILOT	INSTRUMENT APP	INSTRUMENT TIME	DUTY TIME	FUEL BURN	FLT. TIME	
MEM	MDW	426	—	—	—	JR	ILS	.4	1600	2888	1	1
MDW	LAX	1688	—	1	3.0	JR	ILS	2.1		10165	4	3
LAX	MEM	1417	1	1	3.0	MG	ILS	.5	0530	6800	3	0

F.O.B. 3000 # CAPT. SIGNATURE [signature] TOTAL: 13+30 8.4

CREW		LDGS.	AIRCRAFT	
CAPTAIN: Gibson, M	BROUGHT FORWARD	1571	2974	0
1ST OFF: Rixie, J	THIS LOG	3	8	4
OTHER:	TOTAL	1574	2982	4

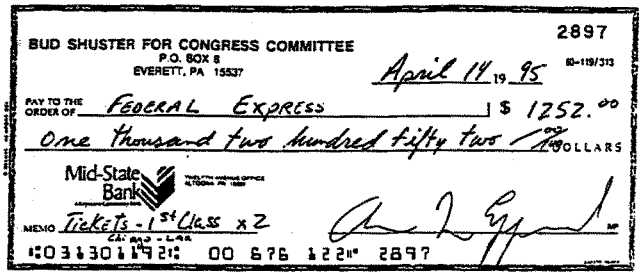
	PASS: MDW	P	PASS: LAX	P	PASS: MEM	P	PASS:	P
1.			Ledoux, Miegue		→			
2.			Shuster Byd Cong					
3.			Eppiad, Ann					
4.								
7.								
8.								
9.								
10.								
11.								
12.								
13.								
14.								
15.								
16.								
17.								
18.								
19.								
20.								
21.								

CHARGE DEPT. 360 LOC: 020 PURPOSE: Plus Cong Shuster

CHECK: No. 1 BEARING No. 1 BEARING STA. CALL STA. FREQ. PREFLIGHT JR

Form M-0047 5/94

SHUSTER



BUD SHUSTER FOR CONGRESS COMMITTEE
P.O. BOX 8
EVERETT, PA 15537

2897

April 14 19 95

60-119/313

PAY TO THE ORDER OF Federal Express $ 1252.00

One Thousand two hundred fifty two 00/100 DOLLARS

Mid-State Bank

MEMO Tickets - 1st Class x 2

:031301192: 00 676 1221" 2897

000094

AIRCRAFT TRIP LOG

DATE 04.25.95 AIRCRAFT CL 601 N 3FE

FROM	TO	DIST.	T.O.	NIGHT LDG.	TIME	INSTRUMENT PILOT	APP.	TIME	DUTY TIME	FUEL BURN	FLT. TIME
H	PSP	1317	—	—	—	HG	VIS	.3	0530	8089	3 5
P	OKC	943	—	—	—	MG	VIS	.2		4414	2 0
OKC	DCA	1072	—	—	—	RW	VIS	.3		5684	2 2
DCA	HEF	668	—	1	.5	RW	VIS	.5	2100	4594	2 0

F.O.B. 2900 # CAPT. SIGNATURE [signature] TOTAL: 15+30 9.7

CREW

CAPTAIN: GIBSON M

1ST OFF: WOEBBT K

OTHER:

	LDGS.	AIRCRAFT
BROUGHT FORWARD	1586	3001 6
THIS LOG	4	9 7
TOTAL	1590	3011 3

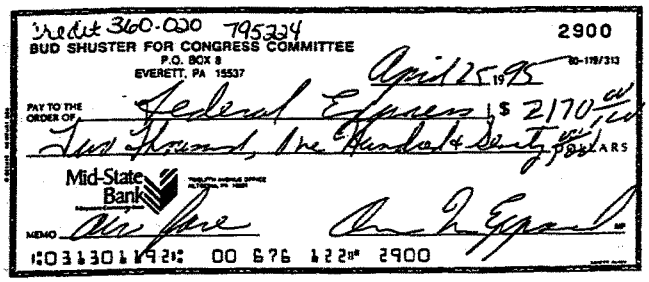
	PASS: PSP	P	PASS: OKC	P	PASS: DCA	P	PASS: HEF	P
1.	N/A		S. DICKEY →					
2.	Positioning		CAPT. SHUSTER →				REPOSITION	
3.			ANN EPPARD →					
4.								
5.								
6.								
7.								
10.								
11.								
12.								
13.								
14.								
15.								
16.								
17.								
18.								
19.								
20.								
21.								

CHARGE TO DEPT. 360 LOC: 020 PURPOSE: Yoest Shuster

VOR CHECK: No. 1 BEARING 317 No. 1 BEARING 317 STA. CALL HEF STA. FREQ. 117.5 PREFLIGHT KW

FedEx 10-0247 6/94

000101



Credit 360-020 795224 2900

BUD SHUSTER FOR CONGRESS COMMITTEE
P.O. BOX 8
EVERETT, PA 15537

April 25 1995

PAY TO THE ORDER OF Federal Express $ 2170 00/100

Two Thousand, One Hundred & Seventy 00/100 DOLLARS

Mid-State Bank

MEMO Air Fare

⑆031301192⑆ 00 676 122⑈ 2900

please credit
Government Affairs/DCA
Corporate Aircraft Account
360/020
795224
Debbie White
395-5170

000097

Treasury
5370
5/8

AIRCRAFT TRIP LOG

DATE 6-3-95 AIRCRAFT C650 N 78E

FROM	TO	DIST.	NIGHT LDG. T.O.	NIGHT LDG. LDG.	NIGHT LDG. TIME	INSTRUMENT APP PILOT	INSTRUMENT APP APP	INSTRUMENT APP TIME	DUTY TIME	FUEL BURN	FL TIME
MEM	DCA	701	1	–	1.0	DB	LDA	.5	0345	2320	1.
DCA	BOS	386	–	–	–	DB	ILS	.4		1760	1.
BOS	DCA	386	–	–	–	GO	ILS	.3		2284	1
DCA	MEM	701	–	–	–	GO	ILS	.3	1545	3080	2.

F.O.B. 2800 # CAPT. SIGNATURE Dick Brandl TOTAL: 1300 6.

CREW		LDGS.	AIRCRAFT
CAPTAIN: Dick Brandl	BROUGHT FORWARD	1986	2978
1ST OFF: Gene Moore	THIS LOG	4	6.
OTHER:	TOTAL	1990	2984

	PASS: DCA	P	PASS: BOS	P	PASS: DCA	P	PASS: MEM
1.	Ferry Flight		Bud Shuster →				FER
2.			ANN Eppard →				
3.			Carol Wood →				R
4.			Barry Rhoades				Y
5.			Rick Rodgers →				
6.							
7.							
8.							
9.							
10.							
11.							
12.							
13.							
14.							
15.							
16.							
17.							
18.							
19.							
20.							
21.							

CHARGE TO DEPT: 360 – LOC: 020 PURPOSE: Govt Affairs

VOR CHECK: No. 1 BEARING ____ No. 1 BEARING ____ STA. CALL ____ STA. FREQ ____ PREFLIGHT

FedEx M-0847 5/94

VERNER, LIIPFERT, BERNHARD,
MCPHERSON AND HAND
CHARTERED
901 15TH STREET, N.W. SUITE 700
WASHINGTON, D.C. 20005

CRESTAR CRESTAR BANK, N.A.
WASHINGTON, D.C.

15-52/540

28041

NUMBER
28041

PAY: THREE HUNDRED TWENTY-SIX AND 00/100 DOLLARS

DATE 06/02/95

AMOUNT $326.00

TO THE ORDER OF
Federal Express
P.O. Box 1140 Dept. A
Memphis, TN 38101-1140

Nancy Hol

NOT VALID AFTER 6 MONTHS
TWO SIGNATURES REQUIRED IF CHECK AMOUNT OVER $1,500

⑈028041⑈ ⑆054000522⑆ 206635583⑈

2901

BUD SHUSTER FOR CONGRESS COMMITTEE
P.O. BOX 8
EVERETT, PA 15537

60-119/313

June 2 1995

PAY TO THE ORDER OF Federal Express $ 1939 50/100

One Thousand, Nine Hundred Thirty Nine — 50/100 DOLLARS

Mid-State Bank
A Keystone Community Bank
SWEETH AVENUE OFFICE
ALTOONA, PA 16601

MEMO

⑆031301192⑆ 00 676 122⑈ 2901

000106

300

AIRCRAFT TRIP LOG

DATE 8.27.95 AIRCRAFT CL601 N 3FE-L

FROM	TO	DIST.	T.O	NIGHT LDG	TIME	INSTRUMENT PILOT	APP	TIME	DUTY TIME	FUEL BURN	FLT TIME
MEM	DCA	611				AH	LDA	.3	0815	3926	1 6
DCA	ADO	130				BH	ILS	.2		1618	6
ADO	RIC	818				BH	VIS		1745	4737	2 0
RIC	MEM	218				AN	ILS	.1	1800		1 6

F.O.B 4100 # CAPT. SIGNATURE B. Hornbostel TOTAL: 9+30 4.8

CREW		LOGS.	AIRCRAFT
CAPTAIN: B. HORNBOSTEL	BROUGHT FORWARD	1714	3247 5
1ST OFF: A. NICKELL	THIS LOG	4	4 8
OTHER: —	TOTAL	1718	3252 3

	PASS: DCA	P	PASS: ADO	P	PASS: RIC	P	PASS: MEM	P
1.	D. JOHNSTON		LEDOUX, M		→		→	
2.			EPPARD, A		→			
3.			SCHENKELBERG		→			
4.			—		CONG SHUSTER, B			
5.								
6.								
7.								
8.								
9.								
10.								
11.								
12.								
13.								
14.								
15.								
16.								
17.								
18.								
19.								
20.								
21.								

CHARGE TO DEPT: 361-020 LOC: PURPOSE: K PORT CHAIRMAN SHUSTER

VOR CHECK: No. 1 BEARING ____ No. 1 BEARING ____ STA. CALL ____ STA. FREQ. ____ PREFLIGHT

FlightLog M-0847 5/94

Credit Debt/Loc 360020

Account # 795224.

BUD SHUSTER FOR CONGRESS COMMITTEE
P.O. BOX 8
EVERETT, PA 15537

3065

Aug 26 19 95

60-119/313

PAY TO THE ORDER OF Fed Express $ 2292.00

Twenty-two hundred and ninety-two DOLLARS

Mid-State Bank
A Keystone Community Bank
SWEETEN AVENUE OFFICE
ALTOONA, PA 16601

MEMO Air Flight

⑆031301192⑆ 00 676 122⑈ 3065

AIRCRAFT TRIP LOG

DATE 8-29-95 AIRCRAFT C4601 N 3FE

FROM	TO	DIST.	T.O	NIGHT LOG	TIME	INSTRUMENT APP	PILOT	TIME	DUTY TIME	FUEL BURN	FLT. TIME
MEM	HOU	467				BS	ILS	.5	1:30	3021	1 2
HOU	SBA	1297				DS	VIS	.3		7027	3 0
									1800		
									6+30		

F.O.B. 2700 # CAPT. SIGNATURE D Sandiford TOTAL: 42

CREW			LDGS.	AIRCRAFT
CAPTAIN:	Sandiford	B.	BROUGHT FORWARD 1718	3252
1ST OFF:	Fisher	D	THIS LOG 2	4
OTHER:			TOTAL 1720	3256

	PASS:	P	PASS:	P	PASS:	P	PASS:
1.	Ledoux M		Ledoux, M				
2.			Eppard, A				
3.			Schenerlorf, J				
4.			Shuster, B				
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
13.							
14.							
15.							
16.							
17.							
18.							
19.							
20.							
21.							

CHARGE TO DEPT: 395 LOC: 5169 PURPOSE: Grant Affairs - Transport Chem

VOR CHECK: No. 1 BEARING No. 1 BEARING STA. CALL STA. FREQ. PREFLIGHT DP

FedEx M-2947 5/94

DATE 5-30-95 AIRCRAFT CL 601-3A N 3FE

FROM	TO	DIST.	T.O.	NIGHT LDG.	NIGHT TIME	INSTRUMENT APP	INSTRUMENT TIME	DUTY TIME	FUEL BURN	FLT TIME
SBA	CLE	127				DF ILS	0.3	1030	9565	41
CLE	DCA	303				DF VOR	0.2		2265	5
DCA	MEM	532		DF	0.6	DF ILS	0.3	2040		1

F.O.B. 3900 # CAPT. SIGNATURE [signature] TOTAL: 10+10 6

CREW		LOGS.	AIRCRAFT
CAPTAIN: SANDIFORD	BROUGHT FORWARD	1720	3256
1ST OFF: FISHER	THIS LOG	3	6
OTHER:	TOTAL	1720	3263

	PASS: CLE	P	PASS: DCA	P	PASS: MEM	P	PASS:
1.	LEDOUX, M.		→				
2.	EPPARD, A.						
3.	SCHENENDORF J.						
4.	SHUSTER, B.						
5.							
6.							
7.							
8.							
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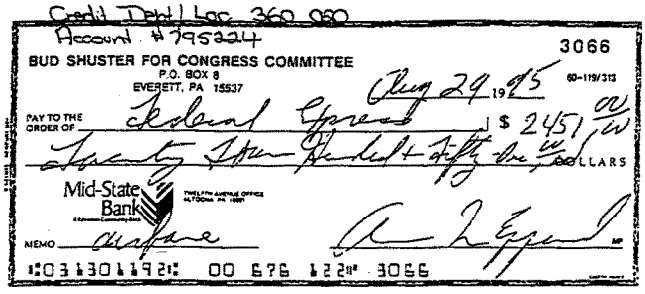
10.							
11.							
12.							
13.							
14.							
15.							
16.							
17.							
18.							
19.							
20.							
21.							

CHARGE TO DEPT. 360 LOC: 020 PURPOSE: TRANSPORT CHAIRMAN SHUSTER

VOR CHECK: No. 1 BEARING 222 No. 2 BEARING 222 STA. CALL GLD STA. FREQ. 115.1 PREFLIGHT

FastLx 14-0847 5/94


Credit Dept Loc 360 080
Account #795224
3066
BUD SHUSTER FOR CONGRESS COMMITTEE
P.O. BOX 8
EVERETT, PA 15537
60-119/313
Aug 29 1995
PAY TO THE ORDER OF Federal Express $ 245.00
Twenty Four Hundred + Fifty five 00/100 DOLLARS
Mid-State Bank
TWELFTH AVENUE OFFICE
ALTOONA, PA 16601
MEMO Airfare
:031301192: 00 676 122# 3066

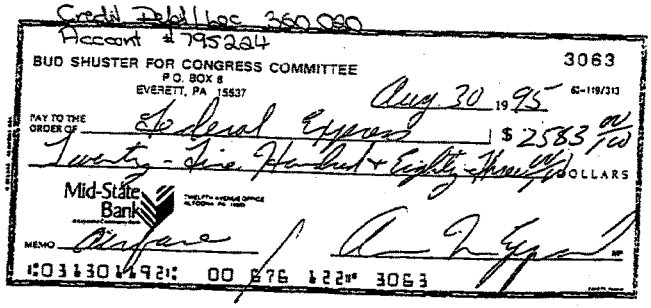

Credit Dept Loc 360 080
Account #795224
3063
BUD SHUSTER FOR CONGRESS COMMITTEE
P.O. BOX 8
EVERETT, PA 15537
60-119/313
Aug 30 1995
PAY TO THE ORDER OF Federal Express $ 2583.00
Twenty - five Hundred + Eighty three 00/100 DOLLARS
Mid-State Bank
TWELFTH AVENUE OFFICE
ALTOONA, PA 16601
MEMO Airfare
:031301192: 00 676 122# 3063

EXHIBIT 28

Managing Director
Government Affairs

Memphis, TN 38132

Memphis, TN 38194-1842

Fax 901 395-3172

FedEx.
Federal Express

INTER-OFFICE MEMORANDUM

DATE: January 11, 1996 **TO:** Frederick W. Smith

FROM: Ann S. Dickey **cc:** Kenneth R. Masterson
A. Doyle Cloud, Jr.

SUBJECT: **Congressman Shuster Aircraft Request**

Attached is a request for use of your Challenger to take House Transportation & Infrastructure Chairman Bud Shuster (R-PA) from Hershey, Pennsylvania, to San Diego, California, and back to Washington, DC. The trip would begin on Saturday, January 13, and conclude on Tuesday, January 16.

This trip would be very beneficial to us. In light of the new lobbying laws which took effect on January 1, the use of our aircraft is the only legitimate lobbying tool remaining.

We would greatly appreciate your approval of this request. If you have any questions or would like to discuss the matter further, please feel free to call me. Thank you for your consideration.

Ann S. Dickey
Ann S. Dickey
Managing Director
Government Affairs

dew
attachment

EXHIBIT 29

Government Affairs
1950 Nonconnah Boulevard
Memphis, TN 38132

Memphis, TN 38194-1842

Fax 901 395-3172

Fil

FedEx.
Federal Express

VIA FEDEX TUBE

April 28, 1995

Mr. Jack L. Schenendorf
Chief of Staff
House Transportation & Infrastructure Committee
2165 Rayburn House Office Building
Washington, DC 20515-6256

Dear Jack:

It was a pleasure meeting June last week and spending time with you, Congressman Shuster and Ann Eppard in Palm Springs. I look forward to working with you during the 104th Congress on transportation issues affecting Federal Express.

As a memento of our flight across the country, enclosed is a FedEx umbrella for those rainy DC days.

Sincerely,

Sandy

Ann S. Dickey
Managing Director
Government Affairs

ASD/blb/18536

Enclosure

000026

Government Affairs
1980 Nonconnah Boulevard
Memphis, TN 38132

FedEx
Federal Express

VIA FEDEX TUBE

April 28, 1995

Ms. Ann Eppard
Ann Eppard Associates, Ltd.
19 Wilkes St.
Alexandria, VA 22314

Dear Ann:

It was a pleasure spending time with you, Congressman Shuster and Jack Schenendorf in Palm Springs last week. As a memento of our flight across the country, enclosed is a Federal Express umbrella for those rainy DC days.

I look forward to working with you and if I can ever be of any assistance, please feel free to call me. Let's have dinner in a couple of weeks. Thank you for all your good suggestions.

Sincerely,

Sandy

Ann S. Dickey
Managing Director
Government Affairs

ASD/blb/18535

Enclosure

000025

EXHIBIT 30

Alexandria Pastry Shop & Cafe
3690 H & I King Street
Alexandria, VA 22302

Phone : (703) 578-2953 Phone: (703) 578-4144

Invoice No.
1592

Invoice Dat
03/06/95

EPPERT
ANN EPPERT AND ASSOCIATES
19 WILKES ST.
ALEXANDRIA VA 22314

Ordered By:
KAREN SHECTOR 2254 RAYBURN
DELV BY: 4:00

**DUE UPON RECEIPT **

Salesperson: DMC

Items Ordered	No. Ordered	Unit Price	Price
FOOD	1.0	442.0000	442.00
EQUIPMENT	1.0	195.2500	195.25
STAFF	1.0	120.0000	120.00
DELIVERY	1.0	10.0000	10.00
TAX	1.0	41.9300	41.93

Ref # 8758876
CK # 3372
Vern Clark & Assoc

Subtotal: 809.1
Sales Tax: 0.0
Total: 809.1
Deposit:

Date Due: 03/06/95

TOTAL DUE: 809.1

315.95 - 404.59

RECEIVED BY:_____

Page 1

BDue 404.59

ALEXANDRIA PASTRY SHOP & CAFE
3690 H & I KING STREET
ALEXANDRIA, VIRGINIA 22302

March 1,1995

Dear Ms. Ann Eppert;

Thank you for thinking of the Alexandria Pastry Shop & Cafe in the planning of your Birthday party. The party is scheduled for March 6,1995 for 10 guests. I am pleased to propose the following menu and arrangements for your consideration; please review them carefully and feel free to call me with any questions or suggestions.

*** * * MENU * * ***

HORS D'OEUVRES

CHESAPEAKE CRAB CAKES
Miniature Maryland Lump Crab Cakes, Served
with a Traditional Eastern Shore Dipping Sauce

NANTUCKET SHRIMP
Jumbo Shrimp, Poached with Bay Spices, Served Cold with a
Zesty New England Dipping Sauce

MENU

BABY ASPARAGUS & HEARTS OF PALM
Tender Asparagus and Hearts of Palm
Tossed with Lemon and Thyme Dressing

BLACKENED SALMON
Blackened Norwegian Salmon served on a bed of
Confetti rice covered with a Tomato based sauce

CLASSIC CEASAR SALAD
Mixed greens with Fresh Parmesean Cheese and croutons
served with a Classic Ceasar Salad Dressing

INTERNATIONAL CHEESE AND PATE COMBINATION

An Assortment of Imported and Domestic Cheeses
with a Sampling of Pates
Served with French Bread and Gourmet Crackers

FROM OUR OVENS
Baskets filled with our Signature Breads to include, French Baguettes, Sour Dough, Marbled Rye, Six Grain, Fiber Breads

MELANGE OF WINTER VEGETABLES

A mixture of Seasonal Vegetables which includes Broccoli, Carrots, Asparagus, Squash, Zucchini lightly Drawn in Butter and Seasoned to perfection

TO END WITH

BIRTHDAY CAKE
Triple Chocolate Mousse

Milk Chocolate Mousse on top, White Chocolate Mousse in the Middle, Dark Chocolate Mousse on the bottom all on layer of Flourless Chocolate cake Decorated with Milk, White and Dark Chocolate Shavings

Alexandria Pastry Shop & Cafe
3690 H & I King Street
Alexandria, VA 22302

Phone : (703) 578-2953 Phone: (703) 578-4144

Invoice No.
1687

Invoice Dat
03/29/95

EPPERT
ANN EPPERT AND ASSOCIATES
19 WILKES ST.
ALEXANDRIA VA 22314

Ordered By:
DELV BY: 4PM
19 WILKES ST.

**DUE UPON RECEIPT **

Salesperson: DMC

Items Ordered	No. Ordered	Unit Price	Price
FOOD	1.0	120.0000	120.00
EQUIPMENT	1.0	123.6500	123.65
STAFF	1.0	100.0000	100.00
TAX	1.0	14.5600	14.56
DELIVERY TO DC	1.0	20.0000	20.00

CK#150
ROP# 866

PAID

Subtotal:	378.2
Sales Tax:	0.0
Total:	378.2
Deposit:	
TOTAL DUE:	378.2

Date Due: 03/29/95

RECEIVED BY:_____

Alexandria Pastry Shop & Cafe
3690 H & I King Street
Alexandria, VA 22302

Phone : (703) 578-2953 Phone: (703) 578-4144

Invoice No.
1687

Invoice Dat
03/29/95

EPPERT
ANN EPPERT AND ASSOCIATES
19 WILKES ST.
ALEXANDRIA VA 22314

Ordered By:
DELV BY: 4PM
19 WILKES ST.

**DUE UPON RECEIPT **

Salesperson: DMC

Items Ordered	No. Ordered	Unit Price	Price
FOOD	1.0	120.0000	120.00
EQUIPMENT	1.0	123.6500	123.65
STAFF	1.0	100.0000	100.00
TAX	1.0	14.5600	14.56
DELIVERY TO DC	1.0	20.0000	20.00

Subtotal:	378.2
Sales Tax:	0.0
Total:	378.2
Deposit:	
TOTAL DUE:	378.2

Date Due: 03/29/95

RECEIVED BY:_____

Received
Copy

ALEXANDRIA PASTRY SHOP & CAFE
3690 H & I KING STREET
ALEXANDRIA, VIRGINIA 22302

March 28, 1995

Dear Ann Eppard;

Thank you for thinking of the Alexandria Pastry Shop & Cafe in the planning of your dinner. The dinner is scheduled for March 29, 1995 for 4 guests. I am pleased to propose the following menu and arrangements for your consideration; please review them carefully and feel free to call me with any questions or suggestions.

* * * MENU * * *

PASSED HORS D'OEUVRES

NANTUCKET SHRIMP
Jumbo Shrimp, Poached with Bay Spices, Served Cold with a Zesty New England Dipping Sauce

DINNER MENU

SEABASS
Chilean Seabass Grilled with Tartar Sauce
served with Scalloped Potatoes

CLASSIC GREEK SALAD
Mixed greens with Feta Cheese Black Olives
and Tomatoes served with a Mediterrenean Dressing

ASPARAGUS
Tender Asparagus

IND #1682

#1687

ADDITIONAL ARRANGEMENTS

TIMES AND SERVICES: We are planning a dinner for 4 guests on Wednesday, March 29,1995.

EQUIPMENT: Equipment is included.

BEVERAGES: This proposal includes coffee service.

STAFF: We will provide the staff necessary to ensure prompt and gracious service. The basic rate for service personnel $20.00 and $30.00 for chefs contracted at a four hour minimum. Anticipated set-up and clean-up times have been included in the estimate. Please note that an extended party may result in overtime at the above rates.

FLORAL: Not included.

CONFIRMATION/DEPOSIT/TERMS: If this proposal is acceptable to you, please return a signed copy of the confirmation with a deposit of fifty percent of the estimated total. The balance of the total is due upon receipt of the invoice.

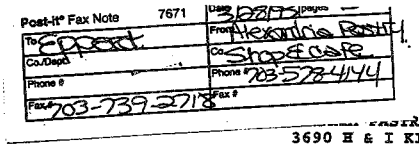
SUMMARY
BASED ON 4 GUESTS

FOOD	$ 120.00
EQUIPMENT	$ 123.65
STAFF	$ 100.00
TAX	$ 14.56
DELIVERY	$ 20.00
TOTAL	$ 378.21

Again, if I can be of assistance please do not hesitate to call.

Sincerely,

Tom Lally



PASTRY SHOP & CAFE
3690 H & I KING STREET
ALEXANDRIA, VIRGINIA 22302

March 28, 1995

Dear Ann Eppard;

Thank you for thinking of the Alexandria Pastry Shop & Cafe in the planning of your dinner. The dinner is scheduled for March 29, 1995 for 4 guests. I am pleased to propose the following menu and arrangements for your consideration; please review them carefully and feel free to call me with any questions or suggestions.

*** * * MENU * * ***

PASSED HORS D'OEUVRES

CRAB CAKES
Miniature Maryland Lump Crab Cakes, Served with a Traditional Eastern Shore Dipping Sauce

NANTUCKET SHRIMP
Jumbo Shrimp, Poached with Bay Spices, Served Cold with a Zesty New England Dipping Sauce

CHEESE AND FRUIT COMBINATION
An Assortment of Imported and Domestic Cheeses
Served with Seasonal Fruit
Served with French Bread and Gourmet Crackers

DINNER MENU

SEABASS
Chilean Seabass Grilled and served with Scalloped Potatoes

CLASSIC GREEK SALAD
Mixed greens with Feta Cheese, Black Olives, and Tomatoes, served with a Mediterrenean Dressing

this with beer sauce!

ASPARAGUS
Tender Asparagus with a Fine dice of Red Pepper

FROM OUR ORCHARDS

Gleaming Crystal Bubble Bowl Filled with Seasonal Fruits,
Including Driscoll Strawberries, Ruby Watermelon, Kiwis,
Hawaiian Pineapple, Florida Oranges, Pacific Valley Grapes,
Honeydew and Cantaloupes

FROM OUR OVENS
Baskets filled with our Signature Breads to include, French
Baguettes, Sour Dough, Marbled Rye, Six Grain, Fiber Breads
and Scone Biscuits

**** DESSERT ****

CAROUSEL OF SWEETS

Alexandria Pastry Shop's Remarkable Mini-Sweet's
An Assortment of Chocolate Eclairs, Napoleons, Fruit Tarts
White and Dark Chocolate Truffle Tarts

COFFEE SERVICE

Freshly Brewed Coffee will be served from a Gleaming
Samovar with Dairy Cream and Lump Sugar

****

ADDITIONAL ARRANGEMENTS

TIMES AND SERVICES: We are planning a dinner for 4 guests on Wednesday, March 29,1995.

EQUIPMENT: Equipment is included.

BEVERAGES: This proposal includes coffee service.

STAFF: We will provide the staff necessary to ensure prompt and gracious service. The basic rate for service personnel $20.00 and $30.00 for chefs contracted at a four hour minimum. Anticipated set-up and clean-up times have been included in the estimate. Please note that an extended party may result in overtime at the above rates.

FLORAL: Not included.

CONFIRMATION/DEPOSIT/TERMS: If this proposal is acceptable to you, please return a signed copy of the confirmation with a deposit of fifty percent of the estimated total. The balance of the total is due upon receipt of the invoice.

SUMMARY
BASED ON 4 GUESTS

FOOD	$ 140.00
EQUIPMENT	$ 123.65
STAFF	$ 100.00
TAX	$ 16.06
DELIVERY	$ 20.00
TOTAL	$ 399.71

Again, if I can be of assistance please do not hesitate to call.

Sincerely,

Tom Lally

Alexandria Pastry Shop & Cafe
3690 H & I King Street
Alexandria, VA 22302

Phone : (703) 578-2953 Phone: (703) 578-4144

Invoice No.
1997

Invoice Date
06/21/95

EPPERT
ANN EPPERT AND ASSOCIATES
19 WILKES ST.
ALEXANDRIA VA 22314

Ordered By:
#2254 RAYBURN BUILDING
739-2545

**DUE UPON RECEIPT **

Salesperson: DMC

Items Ordered	No. Ordered	Unit Price	Price
FOOD	1.0	157.0000	157.00
EQUIPMENT	1.0	135.1200	135.12
STAFF	1.0	100.0000	100.00
TAX	1.0	17.8500	17.85
DELIVERY IN VIRGINIA	1.0	15.0000	15.00

Paid
28
2989
7/1/95

Ref
#1025
Read 7/1

Subtotal:	424.97
Sales Tax:	0.00
Total:	424.97
Deposit:	
TOTAL DUE:	424.97

Date Due: 06/21/95

RECEIVED BY:_____

Alexandria Pastry Shop & Cafe
3690 H & I King Street
Alexandria, VA 22302

Phone : (703) 578-2953 Phone: (703) 578-4144

Invoice No.
1997

Invoice Date
06/21/95

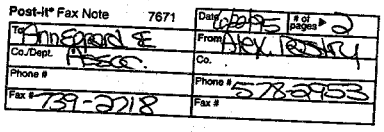
EPPERT
ANN EPPERT AND ASSOCIATES
19 WILKES ST.
ALEXANDRIA VA 22314

Ordered By:
#2254 RAYBURN BUILDING
739-2545

****DUE UPON RECEIPT ****

Salesperson: DMC

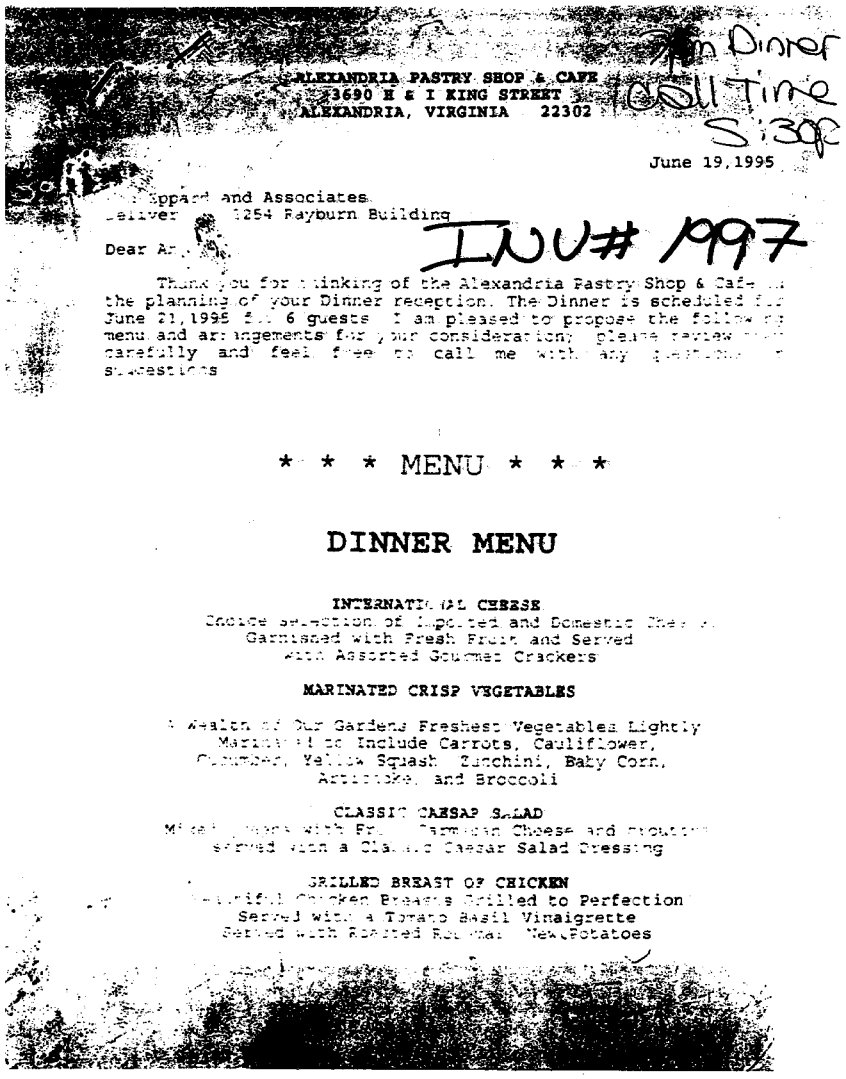
Items Ordered	No. Ordered	Unit Price	Price
FOOD	1.0	157.0000	157.00
EQUIPMENT	1.0	135.1200	135.12
STAFF	1.0	100.0000	100.00
TAX	1.0	17.8500	17.85
DELIVERY IN VIRGINIA	1.0	15.0000	15.00



Subtotal:	424.9
Sales Tax:	0.0
Total:	424.9
Deposit:	
TOTAL DUE:	424.9

Date Due: 06/21/95

RECEIVED BY:_____



ALEXANDRIA PASTRY SHOP & CAFE
3690 H & I KING STREET
ALEXANDRIA, VIRGINIA 22302

June 19,1995

Sheppard and Associates
Deliver to: 1254 Rayburn Building

Dear Ar[illegible]

Thank you for thinking of the Alexandria Pastry Shop & Cafe in the planning of your Dinner reception. The Dinner is scheduled for June 21,1995 for 6 guests. I am pleased to propose the following menu and arrangements for your consideration; please review them carefully and feel free to call me with any questions or suggestions.

* * * MENU * * *

DINNER MENU

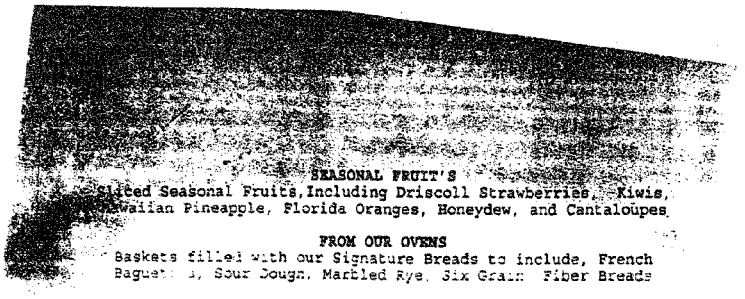
INTERNATIONAL CHEESE
Choice selection of Imported and Domestic Cheeses
Garnished with Fresh Fruit and Served
With Assorted Gourmet Crackers

MARINATED CRISP VEGETABLES

A Wealth of Our Gardens Freshest Vegetables Lightly
Marinated to Include Carrots, Cauliflower,
Cucumber, Yellow Squash, Zucchini, Baby Corn,
Artichoke, and Broccoli

CLASSIC CAESAR SALAD
Mixed Greens with Fresh Parmesan Cheese and Croutons
Served with a Classic Caesar Salad Dressing

GRILLED BREAST OF CHICKEN
Delightful Chicken Breasts Grilled to Perfection
Served with a Tomato Basil Vinaigrette
Served with Roasted Rosemary New Potatoes



SEASONAL FRUIT'S
Sliced Seasonal Fruits, Including Driscoll Strawberries, Kiwis, Hawaiian Pineapple, Florida Oranges, Honeydew, and Cantaloupes

FROM OUR OVENS
Baskets filled with our Signature Breads to include, French Baguette, Sour Dough, Marbled Rye, Six Grain Fiber Breads

****

ADDITIONAL ARRANGEMENTS

TIMES AND SERVICES: We are planning a party for 6 guests on Wednesday, June 21,1995.

EQUIPMENT: The appropriate equipment will be provided.

STAFF: We will provide the staff necessary to ensure prompt and gracious service. The basic rate for service personnel $20.00 and $30.00 for chefs contracted at a four hour minimum. Anticipated set-up and clean-up times have been included in the estimate. Please note that an extended party may result in overtime at the above rates.

BEVERAGES: This proposal includes coffee service.

FLORAL: Not included.

CONFIRMATION/DEPOSIT/TERMS: If this proposal is acceptable to you, please return a signed copy of the confirmation with a deposit of fifty percent of the estimated total. The balance of the total is due upon receipt of the invoice.

SUMMARY
BASED ON 6 GUESTS

FOOD	$ 157.00
EQUIPMENT	$ 135.12
STAFF	$ 100.00
TAX	$ 17.85
DELIVERY	$ 15.00
TOTAL	$ 424.97

Again, if I can be of assistance please do not hesitate to call.

Sincerely,

Dawn Meadows

Alexandria Pastry Shop & Cafe
3690 H & I King Street
Alexandria, VA 22302

Phone : (703) 578-2953 Phone: (703) 578-4144

Invoice No.
2016

Invoice Dat
06/28/95

EPPERT
ANN EPPERT AND ASSOCIATES
19 WILKES ST.
ALEXANDRIA VA 22314

Ordered By:
2254 RAYBURN
DINNER FOR 6

**DUE UPON RECEIPT **

Salesperson: DC

Items Ordered	No. Ordered	Unit Price	Price
FOOD	1.0	135.0000	135.00
EQUIPMENT	1.0	133.7000	133.70
STAFF	1.0	100.0000	100.00
TAX	1.0	16.1300	16.13
DELIVERY TO DC	1.0	15.0000	15.00

Subtotal:	399.8
Sales Tax:	0.0
Total:	399.8
Deposit:	
TOTAL DUE:	399.8

Date Due: 06/28/95

RECEIVED BY:_____

Inv# 2016

ALEXANDRIA PASTRY SHOP & CAFE
3690 H & I KING STREET
ALEXANDRIA, VIRGINIA 22302

June 27, 1995

ANN EPPARD AND ASSOCIATES
DELV TO: 2254 RAYBURN BLDG.

Dear Ann Eppard;

Thank you for thinking of the Alexandria Pastry Shop & Cafe in the planning of your dinner. The dinner is scheduled for June 28, 1995 for 5 guests. I am pleased to propose the following menu and arrangements for your consideration; please review them carefully and feel free to call me with any questions or suggestions.

DINNER MENU

NANTUCKET SHRIMP
Jumbo Shrimp, Poached with Bay Spices, Served Cold with a Zesty New England Dipping Sauce

SEABASS
Chilean Seabass Grilled with Tartar Sauce served with Wild Rice

TENDER ASPARAGUS
Spears of Baby Asparagus served with a Lemon Tyme Dressing

CLASSIC GREEK SALAD
Mixed greens with Feta Cheese Black Olives and Tomatoes served with a Mediterrenean Dressing

FROM OUR OVENS
Baskets filled with our Signature Breads to include, French Baguettes, Sour Dough, Marbled Rye, Six Grain, Fiber Breads

Post-it® Fax Note 7671	Date 6/27/95 # of pages ▸ 3
To Eppard & Assoc	From Dean
Co./Dept.	Co. Alexandria Pastry
Phone #	Phone # 578-2953
Fax # 739-2718	Fax #

DISPLAYED FRUIT
Sliced Seasonal Fruits, Including Driscoll Strawberries, Kiwis, Hawaiian Pineapple, Florida Oranges, Honeydew, and Cantaloupes

TO END WITH

COFFEE SERVICE
Freshly Brewed Coffee will be served from a Gleaming Samovar with Dairy Cream and Lump Sugar

ADDITIONAL ARRANGEMENTS

TIMES AND SERVICES: We are planning a dinner for 5 guests on Wednesday, June 28,1995 to begin at 6 p.m.

EQUIPMENT: Equipment is included.

BEVERAGES: This proposal includes coffee service.

STAFF: We will provide the staff necessary to ensure prompt and gracious service. The basic rate for service personnel $20.00 and $30.00 for chefs contracted at a four hour minimum. Anticipated set-up and clean-up times have been included in the estimate. Please note that an extended party may result in overtime at the above rates.

FLORAL: Not included.

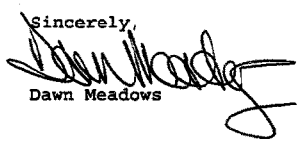
CONFIRMATION/DEPOSIT/TERMS: If this proposal is acceptable to you, please return a signed copy of the confirmation with a deposit of fifty percent of the estimated total. The balance of the total is due upon receipt of the invoice.

SUMMARY
BASED ON 5 GUESTS

FOOD	$ 135.00
EQUIPMENT	$ 133.70
STAFF	$ 100.00
TAX	$ 16.13
DELIVERY	$ 15.00
TOTAL	$ 399.83

Again, if I can be of assistance please do not hesitate to call.

Sincerely,



Dawn Meadows

Alexandria Pastry Shop and Cafe

COMPLETE CATERING

3690 H. KING ST. ALEXANDRIA, VA 22302
PHONE 578-4144 578-4333 578-4334

BID DATE
CONF. DATE
DEPOSIT DATE
POSTED

DAY ____ DATE 6/28/05 DELIVERY TIME 4:30 SET-UP TIME ____ SERVICE TIME 6pm

FILE NAME ____ TYPE Dinner # GUESTS 5 WCC REP ____

NAME OF ORGANIZATION ____ CONTACT PERSON ____ PHONE ____

BILLING ADDRESS Reuben #22054 ATT'N ____ PHONE ____

DELIVERY ADDRESS ____ ATT'N ____ PHONE ____

SPECIAL INSTRUCTIONS FOR DELIVERY ____

DISPATCH: DELIVER PICKUP WAITER TAKE KITCHEN TAKE

SPECIAL INSTRUCTIONS ____

			MENU	

Alexandria Pastry Shop & Cafe
3690 H & I King Street
Alexandria, VA 22302

Phone : (703) 578-2953 Phone: (703) 578-4144

Invoice No.
1623

Invoice Dat
03/15/95

EPPERT
ED HAMBERGER
801 PENNSYLVANIA AVE.
SUITE800
NW WASHINGTON DC 20004

Ordered By:
DELV BY: 3:30PM
19 WILKES ST.

**DUE UPON RECEIPT **

Salesperson: DC

Items Ordered	No. Ordered	Unit Price	Price
FOOD	1.0	408.0000	408.00
EQUIPMENT	1.0	236.6000	236.60
STAFF	1.0	240.0000	240.00
TAX	1.0	29.0000	29.00
DELIVERY TO DC	1.0	15.0000	15.00

Ch 201697
3/19/95
PAID

REF#845

Subtotal:	928.6
Sales Tax:	0.0
Total:	928.6
Deposit:	
~~TOTAL DUE:~~	~~928.6~~

Date Due: 03/15/95

RECEIVED BY:_____

+20% Total £ 1114.3

Gratuity — 185.72

BAKER, DONELSON, BEARMAN & CALDWELL
801 PENNSYLVANIA AVE., NW • SUITE 800 • WASHINGTON, D.C. 20004

NO. 201697

DETACH AND RETAIN THIS S

FILE	DATE	AMOUNT	A	C	S/C	VNO	DR	CR
850395-0001	031695	$1,114.32	5364	01	99	201697	115.003	111006

Alexandria Pastry Shop & Cafe
3690 H & I King Street
Alexandria, VA 22302

Phone : (703) 578-2953 Phone: (703) 578-4144

Invoice No.
1623

Invoice Dat
03/15/95

EPPERT
ED HAMBERGER
801 PENNSYLVANIA AVE.
SUITE800
NW WASHINGTON DC 20004

Ordered By:
DELV BY: 3:30PM
19 WILKES ST.

**DUE UPON RECEIPT **

Salesperson: DC

Items Ordered	No. Ordered	Unit Price	Price
FOOD	1.0	408.0000	408.00
EQUIPMENT	1.0	236.6000	236.60
STAFF	1.0	240.0000	240.00
TAX	1.0	29.0000	29.00
DELIVERY TO DC	1.0	15.0000	15.00
20% TIP ON FOOD,DEL,TAX	1.0	185.7200	185.72

Updated Invoice

Subtotal: 1114.3
Sales Tax: 0.0
Total: 1114.3
Deposit:

Date Due: 03/15/95

TOTAL DUE: 1114.3

RECEIVED BY:_____

Alexandria Pastry Shop & Cafe
3690 H & I King Street
Alexandria, VA 22302

Phone : (703) 578-2953 Phone: (703) 578-4144

Invoice No.
1623

Invoice Dat
03/15/95

EPPERT
ED HAMBERGER
801 PENNSYLVANIA AVE.
SUITE800
NW WASHINGTON DC 20004

Ordered By:
DELV BY: 3:30PM
19 WILKES ST.

**DUE UPON RECEIPT **

Salesperson: DC

Items Ordered	No. Ordered	Unit Price	Price
FOOD	1.0	408.0000	408.00
EQUIPMENT	1.0	236.6000	236.60
STAFF	1.0	240.0000	240.00
TAX	1.0	29.0000	29.00
DELIVERY TO DC	1.0	15.0000	15.00

Subtotal:	928.6
Sales Tax:	0.0
Total:	928.6
Deposit:	
TOTAL DUE:	928.6

Date Due: 03/15/95

RECEIVED BY: _____

Page 1

$240-SHOFF

ALEXANDRIA PASTRY SHOP & CAFE
3690 H & I KING STREET
ALEXANDRIA, VIRGINIA 22302 INV#1/623

March 8,1995

330pm

Dear Ms. Ann Eppert;

Thank you for thinking of the Alexandria Pastry Shop & Cafe in the planning of your Dinner party. The party is scheduled for March 15,1995 for 12 guests. I am pleased to propose the following menu and arrangements for your consideration; please review them carefully and feel free to call me with any questions or suggestions.

*** * * MENU * * ***

HORS D'OEUVRES

CHESAPEAKE CRAB CAKES
Miniature Maryland Lump Crab Cakes, Served with a Traditional Eastern Shore Dipping Sauce

NANTUCKET SHRIMP
Jumbo Shrimp, Poached with Bay Spices, Served Cold with a Zesty New England Dipping Sauce

MENU

BABY ASPARAGUS & HEARTS OF PALM
Tender Asparagus and Hearts of Palm Tossed with Lemon and Thyme Dressing

BLACKENED SALMON
Blackened Norwegian Salmon served on a bed of Confetti rice covered with a Tomato based sauce

CLASSIC CEASAR SALAD
Mixed greens with Fresh Parmesean Cheese and croutons served with a Classic Ceasar Salad Dressing

INTERNATIONAL CHEESE AND PATE COMBINATION

An Assortment of Imported and Domestic Cheeses
with a Sampling of Pates
Served with French Bread and Gourmet Crackers

FROM OUR OVENS

Baskets filled with our Signature Breads to include, French Baguettes, Sour Dough, Marbled Rye, Six Grain, Fiber Breads

MELANGE OF WINTER VEGETABLES

A mixture of Seasonal Vegetables which includes Broccoli, Carrots, Asparagus, Squash, Zucchini lightly Drawn in Butter and Seasoned to perfection

TO END WITH

CAROUSEL OF SWEETS

Alexandria Pastry Shop's Remarkable Mini-Sweet's
An Assortment of Chocolate Eclairs, Napoleons, Fruit Tarts
White and Dark Chocolate Truffle Tarts

ADDITIONAL ARRANGEMENTS

TIMES AND SERVICES: We are planning a Dinner party for 12 guests on March 15,1995.

EQUIPMENT: Includes equipment.

STAFF: We will provide the staff necessary to ensure prompt and gracious service. The basic rate for service personnel $25.00 and $30.00 for chefs contracted at a four hour minimum. Anticipated set-up and clean-up times have been included in the estimate. Please note that an extended party may result in overtime at the above rates.

BEVERAGES: This proposal includes coffee service.

FLORAL: Not included.

CONFIRMATION/DEPOSIT/TERMS: If this proposal is acceptable to you, please return a signed copy of the confirmation with a deposit of fifty percent of the estimated total. The balance of the total is due upon receipt of the invoice.

SUMMARY

BASED ON 12 GUESTS

FOOD	$ 408.00
EQUIPMENT	$ 236.60
STAFF	$ 240.00
TAX	$ 29.00
DELIVERY	$ 15.00
TOTAL	$ ~~928.60~~ 928.60

Again, if I can be of assistance, please do not hesitate to call.

Sincerely,

Tom Lally

EXHIBIT 31



CONGRESSMAN

Bud Shuster

PRESS RELEASE

2188 Rayburn House Office Building, Washington, D.C. 20515



FOR IMMEDIATE RELEASE: FEBRUARY 8, 1996
CONTACT: Jeff Nelligan, 202-225-9446

STATEMENT BY THE SHUSTER FAMILY

The Shuster family is deeply distressed by the malicious untrue innuendo in an article which appeared in Roll Call toda We have been family friends with Ann Eppard and her family for ov a quarter of a century. The entire family -- the Congressman, h wife Pat, and their children -- have stayed at Eppard's home Virginia many times over the years and she and her family ha stayed at our home in Pennsylvania many times. As an example the misleading innuendo, the Roll Call article refers to t Congressman leaving the Eppard home on the morning of January 25th, but fails to also state that the reporter was invited in and, in fact, had coffee with the Congressman and his son, who was also there.

Our children grew up together. Our sons went to school together and then to work in the same firm together. Sadly, we have come to expect character assassination in public life, but Ann Eppard, who is a private citizen, and who has served the people of Pennsylvania so well for so many years, and whose ethics are above reproach, deserves better.

After retirement, and after clearing it with the House Ethics Committee, she continued to serve as the Congressman's chief political advisor. The campaign committee hired her, paid her firm, and dutifully reported it on all campaign disclosure reports.

Her office, which is located on the ground floor of her home, is the legal repository of our campaign documents. The Congressman, family members, political advisors, and supporters are in and out of there regularly. Everyone has leaned over backwards to keep campaign activities separate from the Congressional office. Everyone has meticulously complied with the ethics rules.

Unfortunately, the innuendo in the Roll Call piece once again implies that professional women in Washington cannot succeed with their own professional abilities.

The unfair and untrue tenor of the article is based on innuendo from unnamed sources who are obviously out to injure both Mrs. Eppard and Congressman Shuster.

#########

...TED STATES HOUSE OF REPRESENTATIVES

FINANCIAL DISCLOSURE STATEMENT FOR CALENDAR YEAR 1995

FORM A
For use by Members, officers, and employees

RECEIVED
96 MAY 16 PM 12:37
COMMITTEE ON STANDARDS

96 MAY 15 PM 4:59
OFFICE OF THE CLERK
U.S. HOUSE OF REPRESENTATIVES

HAND DELIVERED
(Office Use Only)

BUD SHUSTER
(Full Name)

Box 234 C RD 3
(Mailing Address)

Everett, Pa. 15537

Daytime Telephone: 202-225-2431

Filer Status	[X] Member of the U.S. House of Representatives	State: Pa District: 9	[ ] Officer or Employee	Employing Office:
Report Type	[X] Annual (May 15)	[ ] Amendment	[ ] Termination	Termination Date:

A *$200 penalty* shall be assessed against anyone who files more than 30 days late.

PRELIMINARY INFORMATION — ANSWER EACH OF THESE QUESTIONS

I. Did you or your spouse have "earned" income (e.g., salaries or fees) of $200 or more from any source in the reporting period? **If yes, complete and attach Schedule I.**	Yes [ ]	No [X]	VI. Did you, your spouse, or a dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $250 and not otherwise exempt)? **If yes, complete and attach Schedule VI.**	Yes [ ]	No [X]
II. Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? **If yes, complete and attach Schedule II.**	Yes [X]	No [ ]	VII. Did you, your spouse, or a dependent child receive any reportable travel or reimbursements for travel in the reporting period (worth more than $250 from one source)? **If yes, complete and attach Schedule VII.**	Yes [X]	No [ ]
III. Did you, your spouse, or a dependent child receive "unearned" income of more than $200 in the reporting period or hold any reportable asset worth more than $1,000 at the end of the period? **If yes, complete and attach Schedule III.**	Yes [X]	No [ ]	VIII. Did you hold any reportable positions on or before the date of filing in the current calendar year? **If yes, complete and attach Schedule VIII.**	Yes [ ]	No [X]
IV. Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset worth more than $1,000 in the reporting period? **If yes, complete and attach Schedule IV.**	Yes [X]	No [ ]	IX. Did you have any reportable agreement or arrangement with an outside entity? **If yes, complete and attach Schedule IX.**	Yes [ ]	No [X]
V. Did you, your spouse, or a dependent child have any reportable liability (more than $10,000) during the reporting period? **If yes, complete and attach Schedule V.**	Yes [X]	No [ ]	**Each question in this part must be answered and the appropriate schedule attached for each "Yes" response.**		

EXCLUSION OF SPOUSE, DEPENDENT, OR TRUST INFORMATION — ANSWER EACH OF THESE QUESTIONS

TRUSTS—Details regarding "Qualified Blind Trusts" approved by the Committee on Standards of Official Conduct and certain other "excepted trusts" need not be disclosed. Have you excluded from this report details of such a trust benefiting you, your spouse, or dependent child? (See Instructions, pages 10–11.)	Yes [ ]	No [X]
EXEMPTION—Have you excluded from this report any other assets, "unearned" income, transactions, or liabilities of a spouse or dependent child because they meet all three tests for exemption? (See Instructions, page 11.)	Yes [ ]	No [X]

CERTIFICATION — THIS DOCUMENT MUST BE SIGNED BY THE REPORTING INDIVIDUAL AND DATED

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The Statement will be available to any requesting person upon written application and will be reviewed by the Committee on Standards of Official Conduct or its designee. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil penalties (*See* 5 U.S.C. app. 6, §104).

SIGNATURE OF REPORTING INDIVIDUAL: Bud Shuster

DATE (Month/Day/Year): May 15, 1996

EXHIBIT 32

Name BUD SHUSTER	Page 2 of 8

SCHEDULE II — PAYMENTS IN LIEU OF HONORARIA MADE TO CHARITY

List the source, activity (i.e., speech, appearance, or article), date, and amount of any payment made by the sponsor of an event to a charitable organization in lieu of an honorarium. A separate confidential list of charities receiving such payments must be filed directly with the Committee on Standards of Official Conduct. An envelope for transmitting the list is included in each Member's filing package. For further information, see Instructions, pages 13–14.

Source	Activity	Date	Amount
Examples: Association of American Associations, Wash., D.C.	Speech	Feb. 2, 1994	$2,000
XYZ Magazine	Article	Aug. 13, 1994	$500
Chemical Manufacturers Assn. Wash. D.C.	Speech	Oct 30, 1995	$2,000
Wert Trust, Wash. D.C.	Speech	Oct 28, 1995	2,000

This page may be copied if more space is required.

Name BUD SHUSTER | Page 7 of 8

SCHEDULE VII —FACT-FINDING, SUBSTANTIAL PARTICIPATION, AND OTHER TRAVEL

Identify the source and list travel itinerary, dates, and nature of expenses provided for travel and travel-related expenses totalling more than $250 received by you, your spouse, or a dependent child during the reporting period. Indicate whether a family member accompanied the traveler at the sponsor's expense, and the amount of time, if any, that was not at the sponsor's expense. Disclosure is required regardless of whether the expenses were reimbursed or paid directly by the sponsor.

Exclude: Travel-related expenses provided by federal, state, and local governments, or by a foreign government required to be separately reported under the Foreign Gifts and Decorations Act (5 U.S.C. § 7342); travel paid for by campaign funds; travel provided to a spouse or dependent child that is totally independent of his or her relationship to you. For further information, see Instructions, pages 24–25.

Source	Date(s)	Point of Departure—Destination—Point of Return	Lodging? (Y/N)	Food? (Y/N)	Was a Family Member Included? (Y/N)	Any time not at sponsor's expense
Examples: Chicago Chamber of Commerce	Mar. 2	Wash., D.C.—Chicago—Wash., D.C.	N	N	N	N
Roycroft Corporation	Aug. 6–13	Wash., D.C.—Los Angeles—Cleveland	Y	Y	Y	4 Days
Ashland Co.	Feb 10-12	Wash,DC-Naples, Fla.-Wash. DC	Y	Y	1 day N	1 day
Georgians for Better Transportation	Mar 6	Wash DC-Atlanta-Wash DC	N	N	1 day N	
Am Assn of Railroads	Apr 21 - 24	Trans not paid by AAR	Y	Y	4 days N	
RJR-Nabisco; Daniel, Mann, Johnson & Mendenhall	Dec 26-31	Wash DC-San Juan-Wash C	Y	Y	6 days Y	3 days

EXHIBIT 33

...OSURE STATEMENT FOR CALENDAR YEAR 1996

FORM A
For use by Members, officers, and employees

97 MAY 15 PM 2:53
OFFICE OF THE CLERK
U.S. HOUSE OF REPRESENTATIVES
HAND DELIVERED
MC
(Office Use Only)

...D SHUSTER
(Full Name)
Box 234 C RD 3
Everett, Pa. 15537
(Mailing Address)
202-225-2431
(Telephone)

RECEIVED
97 MAY 16 PM 4:05
COMMITTEE ON STANDARDS

Filer Status	[X] Member of the U.S. House of Representatives	State: Pa. District: 9	[ ] Officer or Employee	Employing Office:
Report Type	[X] Annual (May 15)	[ ] Amendment	[ ] Termination	Termination Date:

A *$200 penalty* shall be assessed against anyone who files more than 30 days late.

ELIMINARY INFORMATION — ANSWER EACH OF THESE QUESTIONS

...id you or your spouse have "earned" income (e.g., salaries or ...s) of $200 or more from any source in the reporting period? ...es, complete and attach Schedule I.	Yes [ ]	No [X]	VI. Did you, your spouse, or a dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $250 and not otherwise exempt)? If yes, complete and attach Schedule VI.	Yes [X]	No [ ]
Did any individual or organization make a donation to charity in ...of paying you for a speech, appearance, or article in the ...orting period? ...es, complete and attach Schedule II.	Yes [ ]	No [X]	VII. Did you, your spouse, or a dependent child receive any reportable travel or reimbursements for travel in the reporting period (worth more than $250 from one source)? If yes, complete and attach Schedule VII.	Yes [X]	No [ ]
Did you, your spouse, or a dependent child receive "unearned" ...ome of more than $200 in the reporting period or hold any ...ortable asset worth more than $1,000 at the end of the period? ...es, complete and attach Schedule III.	Yes [X]	No [ ]	VIII. Did you hold any reportable positions on or before the date of filing in the current calendar year? If yes, complete and attach Schedule VIII.	Yes [ ]	No [X]
Did you, your spouse, or dependent child purchase, sell, ...exchange any reportable asset worth more than $1,000 in ...reporting period? ...es, complete and attach Schedule IV.	Yes [X]	No [ ]	IX. Did you have any reportable agreement or arrangement with an outside entity? If yes, complete and attach Schedule IX.	Yes [ ]	No [X]
...id you, your spouse, or a dependent child have any reportable ...ility (more than $10,000) during the reporting period? ...es, complete and attach Schedule V.	Yes [X]	No [ ]	**Each question in this part must be answered and the appropriate schedule attached for each "Yes" response.**		

CLUSION OF SPOUSE, DEPENDENT, OR TRUST INFORMATION — ANSWER EACH OF THESE QUESTIONS

...USTS—Details regarding "Qualified Blind Trusts" approved by the Committee on Standards of Official Conduct and certain other "excepted trusts" need not ...disclosed. Have you excluded from this report details of such a trust benefiting you, your spouse, or dependent child? (See Instructions, pages 10–11.)	Yes [ ]	No [X]
...EMPTION—Have you excluded from this report any other assets, "unearned" income, transactions, or liabilities of a spouse or dependent child because they ...et all three tests for exemption? (See Instructions, page 11.)	Yes [ ]	No [x]

...RTIFICATION — THIS DOCUMENT MUST BE SIGNED BY THE REPORTING INDIVIDUAL AND DATED

...is Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The Statement will be available to any requesting person upon ...itten application and will be reviewed by the Committee on Standards of Official Conduct or its designee. Any individual who knowingly and willfully falsifies, or who ...owingly and willfully fails to file this report may be subject to civil penalties and criminal sanctions (*See* 5 U.S.C. app. 4, §104 and 18 U.S.C. §1001).

...GNATURE OF REPORTING INDIVIDUAL: Bud Shuster

DATE (Month/Day/Year): 5/15/97

Name BUD SHUSTER	Page 6 of 7

SCHEDULE VII —TRAVEL PAYMENTS AND REIMBURSEMENTS

Identify the source and list travel itinerary, dates, and nature of expenses provided for travel and travel-related expenses totalling more than $250 received by you, your spouse, or a dependent child during the reporting period. Indicate whether a family member accompanied the traveler at the sponsor's expense, and the amount of time, if any, that was not at the sponsor's expense. Disclosure is required regardless of whether the expenses were reimbursed or paid directly by the sponsor.

Exclude: Travel-related expenses provided by federal, state, and local governments, or by a foreign government required to be separately reported under the Foreign Gifts and Decorations Act (5 U.S.C. § 7342); travel paid for by a Federal political committee; travel provided to a spouse or dependent child that is totally independent of his or her relationship to you. For further information, see Instructions, pages 24–26.

	Source	Date(s)	Point of Departure—Destination—Point of Return	Lodging? (Y/N)	Food? (Y/N)	Was a Family Member Included? (Y/N)	Any time not at sponsor's expense
Examples:	Chicago Chamber of Commerce	Mar. 2	Wash., D.C.—Chicago—Wash., D.C.	N	N	N	N
	Roycroft Corporation	Aug. 6–13	Wash., D.C.—Los Angeles—Cleveland	Y	Y	Y	4 Days
4	RJR-Nabisco(thru OAAA); Daniel, Mann, Johnson & Mendenhall	Jan 1,2	Wash DC -San Juan - Wash DC	Y	Y	Y	no

EXHIBIT 34

DMJM

FACSIMILE
COVER SHEET

Automatic Facsimile Machine
RICOH 2800L
Compatible with Group I (6 min)
Group II and Group III

Daniel, Mann, Johnson, & Mendenhall
3250 Wilshire Boulevard, Fourth Floor
Los Angeles, California 90010

FAX: (213) 380-5036

If problems occur or receipt confirmation is required, call (213) 381-3663
Ext. 3423 or 3363

DATE OF TRANSMITTAL: 4/17/95 CHARGE NUMBER: _____

RECIPIENT'S COMPANY NAME: Government of Puerto Rico

RECIPIENT'S FACSIMILE NUMBER: (809) 728-8963

FROM: R. W. HOLDSWORTH ATTENTION: _____

INCLUDING COVER SHEET WE ARE SENDING 1 page(s)

DEAR

I WILL SEE CHAIRMAN SHUSTER TOMORROW, TUESDAY, APRIL 18, IN THE LATE AFTERNOON, AND WAS CURIOUS IF YOU WERE ABLE TO RECEIVE ANY INDICATION ON THE AVAILABILITY OF ACCOMMODATIONS DURING THE CHRISTMAS PERIOD.

THANK YOU FOR YOUR ATTENTION TO THIS MATTER.

REGARDS, RAY

bcc: Gil Butler ←

000027

EXHIBIT 35

DMJM

FACSIMILE
COVER SHEET

Automatic Facsimile Machine
RICOH 2800L
Compatible with Group I (6 min)
Group II and Group III

Daniel, Mann, Johnson, & Mendenhall
3250 Wilshire Boulevard, Fourth Floor
Los Angeles, California 90010

FAX: (213) 380-5036

If problems occur or receipt confirmation is required, call (213) 381-3663
Ext. 3423 or 3363

DATE OF TRANSMITTAL: 4/18/95 CHARGE NUMBER: _____

RECIPIENT'S COMPANY NAME: GOVERNMENT OF PUERTO RICO

RECIPIENT'S FACSIMILE NUMBER: (809) 728-8963

FROM: RAY HOLDSWORTH ATTENTION: _____

INCLUDING COVER SHEET WE ARE SENDING 1 page(s)

THANK YOU VERY MUCH FOR YOUR QUICK RESPONSE ON CHAIRMAN SHUSTER'S VISIT DECEMBER 26TH TO JANUARY 3RD. WE MET WITH HIM TODAY AND HE KNOWS AND LIKES THE AREA AND BELIEVES THAT THE ACCOMMODATIONS WOULD BE PERFECT FOR HIS NEEDS.

YOUR TIMING WAS GREAT AS ACTIVITY WILL COMMENCE AGAIN IN WASHINGTON LATE NEXT WEEK, AND NANCY WILL BE ACTIVELY SUPPORTING OUR MUTUAL NEEDS.

PLEASE THANK LOURDES PEREZ FOR HER ASSISTANCE.

BEST REGARDS.

Ray

CC: NANCY BUTLER

bcc: G. Butler

000026

0067-03 (Rev. 5/93)

EXHIBIT 36

DMJM

10-15-55

G. L. Butler

Ken:

I am enclosing two signed leases and three checks as follows:

Bud Schuster's check for $500 deposit for the two day lease. He will pay the balance by Nov. 15 (see his note)

The six day lease is paid in full with two checks totalling $3217

Hopefully this meets with your satisfaction, if not, please call me 765-0927 x 200

P.S. Please return my deposit check thanks

Regards Mike Butler

LEASE AGREEMENT

This rental agreement is made in the town of Dorado, Puerto Rico, between Kenneth W. McGrath, hereinafter referred to as LESSOR and Bud Schuster, hereinafter referred to as LESSEE by virtue of which is mutually agreed to as follows:

1. The premises: 447 Brefias Estates
   Vega Alta, Puerto Rico

2. The LESSEE shall pay the LESSOR as rental $714.00 for the rental of the four bedroom house and $357.00 for the two bedroom house, both at the above address, for two nights beginning December 26, 1995 through December 28, 1995. The rental amount is payable in full by November 15, 1995 with $500.00 due at the time of acceptance of this agreement. If the LESSEE shall decide to cancel this lease prior to November 15, 1995 the $500.00 deposit shall be forfeited unless the property can be rented during the rental period. A security deposit of $200.00 is due by November 15, 1995 and shall be reimbursed by LESSOR upon inspection of premises and payment of any telephone calls.

3. LESSEE is responsible for any long distance telephone calls.

4. All appliances and equipment shall be in good working order at the time of occupancy. Owner shall be responsible for all repairs to appliances and equipment.

5. LESSEE shall in no way make any structural changes or alterations or modify any part of the residence without the written consent of the Landlord.

6. LESSEE will not use, occupy or permit the described premises or any part thereof to be used or occupied for any unlawful, illegal, immoral or hazardous purposes.

7. LESSEE shall in no way remove any of the premises or equipment from the leased premises, except for repairs.

8. LESSEE shall keep the premises clean and in good condition and return same and all appliances in good condition, normal wear and tear excepted.

9. The term of this contract shall be for two nights to commence on December 26, 1995 to December 28, 1995.

10. Tenant is subject to by-laws of Brefias Estates.

11. All rental payments should be made to and delivered to:

    Kenneth W. McGrath
    1020 Popular Center, Hato Rey, PR 00918

12. If tenant breaches any of the obligations arising out of this contract or violates any of its conditions, the Landlord may terminate this contract immediately.

IN WITNESS WHEREOF, the parties sign this contract on this 7th day of July, 1995.

Kenneth W. McGrath

Bud Schuster
5-25-95

ADDENDUM

Mr. McGrath:

I wish to reiterate that although my check covers the nights of December 29-31, I will be arriving on December 26th and departing on January 3, 1996 for a duration of eight nights. The organizations to whom I will be speaking are paying for the other dates.

BUD SHUSTER

LEASE AGREEMENT

This rental agreement is made in the town of Dorado, Puerto Rico, between Kenneth W. McGrath, hereinafter referred to as LESSOR and Daniel, Mann, Johnson & Mendenhall, hereinafter referred to as LESSEE by virtue of which is mutually agreed to as follows:

1. The premises: #47 Brefias Estates
   Vega Alta, Puerto Rico

2. The LESSEE shall pay the LESSOR as rental $1,986.00 for the rental of the four bedroom house and $893.00 for the two bedroom house, both at the above address, for five nights beginning December 28, 1995 through January 2, 1996. The rental amount is payable in full by November 15, 1995 with $500.00 due at the time of acceptance of this agreement. If the LESSEE shall decide to cancel this lease prior to November 15, 1995 the $500.00 deposit shall be forfeited unless the property can be rented during the rental period. A security deposit of $200.00 is due by November 15, 1995 and shall be reimbursed by LESSOR upon inspection of premises and payment of any telephone calls.
   This lease does not include the dates of December 27-31, 1995.

3. LESSEE is responsible for any long distance telephone calls.

4. All appliances and equipment shall be in good working order at the time of occupancy. Owner shall be responsible for all repairs to appliances and equipment.

5. LESSEE shall in no way make any structural changes or alterations or modify any part of the residence without the written consent of the Landlord.

6. LESSEE will not use, occupy or permit the described premises or any part thereof to be used or occupied for any unlawful, illegal, immoral or hazardous purposes.

7. LESSEE shall in no way remove any of the premises or equipment from the leased premises, except for repairs.

8. LESSEE shall keep the premises clean and in good condition and return same and all appliances in good condition, normal wear and tear excepted.

9. The term of this contract shall be for five nights to commence on December 28, 1995 to January 2, 1996.

10. Tenant is subject to by-laws of Brefias Estates.

11. All rental payments should be made to and delivered to:
    Kenneth W. McGrath
    1020 Popular Center, Hato Rey, PR 00918

12. If tenant breaches any of the obligations arising out of this contract or violates any of its conditions, the Landlord may terminate this contract immediately.

IN WITNESS WHEREOF, the parties sign this contract on this 2nd day of July, 1995

Kenneth W. McGrath

10-15-95

Price Breakdown for Rental Agreement
at #47 Brefias Estates, Vega Alta, Puerto Rico

The original lease is for a five (5) night period. Mr. McGrath directed us to "pen & ink" changes to a six (6) night stay.

The new amounts are as follow:

$ 1786 (4 bedromm house rental)
__357 (Additional one night stay)

$ 2143

$ 893 (2 bedroom house rental)
__178 (Additional one night)

$ 1071

$ 2143
__1071

$ 3214 (New total for six nights)
÷ 2 (1/2 of three nights)

$ 1607

NMB/3/358

PERSONAL

Congress of the United States
House of Representatives
Washington, D.C. 20515

Bud Shuster
Ninth District
Pennsylvania

September 25, 1995

Mr. Kenneth W. McGrath
1020 Popular Center
Hato Rey, Puerto Rico 00918

Dear Mr. McGrath,

Enclosed is my $500. check as the deposit on #47 Brenas Estates.

You will note I changed the dates to December 29-31, as I understand the organizations to whom I will be speaking will be paying for the other dates. I will send you the balance due by November 15th, as the enclosed lease requires.

Thank you very much for your help.

Sincerely,

Bud Shuster

BUD SHUSTER

TRI
3250 WILSHIRE BLVD.
LOS ANGELES, CA 90010
(213) 381-3663

NationsBank
NATIONSBANK OF GEORGIA, N.A.
BOX 4899, ATLANTA, GA 30302-4899

12309

64-1278
611

Oct-2-1995

19

PAY EXACTLY ----$ 1,610.00 DOLLARS $ $1,610.00

TO THE ORDER OF KENNETH W. MCGRATH

AUTHORIZED AGENT

AUTHORIZED AGENT

⑈012309⑈ ⑆061112788⑆ 011 25 4 26⑈

OUTDOOR ADVERTISING ASSOCIATION OF AMERICA, INC.
1850 M STREET NW SUITE 1040
WASHINGTON, DC 20036

SEQUOIA FEDERAL SAVINGS BANK
BALTIMORE, MD
65-7165 / 2550

7145

10-05-95

PAY ➤ $1,607.00

PAY EXACTLY ONE THOUSAND SIX HUNDRED SEVEN DOLLARS & 00/100 CENTS

TO THE ORDER OF KENNETH W. MCGRATH
1020 POPULAR CENTER
HATO REY, P.R. 00918

Louise Donohue
Patti L. Neal
AUTHORIZED SIGNATURE

⑈007145⑈ ⑆255071635⑆ 029500 10 10⑈

BUD SHUSTER
PATRICIA R. SHUSTER
C/O SHUSTER FARMS
R.R. 3, BOX 234C
EVERETT, PA 15537

1612

60-719/313
18

9-25 1995

PAY TO THE ORDER OF Kenneth W. McGrath $500.00 XX

Five Hundred and no/100 DOLLARS

Mid-State Bank
15TH AVENUE OFFICE
ALTOONA, PA 16601

FOR Subscription Refill 10/26-11/25/95 Bud Shuster

⑈001612⑈ ⑆031301192⑆ 00 471 334⑈

EXHIBIT 37

PERSONAL

Congress of the United States
House of Representatives
Washington, D. C. 20515

Bud Shuster
Ninth District
Pennsylvania

November 6, 1995

Mr. Kenneth W. McGrath, Agent
1020 Popular Center
Hato Rey, Puerto Rico, 00918

Dear Mr. McGrath,

Under separate cover I have sept you my check for $771., which when coupled with my previous deposit of $500, pays for my condo rental for the nights of Jan 1st and 2d, 1996.

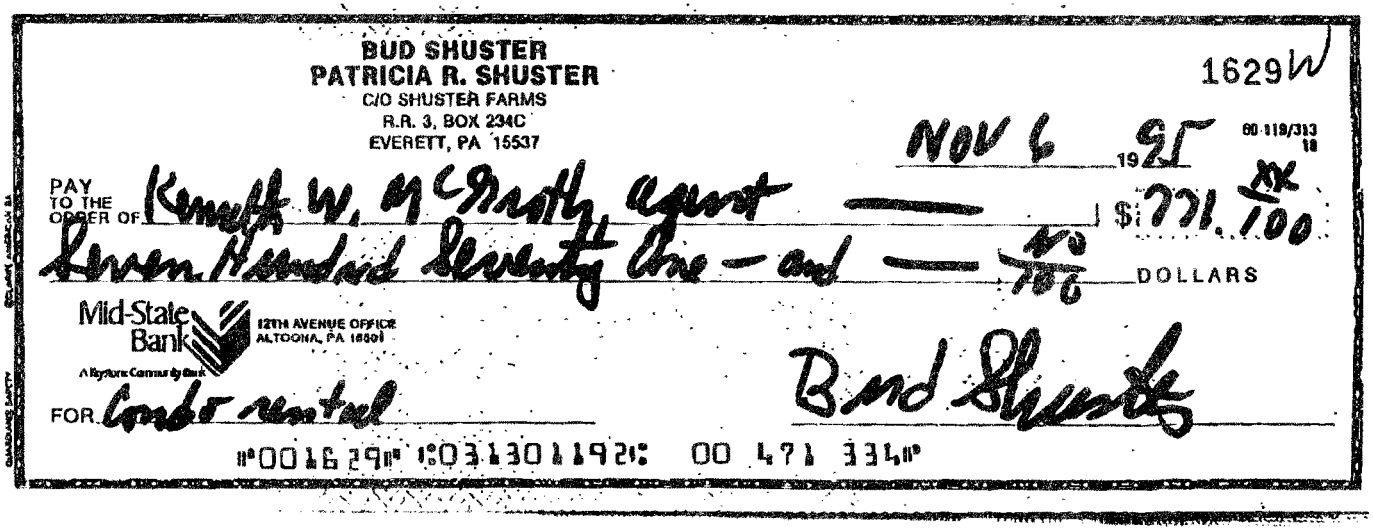
I am sorry for any confusion concerning the amount, which I previously overpaid, and the nights for which I am paying, but I hope this clears it up.

Thank you for your help.

Sincerely,

Bud Shuster

BUD SHUSTER



BUD SHUSTER
PATRICIA R. SHUSTER
C/O SHUSTER FARMS
R.R. 3, BOX 234C
EVERETT, PA 15537

1629W

NOV 6 1995

60-119/313

PAY TO THE ORDER OF Kenneth W. McGrath, Agent — $ 771.00

Seven Hundred Seventy One — and — 00/100 DOLLARS

Mid-State Bank
A Keystone Community Bank
12TH AVENUE OFFICE
ALTOONA, PA 16601

FOR Condo rental

Bud Shuster

⑈001629⑈ ⑆031301192⑆ 00 471 334⑈

BP CAPITAL MARKETS

Kenneth W. McGrath
President and
Chief Executive Officer

BP Capital Markets, Inc.
Popular Center, Suite 1020
Hato Rey, PR 00918-1075
Telephone 809 765 4200

February 1, 1996

Mr. Bud Shuster,
C/O SHUSTER FARMS
R.R. 3, Box 234C
Everett, PA 15537

Dear Congressman Shuster:

Enclosed you will find a check for $200 which represents the return of your security deposit for your stay at my beach villa in Puerto Rico during December. I hope that you enjoyed your stay and will return soon!

Very truly yours

Kenneth McGrath

Enclosure

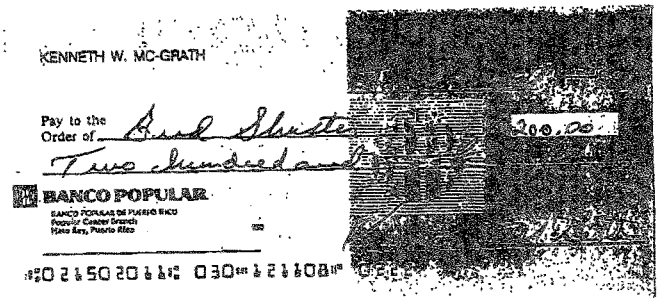
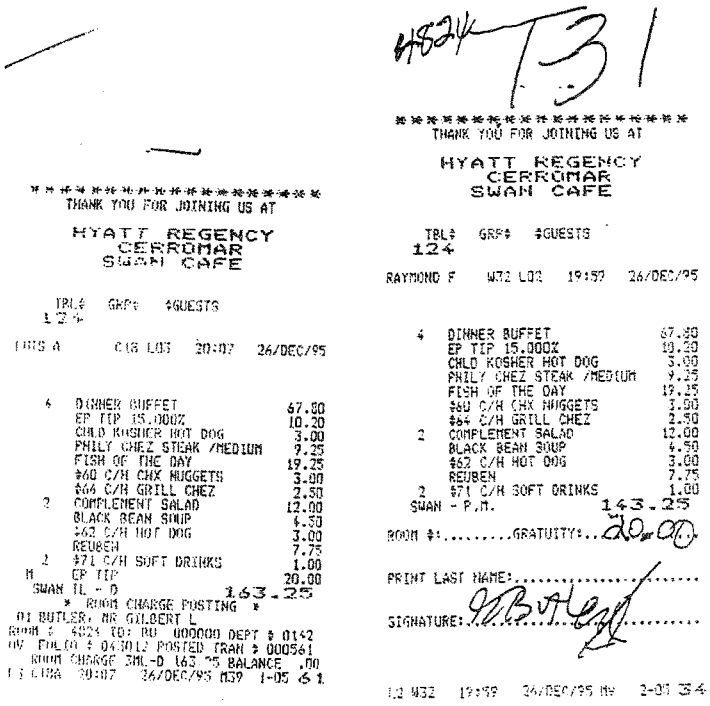


EXHIBIT 38



****
THANK YOU FOR JOINING US AT

HYATT REGENCY
CERROMAR
SWAN CAFE

TBL# GRP# #GUESTS
124

RAYMOND F W32 L03 19:57 26/DEC/95

4	DINNER BUFFET	67.80
	EP TIP 15.000%	10.20
	CHLD KOSHER HOT DOG	3.00
	PHILY CHEZ STEAK /MEDIUM	9.25
	FISH OF THE DAY	19.25
	$60 C/H CHX NUGGETS	3.00
	$64 C/H GRILL CHEZ	2.50
2	COMPLEMENT SALAD	12.00
	BLACK BEAN SOUP	4.50
	$62 C/H HOT DOG	3.00
	REUBEN	7.75
2	$71 C/H SOFT DRINKS	1.00
	SWAN - P.M.	143.25

ROOM #:.....GRATUITY$:..20.00

PRINT LAST NAME:.....

SIGNATURE:.....

L2 W32 19:59 26/DEC/95 M9 2-01 354

****
THANK YOU FOR JOINING US AT

HYATT REGENCY
CERROMAR
SWAN CAFE

TBL# GRP# #GUESTS
124

[illegible] C16 L03 20:07 26/DEC/95

4	DINNER BUFFET	67.80
	EP TIP 15.000%	10.20
	CHLD KOSHER HOT DOG	3.00
	PHILY CHEZ STEAK /MEDIUM	9.25
	FISH OF THE DAY	19.25
	$60 C/H CHX NUGGETS	3.00
	$64 C/H GRILL CHEZ	2.50
2	COMPLEMENT SALAD	12.00
	BLACK BEAN SOUP	4.50
	$62 C/H HOT DOG	3.00
	REUBEN	7.75
2	$71 C/H SOFT DRINKS	1.00
M	EP TIP	20.00
	SWAN IL - D	163.25

* ROOM CHARGE POSTING *
01 BUTLER, MR GILBERT L
ROOM # 4824 TO: RO 000000 DEPT # 0142
AV FOLIO # 043012 POSTED TRAN # 000561
ROOM CHARGE SWL-D 163.25 BALANCE .00
[illegible] 20:07 26/DEC/95 M39 1-05 61

4524 T-31

****
THANK YOU FOR JOINING US AT

HYATT REGENCY
CERROMAR
SWAN CAFE

TBL# GRP# #GUESTS
223

LUIS A C18 L03 20:08 26/DEC/95

	COLADA	5.50
2	SOFT DRINK	4.50
2	VENDANGE,CHARD	10.00
	LOUIS JADOT,MACO	5.50
2	COORS LITE	9.00
	ABSOLUT	5.75
SWAN TL - D		40.25

* ROOM CHARGE POSTING *
01 BUTLER, MR GILBERT L
ROOM # 4524 ID: BU 000000 DEPT # 0254
UV FOLIO # 043012 POSTED TRAN # 000562
RM CHARGE-SWAN REV 40.25 BALANCE .00
L3 C18A 20:08 26/DEC/95 M39 1-05 62

****
THANK YOU FOR JOINING US AT

HYATT REGENCY
CERROMAR
SWAN CAFE

TBL# GRP# #GUESTS
223

RAYMOND F W32 L02 19:59 26/DEC/95

	COLADA	5.50
2	SOFT DRINK	4.50
2	VENDANGE,CHARD	10.00
	LOUIS JADOT,MACO	5.50
2	COORS LITE	9.00
	ABSOLUT	5.75
SWAN - P.M.		40.25

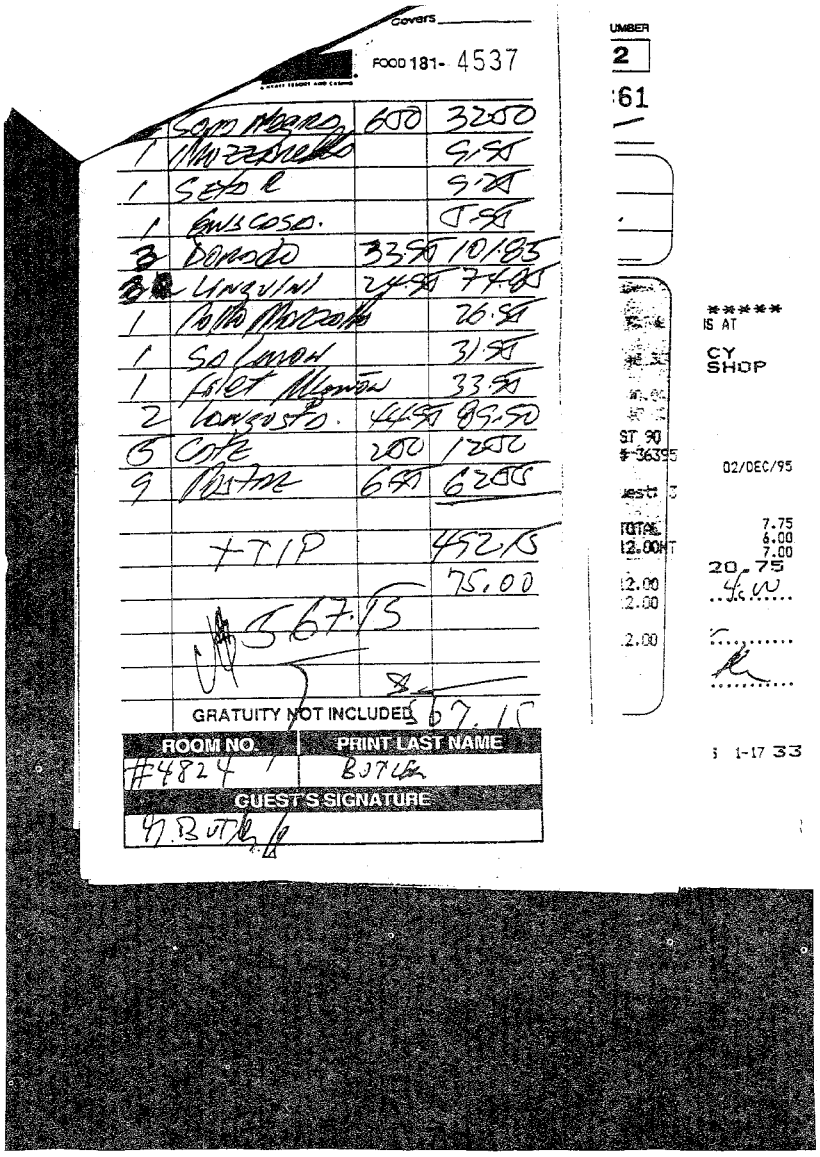
ROOM #:.....GRATUITY:.....

PRINT LAST NAME:...Butler...

SIGNATURE:...guest forgot to sign BC ck.

L2 W32 19:59 26/DEC/95 M54 2-05 37

0 0011



Covers

FOOD 181- 4537

	Sam Negro	600	32.50
1	Mozzarella		9.50
1	Setal		9.25
1	Guiscosa.		5.50
3	Dorado	33.50	101.85
3	Linguini	24.50	74.85
1	Pollo Marzolla		26.50
1	Salmon		31.50
1	Filet Mignon		33.50
2	Langosta.	44.50	89.50
5	Cafe	200	12.50
9	Postre	6.50	62.50
	+TIP		452.15
			75.00
	$567.15		

GRATUITY NOT INCLUDED 567.15

ROOM NO.	PRINT LAST NAME
#4824	Butler

GUEST'S SIGNATURE
M. Butler

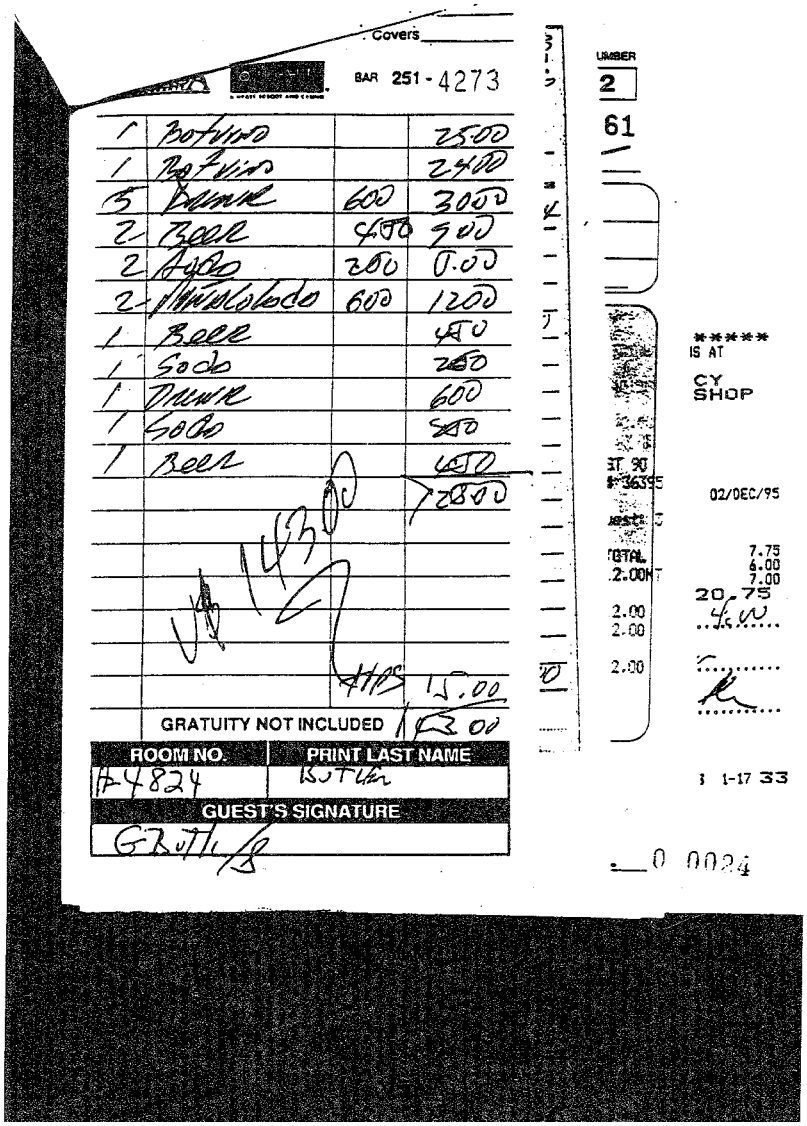
UMBER
2
61

*****
IS AT
CY
SHOP

ST 90
#-36395
02/DEC/95

TOTAL 7.75
12.00NT 6.00
7.00
20.75
12.00
12.00
12.00

1-17 33



Covers

BAR 251 - 4273

1	Bottled		2500
1	Bottled		2400
5	Draft	600	3000
2	Beer	400	800
2	Apple	200	400
2	Margarita	600	1200
1	Beer		400
1	Soda		200
1	Draft		600
1	Soda		200
1	Beer		400
			12800
			1500
	GRATUITY NOT INCLUDED		1500

ROOM NO.	PRINT LAST NAME
#4824	Butler

GUEST'S SIGNATURE

G Butler

NUMBER 2

61

***** IS AT CY SHOP

02/DEC/95

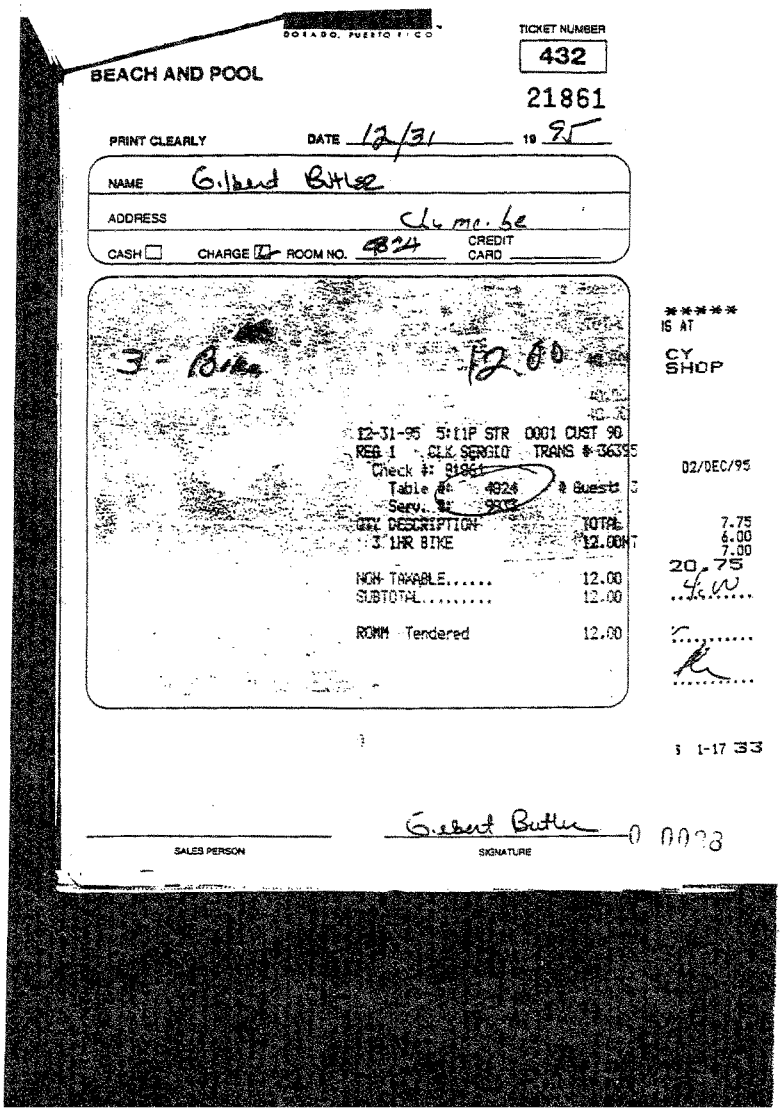
7.75
6.00
7.00
20.75

2.00
2.00

2.00

1-17 33

0 0024



DORADO, PUERTO RICO

TICKET NUMBER

432

BEACH AND POOL

21861

PRINT CLEARLY DATE 12/31 19 95

NAME Gilbert Butler

ADDRESS Chumcibe

CASH ☐ CHARGE ☑ ROOM NO. 4824 CREDIT CARD

3 - Bike 12.00

12-31-95 5:11P STR 0001 CUST 90
REG 1 CLK SERGIO TRANS # 36395
Check #: 81861
Table #: 4824 # Guest: 3
Serv. #: 9933

QTY DESCRIPTION	TOTAL
3 1HR BIKE	12.00NT
NON TAXABLE.....	12.00
SUBTOTAL.....	12.00
ROMM Tendered	12.00

*****
IS AT
CY
SHOP

02/DEC/95

7.75
6.00
7.00
20.75
4.W

1-17 33

SALES PERSON

Gilbert Butler 0 0028
SIGNATURE

DATE 1996	CODE NO.	TICKET NO.	EXPLANATION	CHARGES	CREDITS
DEC02	102	0173497	E.P. FOOD	13.75	63
DEC02	102	0173497	P/SHOP BEV	7.00	↓
DEC02	102	0173497	TIP	4.00	
DEC02	402	3013156	CART RNTLS	40.00	
DEC02	302	0319456	MRCHNDSE	30.40	
DEC03	102	0192397	E.P. FOOD	20.75	
DEC03	102	0192397	P/SHOP BEV	7.00	
DEC03	102	0192397	TIP	4.00	
DEC03	402	3020457	CART RNTLS	40.00	
DEC03	302	0324557	MRCHNDSE	16.00	
DEC03	302	0327157	MRCHNDSE	24.00	
DEC03	302	0329057	MRCHNDSE	144.30	
DEC03	272	0830257	OHIO BEV	3.50	
DEC03	272	0830257	TIP	1.50	
DEC09	102	0277997	E.P. FOOD	7.75	
DEC09	102	0277997	P/SHOP BEV	3.50	
DEC09	102	0277997	TIP	2.75	
DEC09	312	0581253	SHOP AMT	88.00	
DEC09	302	0346556	MRCHNDSE	52.00	
DEC09	272	0842409	OHIO BEV	3.50	
DEC09	272	0842409	TIP	1.50	
DEC15	005	0614800	JAN96DUES	239.20	
DEC18	005	0001122	PAID		345.01
DEC26	142	0056192	SWAN E.P.	132.05	↓
DEC26	142	0056192	SWAN BEV	1.00	CS
DEC26	142	0056192	TIP	30.20	
DEC26	254	0056292	SWAN BEV	40.25	
DEC27	102	0461793	FOOD AMT.	23.00	
DEC27	102	0464793	FOOD AMT.	16.00	

ACCOUNT NO.	PREVIOUS BALANCE	CURRENT CHARGES	PAYMENTS-CREDIT	AMOUNT DUE
4924				

BILLING DATE
01/01/96

PAYABLE UPON RECEIPT

CBCLUB

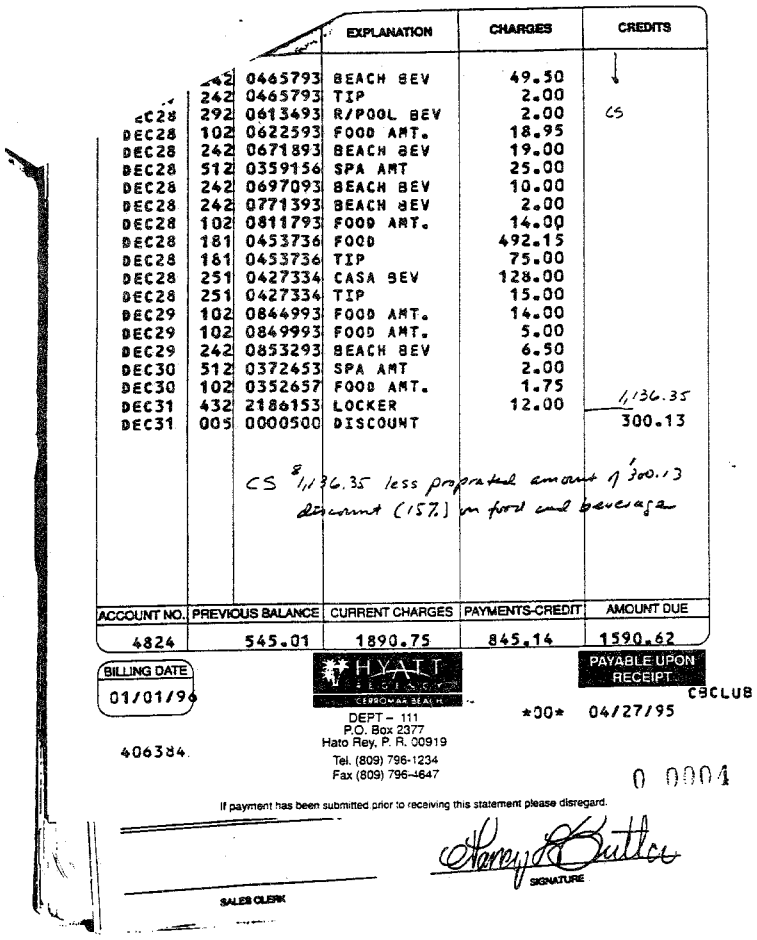
00 04/27/95

40e3d4

HYATT REGENCY

DEPT - 111
P.O. Box 2777
Hato Rey, P. R. 00919
Tel. (809) 756-1234
Fax (809) 756-4647

If payment has been submitted prior to receiving this statement please disregard.



			EXPLANATION	CHARGES	CREDITS
	242	0465793	BEACH BEV	49.50	
	242	0465793	TIP	2.00	
DEC28	292	0613493	R/POOL BEV	2.00	CS
DEC28	102	0622593	FOOD AMT.	18.95	
DEC28	242	0671893	BEACH BEV	19.00	
DEC28	512	0359156	SPA AMT	25.00	
DEC28	242	0697093	BEACH BEV	10.00	
DEC28	242	0771393	BEACH BEV	2.00	
DEC28	102	0811793	FOOD AMT.	14.00	
DEC28	181	0453736	FOOD	492.15	
DEC28	181	0453736	TIP	75.00	
DEC28	251	0427334	CASA BEV	128.00	
DEC28	251	0427334	TIP	15.00	
DEC29	102	0844993	FOOD AMT.	14.00	
DEC29	102	0849993	FOOD AMT.	5.00	
DEC29	242	0853293	BEACH BEV	6.50	
DEC30	512	0372653	SPA AMT	2.00	
DEC30	102	0352657	FOOD AMT.	1.75	
DEC31	432	2186153	LOCKER	12.00	1,136.35
DEC31	005	0000500	DISCOUNT		300.13

CS 1,136.35 less prorated amount of 300.13 discount (15%) on food and beverage

ACCOUNT NO.	PREVIOUS BALANCE	CURRENT CHARGES	PAYMENTS-CREDIT	AMOUNT DUE
4824	545.01	1890.75	845.14	1590.62

BILLING DATE
01/01/96

PAYABLE UPON RECEIPT

C9CLUB

00 04/27/95

406384

HYATT REGENCY
CERROMAR BEACH

DEPT – 111
P.O. Box 2377
Hato Rey, P. R. 00919
Tel. (809) 796-1234
Fax (809) 796-4647

0 0004

If payment has been submitted prior to receiving this statement please disregard.

SALES CLERK

SIGNATURE

EXHIBIT 39

Commonwealth of Puerto Rico
DEPARTMENT OF TRANSPORTATION & PUBLIC WORKS
PUERTO RICO HIGHWAY & TRANSPORTATION AUTHORITY
PO Box 41269, Minillas Station, Santurce, Puerto Rico 00940-1269

December 11, 1995

Congressman Bud Schuster
2188 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Schuster:

I was delighted to learn you will be visiting us during the holidays. I would be very honored if you and your family would accept my invitation to accompany us to an outing up in the mountains at an old plantation house located in the town of Maricao.

We believe, this will be a truly unforgettable experience for you and your family. This self-sufficient plantation dates back to the turn of the century. It is located on the top of one of the highest mountains on the Island. On a clear day, you can see all the way to the ocean. At the foot of the mountain lays a fairly large coffee grove. The bean is considered one of the best in the market.

In addition to the coffee, the plantation has orange and grapefruit orchards, livestock and horses for horseback riding. Everything that is consumed on the plantation is either cultivated or raised right on the property.

The owner and his wife are wonderful hosts. They take very special care in preparing every detail for their guests and every dish is prepared by them personally.

During the day, Dr. Jimenez and his wife will make sure you are well attended. He will take us on a tour of the grounds, show you how the coffee beans are picked and processed and even let you pick the produce right off the trees. Mrs. Jimenez will lecture those interested, on the basics of the Puerto Rican cuisine.

Honorable Bud Schuster
December 11, 1995

Since I am well aware your visit to Puerto Rico is a recreational one, I think you and your family will enjoy this very much. If you want to experience Puerto Rico this is a fine example of our Puerto Rican culture.

I hope you can accept my invitation.

Best personal regards,

EXHIBIT 40

P.R.

OUTDOOR ADVERTISING ASSOCIATION OF AMERICA, INC.

REFERENCE NO.	PAY NO.	DESCRIPTION	GROSS AMOUNT	DISCOUNT	NET AMOUNT
12/20/95		Transportation for Plan [illegible] 8315			$420.00

TOTALS FOR THIS CHECK ARE SHOWN ABOVE

OUTDOOR ADVERTISING ASSOCIATION
OF AMERICA, INC.
1650 M STREET NW SUITE 1040
WASHINGTON, DC 20036

SEQUOIA FEDERAL SAVINGS BANK
BALTIMORE, MD
65-7163/2550

7503

December 20, 1995

PAY $420.00

PAY EXACTLY Four Hundred Twenty Dollars and 00/100 Cents0----------

TO THE ORDER OF Dorado Transport Co op

[illegible]

[illegible]

AUTHORIZED SIGNATURE

⑈007503⑈ ⑆255071635⑆ 0295001010⑈

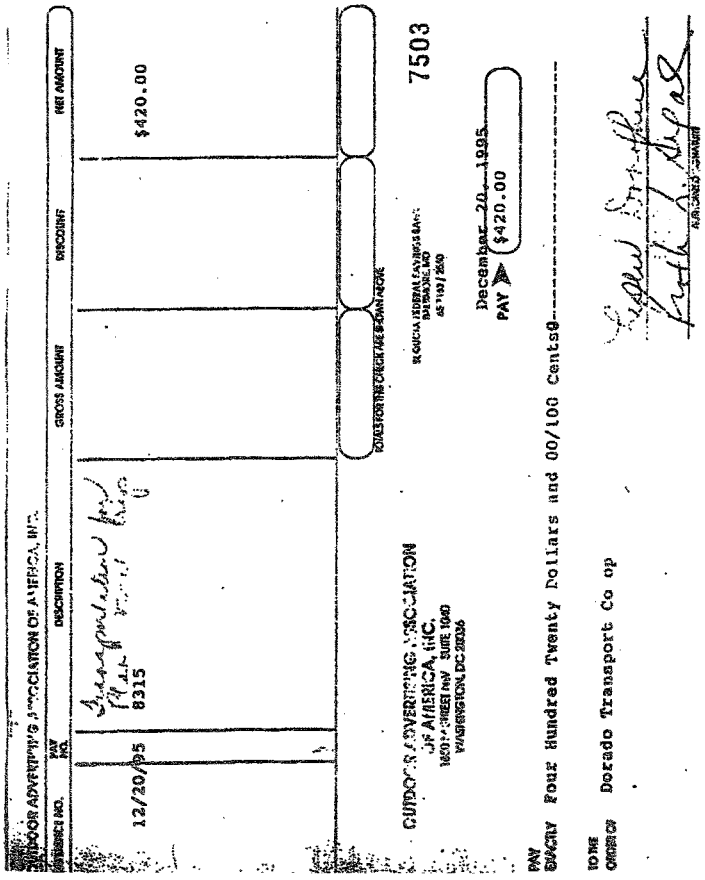


EXHIBIT 41

Appointment Request

NAME:	**Charles Ratliff**
ORGANIZATION:	Director of Operations of Frito'lay
ADDRESS:	**Dallas, TX**
PHONE:	**(214) 334- 2125**
DATE REQUESTED:	**January 26, 1995**
POINT OF CONTACT:	Mary Staples
EVENT DETAILS:	Would like to meet with EGS and Legislative Assistant who handles Surface Transportation and talk about light weight motor vehicles. Would also bring Galen Reaser, Director of Government Affairs of Pepsico and Mary Staples.

YES _____

NO X

EGS-M 000986

11:30

Tracy, Tues.

Ann called to set up
a meeting for tomorrow
at 11:30 am with
Padisha Madda
~~Pat~~ Padisha Madda of the
Japanese Export/Import Bank
Mr. Madda will be with
Ted Olsen or Bob McConnell
this has something to do with
Amtrack Glenn of T+I
should be at the meeting. I don't
believe he knows anything about
this. The next time you talk to her
please confirm because everything
was given to me in a rush.

EGS-M 000982

JPM

Appointment Request

NAME: Congressman Weller

ORGANIZATION:

ADDRESS:

Yes

PHONE: 53635

DATE REQUESTED: January 30, 1995 (afternoon)

POINT OF CONTACT: Gina

EVENT DETAILS: Would like to bring in the Secretary of Transportation for the State of Illinois to meet with EGS and talk about the Third Chicago Area Airport.

YES _____

NO _____

Jan 30

2:30

Appointment Request

NAME: Al Laich

ORGANIZATION: Penndot

ADDRESS:

PHONE: (814) 696-7151

DATE REQUESTED: January 26 or 27, 1995

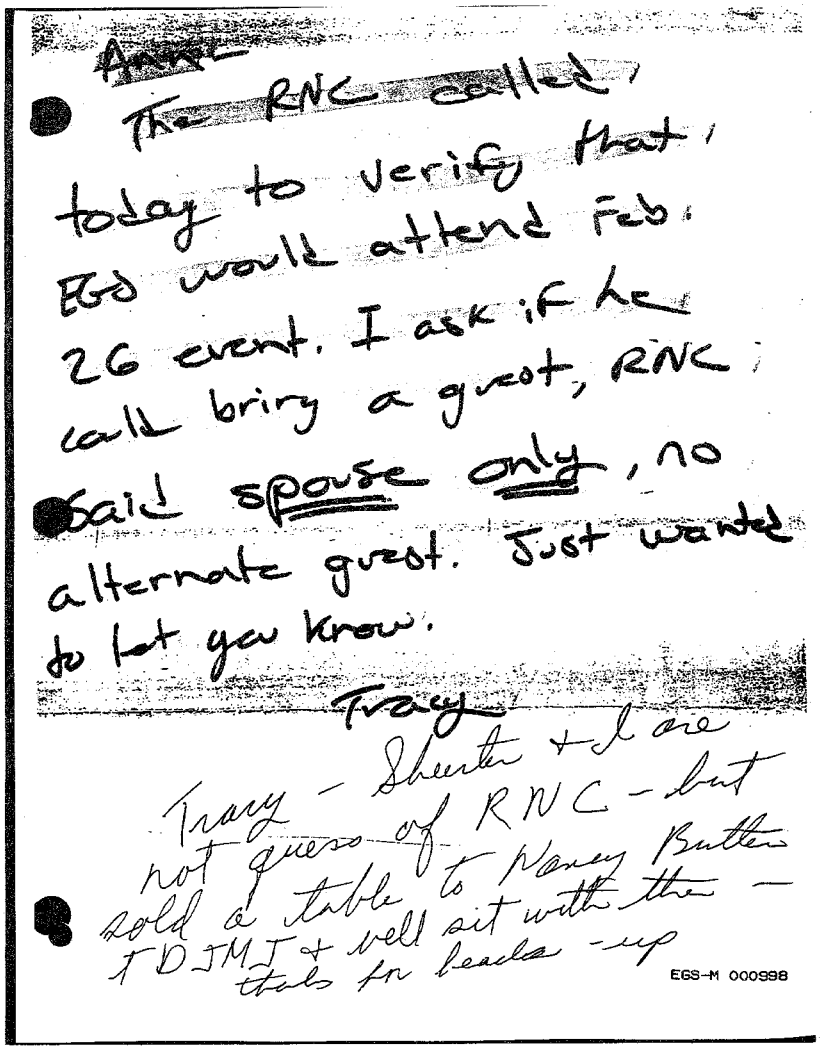
POINT OF CONTACT: Al Laich

EVENT DETAILS: Would like to discuss the District 9 0 job- the vacant engineer job due to the retirement of Jack Mathews.

YES X

NO _____

EGS-M 000994



Annie

The RNC called today to verify that EGS would attend Feb. 26 event. I ask if he could bring a guest, RNC said spouse only, no alternate guest. Just wanted to let you know.

Tracy

Tracy - Sheerter + I are not guess of RNC - but sold a table to Nancy Butler TDJMJ + well sit with them - thanks for heads-up

EGS-M 000998

Appointment Request

NAME:	Andrew Schlaesli
ORGANIZATION:	California Highway Users
ADDRESS:	
PHONE:	(619) 560-4911
DATE REQUESTED:	January 23, 24, or 25, 1995 508-3400
POINT OF CONTACT:	Wendy
EVENT DETAILS:	Would like to introduce the organization and discuss how they could work together.

Should go Ed Hanley
Chris + Taylor 857-1228

YES _____

NO _____

EGS-M 001001

American Road & Transportation Builders Association

...ized in 1902 • The ARTBA Building, 1010 Massachusetts Ave., N.W., Washington, D.C. 20001 • (202) 289-4434 Fax: (202) 289-4435

ANN ?

January 11, 1995

YES
NO X

Chairman Bud Shuster
Transportation & Infrastructure Committee
U.S. House of Representatives
Washington, D.C.

Dear Mr. Chairman:

Last summer, the American Road & Transportation Builders Association Board of Directors initiated an association-wide policy review process in anticipation of reauthorization of the federal surface transportation programs. To accomplish this task, we organized an "ISTEA Reauthorization Task Force."

This group, which now includes over 100 experts from industry, academia and government, has been examining current federal law, regulations, policies, programs and financial support to identify improvements that would: (a) make the surface transportation program more efficient and cost-effective; (b) provide better safety and mobility for all Americans; and (c) allow U.S. transportation-construction-related firms to be more competitive in domestic and international markets.

Documents that detail the task force membership and agenda are attached. With the new leadership and direction in Congress, we believe our task force's activities are even more important and timely than they seemed just six months ago.

On January 24-25, the full task force will meet in Washington at the Georgetown University Conference Center. Over this two-day period, the group will hear presentations on topics including the future transportation fuels market, U.S. transportation demographics, and anticipated breakthroughs in transportation construction materials. The task force subgroups will develop policy recommendations that will be presented to the group as a whole.

We would be most honored if you could address the task force on Tuesday, January 24, and share your vision and objectives with these industry leaders. A 20-30 minute presentation during the luncheon program (12 noon-1:15 p.m.) would work well. If that time will not work for you, we will do what we need to to accommodate your busy schedule. Our Tuesday general session will run from 9:30 a.m. until 12 noon. ARTBA would, of course, provide transportation for you to and from Capitol Hill for this engagement.

I hope you will be able to join us.

Best personal regards,

Pete

T. Peter Ruane
President & CEO

EGS-M 001007

Chairman: Kenneth R. Rezendes Senior Vice Chairman: William G. Mulligan First Vice Chairman: Jay R. Taylor Treasurer: Charles A. Machemehl, Jr., P.E.
Vice Chairmen: Joseph R. Julian, David R. Kraemer, John W. Midgley, P.E., Max R. Sprotes, P.E., John R. Weisman
Division Presidents: James Wray Bush, Deborah R. Divine, Constance M. Fason, Bernard Haber, Dennis J. Hogan, Daniel E. Kletter, F. Wayne Ward, John W. Wight
Past Chairmen's Council: Denver Collins, Jr. Council of State Executives: Robert A. Briant Sr. Secretary & President/CEO: T. Peter Ruane

Appointment Request

NAME:	Mr. Ted Houser, Executive Director
ORGANIZATION:	Government Assistance Procurment Agency Altoona, Pennsylvania
ADDRESS:	
PHONE:	814 - 941 - 6754 814 - 935 - 2576 800 - 527 - 4272
DATE REQUESTED:	Week of February 20, 1995
POINT OF CONTACT:	Rod McLockland
EVENT DETAILS:	courtesy visit

YES X

NO

STAFF X

Republican
National
Committee

Haley Barbour
Chairman

ANN ?

Tracy - put on EGS sch 1995

Thursday Feb. 9 cocktail 6:00 dinner 7:00

HI

YES ✓

NO

November 15, 1994

NANCY Butler

The Honorable E. G. Shuster
2268 Rayburn House Office Building
Washington, DC 20515

Dear Bud:

On February 9, 1995, the Republican National Committee will be holding its 1995 Annual Gala. The theme of this year's gala will be "The Republican Majority Inaugural" celebration honoring our newly-elected Republican majorities in the U.S. Senate and House of Representatives.

EGS ATTN

It is my pleasure to personally extend to you and a guest a complimentary invitation to attend this great evening of entertainment and celebration. The invitation list will include Republican supporters from all 50 states, as well as all Republican members of Congress and governors.

Your participation in this event will help ensure that the 1995 Gala is an appropriate tribute to our Party's historic 1994 election gains. I would also like to give you an opportunity to submit a list of individuals from your state or district who you would like to receive an invitation to purchase tickets to the Gala. Tickets to the Gala may be purchased for $1,000 a piece. Please fax the enclosed form to inform us of your intention to submit individual names.

The annual gala dinner will be held at the Washington Convention Center, 900 9th Street, NW in Washington, DC. A cocktail reception will begin at 6:00 p.m. followed by dinner at 7:00 p.m. The RNC Gala is black tie and this VIP Guest invitation is non-transferable.

Please call Laura Yeates in our Special Events Office to confirm your attendance at (202) 863-8720 no later than Tuesday, January 31.

I look forward to you joining us on the evening of February 9.

Sincerely,

Haley

Haley Barbour
Chairman

EGS-M 001039

Dwight D. Eisenhower Republican Center • 310 First Street Southeast • Washington, D.C. 20003 • (202) 863-8700
TDD: (202) 863-8728 • FAX (202) 863-8774

Appointment Request

NAME:	Mary Staples
ORGANIZATION:	Frito Lay
ADDRESS:	
PHONE:	214 - 334 - 2803
DATE REQUESTED:	end of February, beginning of March
POINT OF CONTACT:	Debbie DeWolf
EVENT DETAILS:	please see attached

YES _____

NO X

STAFF _____

This is a new request -
I know you said
no before -
it should be
Robin Reeves -
She is low-level -

[redacted]

NO

He should ask & then
we will see - Quick say no.

EGS-M 001043

[redacted]

facsimile
TRANSMITTAL

[redacted]

to: Tracy
fax #: 202-225-2486
re: ACC Members' Appointments with Congressman Shuster
date: January 31, 1995
pages: 1, including this cover sheet.

[redacted]

Several members of the Airport Consultants Council (ACC) will be in Washington next week and have asked ACC to schedule an appointment for them with Congressman Shuster. They would like to meet for twenty minutes any time on Tuesday, February 7 with Rep. Shuster to discuss airport funding. The individuals are:

Paul P. Bollinger, Day & Zimmerman, Philadelphia, PA
John Miller, Michael Baker Corporation, Pittsburgh, PA

Call ed

ACC is a trade association whose members are the firms involved in airport architecture, engineering, planning, design, and equipment. The firms represented by the individuals named above employ thousands of workers throughout Pennsylvania and other areas. There are 17 ACC firms in Pennsylvania working on 38 airport projects.

If it is acceptable, an additional person may accompany Mr. Bollinger and Miller. This person would likely be ACC's Executive Director, Ms. Paula Bline.

I understand Congressman Shuster has hearings scheduled throughout the day on Tuesday. Please let me know if you are able to schedule an appointment. An afternoon time would be preferable.

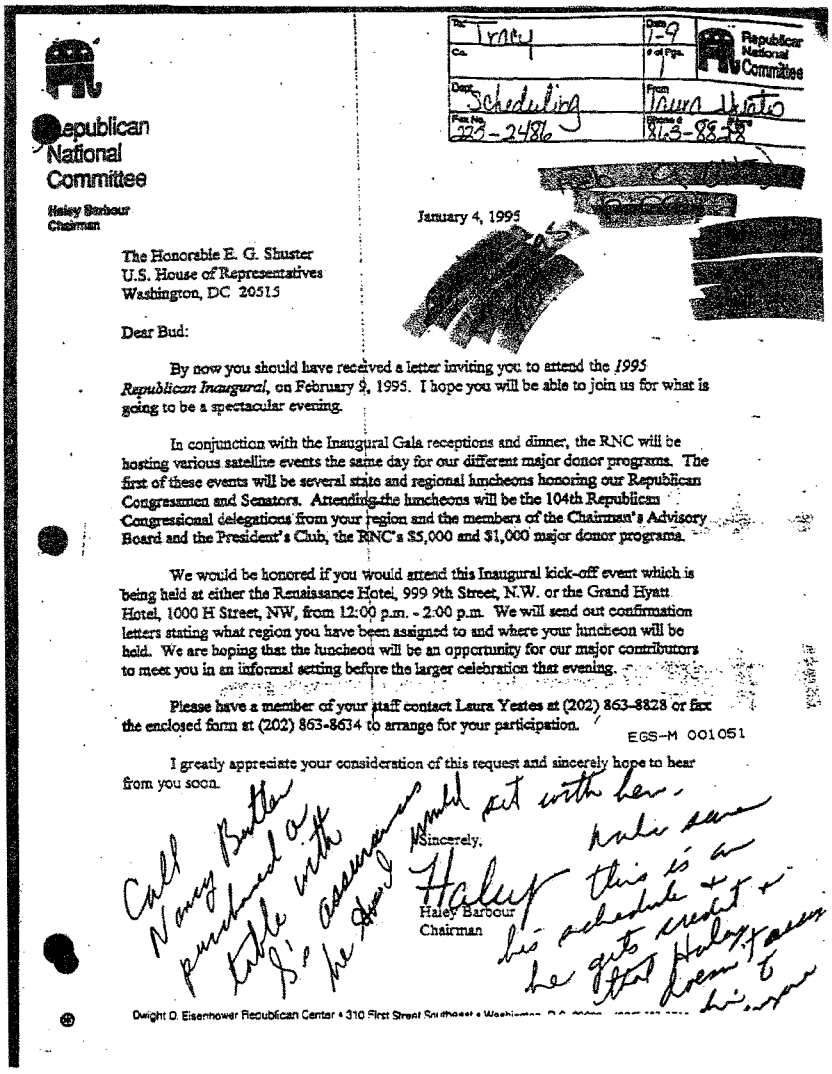
You may contact me at the fax or phone number listed below. Thank you for your assistance.

From the desk of...

Grace Whiteley
Director of Operations
Airport Consultants Council
421 King Street, Suite 220
Alexandria, VA 22314

703-683-5900
Fax: 703-548-4749

EGS-M 001048



Republican National Committee

Haley Barbour
Chairman

To: Tracy	Date: 1-9	Republican National Committee
Co.	# of Pgs. 1	
Dept. Scheduling	From Laura Yeates	
Fax No. 225-2486	Phone # 863-8828	

[redacted]

January 4, 1995

[redacted]

The Honorable E. G. Shuster
U.S. House of Representatives
Washington, DC 20515

Dear Bud:

By now you should have received a letter inviting you to attend the *1995 Republican Inaugural*, on February 9, 1995. I hope you will be able to join us for what is going to be a spectacular evening.

In conjunction with the Inaugural Gala receptions and dinner, the RNC will be hosting various satellite events the same day for our different major donor programs. The first of these events will be several state and regional luncheons honoring our Republican Congressmen and Senators. Attending the luncheons will be the 104th Republican Congressional delegations from your region and the members of the Chairman's Advisory Board and the President's Club, the RNC's $5,000 and $1,000 major donor programs.

We would be honored if you would attend this Inaugural kick-off event which is being held at either the Renaissance Hotel, 999 9th Street, N.W. or the Grand Hyatt Hotel, 1000 H Street, NW, from 12:00 p.m. - 2:00 p.m. We will send out confirmation letters stating what region you have been assigned to and where your luncheon will be held. We are hoping that the luncheon will be an opportunity for our major contributors to meet you in an informal setting before the larger celebration that evening.

Please have a member of your staff contact Laura Yeates at (202) 863-8828 or fax the enclosed form at (202) 863-8634 to arrange for your participation.

EGS-M 001051

I greatly appreciate your consideration of this request and sincerely hope to hear from you soon.

Call Butler Nancy Butler purchased a table with S's assurances he would sit with her. Make sure this is on his schedule & he gets credit & that Haley doesn't assume him to [illegible]

Sincerely,

Haley

Haley Barbour
Chairman

Dwight D. Eisenhower Republican Center • 310 First Street Southeast • Washington, D.C. [illegible]

Ann,
FYI
Rob

TO : Congressman Shuster/Carol

FROM : Rob

RE : Meeting request from Carl Belin

DATE : January 6, 1995

Mr. Belin and Mr. Graham would like to meet with Congressman Shuster in early February in Washington to discuss the funding situation for the Clearfield campus of Lockhaven University.

Governor Casey last year appropriated $5 million dollars for the infrastructure improvements to the campus of Lockhaven University. To date, the money has not yet been released. Governor-elect Tom Ridge made a statement during his campaign that he would release the funds when he entered office. Mr. Belin would like to know if Congressman Shuster could contact Mr. Ridge and verify that the funds are going to be released.

Mr. Belin also plans to delay the announcement that Congressman Shuster secured EDA grant for the campus until the status of the state money is known. He would rather announce both at once. If possible, he would like to have Mr. Ridge and Congressman Shuster make a joint announcement at an event in Clearfield (to be arranged) once the funds are released.

Yes —
Tom —
VIP

[redacted]

EGS-M 001069

COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR
HARRISBURG

February 15, 1995

Honorable E.G. Bud Shuster
U.S. House of Representatives
2188 Rayburn House Office Bldg.
Washington, D.C. 20515

Representative Shuster:

As Governor of Pennsylvania, I share your concerns about the future of military installations within our Commonwealth. The defense of our country is the most important mission of our federal government and is not a matter that should be taken lightly. The great bases within the borders of Pennsylvania are critical to the stability of our nation and the world.

I would like to invite you or a representative to attend and participate in a discussion session involving myself, the Defense Base Closure and Realignment Commission, and other concerned members of the state and federal legislature as well as concerned citizens. The meeting is scheduled to occur on Thursday, February 23, 1995 at 10:00 a.m. in Room 60E, located in the East Wing of the Capitol. The Commission will appraise us of its history and procedures, then answer any questions that you may have, so that we as a Commonwealth can prepare a strategy that protects the interests of Pennsylvania and the United States.

I look forward to seeing you there.

With best regards, I remain

Very truly yours,

Tom Ridge
Governor
Commonwealth of Pennsylvania

EGS-M 001085

Appointment Request

5:30 p

NAME: Bill Newman
Jim Hagan
Dave LeVan

ORGANIZATION: CONRAIL

Feb. 21

ADDRESS:

PHONE: 789 - 5868

DATE REQUESTED: February 21 or 22

POINT OF CONTACT: Sharon

EVENT DETAILS: would like to meet with EGS for one hour to discuss rail issues and then proceed to dinner at the Capitol View Club. (Ann is ~~to~~ be included in this meeting according to Sharon.)

YES _____

NO _____

EGS-M 001087

Appointment Request

NAME:	George Tagg Fred Smith Ann Eppard
ORGANIZATION:	FedEx
ADDRESS:	
PHONE:	546 - 1631
DATE REQUESTED:	February 7, 1995
POINT OF CONTACT:	George Tagg
EVENT DETAILS:	Would like to introduce Mr. Smith to EGS.

YES X

NO _____

STAFF _____



[redacted] 11:30-12:30 [redacted] 508-3400 ; Rec'd House ~~Betty~~ 11-12

APPOINTMENT REQUEST

NAME: Tim Lynch

ORGANIZATION: ATA

ADDRESS:

MAYBE? Can't commit now

PHONE: 544-6245

DATE REQUESTED:

HI:

HO:

POINT OF CONTACT:

REASON FOR REQUEST: Laguna Beach, CA
Feb. 25-28
(Sat. - Tues.)

Attend Exec Comm Mtg
75-100 people

Preference - Tues. Morning for speech
But, are flexible

Ed Hardinger is working for them & he should schedule it - if S wants to go

EGS-M 001091

APPOINTMENT REQUEST

1:30 Thurs March 2

NAME: Dennis Dwyer

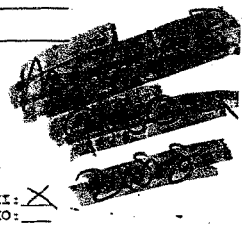
ORGANIZATION:

ADDRESS:

PHONE: 371-6131

DATE REQUESTED: March 2

HI: X
HO:



POINT OF CONTACT:

REASON FOR REQUEST:

Wants the Chairman to meet Jean-Yves LeBlanc, President of Bombardier Corp. They manufacture Amtrak & other transit cars. They are also bidders on the NE corridor project.

EGS-M 001107

APPOINTMENT REQUEST

NAME: Dennis Dwyer

ORGANIZATION:

ADDRESS:

PHONE: 371-6131

DATE REQUESTED: Anytime HI: HO:

POINT OF CONTACT:

REASON FOR REQUEST:

Wants to bring in Bob Allen, President of the National Railway Labor Conference, to meet EGS.

EGS-M 001119

Todd Hauptli
703-824-0500

ACI
Airports Council International

AIRPORTS COUNCIL
INTERNATIONAL-
NORTH AMERICA
1775 K St. N.W.
Suite 500
Washington, DC 20006
Phone 202/293-8500
Fax 202/331-1362

AMERICAN ASSOCIATION
OF AIRPORT EXECUTIVES
4212 King Street
Alexandria, VA 22302
Phone 703/824-0504
Fax 703/820-1395

February 24, 1995

Honorable Bud Shuster
United States House of Representatives
2188 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

On behalf of the American Association of Airport Executives (AAAE) and the Airports Council International - North America (ACI-NA), we would like to invite you to give the luncheon address at our Legislative Issues Conference here in Washington D.C. on Monday, March 27. The Conference will take place at the Hyatt Regency on Capitol Hill.

Conference attendees will include approximately 125 key airport executives and operators from across the country. Our members would be very interested in hearing more about your efforts to remove the transportation trust funds from the unified federal budget, as well as other aviation-related activities of the Transportation and Infrastructure Committee.

If you or your staff have any questions regarding your participation in this event, please contact Todd Hauptli at (703) 824-0504 or Amy Warner at (202) 293-8500.

Thank you for your consideration of this request.

Sincerely,

George Howard
George Howard
President
ACI-NA

Charles Barclay
Charles Barclay
President
AAAE

EGS-M 001198

Fulton County Economic Development Corporation
214 North Second Street • McConnellsburg, Pa. 17233 • (717) 485-3012 FAX (717) 485-5106

March 8, 1995

The Honorable A.G. "Bud" Shuster
House of Representatives
2188 Rayburn Building
Washington, D.C. 20515

Dear Congressman Shuster,

On behalf of the business community, we invite you to join us at the annual meeting of the Fulton Industrial Development Corporation and the Fulton County Economic Development Corporation Thursday, March 23, beginning at 6 p.m. at the American Legion in McConnellsburg.

We are interested in the Base Realignment Commission's recommendations concerning Letterkenny Army Depot, a major employer for Fulton residents, as well as how new federal initiatives will affect business and industry.

This is the yearly meeting of both groups which includes updates on economic development activities in the county.

Thank you for considering our request.

Sincerely,

Margaret Ulrich Taylor, Executive Director

EGS-M 001223

Appointment Request

NAME:	Jim Vreeland
ORGANIZATION:	Bedford Memorial Hospital
PHONE:	814 - 623 - 6161
DATE REQUESTED:	April 25 or 27, 1995 in Altoona
POINT OF CONTACT:	Mr. Vreeland
EVENT DETAILS:	

if he is there otherwise, staff.

YES ___

NO ___

STAFF X

Rob,
Unless our EGS is in the area.

[redacted]

EGS-M 001241

MAR 13 1995

PENNSTATE
Altoona Campus

Daniel DiLeo
(814) 949-5000 5284
3000 Ivyside Park
Altoona, PA 16601-3760

March 14, 1995

Darrell or JPM?

—Y
—N
X Sheriff

Congressman E. G. Shuster
Room 2188
Rayburn Building
Washington, D.C.
20515

Dear Congressman Shuster:

I am the professor of political science at Penn State Altoona. I am currently teaching two sections of American Politics and Government. The sections meet at 8:00 am and 11:00 am on Tuesdays and Thursdays through the end of April.

My students have already studied the U.S. Congress. Next month they will study the budget process by playing the roles of the members of the Transportation and Infrastructure Committee. We would be very interested in learning about the issues that this committee is addressing and the processes by which the committee formulates its recommendations.

More generally, I believe that an extended face-to-face encounter with a public servant would be a valuable experience for all of my students. For those who are cut out for a career in government, it could be a real turning point.

Cordially,

Daniel DiLeo

Daniel DiLeo → 814-949-5284-W
814-684-9447-h

yes - if he can but definitely sheriff

4-12-95 - 10:40 - VM

8:00 } T, Th
11:00 }
Altoona
18th, 27th April

4-18-95 - VM message to call with details

EGS-M 001267

[redacted]

Appointment Request

NAME:	Hector Alcade
ORGANIZATION:	
PHONE:	(703) 841-0626
DATE REQUESTED:	May 10, 1995
POINT OF CONTACT:	Karen
EVENT DETAILS:	Would like to meet with EGS and bring Mr. Cliff Mendoza, Director of Jackson Port Authority to discuss port access roads.

YES _____

NO [redacted]

STAFF _____

5/2
no b/c brac/
hill

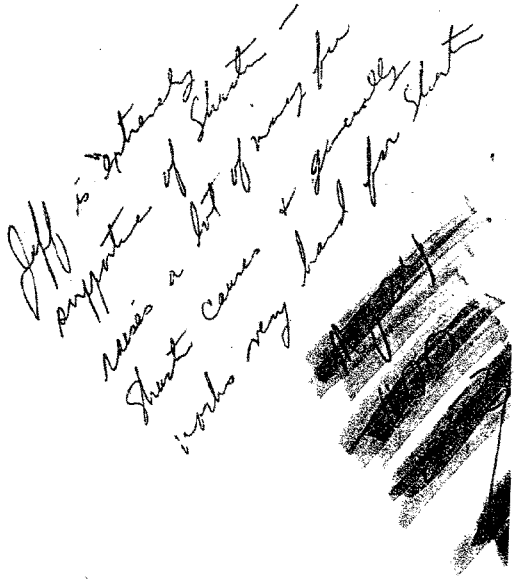
Appointment Request

NAME:	Jeff Shoaf
ORGANIZATION:	AGC
PHONE:	393-2040
DATE REQUESTED:	May 24, 1995
POINT OF CONTACT:	Jeff
EVENT DETAILS:	would like to bring in twenty contractors in to discuss Clean water and Drinking Water

YES X

NO _____

STAFF _____



EGS-M 001282

D&Z Transportation Services
A Unit of Day & Zimmermann International, Inc.

[redacted]

January 27, 1995

VIA TELEFAX

The Honorable Bud Shuster
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

On behalf of the Greater Washington Aviation Open Board of Directors and participants, I wish to extend an invitation to be the Honorary Chairman of the 1995 Greater Washington Aviation Open.

As for a little history on the GWAO, it was created in 1988 to bring the aviation community together to enjoy a day of golf and tennis and to raise funds for a deserving charity. Over the past six years, over $110,000 for several charities, including the GWAO's permanent charity, the Corporate Angel Network (CAN) has been raised. More than 200 people participate in the tournament and they represent every major company, association and interest in the aviation industry. Support and participation from Capitol Hill and federal agencies has been excellent, which truly makes it an "industry event."

The tournament has been honored to have the following Congressional Aviation Leaders serve as Honorary Chairman: Senator Wendell Ford, Rep. Jim Oberstar, Rep. Bill Clinger, Senator Conrad Burns, Rep. Bob Carr and in 1994, Rep. Norm Mineta. Only Sen. Burns and Rep. Clinger have played golf during the event, so it certainly is not a requirement to be on the links.

This year's event will be held Monday, May 8th at Manor Country Club in Rockville, Maryland. If you would like to play golf, please plan to arrive at the Club by 11:30 a.m. If you don't wish to play, the reception and banquet begin at 5:30 p.m. and generally concludes at 9:00 pm. Last year, Chairman Mineta presented a check for $34,000 to the founders of CAN at the conclusion of the evening!

The proceeds for the charity are generated by registration fees, raffle ticket sales, and ultimately the auction of airline/resort packages. There are no administrative fees charged to the tournament and only a 15% residual is kept in a fund to support future tournaments. Everyone is invited to play and no company or interest directs the activities of the event. The tournament is managed by a volunteer Board of Directors who receive no compensation.

Bob Ed

EGS-M 001302

Pennsylvania Turnpike Commission

2400 Ardmore Boulevard Suite 800 ◆ Pittsburgh, PA 15221-5232 ◆ (412) 271-7191 FAX (412) 271-6996

May 13, 1995

Honorable E. G. (Bud) Shuster
U. S. House of Representatives
District 9
R. D. #2 Box 711
Altoona, PA 16601

Dear Congressman Shuster,

The Pennsylvania Turnpike Commission cordially invites you to the groundbreaking ceremony for the 17-mile Mon/Fayette Expressway from Interstate 70 in Washington County to State Route 51 in Allegheny County. In addition, we would also like for you to participate by making some remarks at the ceremony. An informational packet will be forwarded to you outlining the planned activities and information about the project, if you choose to participate.

DATE: June 2, 1995

TIME: 11:00 a.m. - Informal Reception with lite luncheon to follow.

LOCATION: The groundbreaking is being held at the interchange of Interstate 70 and Toll 43 in Fallowfield Township, Washington County near Speers and Charleroi.

The Mon/Fayette Expressway from Interstate 70 to State Route 51 will begin at the interchange between Interstate 70 and Toll 43, west of Speers Borough in Washington County. It will extend generally northward, west of the Monongahela River and the Mon Valley communities of Donora, Charleroi, Monongahela and New Eagle connecting with State Route 51 in the community of Large in Jefferson Borough, Allegheny County. Interchanges will provide access to Interstate 70, Coyle-Curtain Road, PA Route 136 near Ringgold High School, Finleyville-Elrama Road near Gastonville and PA Route 51.

The initial construction contract ($3.9 million) was awarded to Mashuda Corporation of Butler County. It will include construction of a bridge and approaches to carry a relocated section of Fallowfield Township Road 614 (Kennedy Road) over the future expressway. The Mon/Fayette Expressway from Interstate 70 to State Route 51 is expected to cost $477 million and be open to traffic in late 1998.

Attached is a map detailing the location of the groundbreaking ceremony. For more information, please call Tom Fox, Public Involvement Program Manager at (412) 271-7191.

JOIN US FOR THE CELEBRATION !

EGS-M 001346

Ann Eppard Associates, Ltd.
19 Wilkes Street, Alexandria, VA 22314 Phone 703-739-2545 FAX: 703-739-2718

MEMORANDUM

re: Meeting with Dominick Perini to find solutions to the unemployment and economic development problems in the tristate area

Date: July 18, 1995
Place: 2188 RHOB
Time: 3:00 pm

List of Attendees

Brian Downey	Prime Retail
Edward L. Bishop	Berkeley Investment Technologies
Wayne Gioioso, Jr.	Mid-Atlantic Properties, Inc.
William F. Chew, III	Arundel Corporation
David Douglas	Financial Consultant
Dominick J. Perini	Perini Construction, Inc.
Paul A. Perini	Perini Construction, Inc.

CONGRESSMAN BUD SHUSTER

REQUEST FOR SERVICE RED'D AT: ALTOONA REC'D BY: JAG

DATE: June 30, 1995 SAW CONGRESSMAN NO

NAME: KARL MACHAROLA S.S. NO.:

ADDRESS: SEN. JUBELIRER'S OFFICE V.A NO. :

OTHER ID:

TELEPHONE: (814) 942-5495

TYPE OF PROBLEM: INVITATION TO ATTEND

DETAILS:

FOR: BERG ELECTRONICS GROUNDBREAKING.

DATE: TUES., JULY 11, 1995

LOCATION: SHIRLEY TOWNSHIP - CALL TO GET FURTHER DIRECTIONS.

TIME: NOT DEFINITE EITHER 4:00 OR 4:30 P.M.

KARL WANTED TO GIVE EGS A HEADS UP ON THE INVITATION. AN INVITATION WILL FOLLOW.

tell Carol
send Staff -
Rob will go -
I told him & Mac in doing a letter.

CALLED XXXX

EGS-M 001374

[redacted]

CONGRESSMAN BUD SHUSTER

REQUEST FOR SERVICE RED'D AT: ALTOONA REC'D BY: JAG

DATE: August 2, 1995 SAW CONGRESSMAN NO

NAME: MR. ALAN W. MAPLES, PRESIDENT S.S. NO.:

ADDRESS: P.O. BOX 853 V.A NO. :

GAITHERSBURG, MD. 20884 OTHER ID:

TELEPHONE: (814) 239-5757

TYPE OF PROBLEM: APPOINTMENT REQUEST DURING OFFICE HOURS.

DETAILS:

MR. MAPLES IS THE PRESIDENT OF THE EVERETT RAILROAD COMPANY. A SHORT LINE RAILROAD COMPANY.

HE HAS NO PROBLEM BUT WOULD LIKE TO PAY EGS A COURTESY CALL DURING BLAIR COUNTY OFFICE HOURS.

POSSIBLY WE COULD DO HIM AS THE VERY FIRST APPOINTMENT.

[redacted]

ok yes

VISIT XXXX

[redacted]

EGS-M 001381

CONGRESSMAN BUD SHUSTER [redacted]

REQUEST FOR SERVICE REC'D AT: ALTOONA REC'D BY: JAG

DATE: August 2, 1995 SAW CONGRESSMAN NO

NAME: MRS. BARBARA KOOMAN S.S. NO.:

ADDRESS: 105 ALDRICH AVENUE V.A NO. :

ALTOONA, PA 16602 OTHER ID:

TELEPHONE: (814) 946-8227- OFFICE 944-6439 - HOME

TYPE OF PROBLEM: APPOINTMENT REQUEST WITH EGS DURING OFFICE HRS.

DETAILS:

RE: FEDERAL FUNDING FOR RESTORATION WORK TO THE MISHLER THEATRE.

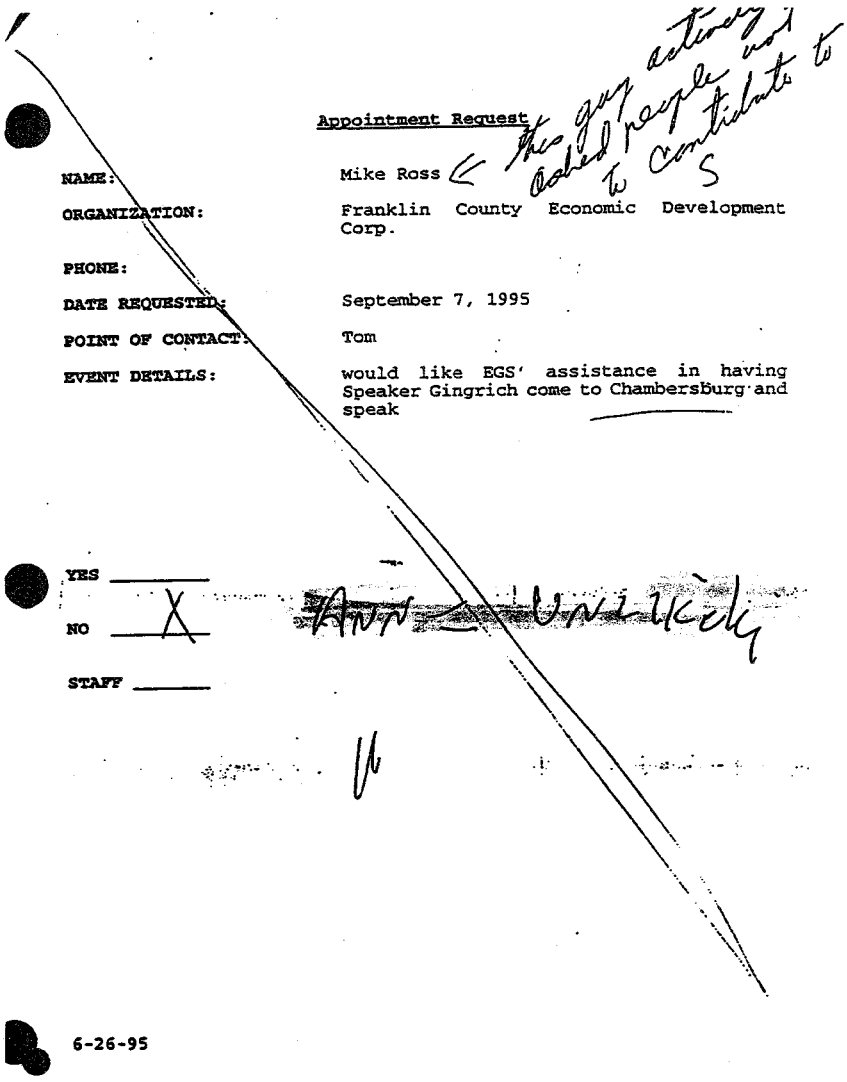
SHE IS REQUESTING AN APPOINTMENT WITH EGS DURING BLAIR COUNTY OFFICE HOURS TO DISCUSS FUNDING AVAILABLE FOR RESTORATION WORK FOR THE MISHLER THEATRE.

SHE NOTED THERE WILL BE THREE PEOPLE COMING FOR THE APPOINTMENT.

[redacted]

CALLED XXXX

EGS-M 001385



Appointment Request

this guy actively asked people not to contribute to us

NAME: Mike Ross

ORGANIZATION: Franklin County Economic Development Corp.

PHONE:

DATE REQUESTED: September 7, 1995

POINT OF CONTACT: Tom

EVENT DETAILS: would like EGS' assistance in having Speaker Gingrich come to Chambersburg and speak

YES ____

NO X

STAFF ____

ANN — UNLIKELY

6-26-95

EGS-M 001396

Ltr Tracy

Tele 7/28/95

COMMONWEALTH OF PENNSYLVANIA
INSURANCE DEPARTMENT
1326 STRAWBERRY SQUARE
HARRISBURG, PA 17120

THE COMMISSIONER

JUL 28 1995

July 27, 1995

The Honorable Bud Shuster
U.S. Congress
R.D. 2, Box 711
Altoona, PA 16601

Dear Congressman Shuster:

I would like to cordially invite you to attend the National Association of Insurance Commissioners' Fall National Meeting to be held September 10-12, 1995, at the Philadelphia Marriott.

The NAIC Fall Meeting will provide attendees with the valuable opportunity to explore in-depth the insurance issues faced by regulators, industry, and legislators across the country. You may be interested in knowing that the Philadelphia meeting inaugurates the new NAIC policy whereby Executive Committee meetings and Plenary sessions will be open to the public. Your attendance, or that of your staff, at any of the events planned for the meeting would be greatly welcomed by me and, I trust, a worthwhile experience for you.

If you do plan to attend this NAIC event, please contact Heather Dumeyer in the Legislative Office of the Insurance Department at (717) 783-2005 by September 6. Those interested in further information on scheduled sessions may also contact that office to obtain the meeting agenda.

I look forward to seeing you in Philadelphia as Pennsylvania hosts this event.

Sincerely,

Linda S. Kaiser
Linda S. Kaiser
Insurance Commissioner

EGS-M 001398

The Greater Washington Board of Trade

THE GREATER WASHINGTON BOARD OF TRADE
FEDERAL POLITICAL ACTION COMMITTEE

29 20th Street, N.W.
ite 200
ashington, D.C. 20036
2-857-5970
X 202-223-2648

ıeir:
san J. Williams
ecy Williams & Company

easurer:
illiam Calomiris
n. Calomiris Investment
rp.

ustees:
chael D. Barnes, Esq.
gan & Hanson

rbara Blum
ates National Bank

eph T. Boyle
MG Post Marwick

seppe Cecchi
: IDI Group Companies

Elmore Davis
Davis

Doggett
gnett Enterprises

heic V. Hagans
t Lincoln New Town
poration

an Hager
ger Sharp Inc.

es W. Jones
wold & Porter

dson H. Latham, Esq.
er Pinanes Potts &
wbridge

Robert Linowes
owes and Blocher

uid M. Lowrie
&T

rick J. Maher
shington Gas

ard F. Mitchell
omac Electric Power
mpany

a M. Walsh
ter Anthony

Counsel
Becker, Esq.
dfield & Becker

July 17, 1995

The Honorable Bud Shuster
United States House of Representatives
Washington, DC 20515

Dear Congressman Shuster:

On behalf of the Trustees of the Federal Political Action Committee ("FEDPAC") of the Greater Washington Board of Trade, I cordially invite you to attend our 13TH ANNUAL CONGRESSIONAL RECEPTION on September 14, 1995, from 6:00 - 8:00 p.m. at The Erickson House on Capitol Hill, 437 New Jersey Avenue, S.E. The Erickson House is two blocks from the Cannon and Longworth House Office Buildings on New Jersey Avenue, near to the Democratic National Club.

Our annual reception serves as the FEDPAC's major fundraising event. The trustees of the Federal PAC would like to take this annual reception as an opportunity to recognize the work you have done with the members of our regional delegation to address issues that are important to our economy. The challenges that the greater Washington region faces as the Nation's Capital and as a unique multi-jurisdictional area of two states and a federal district range from adapting to federal downsizing, to regional transportation planning, and to addressing the major financial crisis in the District of Columbia government. Although your constituencies lay elsewhere in the country, your jurisdiction over many issues having a direct impact on the greater Washington region has made you a determining factor in many debates that we care deeply about. You have often taken the time to hear the business community's perspective on these issues, and the FEDPAC's trustees would like to take this annual reception as an opportunity to recognize your efforts to participate in such debates in a thoughtful way.

Attendance at this event by Members of Congress representing many different areas of the country has reinforced for our many members the importance to the region, and to the nation, of the work you do as a Member of Congress. Rather than focusing on the latest political coverage in the Washington Post, our members have an opportunity to hear directly from you about the challenges and opportunities that face the U.S. Congress and what you are doing to address those issues.

I hope that your schedule will permit you to spend some time with us on September 14. Please use the enclosed R.S.V.P. card to let the Federal PAC know if you will be attending the reception. I look forward to seeing you on September 14th at our Annual Congressional Reception.

Sincerely,

Susan

Susan Williams
Chair

EGS-M 001399

Paid for by the Board of Trade Federal PAC, William Calomiris, Treasurer

National Railroad Passenger Corporation, 60 Massachusetts Avenue, N.E., Washington, D.C. 20002 Telephone (202) 906-3000

August 16, 1995

Honorable Bud Shuster
U.S. House of Representatives
Washington, DC 20515

Dear Bud:

Thank you for your July 18, 1995, letter regarding the upcoming "Railfest" to be held in Altoona this October.

We are currently working with various ideas to display our new equipment. As you know, after September 10, passengers boarding at Altoona for points west of Pittsburgh will be accommodated with new Superliner equipment. As part of our promotion of this service, we hope to have a Superliner display at Altoona for the Railfest. We are also working with Conrail and the Altoona Railroaders Memorial Museum to run several excursion trips between Altoona and Gallitzin, which will allow our train to round the famous "Horse Shoe Curve." We are very excited to be participating in this event, and it is my hope that the Railfest will be a tradition that will continue well into the future.

Thank you for your interest in this matter. If you have any additional concerns, please let me know.

Sincerely,

Thomas M. Downs
President

Superliner & Equipment
Train around curve for rides

AN EQUAL OPPORTUNITY EMPLOYER

Appointment Request

NAME:	Hector Alcalde
ORGANIZATION:	Alcade and Fay
PHONE:	703-841-0626
DATE REQUESTED:	anytime
POINT OF CONTACT:	Karen
EVENT DETAILS:	courtesy call - would not specify

YES X

NO _____

STAFF _____

10-17-95

AMERICAN TRUCKING ASSOCIATIONS, INC.

THOMAS J. DONOHUE
PRESIDENT AND
CHIEF EXECUTIVE OFFICER

2200 MILL ROAD
ALEXANDRIA, VIRGINIA 22314-4677
(703) 838-1800

October 24, 1995

The Honorable Bud Shuster
House of Representatives
Washington, D.C. 20515

Dear Congressman Shuster:

It is my pleasure to invite you to a dinner honoring the American Trucking Associations' upcoming chairman, Donald Bowman, and his wife, Jone, on Monday, November 13 at The City Club, 555 13th Street, N.W., Washington, D.C. Cocktails will be served at 7:00 p.m. followed by dinner at 7:30 p.m.

Don, Chairman of the Board of D.M. Bowman, Inc. in Williamsport, Maryland, will be installed as ATA's Chairman at our annual management conference in Chicago at the end of this month. We are looking forward to introducing him to some of our friends in the Administration and on the Hill as he begins his year of service to the trucking industry.

Liz and I hope you and your guest will be able to join us.

Sincerely,

Tom

Please RSVP to Jane Campbell at 703/838-1804

EGS-M 001464

Ward Trucking Corp.

G. William Ward, Chairman
P.O. BOX 1553, ALTOONA, PA 16603 (814) 944-0803 FAX (814) 944-1740

Set up for Nov. 13th 11:15 before Committee

November 6, 1995

Ms. Ann Eppard
Ann Eppard Associates, Ltd.
19 Wilkes Street
Alexandria VA 22314

Hello Ann:

Thanks for your October 19th letter. It did not reach my office until November 3rd so perhaps the matter has further progressed.

I was in Chicago last week attending the RCCC Board of Governors meeting and I know they have met with staff and will continue to stay in touch with them until the Bill is passed on the House floor.

Since your limitations from lobbying Bud expire on November 9th, would it be possible for you to arrange a meeting with him after that if the bill is still pending and capable of modification?

Such a meeting would be especially helpful if Bud will be on the Committee of House and Senate conferences that may be required to bring the House Bill into alignment with a Senate Bill before it goes to the President for signature.

You should know by now of my intense interest in leveling the playing field on this issue of carrier cargo liability.

Regards,

G. William Ward
Chairman

EGS-M 001471

Linton Mields Reisler & Cottone, Inc.
A Carmen Group Affiliate

Internal Memo

To: David Carmen

From: Joci Shrewder

cc: Susan Gilson

Date: 7/18/95

Subject: Request for Shuster at NAFSMA 1995 Annual Meeting November 1-4

Attached is a copy of the original letter of invitation sent to Congressman Shuster.

Congressman Pombo (R-CA), Chairman of the House Endangered Species Task Force, has been confirmed as a guest speaker during the conference.

Dr. Zirschky, Assistant Secretary of the Army for Civil Works, has been confirmed as a guest speaker.

Bob Perciassepe, Assistant Administrator for Water at EPA, is invited and still unconfirmed. Gi the EPA has agreed to sponsor the workshop, he will probably accept the invitation unless he h major scheduling conflict.

Let me know if you need additional information.

Appointment Request

NAME:	Nathan Mao (Chambersburg) Dr. Shen, Embassy of Taiwan Ambassador Ben Lu, Embassy of Taiwan
ORGANIZATION:	
PHONE:	717-267-1347
DATE REQUESTED:	before end of year
POINT OF CONTACT:	Mr. Mao
EVENT DETAILS:	courtesy call and to update EGS on current situations in Taiwan

YES _____

NO _____

STAFF _____

11-28-95

EGS-M 001500

The Milton Area
Chamber of Commerce
and its related corporations....
M.A.I.D.A.
Milton Area Industrial Development Association
M.M.C.C.B.F.
Milton Medical Care & Community Betterment Foundation
M.A.D.C.
Milton Area Development Corporation
M.A.I.D.F.
Milton Area Industrial Development Foundation

April 22, 1996

Congressman Bud Shuster
9th Congressional District
Chair-House Transportation & Infrastructure Committee
RD 2, Box 711
Altoona, PA 16601

Dear Congressman Shuster:

The Milton and Union County Chamber's of Commerce would like to take this opportunity to invite you to a regional meeting on Friday, June 14 at Bucknell University. Information on the proposed program has been included for your review.

Invitees will include Seda-COG's eleven (11) counties. All IDC's and Chambers will be invited, together with local and state officials. Jim Runk, President of Pennsylvania Motor Truck Association has confirmed his attendance and looks forward to the discussion. WEIS Markets has also confirmed their attendance with two individuals, Andy Duzick - Director of Transportation and Dale Derr - Safety Director. Bob Garrett - Manager, Division of Research for PennDOT will also serve on the panel.

The Chambers look forward to having you on the panel discussion targeting issues on tolling of Interstate 80 and the proposed gas tax increase. If you have any questions, please give Doris Elderman a call at 742-7341.

Thank you very much for your support and we look forward to seeing you on Friday, June 14.

Sincerely,

Doris T Elderman
Doris T. Elderman
Executive Director
Milton Area Chamber

Joe Detelj
Joe Detelj
Executive Director
Union County Chamber

Enclosure

EGS-M 001519

One South Arch Street, Milton, Pennsylvania 17847
717-742-7341 FAX 717-742-2008

Congressman William Lehman (Ret.)
711 N.E. 118th Street
Biscayne Park, FL 33161
(305) 895-4897

[redacted]

May 3, 1996

Cong. Bud Shuster
United States House of Representatives
2188 Rayburn House Office Building
Washington, D.C. 20515

Dear Bud,

On Thursday June 6, between 10:30 - 11:30 a.m., I'll be in the Capitol in Room H 137 with a group from Miami. I hope you can drop in for five minutes. Naturally, I will appreciate it. In a few weeks I'll call your schedule person to see if this is possible.

Bill

P.S. Bud, hope you can drop by!

EGS-M 001534

WINSTON & STRAWN

35 WEST WACKER DRIVE
CHICAGO, ILLINOIS 60601-9703

200 PARK AVENUE
NEW YORK, NY 10166-4193

1400 L STREET, N.W.
WASHINGTON, D.C. 20005-3502

(202) 371-5700

FACSIMILE (202) 371-5950

4, RUE DU CIRQUE
75008 PARIS, FRANCE

SULAYMANIYAH CENTER
RIYADH 11495, SAUDI ARABIA

43, RUE DU RHONE
1204 GENEVA, SWITZERLAND

June 12, 1996

BY FACSIMILE

Ms. Tracy Mosebey
Office of Congressman Bud Shuster
2188 Rayburn House Office Building
Washington, D.C. 20515

Dear Tracy:

The chairmen of the transit systems of Los Angeles and Chicago, and the executive director of the MTA of New York, will be in Washington on Tuesday, June 18, to testify before the House Surface Transportation Subcommittee. They would appreciate an opportunity to meet with the Congressman.

Collectively, these three transit systems carry a large share of the Nation's daily commuters. Each of the systems are led by chairmen appointed to their positions and bring a political perspective to the discussion. They would like to discuss the federal role for transit, transit contributions to the economy, and the outlook for reauthorization of the ISTEA in 1997.

Mr. Tom McCracken
Chairman, RTA of Chicago

[redacted]
Chairman, MTA of Los Angeles County

Mrs. Marc Shaw
Executive Director, N.Y. State Metropolitan Transit Administration

Your assistance is greatly appreciated. If I can provide any further information, please let me know. I can be reached at 202-371-5868 or through my assistant Sherry Vanniere at 202-371-5832.

Sincerely,

Doug Richardson

Doug Richardson

JUN 10 1996

Franklin County Farmers' Association, Inc.

P. O. Box 388 — Chambersburg, Pa. 17201 Telephone 717-264-4090

affiliated with
PENNSYLVANIA FARMERS' ASSOCIATION
and
AMERICAN FARM BUREAU FEDERATION

office only open
Tues. / Thurs.

June 4, 1996

The Honorable E. G. Shuster
2188 Rayburn House Office Building
Washington, D. C. 20515

Dear Congressman Shuster:

You are cordially invited to attend the ~~Franklin County Farm Bureau's annual summer picnic to be held Friday, July 12, 1996 at 7:00 P.M.~~ It will be held at Twin Bridge Family Campground, 1345 Twin Bridge Road, Chambersburg.

You will be invited to give a brief statement from your office to our members.

Please call the office for reservations for the meal at a cost of $6.00.
Deadline to order tickets is July 2, 1996.

Hope to see you there!

Sincerely,

P. Joseph Musser
President

PJM:caw

EGS-M 001547

4/30/96 yes

Appointment Request

NAME: Don Dobson

ORGANIZATION: Central Valley Susquehanna Chamber of Commerce (Snyder, Union, Northumberland Co.'s)

PHONE: (717) 743-4100

DATE REQUESTED: Friday, May 24th or 31st, 1996 or Friday, June 28, 1996 (held at the DaysInn, Snyder Co.)

POINT OF CONTACT: Don

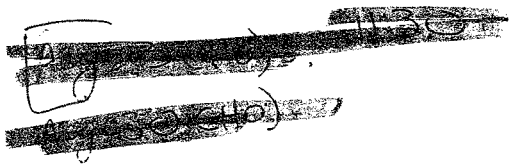
EVENT DETAILS: Don Dobson would like to invite Congressman Shuster to attend their meeting to speak on the current scene in DC and on current highway projects in the area. i.e. Route 15 and the through-way project in central susquehanna.

YES _____

NO _____

STAFF _____

- Check again / He needs to look at his book
- Maybe office hours



EGS-M 001551

[redacted]

[redacted]

February 11. 1997

The Honorable E. G. Shuster
2268 Rayburn Office Building
Washington, D.C. 20515

Dear Congressman Shuster:

I am writing on behalf of Tri County N.A.I.W., a local chapter of the National Association of Insurance Women. Our organization consists of Professional Insurance Women from agencies and companies located in Bedford, Blair and Fulton counties.

We would like to cordially invite you to speak at our "All Industry Night" Tuesday, April 15th. It is to be held at the Arena Restaurant in Bedford, PA. The topic we would like you to speak on is "Banks in Insurance."

This meeting is open to our Employers and other Insurance related businesses, as well as our local members.

Please let us know if you would be available to speak. You may contact Patty Tokarczyk at Everett Cash Mutual Insurance, R.D. #1, Everett, PA 15537, or 800-326-4968.

Sincerely,

Patty Tokarczyk
Tri-Co NAIW Program Chairman

EGS-M 001583



ASSOCIATION
OF AMERICAN
RAILROADS

Karen Borlaug Phillips
Senior Vice President



[redacted]

JAN 2 January 17, 1997

[redacted]

[redacted]





The Honorable Bud Shuster
Chairman
Committee on Transportation & Infrastructure
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

On behalf of the Association of American Railroads (AAR), I am pleased to invite you to participate in the AAR's upcoming Legislative Conference, which will be held in Palm Beach, Florida on April 4-7, 1997.

The conference will provide a comprehensive overview of the condition of the railroads and an examination of current transportation policy issues by railroad industry officials. The meetings will include presentations on safety, ISTEA reauthorization, FELA, economic regulation, environmental issues, tax proposals, and intermodalism. We would very much appreciate it if you would address our Legislative Conference on legislative issues before the Transportation & Infrastructure Committee.

The meetings will be held on Saturday and Sunday mornings with an informal buffet dinner on Friday evening. Transportation, meals and lodging will be provided for you and your spouse for the three-day period. Should you have any questions, please do not hesitate to call Lisa Sobota at (202) 639-2532.

We look forward to hearing from you soon.

Sincerely,

Karen Borlaug Phillips

March 14, 1997
RSVP no
kab

EGS-M 001584

Policy, Legislation and Economics Department
50 F Street N.W., Room 12507, Washington, D.C. 20001 (202) 639-2536, Fax (202) 639-2526

James L. Unger
Chairman

L. McDaniel
Chairman

Robert A. Matthews
President

RPI
Your Vision For The Future

Railway Progress Institute
700 North Fairfax Street
Suite 601
Alexandria, VA 22314-2098
(703) 836-2332
FAX: (703) 548-0058

March 14, 1997
RSVP no
letter

January 14, 1997

97 JAN 16 AM 9:47

RECEIVED

The Honorable Bud Shuster
Chairman
House Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Shuster:

Members of the RPI Committee on Passenger Transportation invite you to address their annual legislative retreat scheduled for Thursday and Friday, April 3 and 4, 1997, at the Ponte Vedra Inn and Club, 200 Ponte Vedra Boulevard, Ponte Vedra Beach, Florida 32082, Telephone No. (914) 285-1111. As Chairman of the House Committee on Transportation and Infrastructure, your views on Amtrak, ISTEA reauthorization, and other rail related matters that affect the rail supply industry will be very beneficial to our Committee.

The Railway Progress Institute is the international trade association of suppliers to the nation's freight and passenger rail systems. This $12 billion a year industry employs approximately 150,000 people.

Companies represented on the Passenger Transportation Committee provide rail equipment and service to metropolitan transit and commuter rail authorities and Amtrak. Committee members are presidents, vice presidents of sales and regional sales managers for the companies involved (a roster is enclosed).

These meetings generally run from 8:00 a.m. until early afternoon depending on the day's agenda. If you are able to address the Committee, we will arrange the agenda to accommodate your schedule. We are also hosting a dinner on Thursday evening and hope you will be able to join us.

(Continued)

EXHIBIT 42

Appointment Request

NAME:	Ed Talley
ORGANIZATION:	TWU, Miami, Florida
PHONE:	305-876-0079
DATE REQUESTED:	May 23, or 24, 1995
POINT OF CONTACT:	Mr. Talley
EVENT DETAILS:	labor issues with regard to the transportation industry, Mass transit in Dade County, Amtrak

YES _____

NO X AME rec. No.

STAFF _____

Ka
Cnt Rep

Appointment Request

NAME:	General Aviation Maufacturing
ORGANIZATION:	
PHONE:	(202) 393-1500
DATE REQUESTED:	May 10, 1995
POINT OF CONTACT:	Sherry Ruthing
EVENT DETAILS:	GAM is having a board meeting in room H-137 of the Capitol. There is a reception starting at 5:30 pm and they would like EGS to stop by if possible.

YES _____

NO X AMEX

STAFF _____

5/2 left message w/ katherine
no b/c of brac/bill on house floor

EGS-M 001275

ACI

AIRPORTS COUNCIL INTERNATIONAL

"The Voice of Airports"

faxed to AME 4-25-95

April 14, 1995

June 1 - 3 (HO)
Virgin Islands

The Honorable Bud Shuster
Chairman
Committee on Transportation and Infrastructure
U.S. House of Representatives
2188 Rayburn HOB
Washington, DC 20515

5/11 RSVP w/ Beth Warren voice mail

X Y W

AME rec. No.

Dear Chairman Shuster:

On behalf of the Airport Commissioners Roundtable of the Airports Council International - North America, I would like to extend an invitation for you to speak at the 1995 ACI-NA Commissioners Roundtable Mid-Year Conference which will be held June 1-3 in St. Thomas, U.S. Virgin Islands, at the Marriott Frenchman's Reef. We anticipate an outstanding conference with more than 150 airport commissioners and board members, representing the governing boards of airports throughout the United States and North America.

The Commissioners Roundtable is comprised of more than 850 airport board members, commissioners and trustees who serve on aviation boards, commissions, and authorities and are responsible for establishing the policies and overseeing the operation of commercial service, public-use airports. The Roundtable was established in 1987 to provide a forum for airport board members and commissioners to discuss and gain a better understanding of the complex airport-related matters and issues that are important to their responsibilities for establishing airport policies and serving the traveling public and their communities. The Roundtable also hosts the annual Congressional Dinner in Washington at which they present the Congressional Leadership Award to a distinguished Member of Congress for leadership on airport issues. This year's recipient was Rep. William Clinger.

Given the important role of airport commissioners and board members in setting the policies and management direction for their airports, it would be especially beneficial for them to hear your views and plans for the Transportation and Infrastructure Committee and aviation programs for the remainder of this session, particularly the Airport Improvement Program and airport funding, FAA reform, taking the transportation trust funds off-budget, and other issues you may want to address. We would be pleased to schedule a time and date during the conference that best suits your schedule and would permit you to address the commissioners. I have enclosed the preliminary conference program.

Chairman
James A. Wilding
Senior Manager
Metropolitan Washington
Airports Authority

First Vice Chairman
James C. DeLong
Director of Aviation
Dallas County of Dallas

Vice Chairman
Helscher
Director of Aviation
Nassau County
Airport Board

Secretary/Treasurer
David Z. Plavin
Director of Aviation
Port Authority of
New York & New Jersey

Vice First Chairman
Leslie E. Miller
Director of Airports
Salt Lake City
Airport Authority

President
George P. Howard
Airports Council International
North America

1775 K STREET, N.W.
SUITE 100
Washington, D.C. 20006
(202) 293-8503
(202) 331-1362 (FAX)

EGS-M 001356

We would be pleased to provide transportation and accommodations for you to attend the conference, in accordance with House rules. I hope you will be able to participate in this important conference. Please call me at your earliest convenience to let me know if you can join us for the conference or if you have any questions.

We look forward to working with you and helping you in any way we can as you lead the Transportation and Infrastructure Committee, especially in your efforts to take the transportation trust funds off-budget. Please don't hesitate to call if we can be of further assistance at any time.

Sincerely yours,

Robert R. Wigington
Senior Vice President
Government and Legal Affairs

Enclosure

Cassidy

Appointment Request

NAME:	Don Deere Rick Cessar
ORGANIZATION:	MagLev
PHONE:	202-331-3337
DATE REQUESTED:	before August recess
POINT OF CONTACT:	Mr. Deere
EVENT DETAILS:	would like to re-schedule the meeting that did not take place several weeks ago. Would like to talk to the Chairman before NHS is "wrapped up."

YES _____

NO X - AME

STAFF _____

7-18-95

EGS-M 001370

Appointment Request

NAME:	Former Congressman Bill Nelson
ORGANIZATION:	Insurance Commissioner for State of Florida
PHONE:	904-413-2826
DATE REQUESTED:	August 1, 1995
POINT OF CONTACT:	Jennifer May
EVENT DETAILS:	Natural Disaster

YES _____

NO X - AME

STAFF _____

7-18-95

EGS-M 001384

Appointment Request

NAME: Representative Jeff Coy
Mayor Tim Kastanza, Shippensburg

ORGANIZATION:

PHONE: 717-532-1707

DATE REQUESTED: Sept. 9, 1995

POINT OF CONTACT: Doug Furness

EVENT DETAILS: Fayette Street extension

YES _____

NO X - AME

STAFF _____

9-6-95

EGS-M 001393

Appointment Request

NAME: Former Congressman ~~William~~ Jim Coyne

ORGANIZATION: National Air Transport Association

PHONE: 703-845-9000

DATE REQUESTED: October 25, 1995 (6:30pm)

POINT OF CONTACT: Mr. Coyne

EVENT DETAILS: Mr. Coyne would like to have EGS attend a Board Meeting Dinner on the Hill. Approximately 15 Board Members will be in attendance.

YES _____

NO X-AME X

STAFF _____

10-11-95

EGS-M 001427

A-2

Appointment Request

NAME:	Ken Bateman, Management of Governmant Sales Ken Kleck, Government Relations
ORGANIZATION:	Ingersoll Rand
PHONE:	739-0221
DATE REQUESTED:	before end of year
POINT OF CONTACT:	Ken Kleck
EVENT DETAILS:	courtesy call, to familiarize EGS with a their plant in Shippensburg (633 employees)

YES _____

NO (+) AMC

STAFF _____

12-1-95

EXHIBIT 43

REPORT OF RECEIPTS AND DISBURSEMENTS

For An Authorized Committee
(Summary Page)

1. NAME OF COMMITTEE (in full)

BUD SHUSTER FOR CONGRESS COMMITTEE

RECEIVED FEDERAL ELECTION COMMISSION MAIL ROOM

ADDRESS (number and street) ☐ Check if different than previously reported.
C/O P.O. BOX 329

2. FEC IDENTIFICATION NUMBER
C00014[illegible] 23 [illegible]

CITY, STATE and ZIP CODE: ALTOONA, PA 166030329
STATE/DISTRICT: PA 09

3. IS THIS REPORT AN AMENDMENT? ☐ YES ☒ NO

4. TYPE OF REPORT

☐ April 15 Quarterly Report
☐ July 15 Quarterly Report
☒ October 15 Quarterly Report
☐ January 31 Year End Report
☐ July 31 Mid-Year Report (Non-election Year Only)
☐ Twelfth day report preceding _____ (Type of Election) election on _____ in the State of _____
☐ Thirtieth day report following the General Election on _____ in the State of _____
☐ Termination Report

This report contains activity for ☐ Primary Election ☒ General Election ☐ Special Election ☐ Runoff Election

SUMMARY

		COLUMN A This Period	COLUMN B Calendar Year-to-date
5.	Covering Period 07/01/98 through 09/30/98		
6.	Net Contributions (other than loans)		
	(a) Total Contributions(other than loans) (from Line 11(a))	$108885.00	$604299.29
	(b) Total Contribution Refunds (From Line 23(d))	$0.00	$6765.39
	(c) Net Contributions (other than loans)(subtract Line 6(b) from 6(a))	$108885.00	$597533.90
7.	Net Operating Expenditures		
	(a) Total Operating Expenditures (from Line 17)	$97955.14	$723120.04
	(b) Total Offsets to Operating Expenditures (from Line 14)	$15.18	$169.51
	(c) Net Operating Expenditures (Subtract Line 7(b) from 7(a))	$97939.96	$722950.53
8.	Cash on Hand at Close of Reporting Period (from Line 27)	$107827.72	
9.	Debts and Obligations Owed TO the Committee (Itemize all on Schedule C and/or Schedule D)	$0.00	
10.	Debts and Obligations Owed BY the Committee (Itemize all on Schedule C and/or Schedule D)	$0.00	

For further information:
Federal Election Commission
999 E Street, NW
Washington, DC 20463
Toll Free 800-424-9530
Local 202-219-3420

I certify that I have examined this Report and to the best of my knowledge and belief it is true, correct and complete.

Type or Print Name of Treasurer
THOMAS J. HOYNE

Signature of Treasurer: [signature] Date: 10/15/98

NOTE: Submission of false, erroneous, or incomplete information may subject the person signing this Report to penalties of 2 U.S.C. §437g.

FEC FORM 3
(Revised 4/87)

SCHEDULE B — ITEMIZED DISBURSEMENTS

Use separate schedule(s) for each category of the Detailed Summary Page

PAGE 11 OF 18

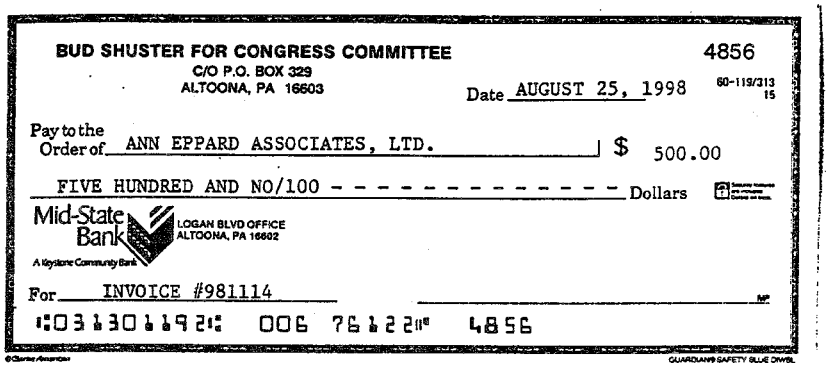
FOR LINE NUMBER 17

Any information copied from such reports and statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (In Full)
BUD SHUSTER FOR CONGRESS COMMITTEE

Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
2001 CATERERS 2001 BEDFORD STREET Johnstown, PA 15904-	POLITICAL EVENT Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	08/01/98	$4498.50
Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
360 COMMUNICATIONS P.O. BOX 96019 Charlotte, NC 28296-0019	TELEPHONE Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	09/30/98	$110.93
Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
360 COMMUNICATIONS P.O. BOX 96019 Charlotte, NC 28296-0019	TELEPHONE Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	07/29/98	$71.91
Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
ALLEGHENY MOUNTAINS CONV.& VISITORS BUR. LOGAN VALLEY MALL ROUTE 220 & GOODS LANE Altoona, PA 16602-	ADS Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	08/05/98	$679.25
Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
ANN EPPARD ASSOCIATES, LTD. 14 WOLFE STREET Alexandria, VA 22314-	CONSULTING Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	07/21/98	$3000.00
Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
ANN EPPARD ASSOCIATES, LTD. 14 WOLFE STREET Alexandria, VA 22314-	REIMB/EXPENSES Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	08/25/98	$500.00
Full Name, Mailing Address and Zip Code	Purpose of Disbursement	Date (month, day, year)	Amount of Each Disbursement This Period
ANN EPPARD ASSOCIATES, LTD. 14 WOLFE STREET Alexandria, VA 22314-	REIMB/EXPENSES Disbursement for: ☐ Primary ☐ General ☐ Other (specify)	08/25/98	$332.24

SUBTOTAL of Disbursements This Page (optional)	$9192.73
TOTAL This Period (last page this line number only)	



BUD SHUSTER FOR CONGRESS COMMITTEE 4856

C/O P.O. BOX 329
ALTOONA, PA 16603

Date AUGUST 25, 1998 60-119/313 15

Pay to the Order of ANN EPPARD ASSOCIATES, LTD. $ 500.00

FIVE HUNDRED AND NO/100 - - - - - - - - - - - - - - Dollars

Mid-State Bank
A Keystone Community Bank
LOGAN BLVD OFFICE
ALTOONA, PA 16602

For INVOICE #981114

⑆031301192⑆ 006 76122⑈ 4856

©Clarke American GUARDIAN® SAFETY BLUE DIVISL

Ann Eppard Associates, Ltd.

14 Wolfe Street, Alexandria, VA 22314 Phone 703-739-2545 FAX: 703-739-2718
211 North Union Street, Suite 100, Alexandria VA 22314 Phone 703-838-5571

August 20, 1998

Tom Hoyne
Bud Shuster for Congress Committee
1426 Thirteenth Avenue
Altoona, Pennsylvania 16603-0329

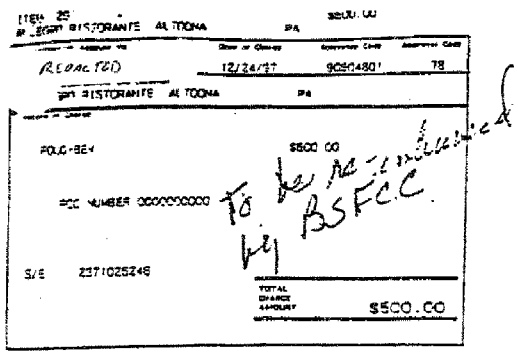
INVOICE # 981114

FOR: Reimbursement for expenses

AMOUNT DUE: $500.00

Respectfully submitted,

ANN EPPARD
PRESIDENT



ITEM 25 $500.00

[illegible] RISTORANTE ALTOONA PA

REDACTED	12/24/97	90504801	78

[illegible] RISTORANTE ALTOONA PA

POLO-BEV $500.00

PCC NUMBER 0000000000

To be reimbursed by BSFCC.

S/E 2371025246

TOTAL CHARGE AMOUNT $500.00

EXHIBIT 44

Transportation Chair Lodges With Ex-Aide Who Makes Six Figures Lobbying His Panel

By Timothy J. Burger

In a potential violation of the House's gift rules, Rep. Bud Shuster (R-Pa) has been regularly lodging in the northern Virginia townhouse of Ann Eppard, a lobbyist making hundreds of thousands of dollars representing clients before the Transportation and Infrastructure Committee that Shuster chairs.

By his own account, Shuster has stayed overnight "many times" at the $823,000 Alexandria waterfront home of Eppard, though he denied that he "lives" there.

Multiple Congressional and transportation industry sources told Roll Call that Shuster has been regularly staying at Eppard's when he is in Washington.

For 22 years — until the day after the GOP won control of the House in 1994 — Eppard was Shuster's top Congressional aide. Now, she is a lobbyist whose firm has made more than $500,000 in the past year representing an array of transportation companies with major interests before Shuster's committee.

But their ties are far more extensive than those between most lobbyists and the chairmen they seek to influence.

Eppard runs her flourishing lobbying company, Ann Eppard Associates, Ltd., out of the same Alexandria home where Shuster stays.

And she continues on Shuster's campaign payroll as his top political aide, earning $3,000 a month to oversee a fundraising operation that netted Shuster's re-election campaign $655,000 last year — at least $25,000 of it from Eppard's transportation clients and their PACs.

Now, Eppard is even spearheading fundraising for Shuster's son Bob, a former aide to Rep. Bill Clinger (R-Pa) who is seeking a Congressional seat adjacent to his father's. With Eppard's help, Bob Shuster has already raised more than $100,000 for his fledgling campaign, much of it from the same transportation interests with business before his father's committee.

Their closeness extend even to the

Continued on page 18

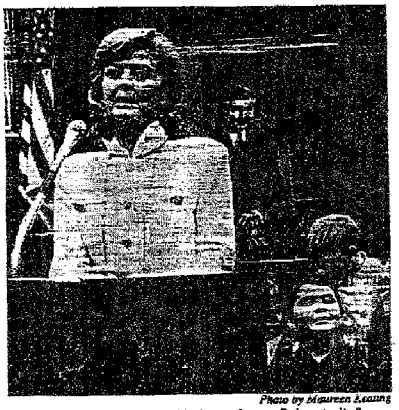


Photo by Maureen Keating

Lobbyist Ann Eppard (left) with the newly unveiled portrait of Transportation Chairman Bud Shuster, her ex-boss, in background.

Continued from page 1

car Eppard owns — a 1994 Dodge sedan whose front bumper sports an official-looking license plate, "US House PA 9." Shuster's the one who represents Pennsylvania's 9th district, but according to the Pennsylvania Bureau of Motor Vehicles, Eppard owns the car.

"There is a serious potential for this being a conflict of interest," said Josh Goldstein, research director for the Center for Responsive Politics. "Certainly you have to question whether or not...that person has special influence with the Member of Congress."

But the most immediate question, according to a bipartisan assortment of Congressional ethics experts, is compliance with the House's gift rules. If Shuster has not paid rent, experts unanimously agreed, that arrangement may be suspect.

Eppard runs her flourishing lobbying company, Ann Eppard Associates, out of the same $823,000 Alexandria home where Shuster has acknowledged he has stayed "many times."

Asked about the ethics implications of a committee chairman often staying with a lobbyist who has business before him, a Republican attorney who is an expert on Congressional ethics said: "There's a question of whether or not he's receiving a gift of any sort.... I think it boils down to whether the guy's paying rent, unless he's got some waiver from the ethics committee."

But the Republican added that it "is unimaginable" that the panel would permit such an arrangement.

"The $64 question for you is, is there rent being paid?" — and at fair market value, said Stan Brand, a former House counsel who is now a partner in the firm Brand, Lowell & Ryan.

The House's newly passed gift ban does make certain exceptions for hospitality from lobbyists who are "personal friends" of Members and pay for gifts strictly from personal funds.

But Brand said he does not believe that the situation would be mitigated by determining that Eppard is a personal friend of Shuster's.

"I don't think the previous relationship matters," he said.

In a brief telephone interview Jan. 25 — after being observed leaving Eppard's home at 7 a.m. by Roll Call — Shuster said he doesn't

Roll Call February 8, 1996

Roll Call: 2/8/96 article continued

"live" with Eppard and insisted that he and his wife Pat "have a small place here in town."

When asked where he lives when he's in Washington, Shuster replied, "That's none of your damn business." He concluded, "I resent your question" and hung up the phone.

Shuster and his wife own a house in Fairlington, Va., property records show. But that is currently rented out and, according to Shuster's financial disclosures, has been so for years. Property records indicate that Shuster owns no other residence in DC and he has no residential phone number in the Washington region.

Shuster's Transportation Committee chief of staff, Jack Schenendorf, said that Shuster told him to tell Roll Call that "he's been meticulous about clearing everything with the ethics committees and so has Ann."

But he said the Congressman did not specifically say ethics had approved his stays at Eppard's home.

Schenendorf said the Shuster and Eppard families have been close for 25 years. "I have been at dinner at Ann's house when his [Shuster's] whole family was there," he said.

But Schenendorf insisted he does not know where Shuster does live while in Washington.

"I don't know what people's personal lives have to do with this and I don't know what their personal situation is," Schenendorf said.

Eppard on Jan. 26 scheduled an interview with Roll Call for that afternoon. But an aide later called back to say that Eppard's "legal advisers have instructed her to cancel today's meeting."

Neither Shuster nor Eppard has responded to questions about their living arrangements — most importantly, whether the Congressman has paid Eppard anything for his stays or received an advisory ethics opinion and why Eppard has been using an official-looking Congressional plate on her car.

The Journal of Commerce, which first reported on Eppard's meteoric rise as a staffer-turned-lobbyist last July, estimated last month that Ann Eppard Associates earned at least $500,000 in its first year.

While serving on Shuster's staff, Eppard's salary topped out around $100,000.

Ethics rules barred Eppard from directly lobbying Shuster until November 1995. But since she had been a personal office — and not a committee — employee, the GOP takeover of Congress inadvertently offered Eppard a big loophole even before last November: Because her boss of 22 years was just the Transportation panel's ranking member when she left the Hill, she faced no restrictions on her ability to lobby other Transportation members, despite Shuster's ascension to the chairmanship last January.

Shuster, say other transportation lobbyists, has made it clear in industry circles how much he continues to value Eppard's counsel — and that, they insist, has helped Eppard's business.

At one dinner that Eppard helped organize after the 1994 elections, for example, Shuster told representatives from the air transportation industry a "lot of nice things about Ann. About how good she is and how well she knows the Hill," according to a source with knowledge of the event.

Eppard's car, a 1994 Dodge sedan, even sports on its front bumper an official-looking license plate that reads, 'US House PA 9.' Shuster's the one who represents Pennsylvania's 9th district.

Eppard's lobbyist disclosure forms show she has represented some 22 clients, including United Airlines, Federal Express, the Outdoor Advertising Association of America, and the American Road and Transportation Builders Association. Many of them have big stakes in key Shuster legislative interests like keeping the highway trust funds "off budget" and restrictions on billboards on those highways.

And a Roll Call study of Shuster's 1995 Federal Election Commission reports found that many of the transportation industry leaders who are paying Eppard to represent them before Shuster are at the same time handing out campaign contributions to Shuster — whose chief fundraiser is Eppard.

Among the 1995 Shuster contributors who are paying Eppard to lobby are the Outdoor Advertising Association of America, which paid Eppard at least $20,000 in 1995 while its officials gave Shuster's campaign a minimum of $2,000 and the group's PAC gave $5,000 to the Congressman.

The Natural Disaster Coalition, concerned about issues surrounding the National Disaster Protection Act, paid Ann Eppard Associates at least $40,000 last year for lobbying, and NDC executive director John Weber and deputy director Dave DeSantis each gave Shuster's campaign $1,000, according to FEC records.

Shuster's campaign also received $1,000 from the president of the Pennsylvania construction firm Day & Zimmerman, for whom Eppard is registered in Harrisburg to lobby the state government.

Meanwhile, Shuster's 1995 campaign disbursements included numerous payments to employees of Eppard's lobbying firm attributed to "fund raising activity" — suggesting Shuster's campaign fundraising is being handled largely out of a lobbying office whose main source of income is representing clients before Shuster.

Eppard has also chaired the Bud Shuster Portrait Committee, which raised money to pay for a portrait of the chairman that sources said cost more than $40,000 and was unveiled in the Transportation Committee room Jan. 22.

EXHIBIT 45

The Wall Street Journal 2/9/96

Pennsylvania's Rep. Shuster Stayed At Home of Ex-Aide, Now a Lobbyist

By Paul Kuntz

Staff Reporter of The Wall Street Journal

WASHINGTON — Ann Eppard for months has been Exhibit A for what critics call the revolving door between government service and lobbying. She became the transportation industry's most successful new lobbyist when her old boss, Rep. Bud Shuster, assumed the chairmanship of the committee that oversees such issues last year.

Now it turns out that the Republican Transportation Committee chairman has stayed at the lobbyist's home many times, he confirmed yesterday. The Pennsylvania congressman was responding to a story in Roll Call, the scrappy Capitol Hill tabloid, that asserted he has been regularly lodging at her pricey riverside home in Alexandria, Va. The same home houses her office, where she reportedly grossed hundreds of thousands of dollars in her first year in business. It also is headquarters for her work as the chairman's paid political adviser and fund-raiser. His campaign records also reside there.

Mr. Shuster's spokesman refused to say whether the congressman lives there, or if he ever stays anywhere else when in Washington.

Family Is 'Distressed'

"The Shuster family is deeply distressed by the maliciously untrue innuendo" in the Roll Call story, the congressman said in a statement. He added that "everyone has meticulously complied with the ethics rules." The congressman said that he and his wife, Pat, have been close friends with Ms. Eppard's family for 25 years and that the two families had stayed at each other's homes "many times."

Ms. Eppard didn't return phone calls. But, as previously reported in this newspaper, she said she scrupulously adheres to ethics rules in her dealings with Mr. Shuster. "I don't think I'm doing anything different from hundreds of other lobbyists," she said last year.

Though House rules severely restrict the gifts members may accept, "personal hospitality" is allowed. Members must get a written waiver from the Ethics Committee before staying at someone's home for more than 30 days in a single year. The congressman has previously been quoted as saying that he "checked with the Ethics Committee on every move that's made." His spokesman refused to elaborate yesterday.

Under revolving-door laws, Ms. Eppard was barred from lobbying Mr. Shuster directly for a year but was free to lobby his committee and colleagues. "We set up firewalls, or we did set up firewalls until her year was up," Mr. Shuster told the Journal of Commerce.

"I think it's outrageous," said Common Cause President Ann McBride. "You have a former staffer providing free lodging and raising money for him at the same time she is representing major interests that can be powerfully affected by the actions of the chairman." Common Cause plans to ask the Ethics Committee to look into the matter.

Ms. Eppard has filed disclosure forms for a number of clients with transportation interests. The Journal of Commerce, which has been tracking her activities for months, says she grossed at least $600,000 last year.

Truck-Weight Rules

"We were satisfied; they did a great job," said Mary Staples, a lobbyist for Frito-Lay Inc., which retained Ann Eppard Associates last year. Ms. Eppard worked on a measure requiring the Transportation Department to review its light- and medium-weight-truck rules with an eye toward deregulation. It was enacted last year as part of a larger highway bill.

Federal Express Corp. also retained Ms. Eppard after deciding to overhaul its lobbying strategy in light of the GOP takeover. "Hiring Ann Eppard was really not a very difficult decision," said Doyle Cloud, vice president of government affairs, adding that "it helped that she was Shuster's chief of staff."

Ms. Eppard also represented Amtrak as Congress debated cutting its subsidy, and she has represented the American Road and Transportation Builders Association. She was hired by the Outdoor Advertising Association of America, which successfully fought for legislation that could allow more highway billboards. The ocean-shipping industry used her services as it lobbied on an international-shipping-deregulation bill. And she was one of several lobbyists working for Union Pacific Corp. as it shielded its acquisition of Southern Pacific Rail Corp. from Justice Department antitrust enforcers in the bill that abolished the Interstate Commerce Commission.

Ms. Eppard was Rep. Shuster's top aide for more than 20 years. She decided to leave a few weeks before the 1994 election that brought the Republicans and her boss to power. Her last day was Election Day.

EXHIBIT 46

Common Cause

2030 M STREET, NW • WASHINGTON, D.C. 20036-3380 • PHONE: (202) 833-1200 • FAX: (202) 659-3716

EDWARD S. CABOT, *Chairman* | FRED WERTHEIMER, *President* | ARCHIBALD COX, *Chairman Emeritus* | JOHN W. GARDNER, *Founding Chairman*

March 6, 1996

The Honorable Nancy Johnson
Chair, Committee on Standards of Official Conduct
HT-2 U.S. Capitol
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairwoman Johnson:

Recent published reports have raised serious questions about whether Representative Bud Shuster (R-PA) has violated House ethics rules. We are writing to call on the Ethics Committee to undertake an immediate investigation into this matter.

In summary, published reports indicate the following: Ann Eppard, who is Representative Shuster's longtime chief of staff, leaves Capitol Hill to open a lobbying firm primarily representing special interests regulated by the Committee which Representative Shuster chairs. He appears to steer lobbying business to Ms. Eppard, and she is paid hundreds of thousands of dollars in fees by her lobbying clients to influence legislation pending before his Committee. At the same time, Ms. Eppard solicits campaign contributions for Representative Shuster from those same regulated interests, and also serves as a local representative, paid political aide and campaign official for him. All the while, Representative Shuster accepts rent-free lodging at Ms. Eppard's home.

The Ethics Committee must determine whether the circumstances described by the published reports, if true, constitute acceptable and proper conduct for a Member of Congress, or whether these actions violate the standards of conduct and ethics rules of the House, including the requirement of the Code of Official Conduct, House Rule 43, Clause 1, which states that a Member "shall conduct himself at all times in a manner which shall reflect creditably on the House of Representatives."

i.

Recent published reports about Representative Shuster have appeared in the *Journal of Commerce*, *Roll Call*, and *The Wall Street Journal* and indicate the following:

1. Representative Shuster is Chairman of the House Transportation and Infrastructure Committee. He became Chairman at the beginning of the 104th Congress in January 1995, and prior to that was the ranking minority member. This Committee has broad

jurisdiction over the transportation industry, including laws governing railroads, trucking, aviation, seaports and highways.

2. Ann Eppard served as chief of staff to Representative Shuster for more than 20 years. Representative Shuster is quoted as saying of Ms. Eppard, "She and I have worked together, she's been my right arm for over 25 years, a quarter of a century."[1] In November 1994, Ms. Eppard left her position as Representative Shuster's chief of staff and subsequently opened a private lobbying firm in Alexandria, Virginia, with its principal office in her home.

3. According to *Roll Call*, Representative Shuster "made it clear in industry circles how much he continues to value Eppard's counsel."[2] This article states that at a dinner Ms. Eppard organized after the November 1994 elections, Representative Shuster "told representatives from the air transportation industry a 'lot of nice things about Ann. About how good she is and how well she knows the Hill.'"

4. Ms. Eppard's lobbying firm was immediately successful. In her first year as a lobbyist, according to the *Journal of Commerce*, Ms. Eppard received more than $600,000 in fees for representing numerous clients with interests before the Transportation Committee, including Amtrak, Union Pacific, Conrail, Federal Express, United Airlines, the American Road and Transportation Builders Association, and Sea-Land Services, Inc., a coalition of ship lines. According to the *Journal of Commerce*, "almost all of her firm's clients are transportation companies or associations with legislative interests pending before Representative Shuster's committee."

5. The *Journal of Commerce* reported that Amtrak alone hired Ms. Eppard at an annual rate of $100,000. According to this report, Representative Shuster's Committee last year wrote major reform legislation affecting Amtrak that is still pending in Congress.

6. During 1995, at the same time she served as a lobbyist for clients before the Transportation Committee, Representative Shuster also relied on Ms. Eppard to serve in multiple roles for him. She was a leading political fundraiser for him and, according to *Roll Call*, was paid by his campaign committee "to oversee" his fundraising operation. *Roll Call* reports that a number of Ms. Eppard's lobbying clients made contributions in 1995 to Representative Shuster's campaign committee.

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[1] W. Roberts, "Lobbyist's '95 Revenue Could Top $1 Million," The *Journal of Commerce*, February 8, 1996.

[2] T. Burger, "Transportation Chair Lodges With Ex-Aide Who Makes Six Figures Lobbying His Panel," *Roll Call*, February 8, 1996. All references in this letter to *Roll Call* are to this story.

which raised a total of $655,000 in 1995. Ms. Eppard was assistant treasurer of his campaign committee. Representative Shuster's campaign committee also paid Ms. Eppard $36,000 in 1995 to serve as a fundraising and political consultant.

7. According to the *Journal of Commerce*, Representative Shuster also has allowed Ms. Eppard to play "a crucial role in district affairs."[3] According to this report, Ms. Eppard last year represented Representative Shuster on a local advisory committee on the closing of an Army depot in his district. "She also interviewed candidates for county commissioner posts and advised Mr. Shuster on which candidates warrant his political backing," according to this report.

8. Representative Shuster "has been regularly lodging in" Ms. Eppard's residence in Alexandria, according to *Roll Call*. *The Wall Street Journal* reported that Representative Shuster "confirmed" that he "has stayed at the lobbyist's home many times,"[4] apparently during the same period of time that she served as a lobbyist for clients with interests pending before the Transportation Committee. Newspaper reports also state that Ms. Eppard regularly acts as Representative Shuster's driver to and from his Capitol Hill office.

ii.

The Ethics Committee and the Congress are responsible for enforcing standards of conduct for Members of Congress, and for deciding what constitutes acceptable and ethical behavior for Members. The House Ethics Manual states that "Members, officers and employees of the House must observe the broad ethical standards articulated in the Code of Official Conduct. ..."[5] The "most comprehensive provision of the code"[6] is Clause 1, which states:

> A Member, officer, or employee of the House of Representatives shall conduct himself at all times in a manner which shall reflect creditably on the House of Representatives.

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[3] W. Roberts, "Aide's Ties Raise Ethical Questions," The *Journal of Commerce*, July 31, 1995.

[4] P. Kuntz, "Pennsylvania's Rep. Shuster Stayed At Home of Ex-Aide, Now a Lobbyist," *The Wall Street Journal*, February 9, 1996.

[5] Committee on Standards of Official Conduct, *Ethics Manual for Members, Officers and Employees of the U.S. House of Representatives* (hereafter "*House Ethics Manual*"), 102d Cong. 2d Sess. 12 (April 1992) at 12.

[6] *House Ethics Manual* at 12.

On a number of occasions, the Committee has found Members to have violated Clause 1, and the Committee has imposed sanctions for such improper conduct.[7]

The ethics rules enjoin Members to take care to ensure that their conduct will be viewed by the public as adhering to standards of propriety, in order to defeat even the appearance that favored access or influence is exerted on public policy outcomes. A failure to maintain this appearance of propriety creates a public perception that government does not operate for the public interest.

The public is entitled to know whether the Committee believes that the circumstances outlined above describe an acceptable and ethical course of behavior for how a Member of Congress conducts himself in relation to a former aide who becomes a lobbyist for interests he regulates. If the Committee determines these circumstances do "reflect creditably" on the House, then much of the public cynicism about how Washington operates will be reaffirmed.

A second relevant standard is set forth in the Code of Ethics for Government Service, which is incorporated by reference into the House ethics rules.[8] Clause 5 of the Code states that any person in government service should:

> [N]ever accept for himself or his family, favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance of his governmental duties.

On a number of occasions, the Committee has found Members to have violated Clause 5, and the Committee has imposed sanctions for such improper conduct.[9]

The question here is whether Representative Shuster accepted various favors or benefits from Ms. Eppard -- including free lodging -- under circumstances that a reasonable person could construe as influencing the performance of his official duties. The fact that Representative Shuster apparently accepted free lodging and other benefits from a lobbyist representing numerous clients with business before his Committee presents circumstances that a reasonable person could easily believe improperly influenced the performance of his government duties, in violation of Clause 5 of the Code of Ethics for Government Service.

Accordingly, the Committee must apply both of the standards set forth above and determine whether Representative Shuster's actions constitute acceptable and proper conduct

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[7] *House Ethics Manual* at 13-14 (citing cases).

[8] *House Ethics Manual* at 18. ("[T]he ethical precepts set forth in this code 'represent continuing traditional standards of ethical conduct to be observed by Members of the House at all time.'")

[9] *House Ethics Manual* at 19 (citing cases).

for a Member of Congress.

According to the *Journal of Commerce*, Representative Shuster has attempted to justify his actions outlined above by saying, "This goes on all the time around this town."

Even if true, that is no defense. Widespread wrongdoing means only that the wrongdoing is widespread. To accept Representative Shuster's characterization is to accede to the view of Washington that is at the core of the low esteem in which much of the public today holds Congress. It is time for the Ethics Committee to say what the American people know -- that this conduct is wrong and that it fails to "reflect creditably" on the House.

iii.

In addition to the broad ethical standards set forth above, we also call the Committee's attention to a narrower question presented by these circumstances.

The Committee should examine whether Representative Shuster has violated House gift rules by apparently accepting free lodging and transportation from Ms. Eppard in excess of the permissible amount. Prior to the new gift rule, which took effect on January 1, 1996, Members were prohibited from accepting gifts with a fair market value in excess of $250 per year. A gift, under the prior rules, was defined as:

> a payment, subscription, advance, forbearance, rendering, or deposit of money, services, or anything of value, including food, lodging, transportation, or entertainment, and reimbursement for other than necessary expenses, unless consideration of equal or greater value is received by the donor.[10]

Under those rules, no gift with a value over $250 -- even one from a personal friend -- could be accepted without a waiver from the Ethics Committee.[11] The Manual states that such waivers were available "only in cases where there is no potential conflict of interest or appearance of impropriety. ..."[12]

Representative Shuster has produced no evidence that he obtained a waiver from the Ethics Committee for any gifts he may have received from Ms. Eppard in excess of the limit in 1995. And in light of Ms. Eppard's role as a lobbyist representing private interests before the Transportation Committee, there is a significant question about whether a waiver from

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[10] *House Ethics Manual* at 28 (emphasis added). The definition of "gift" under the new gift rules is substantively the same as the old, and expressly includes "gifts of ... transportation, lodging, and meals. ..." *Rule LII, Para. 1(b)(1).*

[11] *House Ethics Manual* at 26, 34.

[12] *House Ethics Manual* at 34.

the prior gift rule would have been appropriate because of the "potential conflict of interest or appearance of impropriety" inherent in Representative Shuster accepting valuable gifts from a lobbyist representing clients with business before the Committee he chairs. As the House Ethics Manual states:

> The rule directs the Committee to grant waivers only in exceptional circumstances. Even a gift from a long-time personal friend may not be approved in all instances.[13]

In addition, the old gift rule, like the new gift rule, contains an exception for "personal hospitality," defined to mean "hospitality for a non-business purpose by an individual ... on property or facilities owned by that individual or his family."[14] Representative Shuster also has claimed that his lodging at Ms. Eppard's home was permissible under this exception.

The House Ethics Manual, however, states that such hospitality offered for more than four days or three nights consecutively from a single source requires a prior documented effort to determine whether the criteria for the "personal hospitality" exemption are met. In any event, "no Member ... may accept more than 30 days of personal hospitality in a calendar year without a prior written waiver from the [Ethics] Committee."[15] The propriety of a waiver in these circumstances is very questionable for the reasons set forth above: the inherent conflict of interest in Ms. Eppard's role as a lobbyist for clients with business

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[13] In a press release dated February 17, 1996, Representative Shuster did make public the transcript of a telephone conversation between himself and a staff member of the Ethics Committee on December 19, 1995. Representative Shuster claims that the transcript demonstrates that he "scrupulously complied with House ethics rules."

In a subsequent press release dated February 22, 1996, however, Representative Shuster characterized the "thrust of the review" in this transcript as going to the question of whether his activities would be permissible under the new gift rules which took effect on January 1, 1996. Thus, by his own account, this transcript does not purport to be a Committee waiver of the applicable 1995 gift rules.

Even if the transcript is intended to serve as a waiver for gifts accepted in 1995, such a transcript of an after-the-fact telephone conversation with Committee staff would not appear to satisfy the waiver requirement. *House Ethics Manual* at 34; (*see* Example 11 which requires a prior or "reasonably contemporaneous[]" waiver). Further, the transcript does not appear to present all of the relevant facts to the Committee staff, further weakening the precedential value of the informal telephone advice.

[14] *House Ethics Manual* at 29.

[15] *House Ethics Manual* at 29.

before Representative Shuster's committee creates circumstances which fail to meet the standards for a waiver.[16]

The Committee accordingly should investigate whether Representative Shuster accepted rent-free accommodations and transportation services from Ms. Eppard, whether the limits on the acceptance of a gift were violated, whether he received the appropriate waiver to receive such gifts from a personal friend, whether the personal hospitality exception properly applies in these circumstances, whether Representative Shuster made a prior written determination as to the applicability of the personal hospitality exception, whether Representative Shuster accepted more than 30 days of free accommodations in 1995, and if so, whether he received a prior written waiver from the Committee permitting him to do so. For all of the above reasons, the Committee should investigate whether Representative Shuster has violated the House gift rules.

We reiterate, however, that even if the Committee decides that there was no violation of the gift rules, the broader question of whether Representative Shuster's conduct meets the more general ethical standards of behavior, including the Clause 1 requirement that a Member's conduct shall "reflect creditably" on the House, must still be addressed by the Committee and the Congress.

iv.

Under its rules, the Ethics Committee has jurisdiction to proceed with an investigation when it "on its own initiative, determines that a matter warrants inquiry."[17] The Committee should accordingly determine whether Representative Shuster's activities constitute an acceptable and ethical course of behavior or whether they violate standards of conduct and House rules.

Should the Committee conclude that the practices engaged in by Representative Shuster do not violate standards of ethical conduct and House rules, the Congress will be

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[16] *House Ethics Manual* at 34. Under the new House gift rules which took effect on January 1, 1996, no gifts to House Members are permitted. There is an exception for gifts from personal friends, but any such gift, the value of which exceeds $250, may only be accepted if the Ethics Committee issues "a written determination that such exception applies." *Rule LII. Para. 1(e).* In making this determination, the Committee "shall consider the circumstances under which the gift was offered. ..." *Rule LII, Para. 1(c)(4).* Representative Shuster has offered no evidence that he has received a written determination from the Ethics Committee that he may receive gifts from a personal friend under the new rule.

[17] Rule 13(d), Rules of the Committee on Standards of Official Conduct; see also *House Ethics Manual* at 331.

saying that this is acceptable and ethical conduct that "reflects creditably" on the House.

It is our understanding the Department of Justice has been asked to conduct an inquiry into whether some of the activities outlined above may have violated applicable criminal statutes. The Ethics Committee, however, has a separate and independent role to perform from that of the Justice Department, and should not postpone action on considering these issues. The House has established standards of conduct for its Members that go beyond simply the absence of criminal activity. It is particularly important that the Committee exercise its responsibility to make an independent determination in this case because of Representative Shuster's claims that his activities constitute acceptable behavior in Washington.

Common Cause accordingly calls on the Committee to open an investigation into this matter and to determine whether applicable ethical standards have been violated.[18]

Sincerely,

Ann McBride
President

[18] We attach copies of the news reports cited in this letter.

and Commercial

THURSDAY, FEBRUARY 8, 1996

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Lobbyist's '95 Revenue Could Top $1 Million

By WILLIAM L. ROBERTS
Journal of Commerce Staff

WASHINGTON — In a city full of new Republican lobbyists, Ann Eppard is a standout.

A longtime political aide and fund-raiser for House transportation leader Rep. Bud Shuster, R-Pa., Ann Eppard brought in more than $600,000 in revenue from transportation clients in her first year as a lobbyist.

Based on a list of at least 23 clients and the limited financial disclosure requirements imposed on lobbyists in 1995, Ms. Eppard's firm may have grossed as much as $1 million since Republicans won control of the House in 1994. The disclosure statement was filed Jan. 17.

The amount is unusual for a new firm, other lobbyists say.

"I think someone who started and picked up 20 and 30 clients is doing extremely well," said Wright Andrews, president of American League of Lobbyists and a partner in the law and lobby firm Butera & Andrews.

The keys to Ms. Eppard's success have been connections and timing — she spent 22 years working on Capitol Hill, and she left her congressional job just as the Republicans were taking control. She is not without her detractors.

Critics attribute Ms. Eppard's

SEE EPPARD, PAGE 8A

For a list of Ann Eppard's clients and a review of her track record, see Page 8A.

Eppard/Continued From Page 1A

success largely to her long association with Rep. Shuster, the chairman of the House Transportation and Infrastructure Committee. The committee has broad jurisdiction over laws governing ocean shipping, railroads, aviation, trucking, seaports and highways — all capital intensive businesses with billions at stake in federal affairs.

Supporters say her success is the result of hard work, decades of building contacts in the Republican Party and a well-deserved reputation for professionalism and effectiveness.

"She and I have worked together, she's been my right arm for over 25 years, a quarter of a century," Rep. Shuster, a House veteran who for the past year has been the chairman of the Transportation and Infrastructure Committee, said in a recent interview.

Ms. Eppard had worked for 22 years in the personal office of Rep. Shuster, who represents the ninth district of Pennsylvania. Before his first bid for Congress, she had been his executive assistant at his computer business here in Washington. Ms. Eppard took early retirement in 1984, leaving Rep. Shuster's congressional employ after the election.

In addition to building a lobbying business, Ms. Eppard continued to serve as a leading fund-raiser for Rep. Shuster, as assistant treasurer to his re-election campaign and as political consultant for district affairs. He paid her $36,000.



EPPARD

Ms. Eppard helped raise $655,000 for Rep. Shuster during 1995. He faces opposition for the first time in years and has already spent $553,000, according to financial reports his campaign committee filed with the Federal Election Commission.



SHUSTER

Ms. Eppard also provided staff-like services to Rep. Shuster, acting as his driver to and from his office on Capitol Hill, a role she has played for many years. For health reasons, he cannot drive in city traffic.

Ms. Eppard organized a private fund-raiser to finance a portrait of the chairman, which has been ensconced in the committee's hearing room. Transportation-related associations and companies were asked to contribute primary funding.

At the same time, almost all of her firm's clients are transportation companies or associations with legislative interests pending before Rep. Shuster's committee. Major transportation companies like railroads Conrail and Union Pacific, package delivery service Federal Express, and the passenger service United Airlines have retained the firm, as did a coalition of ocean ship lines headed by Sea-Land Service Inc.

Government-owned Amtrak, for example, hired Ms. Eppard at an annual rate of $100,000, according to a copy of her contract provided by Amtrak. Last year, Rep. Shuster's committee wrote major reform legislation affecting Amtrak. The bill is still pending in Congress.

"You have a hired gun who is paid substantial amounts of money to represent special interests before Congress and you see this extraordinarily tight relationship between Shuster and Eppard. To me, this is an example of Washington at its very worst," said Gary Ruskin, director of the Congressional Accountability Project, a watchdog group associated with Ralph Nader.

Rep. Shuster and Ms. Eppard take umbrage at such commentary.

"She is an extraordinarily bright, capable person. Her relationships on this Hill go far beyond me," Rep. Shuster said. "So the implication to me that somehow just because I'm chairman that they're hiring her to get to me really doesn't stand a fair evaluation of her capabilities."

Rep. Shuster acknowledges that he and Ms. Eppard have an unusually close relationship. He said he has been meticulous about making sure he and she do not tread on House ethics rules.

"I had an extensive further review with the ethics committee to be darned sure that everything we were doing complied with all the ethics. I am fanatical about making sure that we're complying with the ethics," Rep. Shuster said. Ms. Eppard did not return numerous phone calls.

Federal law imposes a one-year cooling-off period on former senior staffers like Ms. Eppard, who as Rep. Shuster's chief of staff was paid a $108,000 salary in 1994. Under the 1989 law, such staffers may not communicate with their former employers or co-workers in an effort to influence upcoming legislation, but they can lobby other lawmakers and their staffs. Compliance with these laws are relatively easy because they contain numerous loopholes.

Ms. Eppard's one year expired Nov. 9.

"We set up fire walls, or we did set up fire walls until her year was up. Just never discussed anything that had to do with lobbying," Rep.

Eppard Clients

Ann M. Eppard's lobbying fees for 1995.

Client	Lobbying Fees	Legislative Interest
Conrail*	$ 50,000	ICC termination
Fastship Atlantic Inc.*	$ 50,000	Title XI ship construction loans
Natural Disaster Coalition	$ 40,000	Backing for disaster relief fund
Metropolitan Washington Airports Authority	$37,500	Administrative reform
Shuster for Congress Committee	$36,000	Fundraising, political consulting
Pennsylvania Turnpike Commission	$ 33,332	Highway funding
Amtrak	$ 30,000	Funding & privatization
Puerto Rico Department of Highways & Transportation	$ 21,110	Transportation
Outdoor Advertisers Assn. of America	$ 20,000	Billboards on scenic byways
Federal Express Corp.	$ 18,333	Japan bilateral aviation relations
Los Angeles County Mass Transportation Authority	$ 16,665	Transportation
American Road and Transportation Builders	$ 15,000	Highway construction funding
Ocean Common Carrier Coalition*	$ 12,450	Ocean shipping deregulation
Regulated Common Carrier Commission	$ 12,000	ICC termination, trucking
Frito-Lay Inc.	$ 10,000	Truck safety regulation
GTE	$ 9,333	Transportation
Union Pacific Co.	$ 9,000	ICC termination
Board of County Commissioners of Dade County, Fla.	$ 8,402	Transportation
United Airlines	$ 8,333	Japan bilateral aviation
I-73/74 Association, North Carolina	$ 6,667	Transportation
OMI Corp.	$ 1,666	Alaska oil exports, tankers
Southeastern Economic Development Corp.*	$ 1,666	Transportation
Panhandle Eastern Co.	$ 833	International shipping, pipelines
Total	$448,290	All transportation related

*Terminated lobbying contract before year end.

Note: Actual fees are higher in some cases because contracts call for services other than federal lobbying. Amtrak's contract, for example, called for a $100,000 annual payment. Also, not all clients are listed.

SOURCE: Ann Eppard & Associates, Clerk of the House of Representatives.

Shuster said.

However, Rep. Shuster said during the interview that on several occasions in the past year he has been a social overnight guest at Ms. Eppard's town home in Alexandria, Va.

In one instance, Rep. Shuster added, he and his wife — who lives in Pennsylvania — also accepted overnight lodging from Ms. Eppard. Rep. Shuster said the friendship is platonic, but he otherwise declined to elaborate on the frequency or circumstances of the visits, saying instead the subject is too personal to discuss.

Ms. Eppard didn't have to speak directly with Rep. Shuster to influence committee legislation.

The rules allowed her to lobby Jack Schenendorf, the transportation committee's chief of staff, which she did several times during the one-year period, according to Mr. Schenendorf. Ms. Eppard was also permitted to lobby other members of the committee and other committee staff as well as House leadership.

"Minimally, you've got a classic revolving door, where a person who worked on Capitol Hill went out and took full advantage of her connections on the hill, and the impression that she could influence or have access to people who could make a difference," said Alex Bezas, managing director of the Center for Public Integrity, a nonpartisan group that tracks money in politics.

"It's just your basic revolving door, but played to a very profitable

Transportation Chair Lodges With Ex-Aide Who Makes Six Figures Lobbying His Panel

By Timothy J. Burger

In a potential violation of the House's gift rules, Rep. Bud Shuster (R-Pa) has been regularly lodging in the northern Virginia townhouse of Ann Eppard, a lobbyist making hundreds of thousands of dollars representing clients before the Transportation and Infrastructure Committee that Shuster chairs.

By his own account, Shuster has stayed overnight "many times" at the $823,000 Alexandria waterfront home of Eppard, though he denied that he "lives" there.

Multiple Congressional and transportation industry sources told Roll Call that Shuster has been regularly staying at Eppard's when he is in Washington.

For 22 years — until the day after the GOP won control of the House in 1994 — Eppard was Shuster's top Congressional aide. Now, she is a lobbyist whose firm has made more than $500,000 in the past year representing an array of transportation companies with major interests before Shuster's committee.

But their ties are far more extensive than those between most lobbyists and the chairmen they seek to influence.

Eppard runs her flourishing lobbying company, Ann Eppard Associates, Ltd., out of the same Alexandria home where Shuster stays.

And she continues on Shuster's campaign payroll as his top political aide, earning $3,000 a month to oversee a fundraising operation that netted Shuster's re-election campaign $655,000 last year — at least $25,000 of it from Eppard's transportation clients and their PACs.

Now, Eppard is even spearheading fundraising for Shuster's son Bob, a former aide to Rep. Bill Clinger (R-Pa) who is seeking a Congressional seat adjacent to his father's. With Eppard's help, Bob Shuster has already raised more than $100,000 for his fledgling campaign, much of it from the same transportation interests with business before his father's committee.

Their close ties extend even to the

Continued on page 18



Photo by Maureen Keating

Lobbyist Ann Eppard (left) with the newly unveiled portrait of Transportation Chairman Bud Shuster, her ex-boss, in background.

Continued from page 1

car Eppard owns — a 1994 Dodge sedan whose front bumper sports an official-looking license plate, "US House PA 9." Shuster's the one who represents Pennsylvania's 9th district, but according to the Pennsylvania Bureau of Motor Vehicles, Eppard owns the car.

"There is a serious potential for this being a conflict of interest," said Josh Goldstein, research director for the Center for Responsive Politics. "Certainly you have to question whether or not...that person has special influence with the Member of Congress."

But the most immediate question, according to a bipartisan assortment of Congressional ethics experts, is compliance with the House's gift rules. If Shuster has not paid rent, experts unanimously agreed, that arrangement may be suspect.

Eppard runs her flourishing lobbying company, Ann Eppard Associates, out of the same $823,000 Alexandria home where Shuster has acknowledged he has stayed 'many times.'

Asked about the ethics implications of a committee chairman often staying with a lobbyist who has business before him, a Republican attorney who is an expert on Congressional ethics said: "There's a question of whether or not he's receiving a gift of any sort.... I think it boils down to whether the guy's paying rent, unless he's got some waiver from the ethics committee."

But the Republican added that it "is unimaginable" that the panel would permit such an arrangement.

"The $64 question for you is, is there rent being paid?" — and at fair market value, said Stan Brand, a former House counsel who is now a partner in the firm Brand, Lowell & Ryan.

The House's newly passed gift ban does make certain exceptions for hospitality from lobbyists who are "personal friends" of Members and pay for gifts strictly from personal funds.

But Brand said he does not believe that the situation would be mitigated by determining that Eppard is a personal friend of Shuster's.

"I don't think the previous relationship matters," he said.

In a brief telephone interview Jan. 25 — after being observed leaving Eppard's home at 7 a.m. by Roll Call — Shuster said he doesn't

Roll Call February 8, 1996

Roll Call: 2/8/96 article continued

"live" with Eppard and insisted that he and his wife Pat "have a small place here in town."

When asked where he lives when he's in Washington, Shuster replied, "That's none of your damn business." He concluded, "I resent your question" and hung up the phone.

Shuster and his wife own a house in Fairlington, Va., property records show. But that is currently rented out and, according to Shuster's financial disclosures, has been so for years. Property records indicate that Shuster owns no other residence in DC and he has no residential phone number in the Washington region.

Shuster's Transportation Committee chief of staff, Jack Schenendorf, said that Shuster told him to tell Roll Call that "he's been meticulous about clearing everything with the ethics committees and so has Ann."

But he said the Congressman did not specifically say ethics had approved his stays at Eppard's home.

Schenendorf said the Shuster and Eppard families have been close for 25 years. "I have been at dinner at Ann's house when his [Shuster's] whole family was there," he said.

But Schenendorf insisted he does not know where Shuster does live while in Washington.

"I don't know what people's personal lives have to do with this and I don't know what their personal situation is," Schenendorf said.

Eppard on Jan. 26 scheduled an interview with Roll Call for that afternoon. But an aide later called back to say that Eppard's "legal advisers have instructed her to cancel today's meeting."

Neither Shuster nor Eppard has responded to questions about their living arrangements — most importantly, whether the Congressman has paid Eppard anything for his stays or received an advisory ethics opinion and why Eppard has been using an official-looking Congressional plate on her car.

The Journal of Commerce, which first reported on Eppard's meteoric rise as a staffer-turned-lobbyist last July, estimated last month that Ann Eppard Associates earned at least $500,000 in its first year.

While serving on Shuster's staff, Eppard's salary topped out around $100,000.

Ethics rules barred Eppard from directly lobbying Shuster until November 1995. But since she had been a personal office — and not a committee — employee, the GOP takeover of Congress inadvertently offered Eppard a big loophole even before last November: Because her boss of 22 years was just the Transportation panel's ranking member when she left the Hill, she faced no restrictions on her ability to lobby other Transportation members, despite Shuster's ascension to the chairmanship last January.

Shuster, say other transportation lobbyists, has made it clear in industry circles how much he continues to value Eppard's counsel — and that, they insist, has helped Eppard's business.

At one dinner that Eppard helped organize after the 1994 elections, for example, Shuster told representatives from the air transportation industry a "lot of nice things about Ann. About how good she is and how well she knows the Hill," according to a source with knowledge of the event.

Eppard's car, a 1994 Dodge sedan, even sports on its front bumper an official-looking license plate that reads, 'US House PA 9.' Shuster's the one who represents Pennsylvania's 9th district.

Eppard's lobbyist disclosure forms show she has represented some 22 clients, including United Airlines, Federal Express, the Outdoor Advertising Association of America, and the American Road and Transportation Builders Association. Many of them have big stakes in key Shuster legislative interests like keeping the highway trust funds "off budget" and restrictions on billboards on those highways.

And a Roll Call study of Shuster's 1995 Federal Election Commission reports found that many of the transportation industry leaders who are paying Eppard to represent them before Shuster are at the same time handing out campaign contributions to Shuster — whose chief fundraiser is Eppard.

Among the 1995 Shuster contributors who are paying Eppard to lobby are the Outdoor Advertising Association of America, which paid Eppard at least $20,000 in 1995 while its officials gave Shuster's campaign a minimum of $2,000 and the group's PAC gave $5,000 to the Congressman.

The Natural Disaster Coalition, concerned about issues surrounding the National Disaster Protection Act, paid Ann Eppard Associates at least $40,000 last year for lobbying, and NDC executive director John Weber and deputy director Dave DeSantis each gave Shuster's campaign $1,000, according to FEC records.

Shuster's campaign also received $1,000 from the president of the Pennsylvania construction firm Day & Zimmerman, for whom Eppard is registered in Harrisburg to lobby the state government.

Meanwhile, Shuster's 1995 campaign disbursements included numerous payments to employees of Eppard's lobbying firm attributed to "fund raising activity" — suggesting Shuster's campaign fundraising is being handled largely out of a lobbying office whose main source of income is representing clients before Shuster.

Eppard has also chaired the Bud Shuster Portrait Committee, which raised money to pay for a portrait of the chairman that sources said cost more than $40,000 and was unveiled in the Transportation Committee room Jan. 22.

Journal of Commerce July 31, 1995

Aide's Ties Raise Ethical Questions

By WILLIAM L. ROBERTS
Journal of Commerce Staff

WASHINGTON — Special interests may not be able to buy Rep. Bud Shuster, R-Pa., the powerful chairman of the House Transportation and Infrastructure Committee, but they can hire his top political aide.

Ann M. Eppard, longtime chief of staff to Mr. Shuster, resigned and started a lobbying firm after Republicans won control of the House in November and in a matter of months has earned more than $81,000 from 10 clients — all of them with business pending before the Transportation and Infrastructure Committee.



EPPARD

Amtrak, Conrail, the Ocean Common Carriers Coalition, Fastship Atlantic, OMI Corp., American Transportation Builders Association, Natural Disaster Coalition and the

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8A

Aide/ Continued From Page 1A

Outdoor Advertising Association of America, among others have all retained her firm.

Ms. Eppard, 52, left her $108,000-a-year House post on Nov. 9. But though she is no longer on Mr. Shuster's congressional payroll, she continues to play an active role in his political affairs. Since starting her business, she has collected at least $20,000 in consulting fees from Mr. Shuster's re-election campaign where she serves as assistant treasurer and fund-raiser.

It is not illegal for Ms. Eppard to be both the congressman's fund-raiser and a private consultant to special interests seeking legislative advantage from the House committee he chairs. But it raises several conflict-of-interest questions.

'Revolving Door at Its Worst'

Said Donald J. Simon, a lawyer for Common Cause, an advocacy group pushing for lobbying reforms: "This case is an example of the Washington revolving door at its worst."

Moreover, Ms. Eppard's political service to Mr. Shuster, which provides her with regular access to the chairman, while she is also a lobbyist, creates the appearance of a possible violation of federal lobbying laws. Under the Ethics Reform Act of 1989, it is a felony for former senior staffers to lobby their former employers within one year of leaving the House. And according to House ethics rules, former staff members cannot seek official action, on the behalf of others, from that member or from any of the member's employees. Ms. Eppard and Mr. Shuster insist such appearances are deceiving.

"I will not permit you to say there is an appearance of a conflict," Ms. Eppard said in a recent telephone interview.

Mr. Shuster said he sees Ms. Eppard "several times a week" but that they do not discuss committee issues.

Said Ms. Eppard: "I have tried to stay very close to what was the spirit of what was the intent of the law. I understand walls very well. I don't take any client in to see Bud Shuster nor do I talk to him about any issue of my clients."

Advised by Counsel

"Absolutely not. This is ironclad," Mr. Shuster said. "If somebody mentions Amtrak, she gets up and leaves the room."

Ms. Eppard and Mr. Shuster say they have been advised confidentially by counsel at the House Committee on Standards of Official Conduct that the law permits Ms. Eppard to continue her political and fund-raising work for Mr. Shuster while also serving as a lobbyist.

Several clients said they have discussed the ethics question with Ms. Eppard and have been assured that she would not be lobbying Mr. Shuster.

Said William B. Newman Jr., Conrail vice president for government affairs: "She and I have talked about the ethics rules and have agreed that she will follow the ethics rules, which preclude her from lobbying Mr. Shuster personally for one year.

But good-government groups and officials of companies on the other side of the issues from Mr. Shuster argue that although the law permits the kind of political activities that Ms. Eppard engages in, the allowance is a loophole that should be closed.

"It shows the need for strong legislation to stop congressional aides who leave their jobs from taking exorbitant fees to lobby for special interests," said Mr. Simon.

Close Relations

Of particular concern to outside observers is Ms. Eppard's role as Mr. Shuster's campaign fund-raiser and top political aide.

While it is common for lobbyists to act as fund-raisers for lawmakers with whom they have had an associ-

ation. it is unusual for lobbyists to also serve in the type of de facto staff role Ms. Eppard still provides for Mr. Shuster.

Further, her continuing service to the chairman falls within the one-year, non-lobbying period mandated by the Ethics Reform Act of 1989.

As a fund-raiser, Ms. Eppard is responsible for organizing dinners and cocktail parties, renting meeting rooms, hiring florists, musicians and caterers as well as inviting lobbyists — some of whom are associated with her clients — and others to come and greet Mr. Shuster in a congenial environment.

"I certainly am working hard to make sure that Bud Shuster has enough of a war chest so that anyone thinks seriously about challenging him," she said.

During the 1993-1994 campaign, Mr. Shuster raised $671,000, some of it in contributions from the same interest groups that have retained Ms. Eppard.

A Link to Home

As Mr. Shuster's political aide, Ms. Eppard plays a crucial role in district affairs.

In recent months, she represented Mr. Shuster on a local advisory committee on the closure of the Letterkenny Army Depot in his rural, central Pennsylvania district. She also interviewed candidates for county commissioner posts and advised Mr. Shuster on which candidates warrant his political backing.

In addition, Ms. Eppard serves as liaison for special interests wanting Mr. Shuster to appear at Washington events.

When Mr. Shuster spoke recently to the American Trucking Associations, it was Ms. Eppard who escorted the chairman and monitored his time at the podium. When questions from the crowd of trucking executives went too long, it was Ms. Eppard who indicated to ATA officials that it was time for the chairman to go. Mr. Shuster and Ms. Eppard left the meeting in a car together. She drove.

Ms. Eppard said she started working for Mr. Shuster 25 years ago when he was the chief executive of a computer company in central Pennsylvania. She followed him to Congress when he was elected in 1972 and describes their relationship as very close.

"I know philosophically where he is," she said.

Ms. Eppard said she advises clients on how they should approach the committee, what the House GOP leadership is thinking and how the new committee chairmen are constrained by the politics of the Republican revolution.

"I'm one of the people who have been inside for a long time," she said. "What I can do is help you through the committee."

THE JOURNAL OF COMMERCE, Monday, July 31, 1995

Eppard and Her Clients

Several clients of lobbyist Ann M. Eppard have an interest before the House Transportation and Infrastructure Committee, which is chaired by Rep. Bud Shuster, R-Pa. Ms. Eppard is Rep. Shuster's former chief of staff. The clients and their fees through March 30 include:

Client: Amtrak.
Fee: $10,000.
Legislative interest: Committee is handling legislation to privatize Amtrak.

Client: Conrail.
Fee: $15,000.
Legislative interest: Has an economic stake in the Amtrak bill and in Interstate Commerce Commission sunset decisions.

Client: Outdoor Advertising Association.
Fee: $6,666.
Legislative interest: Billboard industry seeks to limit imposition of "scenic" highway designations.

Client: American Road and Transportation Builders Association.
Fee: $5,000.
Legislative interest: Rep. Shuster's push to take highway and aviation trust funds for construction projects off-budget.

Client: FastShip Atlantic.
Fee: $15,000.
Legislative interest: Looking for federal backing of innovative ship design through Maritime Administration program under the committee's jurisdiction.

Client: Natural Disaster Coalition.
Fee: $10,000.
Legislative interest: Pushing legislation in the committee to establish a federally backed bailout fund for property insurers facing hurricane and earthquake risks.

Client: Pennsylvania Turnpike Commission.
Fee: $8,333.
Legislative interest: Wants ongoing support for federal highway spending in Pennsylvania.

Client: Metropolitan Washington Airports Authority.
Fee: $6,250.
Legislative interest: Legislation restructuring the authority is pending before the committee.

Client: Ocean Common Carrier Coalition.
Fee: Not disclosed.
Legislative interest: Group of U.S. and foreign ship lines has major interest in legislation sunsetting the Federal Maritime Commission and partially deregulating ocean transportation. Also has stake in committee's planned oversight and possible reform of the Maritime Administration.

Client: OMI Corp.
Fee: Not disclosed.
Legislative interest: Independent tanker operator in the Alaska trade recently needed Rep. Shuster to waive jurisdiction over bill lifting a ban on oil exports. Company also has interest in committee's plans to reverse Maritime Administration guaranteed loan and subsidy programs.

SOURCE: The Journal of Commerce, Clerk of the House of Representatives disclosure forms

VAL HERNANDEZ-RHODES/Journal of Commerce

Unfair Advantages

Some lobbyists who work on the opposite side of issues from Ms. Eppard feel her participation in the committee's legislative action and unparalleled access to the chairman works to their disadvantage.

Ms. Eppard is often in Mr. Shuster's Capitol Hill office and has regular contact with the chairman, putting her in a position to use her influence even if she does not.

She is seen entering or leaving his offices almost daily when Congress is in session. And she occasionally makes appearances during committee hearings.

At a recent meeting on pending Amtrak legislation, in which nearly 20,000 union jobs and the future of passenger rail service were at stake, Ms. Eppard positioned herself prominently in the crowd. Her presence as a lobbyist for Amtrak and Conrail could hardly be lost on the committee members and staff.

Though the law prevents Ms. Eppard from lobbying Mr. Shuster or his staffers, it does not prevent her from doing so with staffers of the Transportation and Infrastructure Committee, even if they report directly to Mr. Shuster in his role as committee chairman. Ms. Eppard declined to answer questions about whether her lobbying of committee staff represents a conflict of interest. She then terminated the interview.

Mr. Shuster said he sees no problem in her lobbying staff or members of his committee, while at the same time working as a political consultant and fund-raiser for him.

"We've cleared everything with the ethics committee," Mr. Shuster said.

"I'm allowed to talk to people. I'm allowed to have friendships. I can go over and see the Senate side. They didn't take my right away to ask people questions," Ms. Eppard said.

Client Expectations

Those who have hired Ms. Eppard have been scrupulous in saying that she has not been retained to lobby Mr. Shuster.

"She knows the committee staff very well. She's been around these issues for a long time. She knows lots of the other members. She helps us get out our message," said Conrail's Mr. Newman. "As long as she comports with the rules, I don't think there's a problem."

Peter Finnerty, a lobbyist for Sea-Land Service who acts as chairman of the Ocean Common Carrier Coalition, which has retained Ms. Eppard among several lobbyists as part of a broad lobbying strategy, said the coalition does not expect her to lobby Mr. Shuster.

"I am aware that she has been active politically with Shuster because she always was when she was on his staff," Mr. Finnerty said.

Ms. Eppard may not seek to influence Mr. Shuster one way or another on issues of concern to her clients, Mr. Finnerty said.

Similarly, Tom Downs, Amtrak president, said the government-owned railroad expects Ms. Eppard to provide information and offer counseling.

"We hired her because of her experience: because of her experience with the committee and experience with the chairman," Mr. Downs said.

The Chairman's Work

Mr. Shuster's official actions in this Congress have not always benefited Ms. Eppard's clients.

The chairman has supported Amtrak by seeking labor concessions that go beyond what a majority of his committee members have been willing to support, but which Amtrak management says it needs to significantly reform the railroad's operations.

On the other hand, Mr. Shuster has opposed a Senate proposal that would take revenue from highway-user gas taxes to fund operating subsidies for Amtrak.

On reform of the Shipping Act of 1984 and elimination of the Federal Maritime Commission — a matter the committee will act on this week — Mr. Shuster has used his position as chairman to delay elimination of the FMC as an independent regulatory agency.

He effectively stalled the demise of the FMC until 1997, giving the Ocean Common Carriers Coalition time to reach a compromise with the National Industrial Transportation league. NIT League, which represents large corporate shippers nationwide, had been pushing for the merger of the FMC with the Department of Transportation as part of a rewrite of the Shipping Act.

The 104th Congress runs until the end of 1996, and Ms. Eppard is quick to point out to her new clients and others that the one-year restriction against her lobbying Mr. Shuster directly expires in November.

In the meantime, she and her firm have already done well. In December 1994, she bought a newly built, $823,000 town home on the Potomac River in Old Town Alexandria, Va. If the firm continues to develop at its present pace, it would be on track to earn half a million dollars over the two years of the 104th Congress.

After 22 years in public service, Ms. Eppard said it was time for her to move on to new challenges. She also says she made the decision to start her consultancy before Republicans won their first House majority since 1953, and thus before it was clear her former boss would become committee chairman.

Others, including one lobbyist who has hired her and a chief of staff for another House Republican, said simply:

"She's cashing in."

The Wall Street Journal 2/9/96

Pennsylvania's Rep. Shuster Stayed At Home of Ex-Aide, Now a Lobbyist

By Phil Kuntz
Staff Reporter of The Wall Street Journal

WASHINGTON — Ann Eppard for months has been Exhibit A for what critics call the revolving door between government service and lobbying. She became the transportation industry's most successful new lobbyist when her old boss, Rep. Bud Shuster, assumed the chairmanship of the committee that oversees such issues last year.

Now it turns out that the Republican Transportation Committee chairman has stayed at the lobbyist's home many times, he confirmed yesterday. The Pennsylvania congressman was responding to a story in Roll Call, the scrappy Capitol Hill tabloid, that asserted he has been regularly lodging at her pricey riverside home in Alexandria, Va. The same home houses her office, where she reportedly grossed hundreds of thousands of dollars in her first year in business. It also is headquarters for her work as the chairman's paid political adviser and fund-raiser. His campaign records also reside there.

Mr. Shuster's spokesman refused to say whether the congressman lives there, or if he ever stays anywhere else when in Washington.

Family Is 'Distressed'

"The Shuster family is deeply distressed by the maliciously untrue innuendo" in the Roll Call story, the congressman said in a statement. He added that "everyone has meticulously complied with the ethics rules." The congressman said that he and his wife, Pat, have been close friends with Ms. Eppard's family for 25 years and that the two families had stayed at each other's homes "many times."

Ms. Eppard didn't return phone calls. But, as previously reported in this newspaper, she said she scrupulously adheres to ethics rules in her dealings with Mr. Shuster. "I don't think I'm doing anything different from hundreds of other lobbyists," she said last year.

Though House rules severely restrict the gifts members may accept, "personal hospitality" is allowed. Members must get a written waiver from the Ethics Committee before staying at someone's home for more than 30 days in a single year. The congressman has previously been quoted as saying that he "checked with the Ethics Committee on every move that's made." His spokesman refused to elaborate yesterday.

Under revolving-door laws, Ms. Eppard was barred from lobbying Mr. Shuster directly for a year but was free to lobby his committee and colleagues. "We set up firewalls, or we did set up firewalls until her year was up," Mr. Shuster told the Journal of Commerce.

"I think it's outrageous," said Common Cause President Ann McBride. "You have a former staffer providing free lodging and raising money for him at the same time she is representing major interests that can be powerfully affected by the actions of the chairman." Common Cause plans to ask the Ethics Committee to look into the matter.

Ms. Eppard has filed disclosure forms for a number of clients with transportation interests. The Journal of Commerce, which has been tracking her activities for months, says she grossed at least $600,000 last year.

Truck-Weight Rules

"We were satisfied: they did a great job," said Mary Staples, a lobbyist for Frito-Lay Inc., which retained Ann Eppard Associates last year. Ms. Eppard worked on a measure requiring the Transportation Department to review its light- and medium-weight-truck rules with an eye toward deregulation. It was enacted last year as part of a larger highway bill.

Federal Express Corp. also retained Ms. Eppard after deciding to overhaul its lobbying strategy in light of the GOP takeover. "Hiring Ann Eppard was really not a very difficult decision," said Doyle Cloud, vice president of government affairs, adding that "it helped that she was Shuster's chief of staff."

Ms. Eppard also represented Amtrak as Congress debated cutting its subsidy, and she has represented the American Road and Transportation Builders Association. She was hired by the Outdoor Advertising Association of America, which successfully fought for legislation that could allow more highway billboards. The ocean-shipping industry used her services as it lobbied on an international-shipping-deregulation bill. And she was one of several lobbyists working for Union Pacific Corp. as it shielded its acquisition of Southern Pacific Rail Corp. from Justice Department antitrust enforcers in the bill that abolished the Interstate Commerce Commission.

Ms. Eppard was Rep. Shuster's top aide for more than 20 years. She decided to leave a few weeks before the 1994 election that brought the Republicans and her boss to power. Her last day was Election Day.

EXHIBIT 47

RECEIVED
96 MAR -7 PM 2:18
COMMITTEE ON STANDARDS

PATTON BOGGS, L.L.P.
2550 M STREET, N.W.
WASHINGTON, D.C. 20037-1350
(202) 457-6000
FACSIMILE: (202) 457-6315

WRITER'S DIRECT DIAL
(202) 457-6405

March 7, 1996

The Honorable Nancy Johnson
Chairman
Committee on Standards of Official Conduct
HT-2 The Capitol
Washington, D.C. 20515-6328

Dear Chairman Johnson:

As counsel to Congressman Bud Shuster, we transmit the enclosed letter from him. We transmit this letter with the understanding that all proceedings concerning this matter will remain confidential pursuant to Committee Rule 3(k) and that this communication does not represent a waiver of Committee Rule 14(i) barring the investigation of complaints against a member within 60 days of an election (the Pennsylvania primary is April 23).

Please do not hesitate to call if you wish to discuss this further.

Sincerely,

Benjamin L. Ginsberg jmt

Benjamin L. Ginsberg

BLG/jmt

Enclosure

BUD SHUSTER
9TH DISTRICT, PENNSYLVANIA

Congress of the United States
House of Representatives

March 7, 1996

The Honorable Nancy Johnson
Chair
Committee on Standards of Official Conduct
HT -2 The Capitol
Washington D.C. 2051506328

Dear Nancy,

In order to correct recent media reports concerning my compliance with the Rules of the U.S. House of Representatives ("Rules"), this letter sets forth the questions upon which I have sought guidance from your committee, the advice I have received, and the actions I have followed as a result of that guidance and my understanding of the Rules.

At the outset, whether or not we agree that I received specific guidance on every issue raised, I want you and the members of the Committee to know that I have always made a conscious effort to know the Rules; I have contacted the Committee's counsel numerous times over the years on a variety of issues, and I have complied scrupulously with all the Rules throughout my service in the House. I believe I have followed the Rules in this instance, and that the insinuations in recent media reports are unfair and incorrect.

Facts: The press reports at issue all revolve around a series of events about which I did seek guidance over the telephone from the Committee. They concern the decision of my longtime Chief of Staff, Ann Eppard, to leave the House in November 1994 to open her own lobbying business. Ann and I have worked together since before I was elected to the House, but we realized that when she left the House after 22 years, the Rules would bring changes to our relationship ranging from what we could discuss to who could pay for dinner.

Conscious of this, and in an effort to be certain that both Ann and I were complying with all the rules, I contacted Ed Hoskens of your Committee on August 11, 1994. I told him that Ann planned to retire later in the year to become a lobbyist, and asked him if it would be permissible for her to continue to run my campaigns. Mr. Hoskens told me that it was permissible for her to have that dual role, as long as she did not lobby me on legislation for one year after leaving the House payroll.

In order to be certain, I contacted Mr. Hoskens again in November 1994 to ask if it was permissible for my campaign to use a media and public affairs firm if Ann worked both for that firm and my campaign. Mr. Hoskens reiterated that it was permissible as long as Ann did not lobby me on legislation for one year from the time she retired.

WASHINGTON OFFICE:
2188 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-3809
PHONE: (202) 225-2431

DISTRICT OFFICE:
RD 2, BOX 711
ALTOONA, PA 16601
PHONE: (814) 946-1653

DISTRICT OFFICE:
139 E. QUEEN ST.
CHAMBERSBURG, PA 17201
PHONE: (717) 264-8308

DISTRICT OFFICE:
1214 OLDTOWN ROAD, SUITE #4
CLEARFIELD, PA 16830
PHONE: (814) 765-9106

The next inquiries I made of your committee came on December 19, 1995, and were prompted by the impending implementation date of the new gift Rules. I asked Mr. Hoskens a series of questions concerning what was permissible under the new Rules. I believed that my questions implicitly included the giving of an opinion on these actions under the old Rules, as well. It seemed to me that if, in asking a question about the new Rules, I had revealed that I was doing something impermissible under the old Rules, that Mr. Hoskens would have pointed that out to me. He did not tell me that I was doing anything wrong under the old Rules. It did not surprise me that he did not say anything concerning the old Rules since I was fully aware of them, and believe that I complied with them completely.

Issues: My first set of questions concerned the fact that, in past years, I, my wife, and our family and supporters have stayed at Ann's home in Virginia on a number of occasions, and she has stayed at our home in Pennsylvania on many occasions. She has also provided some personal transportation for me (for which I have reimbursed her), in the sense of driving me around town, and we have each paid for meals when we have been working late on campaign issues.

With a view toward the "personal friend" definition in the new Rules (which I thought also covered the "personal hospitality" exemption of the old rules), I told Mr. Hoskens that: Ann and I first worked together at my computer company beginning in 1970; she volunteered for my 1972 campaign; she served as my Chief of Staff from 1973 to 1994; she volunteered for all of my campaigns and served as the assistant treasurer of my campaign committee; she is now a lobbyist with issues before the Committee on Transportation and Infrastructure, which I chair, and she is hired by my campaign committee as my political consultant.

I asked Mr. Hoskens if she qualified as a "personal friend" under the Rules. He said: "Yes, for everything she does for you unless she claims a business deduction." I told him that I was assured that she did not deduct any business deductions for these activities.

I then asked Mr. Hoskens if it was permissible for me and my family to stay at her house. He said: "That's O.K." I asked if it was permissible for her to pay for dinner. Mr. Hoskens said: "That's O.K., unless she claims it." I asked if it was permissible to charge dinner to the campaign if it was a political dinner at which we discussed the campaign. Mr. Hoskens said: "That's O.K. It's not personal." I then asked the rule if it was a "social dinner." Mr. Hoskens replied: "That's O.K. The beauty is the relationship pre-dates (your election to) Congress and her becoming a lobbyist." I then asked about the permissibili of her driving me and whether I had to reimburse her. Mr. Hoskens said it was "not necessary" that I reimburse Ann for that.

I have shown Mr. Hoskens a copy of the transcript of our conversation based on my notes. He has concurred that it is accurate.

I believed this conversation covered the permissibility of my prior actions under the old Rules as well as what was permissible under the new Rules. While there may be some misunderstanding about this, I do want to assure the Committee that I was fully aware of the requirements of the prior Rules, and I abided fully by them. Since I was fully cognizant of the Rules, from the time they became applicable to Ann in November 1994, I , or my family, never stayed at her house for more than three consecutive days nor for more than 30 days in a given year. If I didn't commute to my district in Pennsylvania, which is just two hours away, I stayed at a townhouse we own in Arlington where my daughter lived until she moved back to Pennsylvania in July, 1995, or I slept in my office, except on those occasions when we stayed at Ann's home within the limitations referenced above.

The second issue about which I sought advice was the impact of Ann becoming a lobbyist on November 9, 1994. Mr. Hoskens told me in our August 11, 1994 conversation, and again that November, that while she could not lobby me for one year from the date she left the House payroll, she could continue to run my political campaigns. We clearly understood the one-year rule. We meticulously abided by the Rule that Ann not lobby me on anything during that one year in contravention of the Rules.

I assume that Mr. Hoskens also has notes of our conversations and I would request our being able to review them. If any clarification is necessary, either I or my counsel will be more than willing to assist in the process. As I have indicated, even if there is some misunderstanding between me and your staff concerning the scope of the advice I was receiving, I am certain that at all times I acted within the Rules. I am confident that, should there exist any misunderstandings, it will be possible to clear them up quickly.

Thank you for your consideration.

Sincerely,

Bud Shuster

BUD SHUSTER
MEMBER OF CONGRESS

BUD SHUSTER
9TH DISTRICT, PENNSYLVANIA

Congress of the United States
House of Representatives

May 10, 1996

The Honorable Nancy Johnson
Chair
Committee on Standards of Official Conduct
HT-2 The Capitol
Washington D.C. 20515

Dear Nancy,

You have my letter of March 7, 1996, in which I set forth several questions upon which I have sought guidance from your committee, the advice I have received, and the actions I have followed as a result of that guidance and my understanding of the rules.

For my records, would you please provide answers to the questions raised in my letter, which were:

(1) Can Ann Eppard work for my campaign after she leaves my personal office and becomes a lobbyist?

(2) Can my campaign use a media and public affairs firm if Ann Eppard worked for that firm as well as my campaign?

(3) Prior to December 31, 1995, could my wife, my family, and myself stay at Ann Eppard's home?

(4) While Ann Eppard was still on the House payroll, could she stay at our home?

(5) What rules apply to my family providing her hospitality now that she is no longer a House employee?

(6) Prior to December 31, 1995, could Ann Eppard provide some personal transportation for me?

(7) Prior to December 31, 1995, could Ann Eppard pay for meals when we have been working late on campaign issues?

(8) Under House Rule LII, effective since January 1, 1996, does Ann Eppard qualify as a "friend" under the following circumstances even though she is a lobbyist with issues before the Committee I chair?

a. I, my wife, and our family and supporters have stayed at Ann's home in Virginia on a number of occasions over the years, and she has stayed at our home in Pennsylvania on many occasions.

b. We have each paid for meals when we are working late on campaign issues.

WASHINGTON OFFICE:
2188 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-3809
PHONE: (202) 225-2431

DISTRICT OFFICE:
RD 2, BOX 711
ALTOONA, PA 16601
PHONE: (814) 946-1653

DISTRICT OFFICE:
170 E. QUINCY ST.
CHAMBERSBURG, PA 17201
PHONE: (717) 264-9305

c. She and I first worked together at my computer company beginning in 1970.

d. She volunteered for my 1972 campaign and served as my Chief of Staff from 1973 to 1994.

e. Ann is hired by my campaign committee as a political consultant.

f. Ann has informed me that she does not take a business or tax deduction.

(9) After January 1, 1996, can my family and I stay at Ann Eppard's house?

(10) Can Ann buy dinner for me?

(11) Can I charge dinner to my campaign if it is a political dinner at which Ann Eppard and I discuss the campaign?

(12) After January 1, 1996, can Ann drive me around in her car, and if she can, must I reimburse her?

Thank you for your consideration.

Sincerely,

Bud Shuster

BUD SHUSTER
MEMBER OF CONGRESS

EXHIBIT 48

NANCY L. JOHNSON, CONNECTICUT
CHAIRMAN
JIM BUNNING, KENTUCKY
PORTER J. GOSS, FLORIDA
DAVID L. HOBSON, OHIO
STEVEN SCHIFF, NEW MEXICO
THEODORE J. VAN DER MEID,
CHIEF COUNSEL

ONE HUNDRED FOURTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515–6328

JIM MCDERMOTT, WASHINGTON
RANKING DEMOCRATIC MEMBER
BENJAMIN L. CARDIN, MARYLAND
NANCY PELOSI, CALIFORNIA
ROBERT A. BORSKI, PENNSYLVANIA
THOMAS C. SAWYER, OHIO
SUITE HT-2, THE CAPITOL
(202) 225-7103

June 13, 1996

Honorable Bud Shuster
2188 Rayburn Building
Washington, D.C. 20515

Dear Colleague:

We are responding to your letter of May 10, 1996, in which you pose several questions relating to your personal and business associations with a former employee. As you know, there have been press accounts in regard thereto.

The answers set out below contain the Committee's general guidance on the issues raised and are not intended to express approval or disapproval of any actions you have taken in the past.

Sincerely,

Nancy L. Johnson
Chairman

Jim McDermott
Ranking Democratic Member

Questions asked by Congressman Bud Shuster

Q. Can Ann Eppard work for my campaign after she leaves my personal office and becomes a lobbyist?

A. The House's jurisdiction does not extend to Ann Eppard and her activities after she leaves the House nor does its jurisdiction extend to your campaign organization or its employees. Attached is a Memorandum prepared by the Committee on November 8, 1994, which discusses post-employment and related restrictions for staff.

Q. Can my campaign use a media and public affairs firm if Ann Eppard worked for that firm as well as my campaign.

A. The House's jurisdiction does not extend to Ann Eppard and her activities, to your campaign organization and its employees, or to the companies with which the campaign contracts.

Q. Prior to December 31, 1995, could my wife, my family, and myself stay at Ann Eppard's home?

A. The House rule then applicable was Rule 43, clause 4. It provided that a Member, officer, or employee of the House shall not accept in any calendar year gifts (other than the personal hospitality of an individual or with a fair market value of $100 or less) totaling more than $250, directly or indirectly, from any source other than a relative. This Committee was authorized to waive the rule in "exceptional circumstances."

To qualify as personal hospitality, the lodging had to be provided at a personal residence, not a place of business. Thus, you could visit at someone's home, but a stay at an inn, even one owned by a friend, would be governed by the $250 gift limit. Personal hospitality also included

food, whether at the host's home or at a restaurant. The hospitality exception did not extend to travel expenses or entertainment outside the home. These are subject to the $250 limit.

A Member or employee who accepted personal hospitality for more than four days or three nights consecutively from a single source had to document that the hospitality met the Committee's criteria. Documenting means preparing a memorandum for your files indicating that you have verified that the hospitality is being offered on the host's own premises, for a non-business purpose, and that the host is not being reimbursed or taking a tax deduction for the expenses associated with the hospitality. You could not accept more than 30 days of personal hospitality in a calendar year from a single source without a prior written waiver from the Committee on Standards.

In addition to the personal hospitality exception, the House gift rule had a separate exception for local meals. This exception allowed a Member or employee to accept a meal from a source who was *not* also providing lodging or travel, but who was present at the meal. A Member was not required to disclose the acceptance of either personal hospitality or local meals on his or her annual financial disclosure statement. Under House Rule LII, effective January 1, 1996, "local meals" are no longer permitted.

Q. While Ann Eppard was still on the House payroll, could she stay at my home?

A. The answer to the prior question also applied to Ms. Eppard's stays at your home while she was a House employee.

Q. What rules apply to my family providing her hospitality now that she is no longer a House employee?

A. No House rule regulates how, when, or to whom you extend hospitality.

Q. Prior to December 31, 1995, could Ann Eppard provide some personal transportation for me?

A. The House rule applicable to your inquiry was Rule XLIII, clause 4. It provided that a Member, officer, or employee of the House shall not accept in any calendar year gifts (other than the personal hospitality of an individual or with a fair market value of $100 or less) aggregating more than $250, directly or indirectly, from any source other than a relative. This Committee was authorized to waive the rule in "exceptional circumstances."

So long as the value of the transportation provided you did not exceed the gift limit, you could accept transportation from Ms. Eppard.

Q. Prior to December 31, 1995, could Ann Eppard pay for meals when we have been working late on campaign issues?

A. See the answer on page 1, beginning on line 23. The Federal Election Commission may have rules governing this.

Q. Under House Rule LII, effective since January 1, 1996, does Ann Eppard qualify as a "friend" under the following circumstances even though she is a lobbyist with issues before the Committee I chair?

a. I, my wife, and our family and supporters have stayed at Ann's home in Virginia on a number of occasions, and she has stayed at our home in Pennsylvania on many occasions.

b. We have each paid for meals when we are working late on campaign issues.

c. She and I first worked together at my computer company beginning in 1970.

d. She volunteered for my 1972 campaign and served as my Chief of Staff from 1973 to 1994.

e. Ann is hired by my campaign committee as a political consultant.

f. Ann does not take a business or tax deduction.

A. Rule 52 (effective January 1, 1996), exempts anything provided by an individual on the basis of a personal friendship unless you have reason to believe that, under the circumstances, the gift was provided because of your official position and not because of the personal friendship. The rule also states that no Member, officer, or employee may accept a gift worth more than $250 on the basis of the personal friendship exception unless this Committee issues a written determination that the exception applies.

The Committee has a long established policy of waiving the limits of the gift rule "in the case of gifts from individuals who have a long-standing personal or social relationship with the Member or employee, where it is clear that it is those relationships that are the motivating factors of the gifts, rather than the fact of the individual's office or position in Congress."[1] If your relationship meets these criteria, the Committee would determine that you may accept gifts exceeding $250 in value from Ms. Eppard, under the personal friendship exception to the gift rule. The rule requires the donee to seek the Committee's written approval prior to accepting gifts exceeding $250.00.

[1] HOUSE BIPARTISAN TASK FORCE ON ETHICS, REPORT ON H.R. 3660, 101st Cong., 1st Sess., 135 CONG. REC. H9255 (daily ed. Nov. 21, 1989).

Q. After January 1, 1996, can my family and I stay at Ann Eppard's house?

A. The new gift rule, House Rule LII, clause (16), allows personal hospitality and does not contain any time limitations on personal hospitality as the prior rule did. It states:

> A gift of personal hospitality (as defined in section 109(14) of the Ethics in Government Act)[2] of an individual other than a registered lobbyist or agent of a foreign principal.

The legislative history of House Rule LII specifically addresses the issue of "personal hospitality" from a lobbyist:

> The gift restrictions do not apply to personal hospitality from someone other than a registered lobbyist or foreign agent. Personal hospitality is defined in the Ethics in Government Act as "hospitality extended for a nonbusiness purpose by an individual, not a corporation, at the personal residence of that individual or his family or on property or facilities owned by that individual or his family" The provision is not intended to prohibit "personal hospitality" by registered lobbyists if the lobbyist qualifies under the "personal friends" exemption in paragraph (4)(A) of clause 1(c).[3] (Emphasis added.)

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[2] (14) "Personal hospitality of any individual" means hospitality extended for a nonbusiness purpose by an individual, not a corporation or organization, at the personal residence of that individual or his family or on property or facilities owned by that individual or his family;

[3] H.R. Rep. No. 337, 104th Cong., 1st Sess. page 11 (1995).

This Committee has accepted the legislative history and has also concluded that lobbyists can qualify as "personal friends" notwithstanding their status as a registered lobbyist.

Food, lodging, or entertainment received as personal hospitality need not be reported on your annual Financial Disclosure Statement. *See* 5. U.S.C. app 6 § 102(a)(2)(A). However, if the value exceeds $250.000, then this Committee must issue a written determination that the friend exception applies.

Q. Can Ann buy dinner for me?

A. If she qualifies as a "friend" under 1(c)(4) of House Rule LII, then she can pay for your dinner without any approval from this Committee. If the value exceeds $250.00, then this Committee must issue a written determination that the friend exception applies.

Q. Can I charge dinner to my campaign if it is a political dinner at which Ann Eppard and I discuss the campaign?

A. The use of campaign funds is regulated by the Federal Election Commission. The only House Rule implicated by the question is House Rule XLIII (6):

> A member of the House of Representatives shall keep his campaign funds separate from his personal funds. He shall convert no campaign funds to personal use in excess of reimbursements for legitimate and verifiable prior campaign expenditures and he shall expend no funds from his campaign account not attributable to bona fide campaign purposes.

Consequently, a violation of House rules would occur if the meal's costs were covered by campaign funds while the meal was for personal business.

Q. After January 1, 1996, can Ann drive me around in her car, and if she can, must I reimburse her?

A. The answer depends on the purpose for the transportation. If the transportation is for official business, House Rule XLV would require reimbursement so that Ms. Eppard is not subsidizing the operation of your Congressional office. If the transportation is for political business, then the rules of the Federal Election Commission apply. If the transportation is for personal reasons and is provided on the basis of *bona fide friendship* as defined in clause 1(c)(4) of House Rule LII, no reimbursement is required.

JIM McDERMOTT, WASHINGTON
CHAIRMAN
GEORGE (BUDDY) DARDEN, GEORGIA
BENJAMIN L. CARDIN, MARYLAND
NANCY PELOSI, CALIFORNIA
KWEISI MFUME, MARYLAND
ROBERT A. BORSKI, PENNSYLVANIA
THOMAS C. SAWYER, OHIO

(202) 225-7103
SUITE HT-2, THE CAPITOL

FRED GRANDY, IOWA
RANKING REPUBLICAN MEMBER
NANCY L. JOHNSON, CONNECTICUT
JIM BUNNING, KENTUCKY
JON L. KYL, ARIZONA
PORTER J. GOSS, FLORIDA
DAVID L. HOBSON, OHIO
STEVEN SCHIFF, NEW MEXICO

BERNARD RAIMO, CHIEF COUNSEL

Congress of the United States
House of Representatives
Committee on Standards of Official Conduct
Washington, DC 20515-6328

MEMORANDUM

FROM: Committee on Standards of Official Conduct

DATE: November 8, 1994

SUBJECT: Post-Employment and Related Restrictions for Staff

The purpose of this memorandum is to acquaint you with certain issues relevant to departing employees of Congress. Basically, these issues fall into the following categories: negotiating for future employment, post-employment restrictions, financial disclosure requirements (termination reports), and earned income restrictions. In sum:

Departing employees *may not* allow the prospect of future employment to affect official actions prior to leaving office.

If your congressional salary exceeds $100,200, you *may not*:

- lobby your employing Member or committee for one year after leaving your House position;
- represent, aid, or advise foreign governments with the intent of influencing U.S. Government employees for one year after leaving your House position.

If you have been filing financial disclosure statements, you *must*:

- file a termination financial disclosure statement within 30 days of leaving your congressional job, unless an extension has been granted.

More detailed guidance follows. We encourage you to write the Committee or to call the Committee's Office of Advice and Education (225-3787) for advice tailored to your particular plans.

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NEGOTIATING FOR FUTURE EMPLOYMENT

No law or rule of the House prohibits you from looking for a new job. Of course, it would be improper to permit the prospect of future employment to influence official actions. Some employees may choose to use an agent (a "headhunter") to solicit job offers on their behalf to avoid any improper appearances, but this is not necessary as long as you abide by the following principles.

The House Code of Official Conduct prohibits House Members and staffers from receiving compensation "by virtue of influence improperly exerted" from congressional positions (Rule 43, clause 3). The Code of Ethics for Government Service (¶ 5) forbids anyone in Government service from accepting "favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance" of governmental duties. The Federal bribery statute bans the corrupt offer or acceptance of anything of value in return for influencing any official act (18 U.S.C. § 201). To offer or accept anything of value for or because of an official act would be similarly illegal. In light of these restrictions, you should be particularly careful in how you go about negotiating for future employment, especially when negotiating with someone who could be substantially affected by the performance of your official duties.[1] You may wish to have an exchange of correspondence with any serious negotiating partners stipulating that they will receive no official favors in connection with the job negotiations and, if you are covered by post-employment restrictions (see discussion below), that they understand that you cannot lobby your former employing Member or committee for one year after you leave the office, nor can you assist any foreign government to secure official action from any United States department or agency during that first year.

While it is not specifically required, you should consider recusing yourself from any official activities affecting an outside party with whom you are negotiating for or have accepted employment, particularly (if you are on a Member's personal office staff) where that party is a non-constituent. The Committee's general guidance on recusal[2] is that it is not warranted unless the official action would convey a particular benefit (in this case, to the outside party with whom you are negotiating), rather than a benefit that would be shared by a large class. Thus, negotiating with a defense contractor would ordinarily not oblige you to abstain from working on the Defense Department's appropriations bill. On the other hand, you might want to abstain from working on legislation authorizing a particular aircraft if you are negotiating with the

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[1] *See also* D.C. RULES OF PROFESSIONAL CONDUCT Rule 1.11(a) ("A lawyer shall not accept other employment in connection with a matter which is the same as, or substantially related to, a matter in which the lawyer participated personally and substantially as a public officer or employee"); ABA MODEL RULES OF PROFESSIONAL CONDUCT Rule 1.11(c)(2) ("Except as law may otherwise expressly permit, a lawyer serving as a public officer or employee shall not . . . negotiate for private employment with any person who is involved as a party or as attorney for a party in a matter in which the lawyer is participating personally and substantially"). *Accord* NEW YORK CODE OF PROFESSIONAL RESPONSIBILITY DR 9-101.B.3.b. As noted in footnote 9, below, however, legislative activity generally does not constitute a "matter" for the purposes of these rules.

[2] *See* HOUSE ETHICS MANUAL, 102d Cong., 2d Sess. 120-23 (1992).

plane's manufacturer. Contacts with the executive branch on behalf of a non-constituent future employer would rarely be justified. Whether or not to recuse yourself from a specific official action is a decision generally left to the discretion of the individual employee, in consultation with your employing Member.

Provided that you conduct yourself in accordance with the considerations discussed above, you may negotiate for employment in the same manner as any other job applicant. You may conduct specific discussions about salary, duties, benefits, and other terms. You may accept travel expenses from a negotiating partner to interview for a position and to meet your prospective colleagues.

POST-EMPLOYMENT RESTRICTIONS

The Ethics Reform Act enacted, for the first time, post-employment restrictions on legislative branch officials (18 U.S.C. § 207(e)-(f)). These limitations, which are part of the U.S. Criminal Code, went into effect for staff on January 1, 1991. The law applies only to Members, officers, and those employees who earn at least 75% of a Member's salary (**$100,200** in 1993-1995). You must have earned that salary for at least 60 days in the year prior to leaving Government service for any of these restrictions to come to bear. However, even if you earn that salary for only 60 days (e.g., due to a temporary merit adjustment), you will become subject to the restrictions. *If your congressional salary did not meet or exceed this threshold, no statute or House rule restricts your post-employment activities in any way.*

The law imposes a one-year "cooling-off period." For one year after leaving office, a covered individual may not "knowingly [make], with the intent to influence, any communication to or appearance before [specified current officials] on behalf of any other person (except the United States) in connection with any matter" on which the former officeholder seeks official action.[3] This prohibition applies, regardless of whether you are paid for the contact. Thus:

- Former **Members** may not seek official action, on behalf of other persons, from current Members, officers, or employees of *either* the House or the Senate or from current employees of *any* other legislative office.[4]

- Former **elected officers** of the House of Representatives may not seek official action, on behalf of other persons, from current Members, officers, or employees of the House.

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[3] 18 U.S.C. § 207(e)(1).

[4] *Id.* Other legislative offices include the Architect of the Capitol, the United States Botanic Garden, the General Accounting Office, the Government Printing Office, the Library of Congress, the Office of Technology Assessment, the Congressional Budget Office, and the Capitol Police. *See* 18 U.S.C. § 207(e)(7)(G).

- Covered former employees on the **personal staff** of a Member may not seek official action, on behalf of other persons, from that Member or from any of the Member's employees.

- Covered former **committee staff** may not seek official action, on behalf of other persons, from any current Member or employee of the employing committee or from any Member who was on the committee during the last year that the former employee worked there. This restriction bars contacts with any of these people on any subject, regardless of whether it pertains to matters within the committee's jurisdiction.

- Covered former employees on the **leadership staff** may not seek official action, on behalf of other persons, from current Members of the leadership[5] or any current leadership staff.

- Covered former employees of any other **legislative office** may not seek official action, on behalf of other persons, from current officers and employees of that legislative office.[6]

For the purposes of this statute, detailees are deemed to be employees both of the entity from which they come and the entity to which they are sent.[7]

You may contact any congressional office other than the ones listed above, except on behalf of a foreign government. You may also continue to have social contact with colleagues in your former employing office. In addition, you may contact state and local officials, and, as long as you are not representing a foreign government, you may contact people in the executive branch. (Special restrictions on assisting foreign governments are discussed below.)

The law focuses on communications and appearances. By contrast, if you play a background role, do not appear in person or convey your name on any communications, the law does not appear to prohibit you from advising those who seek official action from your former

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[5] The "leadership" of the House of Representatives consists of the Speaker, majority leader, minority leader, majority whip, minority whip, chief deputy majority whip, chief deputy minority whip, chairman of the Democratic Steering Committee, chairman and vice chairman of the Democratic Caucus, chairman, vice chairman, and secretary of the Republican Conference, chairman of the Republican Research Committee, chairman of the Republican Policy Committee, and any similar later-created position such as deputy whip. 18 U.S.C. § 207(e)(7)(L).

[6] For these employees, like executive branch employees, post-employment restrictions do not go into effect unless their rate of basic pay equalled or exceeded that in effect for level V of the Executive Schedule (*$108,200* in 1993-1994). 18 U.S.C. § 207(e)(6)(B).

[7] 18 U.S.C. § 207(g).

colleagues or employers in Congress.[8] Such a background role would not pose the risk of improper influence since the current officials would not even be aware of your participation.[9]

The Ethics Reform Act does, however, absolutely preclude two sets of activities regardless of whether you act openly or behind the scenes. You may not represent, aid, or advise a *foreign entity* (that is, a foreign government or political party) with the intent to influence any officer or employee of any department or agency of the United States Government.[10] The restrictions on advising foreign governments are thus broader in two ways than any of the other post-employment limitations: In the case of foreign governments or political parties, you may not serve as a background advisor on matters on which a foreign entity seeks to influence U.S. Government decision makers, and you may not assist a foreign entity in its dealings with *any* branch of the Federal Government (legislative, executive, or judicial). In addition, if, during your last year on the Hill, you participated personally and substantially in any *trade or treaty negotiations* on behalf of the United States, and had access to confidential information about those negotiations, you may not use that information to represent, aid, or advise anyone other than the U.S. Government concerning those negotiations. These restrictions again last for one year after leaving the congressional position.

> ***Example 1.*** Staffer *A*, who earns more than 75% of a Member's salary, resigns from her position on Member *B*'s personal staff. She may not lobby *B* or anyone on his staff for one year (except on behalf of an exempt organization), but may lobby any other Member of Congress as soon as she leaves for anyone other than a foreign government or political party.
>
> ***Example 2.*** Staffer *C*, who earns more than 75% of a Member's salary, resigns from his position on the Ways and Means Committee. He may not lobby any current member or staffer of Ways and Means, or any Member who was on that committee during *C*'s last year of congressional service, for any non-exempt

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[8] This construction is consistent with regulations promulgated by the Office of Government Ethics, interpreting a similarly-worded prohibition that applies to executive branch personnel. *See* 5 C.F.R. § 2637.201(b)(3) and (6).

[9] Former House employees who are lawyers may be precluded from playing such background roles in matters in which they participated personally and substantially as public officials by bar association rules mandating disclosure of their activities to their former agencies. *See, e.g.*, ABA MODEL RULE OF PROFESSIONAL CONDUCT 1.11. Moreover, the partners and associates of a former official may be restricted in their activities, or may have to demonstrate that they have effectively screened off the former official from the representation. *See, e.g.*, D.C. RULES OF PROFESSIONAL CONDUCT Rule 1.11; NEW YORK CODE OF PROFESSIONAL RESPONSIBILITY DR 9-101(B). For the purposes of such rules, a "matter" is usually defined as a "particular matter involving a specific party or parties," thus excluding general legislative activity. *See* D.C. RULES OF PROFESSIONAL CONDUCT Rule 1.11(g) and Comment [3]. Office of Government Ethics regulations interpreting the phrase "particular matter involving a specific party or parties" under the Ethics in Government Act of 1978 agree that "legislation . . . or other action of general application is not such a matter." 5 C.F.R. § 2637.201(c). Lawyers who leave government service should, however, consult their local bar associations for guidance.

[10] 18 U.S.C. § 207(f).

person or entity, for one year. He may, however, lobby any other Member or staffer on any issue (except on behalf of a foreign government).

Example 3. Staffer *D*, who earns *less* than 75% of a Member's salary, resigns from her position on Member *E*'s staff to become a lobbyist. *D* may immediately lobby *E* or any other Member for any client.

Exceptions

These restrictions do not apply to official actions taken by employees or officials of: the United States Government; the District of Columbia; state and local governments; accredited, degree-granting institutions of higher education; and hospitals or medical research organizations. Note, however, that this exception does not necessarily cover every consultant, outside counsel, or lobbyist acting on behalf of one of the clients specified above. The law excepts only "acts done in carrying out official duties as an employee [or elected official] of" state and local governments, schools, and hospitals. The statute further does not preclude activities on behalf of international organizations in which the United States participates, where the Secretary of State certifies in advance that such activities serve the interests of the United States. In addition, section 207 does not prevent you from making uncompensated statements based on your own special knowledge, from furnishing scientific or technological information in areas where you possess technical expertise, or from testifying under oath.[11] Finally, as noted above, the statute permits lobbying of state government officials and employees without restriction and permits lobbying of executive branch personnel except on behalf of foreign governments.

Example 4. Staffer *F*, who earns more than 75% of a Member's salary, resigns from Member *G*'s staff to accept a position in an executive branch agency. *F* may lobby *G* on behalf of the agency.

Example 5. Staffer *H*, who earns more than 75% of a Member's salary, resigns from his congressional position to join the staff of the Governor of his state. *H* may lobby anyone in Congress, including his former employing Member, on behalf of the state.

Example 6. Staffer *J*, who earns more than 75% of a Member's salary, resigns her congressional position and moves back to her home state. *J* may lobby state government officials on behalf of any clients.

Example 7. Staffer *K*, who earns more than 75% of a Member's salary, resigns his congressional position to become a lobbyist. For the first year after leaving the Hill, *K* lobbies only executive branch personnel, and *K* has no foreign clients. *K* is complying with the law.

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[11] *See* 18 U.S.C. § 207(j).

7

Penalties

Violation of § 207 is a felony, carrying penalties of imprisonment and/or fines. The statute authorizes imprisonment for up to one year (or up to five years for willfully engaging in the proscribed conduct). Additionally, an individual may be fined up to $50,000 for each violation or the amount received or offered for the prohibited conduct, whichever is greater. The statute further authorizes the Attorney General to seek an injunction prohibiting a person from engaging in conduct that violates the act.[12] Thus, if you have any concerns about the applicability of these restrictions to your proposed conduct, please write to the Committee on Standards to secure a written advisory opinion.[13]

FINANCIAL DISCLOSURE

Regardless of whether you are subject to post-employment restrictions, if you normally file annual financial disclosure statements, either because your congressional salary exceeds the statutory filing threshold or because you are a designated principal assistant, you must file a final financial disclosure statement, called a termination report, within 30 days of leaving your Government position.[14] Extensions of up to 90 days are available upon written request. Note that the salary threshold for filing disclosure statements is lower than that which triggers the post-employment restrictions. For 1993-1995, the filing threshold is an annual salary rate of $79,930 for at least 60 days.

The termination report, filed on the same form as the annual report, covers all financial activity through your last day on the payroll. Schedule IX of the statement requires disclosure of the date, parties, and terms of agreements with respect to future employment. Thus, if, while still a House employee, you accept a position effective upon your termination, you will have to disclose this employment agreement on your public termination filing. You will also have to disclose any travel reimbursements exceeding $250 that you receive in connection with your job search. An individual who leaves one position requiring a Financial Disclosure Statement for another such position need not file a termination report.

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[12] *See* 18 U.S.C. § 216.

[13] One court has held that it is a legal defense to a Justice Department prosecution that an official sought the advice of his or her supervising ethics office before leaving office, and conducted his or her future activities in accordance with that advice. *See* United States v. Hedges, 912 F.2d 1397 (11th Cir. 1990).

[14] 5 U.S.C. app. 6, § 101(e).

8

EARNED INCOME RESTRICTIONS

Remember that all House rules, including the gift limit (Rule 43, clause 4) and the outside earned income limitations (Rule 47; 5 U.S.C. app. 7, §§ 501-502), continue to apply to you, even after the sine die adjournment, as long as you are on the House payroll. These rules are particularly important to bear in mind if your prospective employer suggests that you start work early, e.g., while still drawing salary payments for accumulated annual leave. In 1993-1995, the outside earned income restrictions for staff are triggered by an annual salary of **$79,930** for a period of 90 days. If you earn this much, as long as you remain a congressional employee, you may not receive outside earned income (including, e.g., a signing bonus) in excess of the cap ($20,040 in 1993-1995), and you may not earn any income from: providing professional services involving a fiduciary relationship, being employed by an entity that provides such services, or serving as a board member or officer of any organization. Regardless of compensation, you may not allow your name to be used by an organization that provides fiduciary services. In addition, you may not receive any honoraria. You may teach for pay, but only with advance written approval from this Committee.

Example 8. Staffer *L*, who earns more than $79,930 in congressional salary, plans to join a law firm when she leaves her official position. Since this is a firm providing professional services of a fiduciary nature, *L* may not commence her new employment until she is off the congressional payroll.

○

EXHIBIT 49

Congressional Accountability Project
1611 Connecticut Ave. Suite 3A
Washington, DC 20009
(202) 296-2787
fax (202) 833-2406

RECEIVED
95 SEP -5 PM 4:25
COMMITTEE ON STANDARDS

September 5, 1996

Honorable Nancy Johnson
Chairwoman
House Committee on Standards of Official Conduct
HT-2, The Capitol
U. S. House of Representatives
Washington, DC 20515

RE: Ethics Complaint Against Representative Bud Shuster and Call for Investigation into Possible Violations of Criminal Law and House Rules

Dear Chairwoman Johnson:

This letter constitutes a formal ethics complaint against House Transportation & Infrastructure Committee Chairman Elmer Greinert "Bud" Shuster (R-PA) and a call for an outside counsel investigation into whether Representative Shuster violated criminal prohibitions against the acceptance of illegal gratuities, as well as House Rules. These charges arise from the complex relationship between Representative Shuster and lobbyist Ann Eppard, and Rep. Shuster's interventions with federal agencies on behalf of a business partner of his sons.

We are writing pursuant to House Rule 10, which authorizes the House Committee on Standards of Official Conduct to investigate "any alleged violation, by a member, officer or employee of the House, of the Code of Official Conduct or of any law, rule, regulation or standard of conduct applicable to the conduct of such member, officer, or employee in the performance of his duties or the discharge of his responsibilities."

The Congressional Accountability Project sent a letter to U. S. Attorney General Janet Reno on February 28, 1996 urging the Department of Justice to investigate many of these charges, as well as the appearance that Ann Eppard may have violated the one-year post-employment prohibition against personal staff lobbying their former employer.[1]

We believe the Ethics Committee must respond to the enormous public appearance problem arising from the tangled web of legislative, political, financial, and personal ties between

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[1] See Attachment #1, which includes the February 28, 1996 Congressional Accountability Project letter to Attorney General Janet Reno. William L. Roberts, "Congressional Watchdog Group Calls for Investigation of Shuster, Eppard." *Journal of Commerce*, February 28, 1996. Timothy J. Burger, "Justice Dept. Reviews Shuster Charges." *Roll Call*, February 29, 1996.

Representative Shuster and lobbyist Ann Eppard. This unseemly relationship between Representative Shuster and Eppard has become a serious threat to the integrity of the legislative process. Public confidence in the Congress and the legislative process is low, and is vulnerable to appearances that particular lobbyists are able to obtain special legislative favors for their clients which are unavailable to most citizens.

A: The Complex Web of Legislative, Political, Financial, and Personal Ties Between Lobbyist Ann Eppard and Representative Bud Shuster

For 22 years, Congressman Bud Shuster employed Ann Eppard as his top Congressional aide. Eppard left Shuster's Congressional payroll immediately after the November 1994 elections to become President of Ann Eppard Associates, Ltd., which is a lobbying firm that primarily represents transportation interests before Chairman Shuster's Transportation & Infrastructure Committee.

According to the *Journal of Commerce*, "Ann Eppard brought in more than $600,000 in revenue from transportation clients in her first year as a lobbyist."[2] She has represented a long list of transportation-related clients before Chairman Shuster's committee, including Amtrak, Conrail, the Outdoor Advertisers Association of America, Frito-Lay Inc., Federal Express Corp., the American Road and Transportation Builders, Fastship Atlantic Inc., and the Ocean Common Carrier Coalition.

Articles in the *Journal of Commerce* and *Roll Call* have described how lobbyist Eppard and House Transportation & Infrastructure Committee Chairman Shuster have developed a complex interconnecting web of legislative, political, financial, and personal ties. Lobbyist Ann Eppard plays many important roles in Shuster's life, including:

- **Washington fundraiser and assistant treasurer for Shuster's Congressional re-election campaign.** According to the *Journal of Commerce*, Eppard "helped raise $655,000 for Rep. Shuster in 1995."[3] Last year, Eppard stated that "I certainly am working hard to make sure that Bud Shuster has enough of a war chest so that anyone thinks seriously about challenging him."[4] According to Timothy Burger of *Roll Call*, "Shuster's 1995 campaign disbursements included numerous payments to employees of Eppard's lobbying firm attributed to 'fund raising activity' -- suggesting Shuster's campaign fundraising is being

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[2] William L. Roberts, "Lobbyist's '95 Revenue Could Top $1 Million." *Journal of Commerce*, February 8, 1996. See Attachment #2.

[3] *Journal of Commerce*, February 8, 1996.

[4] William L. Roberts, "Aide's Ties Raise Ethical Questions." *Journal of Commerce*, July 31, 1995. See Attachment #3.

handled largely out of a lobbying office whose main source of income is representing clients before Shuster."[5] *Roll Call* reported that "Rep. Bud Shuster...acknowledged in a statement Thursday that his campaign is based in the home office of a lobbyist whose main business is representing clients before his committee."[6] Eppard is paid $3,000 per month by Shuster's campaign committee. Eppard signed in the treasurer's signature box for the Shuster for Congress Committee's January 31, 1996 Federal Election Commission report of receipts and disbursements.

- **"Top political aide"[7] and political consultant to Shuster's Congressional campaign responsible for district affairs.** A *Journal of Commerce* article reported that

> Ms. Eppard plays a crucial role in [Shuster's] district affairs. In recent months, she represented Mr. Shuster on a local advisory committee on the closure of the Letterkenny Army Depot in his rural, central Pennsylvania district. She also interviewed candidates for county commissioner posts and advised Mr. Shuster on which candidates warrant his political backing.[8]

- **Press aide for Rep. Shuster's Congressional office.** A *Roll Call* editorial on May 2, 1996 noted that, instead of responding directly to press calls to regarding official favors to businessman Maurice Lawruk, Rep. Shuster's Congressional "office referred calls by other news organizations to Eppard. So now a lobbyist whose business depends on her ability to influence the outcome of actions in Shuster's committee is the official spokesperson defending him."[9]

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[5] See Attachment #4, which includes Timothy J. Burger, "Transportation Chair Lodges With Ex-Aide Who Makes Six Figures Lobbying His Panel." *Roll Call*, February 8, 1996. "Investigate Shuster." Editorial, *Roll Call*, February 12, 1996. Karen Tumulty, "The Ties That Bind." *Time*, February 26, 1996. Jill Abramson, "Emergence of Single-Member Lobbying Raises Fresh Concerns in Post-Packwood Washington." *Wall Street Journal*, September 20, 1995. "Dynamic Duo." Editorial, *New York Times*, March 16, 1996. William L. Roberts, "Lawmaker, Lobbyist Ties Under Scrutiny." *Journal of Commerce*, February 12, 1996. "Shuster & Ethics." Editorial, *Roll Call*, February 22, 1996.

[6] Timothy J. Burger, "Two Shusters Are Running for Congress, Both Aided by Fundraising Help of Lobbyist Eppard." *Roll Call*, February 12, 1996. See Attachment #5.

[7] *Roll Call*, February 8, 1996.

[8] *Journal of Commerce*, July 31, 1995.

[9] "Shuster, Inc." Editorial, *Roll Call*, May 2, 1996. See Attachment #6.

- **Chairman of the Bud Shuster Portrait Committee.** According to the *Journal of Commerce*, Eppard "organized a private fund-raiser to finance a portrait of the chairman, which has been ensconced in the committee's hearing room. Transportation-related associations and companies were asked to contribute primary funding."[10] According to *Roll Call*, "sources said [that the portrait] cost more than $40,000."[11]

- **Campaign aide and fundraiser for Shuster's son, Bob Shuster**, who ran for Congress in the 1996 Pennsylvania Republican primaries. According to *Roll Call*, "With Eppard's help, Bob Shuster has already raised more than $100,000 for his fledgling campaign, much of it from the same transportation interests with business before his father's committee."[12]

- **"Liaison for special interests wanting Mr. Shuster to appear at Washington events,"**[13] according to the *Journal of Commerce*.

- **Provider of housing.** According to the *Wall Street Journal*, Shuster "has stayed at the lobbyist's home many times, he confirmed yesterday."[14] *Roll Call* reported that "Multiple Congressional and transportation industry sources told Roll Call that Shuster has been regularly staying at Eppard's when he is in Washington....Eppard runs her flourishing lobbying company...out of the same Alexandria home where Shuster stays."[15]

- **De facto official staff person.** According to the *Journal of Commerce*, "Ms. Eppard also provided staff-like services to Rep. Shuster, acting as his driver to and from his office on Capitol Hill, a role she has played for many years."[16]

Shuster plays a similarly large role in Eppard's life:

- **Shuster implicitly recommended Eppard to potential lobbying clients.** *Roll Call* reported that:

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[10] *Journal of Commerce*, February 8, 1996.

[11] *Roll Call*, February 8, 1996.

[12] *Roll Call*, February 8, 1996. See also David Bauman, "Shuster Target of Unflattering Publicity." *Gannett News Service*, February 8, 1996.

[13] *Journal of Commerce*, July 31, 1995.

[14] Phil Kuntz, "Pennsylvania's Rep. Shuster Stayed at Home of Ex-Aide, Now a Lobbyist." *Wall Street Journal*, February 9, 1996. See Attachment #7.

[15] *Roll Call*, February 8, 1996.

[16] *Journal of Commerce*, February 8, 1996.

> Shuster, say other transportation lobbyists, has made it clear in industry circles how much he continues to value Eppard's counsel -- and that, they insist, has helped Eppard's business.
>
> At one dinner that Eppard helped organize after the 1994 elections, for example, Shuster told representatives from the air transportation industry a "lot of nice things about Ann. About how good she is and how well she knows the Hill," according to a source with knowledge of the event....[17]

B: Call for Investigation of Whether Shuster Violated House Gift Rules

According to the *Roll Call* and *Wall Street Journal* articles, Rep. Shuster has often been staying overnight at Eppard's $823,000 Virginia waterfront house. If Rep. Shuster has not been paying rent for the fair market value of the accommodations she has provided, then he may have violated House gift rules. The previous House gift rule, in effect until December 31, 1995, prohibited members of Congress from accepting gifts of more than $250, "except to the extent permitted by written waiver granted in exceptional circumstances by the Committee on Standards of Official Conduct..."[18]

Furthermore, the House Ethics Manual states that:

> no Member, officer, or employee may accept more than 30 days of personal hospitality in a calendar year without a prior written waiver from the Committee.[19]

House Rule 10 prohibits the Ethics Committee from issuing retroactive waivers.[20] Consequently, if Rep. Shuster has received personal hospitality for more than 30 days in any calendar year before December 31, 1995, and if he neither received a formal waiver nor paid rent to Ms. Eppard, he may have violated the old gift rule.

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[17] *Roll Call*, February 8, 1996.

[18] House Rule 43, Clause 4.

[19] House Ethics Manual at 29.

[20] House Rule 10, Clause 4(e)(1)(D).

The new gift rule, effective January 1, 1996, prevents House members from receiving many types of gifts from lobbyists. Even though Ms. Eppard may qualify for the "personal friendship" exemption to the gift rule, there is still a prohibition against Members accepting:

> a gift the value of which exceeds $250 on the basis of personal friendship exemption...unless the Committee on Standards of Official Conduct issues a written determination that such exception applies.[21]

Given the high price of lodging in and around the District of Columbia, the value of the lodging provided to Rep. Shuster by Ms. Eppard surely exceeds the $250 limit on gifts from personal friends. That likely places Rep. Shuster in violation of the House Rule 52, unless he has paid rent to Ms. Eppard, or received a prior formal waiver from the Committee on Standards of Official Conduct. In a letter to Rep. Shuster, the Ethics Committee noted that:

> The Committee has a long established policy of waiving the limits of the gift rule "in the case of individuals who have a long-standing personal or social relationship with the Member or employee, where it is clear that it is those relationships that are the motivating factor of the gifts, rather than the fact of the individual's office or position in Congress." If your relationship meets these criteria, the Committee would determine that you may accept gifts exceeding $250 in value from Ms. Eppard, under the personal friendship exception to the gift rule. The rule requires the donee to seek the Committee's written approval prior to accepting gifts exceeding $250.00.[22]

To our knowledge, no such formal waiver or written opinion has been given to Rep. Shuster from the House Committee on Standards of Official Conduct regarding whether he may lodge with Ms. Eppard.

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[21] House Rule 52, sec. 1(e)

[22] From "Questions asked by Congressman Bud Shuster," which is attached to Correspondence from House Committee on Standards of Official Conduct Chairman Nancy L. Johnson and Ranking Democratic Member Jim McDermott to Rep. Bud Shuster, June 13, 1996. The interior quote is House Bipartisan Task Force on Ethics, Report on H.R. 3660, 101st Cong.,1st Sess., 135 Cong. Rec. H9255 (daily ed. Nov. 21, 1989.). Attachment #8 also includes William Roberts, "House GOP Pushes Ethics Clearance for Shuster." *Journal of Commerce*, June 13, 1996. Damon Chappie and Juliet Eilperin, "Ethics Spars Over Plan to Clear Rep. Shuster." *Roll Call*, June 13, 1996. "D'Amato & Shuster." Editorial, *Roll Call*, June 13, 1996. Juliet Eilperin, "Unusual Ethics Letter Suggests He Needed Waivers." *Roll Call*, June 17, 1996. William Roberts, "Ethics Hands Shuster Neutral Letter." *Journal of Commerce*, June 18, 1996.

Finally, on the issue of gifts, the House Code of Official Conduct states that:

> A Member, officer, or employee of the House of Representatives shall receive no compensation nor shall he permit any compensation to accrue to his beneficial interest from any source, the receipt of which would occur by virtue of influence improperly exerted from his position in Congress.[23]

C: Some of Eppard's Clientele Have Received Significant Legislative Benefits From Chairman Shuster and the House Transportation & Infrastructure Committee

On legislative matters, Ann Eppard has apparently produced significant benefits for some of her clients seeking action on transportation-related issues pending before Chairman Shuster's committee. Following is a list of some clients of Ann Eppard Associates, and the legislative outcomes they received:

- **Frito-Lay Inc.** According to the *Journal of Commerce*, Frito-Lay

> hired Ms. Eppard to assist in marshaling through Congress a law directing the secretary of transportation to set up a regulatory relief program for midweight delivery trucks....
>
> The proposal, introduced in the House Transportation and Infrastructure Committee by Rep. Bill Emerson, R-Mo., who also wanted to win relief for farm vehicles, became controversial when trucking safety proponents and DOT officials raised questions about its workability. The language was later narrowed to make it a pilot program that was ultimately enacted.[24]

Jim Drinkard of the *Associated Press* described these same developments in the *Memphis Commercial Appeal*:

> Frustrated after a five-year effort to soften safety rules for medium-sized trucks, such industry giants as Frito-Lay and Federal Express Corp. turned to friends in the new Republican Congress for help.

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[23] House Rule 13, clause 3.

[24] See Attachment #9 which includes William L. Roberts, "Eppard's Clients Win Some, Lose Some." *Journal of Commerce*, February 8, 1996. William L. Roberts, "Frito Hires Eppard to Lobby on Truck Rules." *Journal of Commerce*, November 9, 1995.

> And a quiet lobbying campaign aimed at the House Transportation Committee yielded in a few months what years of regulatory struggles had not: a waiver that could exempt service and delivery trucks from more than a dozen rules on the age and physical condition of drivers, on the number of hours they may drive and on paperwork for truck safety and maintenance.[25]

Mary Staples, a Frito-Lay lobbyist, told the *Wall Street Journal* about Ann Eppard Associates' lobbying performance on behalf of Frito-Lay: "We were satisfied; they did a great job."[26]

Frito-Lay Inc. paid Ann Eppard Associates at least $10,000 in fees during 1995.[27]

- **Federal Express Corp.** According to the *Journal of Commerce*, Federal Express

> was able to get a subcommittee hearing on U.S.-Japan bilateral aviation relations just as U.S. negotiators were dealing with their counterparts. A dispute had developed between FedEx and Japanese officials over FedEx's plan to open cargo service between Tokyo and its new hub in the Philippines. The hearing in which lawmakers hinted at retaliatory action was little noticed in the United States, but was broadcast by television news channels in Japan.[28]

At the hearing, Transportation & Infrastructure Committee Chairman Shuster said that "it is time for us to get tough"[29] in the trade dispute with Japanese air cargo carriers.

Federal Express paid Ann Eppard Associates at least $18,333 in fees during 1995.[30]

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[25] Jim Drinkard, "Firms Win Concession on Safety for Trucks." *The Commercial Appeal*, September 30, 1995. See Attachment #10.

[26] *Wall Street Journal*, February 9, 1996.

[27] "Eppard's Clients." *Journal of Commerce*, February 8, 1996.

[28] *Journal of Commerce*, February 8, 1996. See also Attachment #11, which includes William Roberts, "Republican Strategy for FedEx Falls Flat." Journal of Commerce, May 29, 1996.

[29] "Airlines Support Hard Line in Dispute with Japan as New Round of Talks Begins." *Bureau of National Affairs, Daily Report for Executives*, July 21, 1995. See Attachment #12.

[30] *Journal of Commerce*, February 8, 1996.

- **Outdoor Advertisers Association of America.** According to the *Journal of Commerce*, they were

> successful in winning a change to federal policy governing the placement of billboards along routes designated partially as scenic byways. Rep. Shuster dug in his heels during negotiations with the Senate on highway legislation to protect the language, which through a series of regulatory layers will have the effect of allowing more billboards than before.[31]

Diane Steinle of the *St. Petersburg Times* described Chairman Shuster's efforts on behalf of the billboard industry:

> the billboard industry has figured out that the best way to get legislation advancing billboards through Congress and state legislatures is to hide it. So this provision that would allow new billboards on scenic roads was hidden deep inside an 88-page bill designating the National Highway System.
>
> The bill must be passed by late September to allocate billions of dollars in federal highway money. What better way to slide a billboard industry "gift" past legislators and Congress-watchers than to attach it to a bill that must be passed quickly and is so long that people aren't likely to read it?
>
> Behind this latest attempt is the illustrious Rep. Bud Shuster, R-Pa., chairman of the House Transportation and Infrastructure Committee...[32]

The Outdoor Advertisers Association of America paid Ann Eppard Associates at least $20,000 in fees during 1995.[33]

- **Amtrak.** According to the *Journal of Commerce*,

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[31] *Journal of Commerce*, February 8, 1996. See also Attachment #13 which includes William L. Roberts, "Billboard Rift Blots Landscape of Highway Spending Talks." *Journal of Commerce*, November 8, 1995.

[32] Diane Steinle, "Washington Insider Aids Outdoor Advertisers." *St. Petersburg Times*, September 13, 1995. See Attachment #14.

[33] *Journal of Commerce*, February 8, 1996.

> **Rep. Shuster worked hard to save Amtrak from a shut-off of federal funding sought by some within the House Republican Caucus. He delivered a reform-and-privatization bill to the House floor that gave Amtrak much of what it wanted to achieve a badly needed financial restructuring.[34]**

The *Washington Post* described a meeting among House Republicans on May 4, 1995, where Rep. Shuster objected to parts of Rep. John Kasich's (R-OH) plan to balance the federal budget.

> When the public works section was presented, Bud Shuster (Pa.), chairman of the Transportation and Infrastructure Committee, countered Kasich's salesmanship with a threat. The proposal to phase out Amtrak and freeze mass transit projects was "a transportation disaster," Shuster said.[35]

The *BNA Daily Labor Report* quoted Amtrak spokesman Clifford Black saying that Amtrak was "delighted" with the House's passage of the Amtrak Reform and Privatization Act, which was "crafted by Rep. Bud Shuster and Rep. Susan Molinari."[36]

Amtrak paid Ann Eppard Associates $100,000 in fees during 1995.[37]

D: Call for Investigation into Whether Shuster and Eppard Violated Criminal Laws Prohibiting the Solicitation and Acceptance of Illegal Gratuities

Given the extensive interweaving of legislative, political, financial, and personal interests between Rep. Shuster and lobbyist Eppard, and their unusual mutual support efforts for one another, as documented in the *Journal of Commerce* and *Roll Call* articles, there is sufficient evidence to call into question whether Representative Bud Shuster and Ann Eppard have conformed their conduct to the letter of the law. In particular, we are concerned that section 201 of the U.S. Criminal Code has been triggered by their activities.

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[34] *Journal of Commerce*, February 8, 1996.

[35] David Maraniss and Michael Weisskopf, "Coaxing GOP Factions to Toe the Budget Line." *Washington Post*, May 26, 1995. See Attachment #15.

[36] "House Approved Amtrak Reform Bill That Would Change Labor Provisions." *Bureau of National Affairs, Inc. Daily Labor Report*, December 1, 1995. See Attachment #16.

[37] *Journal of Commerce*, February 8, 1996.

House Rule 10 authorizes the Ethics Committee to "investigate...any alleged violation, by a Member, officer, or employee of the House, of the Code of Official Conduct or of any law, rule, regulation, or other standard of conduct applicable to the conduct of such Member..." We request that the Ethics Committee conduct a preliminary inquiry into whether illegal gratuities were exchanged, and, if necessary, to forward the relevant findings to the Justice Department.

18 U.S.C. §201 states that it is a crime for a federal official to "directly or indirectly, corruptly" receive or solicit "anything of value personally or for any other person or entity, in return for...being influenced in the performance of any official act." Criminal law on illegal gratuities, 18 U.S.C. §201, prohibits a federal official from directly or indirectly soliciting or receiving anything of value other than "as provided by law...for or because of any official act performed or to be performed."

The remarkable symbiotic network that Eppard and Shuster operated on each other's behalf raises the clear likelihood -- and provides substantial circumstantial evidence to support the conclusion -- that section 201 may have been triggered. We strongly encourage the Ethics Committee to undertake a vigorous investigation to determine whether such violations did occur.

E: Rep. Shuster Intervened With Two Federal Agencies On Behalf of Maurice Lawruk, Who is a Business Partner of Rep. Shuster's Sons

The House Ethics Manual cautions House Members against improperly intervening with federal agencies on behalf of campaign contributors or others who have provided special favors or benefits to members of Congress. The Ethics Manual quotes with approval the following passage from the Investigation of Senator Alan Cranston, regarding the Keating Five matter:

> The cardinal principle governing Senators' conduct in this area is that a Senator and a Senator's office should make decisions about whether to intervene with executive branch or independent agencies on behalf of an individual without regard to whether the individual has contributed, or promised to contribute, to the Senator's campaign or other causes in which he or she has a financial, political, or personal interest...
>
> Because Senators occupy a position of public trust, every Senator must always endeavor to avoid the appearance that the Senator, the Senate, or the governmental process may be influenced by campaign contributions or other benefits provided by those with significant legislative or governmental interests.[35]

[35] House Ethics Manual at 250-251 quoting the Senate Select Committee on Ethics, Investigation of Senator Alan Cranston, S. Rep. No. 102-223, 102d Cong., 1st Sess. 11-12 (1991).

Rep. Shuster may have violated this standard of conduct by intervening with two federal agencies on behalf of businessman Maurice Lawruk. Timothy Burger of *Roll Call* wrote on April 29, 1996:

> Rep. Bud Shuster (R-Pa) helped a family friend win a $3 million contract with the Department of Housing and Urban Development, then twice intervened with the executive branch in an effort to save the real estate developer $350,000 in labor costs.
>
> Even as Shuster's official actions aided Altoona businessman Maurice Lawruk...the multimillionaire in 1990 became a financial backer of a new car dealership. His partners in that enterprise: Shuster's sons.[39]

The April 29 *Roll Call* article describes the following series of events:

> On August 31, 1990, Lawruk signed on the dotted line as "guarantor" of a lease for the newly christened Shuster Chrysler, risking his own money for the five-year, $260,000 lease....
>
> William Shuster became the president of the dealership. His brother Robert...is the vice president.
>
> Lawruk is listed on official documents as secretary and treasurer of the dealership.

Less than two months later, Rep. Shuster urged then-Housing and Urban Development Secretary Jack Kemp to exempt Lawruk's construction at the Penn-Alto Hotel from the Davis-Bacon Act, which requires the payment of "prevailing wages." According to *Roll Call*, Shuster wrote to Kemp on October 12, 1990:

> "I am writing to you today on behalf of Maurice A. Lawruk Builders, Inc...it is my belief that the Davis-Bacon Act does not apply to the Penn Alto Hotel project...I would urge you to review this matter as quickly as possible [and] would appreciate your giving all possible consideration to this request...."

Rep. Shuster wrote a similar letter to then-Secretary of Labor Lynn Martin on March 21, 1991. Handwritten at the bottom of that letter from Rep. Shuster to Secretary Martin were the words "please help."

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[39] Timothy J. Burger, "Shuster Intervened for Sons' Business Partner." *Roll Call*, April 29, 1996. See Attachment #17.

These interventions on behalf of Maurice Lawruk may well violate the standards of conduct preventing Rep. Shuster from intervening with federal agencies on behalf persons who have provided special favors or benefits to him.

Finally, the Ethics Committee should determine what benefits from the Shuster Chrysler dealership have inured to Rep. Shuster. Rep. Shuster may well be a co-beneficiary of the Shuster Chrysler dealership. If so, then any interventions made by Rep. Shuster on behalf of Lawruk must be seen in this light.

F: Conclusion

The complex network of interests shared and fostered between House Transportation & Infrastructure Committee Chairman Bud Shuster and lobbyist Ann Eppard bears a close resemblance to the disturbing alliance between ex-Senate Finance Committee Chairman Bob Packwood and lobbyist Ronald Crawford. Such close-knit symbiotic entanglements between a member of Congress and a lobbyist inevitably bring shame upon the Congress. These unseemly alliances between a member of Congress and a lobbyist lead to the appearance that those wealthy enough to pay the pricey fees of top lobbyists may receive special legislative favors or benefits. But the majority of Americans -- who cannot afford to hire such lobbyists -- cannot affect the legislative process in a similar fashion.

The Ethics Committee should immediately appoint an outside counsel who can disentangle the interconnected mutual network of favors, benefits, and interests enjoyed by Representative Bud Shuster and Ann Eppard to determine whether criminal laws and House Rules were violated. We believe that the strong circumstantial evidence indicating that such violations of law may have occurred clearly warrants such an investigation. Anything less than a vigorous investigation pursued by an outside counsel will further strain the credibility of the Ethics Committee, and further erode the public's trust in the House ethics process.

Sincerely,

Gary Ruskin
Director

...COLUMBIA:
My Commission ... 7-31-98

Certificate of Service

This is to certify that I have today, by hand delivery, provided an exact copy of this complaint to the Respondent in this matter, Representative E. G. "Bud" Shuster, at the following address:

Representative Elmer Greinert "Bud" Shuster
2188 Rayburn House Office Building
U.S. House of Representatives
Washington, DC 20515

Gary Ruskin
Complainant

VICTOR M. LEWTON
NOTARY PUBLIC, DISTRICT OF COLUMBIA
My Commission Expires: 7-31-98

Attachment #1

Congressional Accountability Project
1322 18th Street NW Suite 36
Washington, DC 20036
(202) 296-2787
fax (202) 833-2406

February 28, 1996

Attorney General Janet Reno
United States Department of Justice
Main Justice Building
10th and Constitution Ave.
Room 5111
Washington, DC 20530

RE: Call for Investigation into Possible Violations of Criminal Law by Representative Bud Shuster and Ann Eppard

Dear Attorney General Reno:

We are writing to request an investigation by the Department of Justice into possible violations of criminal law by Representative Elmer Greinert "Bud" Shuster (R-PA) and Ann Eppard. These charges are based on articles written by William Roberts for the *Journal of Commerce*, and Timothy Burger for *Roll Call*.

We request this inquiry because there is reason to believe that:

1. Representative Bud Shuster may have violated criminal prohibitions against the acceptance of illegal gratuities. 18 U.S.C. §201 prohibits seeking or receiving a thing of value for or because of an official act.

2. Ann Eppard may have violated criminal prohibitions against providing illegal gratuities to Representative Shuster. Ms. Eppard may also have violated the one-year post-employment prohibition against personal Congressional staff lobbying their former employer.

A: The Complex Web of Legislative, Political, Financial, and Personal Ties Between Lobbyist Ann Eppard and Representative Bud Shuster

For 22 years, Congressman Bud Shuster employed Ann Eppard as his top Congressional aide. Eppard left Shuster's Congressional payroll immediately after the November 1994 elections to become President of Ann Eppard Associates, Ltd., which is a lobbying firm that primarily

represents transportation interests before Chairman Shuster's Transportation & Infrastructure Committee.

According to the *Journal of Commerce*, "Ann Eppard brought in more than $600,000 in revenue from transportation clients in her first year as a lobbyist."[1] She has represented a long list of transportation-related clients before Chairman Shuster's committee, including Amtrak, Conrail, the Outdoor Advertisers Association of America, Frito-Lay Inc., Federal Express Corp., the American Road and Transportation Builders, Fastship Atlantic Inc., and the Ocean Common Carrier Coalition.

Articles in the *Journal of Commerce* and *Roll Call* have described how lobbyist Eppard and House Transportation & Infrastructure Committee Chairman Shuster have developed a complex interconnecting web of legislative, political, financial, and personal ties. Lobbyist Ann Eppard plays many important roles in Shuster's life, including:

- **Washington fundraiser and assistant treasurer for Shuster's Congressional re-election campaign.** According to the *Journal of Commerce*, Eppard "helped raise $655,000 for Rep. Shuster in 1995."[2] Last year, Eppard stated that "I certainly am working hard to make sure that Bud Shuster has enough of a war chest so that anyone thinks seriously about challenging him."[3] According to Timothy Burger of *Roll Call*, "Shuster's 1995 campaign disbursements included numerous payments to employees of Eppard's lobbying firm attributed to 'fund raising activity' -- suggesting Shuster's campaign fundraising is being handled largely out of a lobbying office whose main source of income is representing clients before Shuster."[4] *Roll Call* reported that "Rep. Bud Shuster...acknowledged in a statement Thursday that his campaign is based in the home office of a lobbyist whose main business is representing clients before his committee."[5] Eppard is paid $3,000 per month by Shuster's campaign committee. Eppard signed in the treasurer's signature box for the Shuster for Congress Committee's January 31, 1996 Federal Election Commission report of receipts and disbursements.

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[1] William L. Roberts, "Lobbyist's '95 Revenue Could Top $1 Million." *Journal of Commerce*, February 8, 1996.

[2] *Journal of Commerce*, February 8, 1996.

[3] William L. Roberts, "Aide's Ties Raise Ethical Questions." *Journal of Commerce*, July 31, 1995.

[4] Timothy J. Burger, "Transportation Chair Lodges With Ex-Aide Who Makes Six Figures Lobbying His Panel." *Roll Call*, February 8, 1996.

[5] Timothy J. Burger, "Two Shusters Are Running for Congress, Both Aided by Fundraising Help of Lobbyist Eppard." *Roll Call*, February 12, 1996.

- **"Top political aide"[6] and political consultant to Shuster's Congressional campaign responsible for district affairs.** A *Journal of Commerce* article stated that

> Ms. Eppard plays a crucial role in [Shuster's] district affairs. In recent months, she represented Mr. Shuster on a local advisory committee on the closure of the Letterkenny Army Depot in his rural, central Pennsylvania district. She also interviewed candidates for county commissioner posts and advised Mr. Shuster on which candidates warrant his political backing.[7]

- **Chairman of the Bud Shuster Portrait Committee.** According to the *Journal of Commerce*, Eppard "organized a private fund-raiser to finance a portrait of the chairman, which has been ensconced in the committee's hearing room. Transportation-related associations and companies were asked to contribute primary funding."[8] According to *Roll Call*, "sources said [that the portrait] cost more than $40,000."[9]

- **Campaign manager and fundraiser for Shuster's son, Bob Shuster,** who is also running for Congress in Pennsylvania. According to *Roll Call*, "With Eppard's help, Bob Shuster has already raised more than $100,000 for his fledgling campaign, much of it from the same transportation interests with business before his father's committee."[10]

- **"Liaison for special interests wanting Mr. Shuster to appear at Washington events,"**[11] according to the *Journal of Commerce*.

- **Provider of housing.** According to the *Wall Street Journal*, Shuster "has stayed at the lobbyist's home many times, he confirmed yesterday."[12] *Roll Call* reported that "Multiple Congressional and transportation industry sources told Roll Call that Shuster has been

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[6] *Roll Call*, February 8, 1996.

[7] *Journal of Commerce*, July 31, 1995.

[8] *Journal of Commerce*, February 8, 1996.

[9] *Roll Call*, February 8, 1996.

[10] *Roll Call*, February 8, 1996. See also David Bauman, "Shuster Target of Unflattering Publicity." *Gannett News Service*, February 8, 1996.

[11] *Journal of Commerce*, July 31, 1995.

[12] Phil Kuntz, "Pennsylvania's Rep. Shuster Stayed at Home of Ex-Aide, Now a Lobbyist." *Wall Street Journal*, February 9, 1996.

regularly staying at Eppard's when he is in Washington....Eppard runs her flourishing lobbying company...out of the same Alexandria home where Shuster stays."[13]

- **De facto official staff person.** According to the *Journal of Commerce*, "Ms. Eppard also provided staff-like services to Rep. Shuster, acting as his driver to and from his office on Capitol Hill, a role she has played for many years."[14]

Shuster plays a similarly large role in Eppard's life:

- **Shuster implicitly recommended Eppard to potential lobbying clients.** *Roll Call* reported that:

> Shuster, say other transportation lobbyists, has made it clear in industry circles how much he continues to value Eppard's counsel -- and that, they insist, has helped Eppard's business.
>
> At one dinner that Eppard helped organize after the 1994 elections, for example, Shuster told representatives from the air transportation industry a "lot of nice things about Ann. About how good she is and how well she knows the Hill," according to a source with knowledge of the event....[15]

B: Some of Eppard's Clientele Have Received Significant Legislative Benefits From Shuster and the House Transportation & Infrastructure Committee

On legislative matters, Ann Eppard has apparently produced significant benefits for some of her clients seeking action on transportation-related issues pending before Chairman Shuster's committee. Following is a list of some clients of Ann Eppard Associates, and the legislative outcomes they received:

- **Frito-Lay Inc.** According to the *Journal of Commerce*, Frito-Lay

> hired Ms. Eppard to assist in marshaling through Congress a law directing the secretary of transportation to set up a regulatory relief program for midweight delivery trucks....

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[13] *Roll Call*, February 8, 1996.

[14] *Journal of Commerce*, February 8, 1996.

[15] *Roll Call*, February 8, 1996.

> The proposal, introduced in the House Transportation and Infrastructure Committee by Rep. Bill Emerson, R-Mo., who also wanted to win relief for farm vehicles, became controversial when trucking safety proponents and DOT officials raised questions about its workability. The language was later narrowed to make it a pilot program that was ultimately enacted.[16]

Jim Drinkard of the *Associated Press* described these same developments in the *Memphis Commercial Appeal*:

> Frustrated after a five-year effort to soften safety rules for medium-sized trucks, such industry giants as Frito-Lay and Federal Express Corp. turned to friends in the new Republican Congress for help.
>
> And a quiet lobbying campaign aimed at the House Transportation Committee yielded in a few months what years of regulatory struggles had not: a waiver that could exempt service and delivery trucks from more than a dozen rules on the age and physical condition of drivers, on the number of hours they may drive and on paperwork for truck safety and maintenance.[17]

Mary Staples, a Frito-Lay lobbyist, told the *Wall Street Journal* about Ann Eppard Associates' lobbying performance on behalf of Frito-Lay: "We were satisfied; they did a great job."[18]

Frito-Lay Inc. paid Ann Eppard Associates at least $10,000 in fees during 1995.[19]

- **Federal Express Corp.** According to the *Journal of Commerce*, Federal Express

> was able to get a subcommittee hearing on U.S.-Japan bilateral aviation relations just as U.S. negotiators were dealing with their counterparts. A dispute had developed between FedEx and

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[16] William L. Roberts, "Eppard's Clients Win Some, Lose Some." *Journal of Commerce*, February 8, 1996. See also William L. Roberts, "Frito Hires Eppard to Lobby on Truck Rules." *Journal of Commerce*, November 9, 1995.

[17] Jim Drinkard, "Firms Win Concession on Safety for Trucks." *The Commercial Appeal*, September 30, 1995.

[18] *Wall Street Journal*, February 9, 1996.

[19] "Eppard's Clients." *Journal of Commerce*, February 8, 1996.

> Japanese officials over FedEx's plan to open cargo service between Tokyo and its new hub in the Philippines. The hearing in which lawmakers hinted at retaliatory action was little noticed in the United States, but was broadcast by television news channels in Japan.[20]

At the hearing, Transportation & Infrastructure Committee Chairman Shuster said that "it is time for us to get tough"[21] in the trade dispute with Japanese air cargo carriers.

Federal Express paid Ann Eppard Associates at least $18,333 in fees during 1995.[22]

- **Outdoor Advertisers Association of America.** According to the *Journal of Commerce*, they were

> successful in winning a change to federal policy governing the placement of billboards along routes designated partially as scenic byways. Rep. Shuster dug in his heels during negotiations with the Senate on highway legislation to protect the language, which through a series of regulatory layers will have the effect of allowing more billboards than before.[23]

Diane Steinle of the *St. Petersburg Times* described Chairman Shuster's efforts on behalf of the billboard industry:

> the billboard industry has figured out that the best way to get legislation advancing billboards through Congress and state legislatures is to hide it. So this provision that would allow new billboards on scenic roads was hidden deep inside an 88-page bill designating the National Highway System.
>
> The bill must be passed by late September to allocate billions of dollars in federal highway money. What better way to slide a billboard industry "gift" past legislators and Congress-watchers

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[20] *Journal of Commerce*, February 8, 1996.

[21] "Airlines Support Hard Line in Dispute with Japan as New Round of Talks Begins." *Bureau of National Affairs, Daily Report for Executives*, July 21, 1995.

[22] *Journal of Commerce*, February 8, 1996.

[23] *Journal of Commerce*, February 8, 1996. See also William L. Roberts, "Billboard Rift Blots Landscape of Highway Spending Talks." *Journal of Commerce*, November 8, 1995.

> than to attach it to a bill that must be passed quickly and is so long that people aren't likely to read it?
>
> Behind this latest attempt is the illustrious Rep. Bud Shuster, R-Pa., chairman of the House Transportation and Infrastructure Committee...[24]

The Outdoor Advertisers Association of America paid Ann Eppard Associates at least $20,000 in fees during 1995.[25]

- **Amtrak.** According to the *Journal of Commerce*,

> Rep. Shuster worked hard to save Amtrak from a shut-off of federal funding sought by some within the House Republican Caucus. He delivered a reform-and-privatization bill to the House floor that gave Amtrak much of what it wanted to achieve a badly needed financial restructuring.[26]

The *Washington Post* described a meeting among House Republicans on May 4, 1995, where Rep. Shuster objected to parts of Rep. John Kasich's (R-OH) plan to balance the federal budget.

> When the public works section was presented, Bud Shuster (Pa.), chairman of the Transportation and Infrastructure Committee, countered Kasich's salesmanship with a threat. The proposal to phase out Amtrak and freeze mass transit projects was "a transportation disaster," Shuster said.[27]

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[24] Diane Steinle, "Washington Insider Aids Outdoor Advertisers." *St. Petersburg Times*, September 13, 1995.

[25] *Journal of Commerce*, February 8, 1996.

[26] *Journal of Commerce*, February 8, 1996.

[27] David Maraniss and Michael Weisskopf, "Coaxing GOP Factions to Toe the Budget Line." *Washington Post*, May 26, 1995.

The *BNA Daily Labor Report* quoted Amtrak spokesman Clifford Black saying that Amtrak was "delighted" with the House's passage of the Amtrak Reform and Privatization Act, which was "crafted by Rep. Bud Shuster and Rep. Susan Molinari."[28]

Amtrak paid Ann Eppard Associates $100,000 in fees during 1995.[29]

C: Ann Eppard May Have Violated Congressional Post-Employment Restrictions on Lobbying

The Ethics Reform Act of 1989 established a series of post-employment restrictions for members of Congress and Congressional staff. These restrictions prohibit former personal staff -- like Ann Eppard -- from lobbying their employer for a one-year period following the end of their Congressional employment. 18 U.S.C. §207(e)(2) states that:

> (A) Any Person who is an employee of a Senator or an employee of a Member of the House of Representatives and who, within 1 year after the termination of that employment, knowingly makes, with the intent to influence, any communication or appearance before any of the persons described in subparagraph (B), on behalf of any other person (except the United States) in connection with any matter on which such employee seeks action by a Member, officer, or employee of either House of Congress, in his or her official capacity, shall be punished as provided in section 216 of this title
>
> (B) The persons referred to in subparagraph (A) with respect to appearances or communications by a person who is a former employee are the following:
> (i) the Senator or Member of the House of Representatives for whom that person was an employee; and
> (ii) any employee of that Senator or Member of the House of Representatives.

During the period when Eppard was prohibited from lobbying Chairman Shuster, the *Journal of Commerce* noted Eppard's frequent presence in Shuster's office. According to William Roberts, Eppard enjoys

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[28] "House Approved Amtrak Reform Bill That Would Change Labor Provisions." *Bureau of National Affairs, Inc. Daily Labor Report*, December 1, 1995.

[29] *Journal of Commerce*, February 8, 1996.

> unparalleled access to the Chairman....Ms. Eppard is often in Mr. Shuster's Capitol Hill office....She is often seen entering or leaving his offices almost daily when Congress is in session.[30]

Did Eppard abide by the one-year prohibition against lobbying Representative Shuster? The *Journal of Commerce* reported a troubling meeting in Shuster's office last year, at a time when the one-year prohibition was in effect.

> When the House Transportation and Infrastructure Committee passed the Ocean Shipping Reform Act of 1995...Chairman Bud Shuster, R-Pa., was in a back committee room meeting with Ann M. Eppard, a top political aide who is also a lobbyist for ocean shipping lines....
>
> [Eppard] is among a group of lobbyists retained by the Ocean Common Carriers Coalition, a group composed largely of U.S. ship lines, which favors the ocean shipping deregulation bill that would eliminate the Federal Maritime Commission by October 1997.[31]

Representative Shuster's frequent presence as an overnight guest in Eppard's home -- which also houses her lobbying business, as well as Eppard's frequent presence within Shuster's Congressional offices, and her excellent access to Shuster, calls into question whether Eppard obeyed the one-year ban against lobbying Shuster.

D: Call for Investigation into Whether Shuster and Eppard Violated Criminal Laws Prohibiting the Solicitation and Acceptance of Illegal Gratuities

Given the extensive interweaving of legislative, political, financial, and personal interests between Rep. Shuster and lobbyist Eppard, and their unusual mutual support efforts for one another, as documented in the *Journal of Commerce* and *Roll Call* articles, there is sufficient evidence to call into question whether Representative Bud Shuster and Ann Eppard have conformed their conduct to the letter of the law. In particular, we are concerned that section 201 of the U.S. Criminal Code has been triggered by their activities.

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[30] *Journal of Commerce*, July 31, 1995.

[31] William L. Roberts, "Aide-Lobbyist Meets With Shuster as Panel Votes on Shipping Bill." *Journal of Commerce*, August 7, 1995. See also William L. Roberts, "Eppard Defends Ethics of Shuster Meeting." *Journal of Commerce*, August 14, 1995.

18 U.S.C. §201 states that it is a crime for a federal official to "directly or indirectly, corruptly" receive or solicit "anything of value personally or for any other person or entity, in return for...being influenced in the performance of any official act." Criminal law on illegal gratuities, 18 U.S.C. §201, prohibits a federal official from directly or indirectly soliciting or receiving anything of value other than "as provided by law...for or because of any official act performed or to be performed."

Such explicit exchanges of favors for legislative action, or in gratitude for official action have not been documented to date in this case. But the remarkable symbiotic network that Eppard and Shuster operated on each other's behalf raises the clear likelihood -- and provides substantial circumstantial evidence to support the conclusion -- that section 201 may have been triggered. We strongly encourage the Department of Justice to undertake a vigorous investigation to determine whether such violations did, in fact, occur.

E: Conclusion

We urge the Department of Justice to initiate an investigation into the interconnected mutual network of favors, benefits, and interests enjoyed by Representative Bud Shuster and Ann Eppard to determine whether criminal laws were violated. We believe that the strong circumstantial evidence indicating that such violations of law may have occurred clearly warrants such an investigation.

Sincerely,

Gary Ruskin
Director

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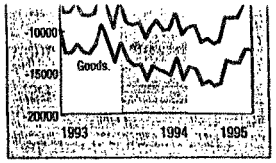
Port of Oakland
Section C



Complete Trade Data, Page 7B

patriated into Russia.

Sergei Pavlenko, director of the Russian government's Working Center for Economic Reform, said the frauds were undermining attempts to stabilize the Russian ruble.

"The government has to cut off the flow of capital out of Russia," he said.

SEE RUSSIA, PAGE 2A

Congressional Watchdog Group Calls For Investigation of Shuster, Eppard

By WILLIAM L. ROBERTS
Journal of Commerce Staff

WASHINGTON — The Congressional Accountability Project, a public policy watchdog group, called Wednesday on Attorney General Janet Reno to conduct a criminal inquiry into the close political relationship between transportation leader Rep. Bud Shuster, R-Pa., and his former top aide, lobbyist Ann M. Eppard.

"We urge the Department of Justice to initiate an investigation into the interconnected mutual network of favors, benefits, and interests enjoyed by Representative Bud Shuster and Ann Eppard to determine whether criminal laws were violated. We believe that the strong circumstantial evidence indicating that such violations of law may have occurred clearly warrants such an investigation," Gary Ruskin, director of the Congressional Accountability Project, said Wednesday in a letter to the attorney general.

Rep. Shuster, chairman of the House Transportation and Infrastructure Committee, and Ms. Eppard, his former top staff member whose year-and-half-old lobbying firm has been retained by a host of transportation clients, have said repeatedly they carefully complied with all rules governing their lawmaker-lobbyist relationship.

Several federal laws and congressional rules place limits on what lobbyists can provide, and what representatives can accept in terms of gifts, entertainment, services and political contributions. Federal law and House rules also impose a one-year "cooling-off" period on the lobbying activities of former senior staff such as Ms. Eppard. Rep. Shuster has said he and Ms. Eppard had been "meticulous" about complying with ethics rules.

In a brief statement issued Wednesday, Rep. Shuster said: "This is a liberal Ralph Nader organization simply repeating false innuendo which previously has been published. It is astonishing in their letter — in the next to the last paragraph — that they have acknowledged that they have no documentation to back up these assertions."

Rep. Shuster said a similar call by Joan Claybrook of the group Public Citizen for a House investigation two weeks ago was a politically motivated effort by liberals seeking to weaken his position in Congress. Ms. Claybrook has been a vocal opponent of changes in truck safety regulations sought by Rep. Shuster that would favor some of Ms. Eppard's clients.

But Mr. Ruskin said in an interview that while the Congressional Accountability Project is affiliated with Public Citizen as well as with crusader Mr. Nader, it also has leveled ethics charges against liberal Democrats, notably and recently Rep. Barbara-Rose Collins, D-Mich.

Rep. Collins has been accused of

SEE INVESTIGATION, PAGE 8A



YOUR BEST INTER

Fast, new ships are only par
improved trans-Pacific servi
offer. Through our precisely
intermodal system, our faste
frequent services reach all of

Our ship-to-APL stacktr
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New York in just 16 days, v
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esulting in deaths, have occurred this month.

l. Two crewmembers are killed after train is
accident halts most rail service into
in highway artery is closed for 48 hours.

hree persons are killed and 162 passengers
ins collide.

Burlington Northern Santa Fe train runs out
ailroad freight office, injuring 11 persons.

Md. MARC commuter train and Amtrak train
and eight passengers are killed.

. Colo. Two Southern Pacific train crew-
to stop on steep downward grade.

nts

eaths	Nonfatal	Rate
40	20,970	7.59
35	19,626	7.41
34	17,755	6.88
47	16,363	5.93
31	13,080	5.06
28	9,847	4.20

g Highway-Rail Crossings

pped (excluding highway-rail incidents)

Pmtm**	Collisions	Derailments
4.73	315	2,146
4.61	261	1,936
3.97	207	1,734
4.26	205	1,930
3.82	240	1,826
3.70	216	1,588

hich 47 people died

Investigation/ Continued From Page 1A

converting campaign funds to personal use.

The Congressional Accountability Project's letter to Ms. Reno makes extensive reference to a number of recent media reports including articles published by The Journal of Commerce and by Roll Call, a twice-weekly publication focusing on Capitol Hill. Both publications are owned by The Economist Group.

On the basis of these and other reports, the letter attempts to draw a sweeping picture of a "complex web of legislative, political, financial and personal ties." The group asserts there is "substantial circumstantial evidence" that Rep. Shuster and Ms. Eppard may have violated federal law.

Mr. Ruskin acknowledged that his call for a Justice investigation is based on a circumstantial pattern of activity rather than on any direct evidence.

For the past year-and-a-half, Ms. Eppard has been a fund-raiser and assistant treasurer of Rep. Shuster's congressional re-election campaign, assisting the congressman in raising a total of $655,000 in contributions during 1995. Ms. Eppard was paid $3,000 a month by the Shuster for Congress committee for her services.

Ms. Eppard also serves as Rep. Shuster's top political aide and consultant for district affairs. She headed the Bud Shuster Portra Committee, raising private fund from transportation companies an associations for a formal portrait c the committee chairman. She ha served as an adviser and fund-raise for Rep. Shuster's son, Bob, who i seeking the Republican nominatior for an upcoming congressional race in central Pennsylvania, the letter said.

Ms. Eppard also has served as a liaison for special interests seeking Rep. Shuster's appearance at events. And she has also acted as a driver for Rep. Shuster, and provided the congressman overnight lodging while he is in Washington, the letter said.

At the same time, the letter asserts, Rep. Shuster implicitly recommended Ms. Eppard to potential clients. And, some of Ms. Eppard's clientele have received significant legislative benefits from Rep. Shuster and the transportation committee, the letter said.

And Ms. Eppard may have violated congressional post-employment restrictions on lobbying by meeting regularly with Rep. Shuster, the letter said.

A Justice spokesman confirmed Wednesday that the department had received the letter, saying only, "We will review any allegations brought to our attention by a responsible group."

Drive to Privatize Slows in Russia

ROLL CALL
EWSPAPER OF CAPITOL HILL SINCE 1955
THURSDAY, FEBRUARY 29, 1996 $3.00

Justice Dept. Reviews Shuster Charges

Congressional Accountability Project Asks Reno to Launch Criminal Investigation

By Timothy J. Burger

The Justice Department said yesterday it will review allegations that House Transportation and Infrastructure Chairman Bud Shuster (R-Pa) violated the illegal gratuities law by regularly accepting lodging in the home of lobbyist Ann Eppard.

The Justice inquiry was spurred by the Congressional Accountability Project, which yesterday sent Attorney General Janet Reno a ten-page letter demanding a criminal investigation "into the interconnected mutual network of favors, benefits, and interests enjoyed by" Shuster and Eppard.

Justice Department spokesman John Russell said the letter to Reno had been received and that the matter will likely be assigned to the department's Public Integrity Section, which usually supervises probes of Members.

Russell refused further comment beyond saying Justice is reviewing the charges.

The Congressional Accountability Project's complaint is based on recent Roll Call articles detailing Shuster's overnight stays at Eppard's, as well as reports in the Journal of Commerce about the lucrative transportation lobbying business Eppard established after leaving Shuster's staff in 1994.

The Shuster campaign in Altoona, Pa., issued the following statement: "This is a liberal Ralph Nader organization simply repeating false innuendo which previously has been published. It is astonishing in their letter — *in the next to*

Continued on page 25



Threats to Members Jumped 105% in '95, Hill Police Chief Says

By Juliet Eilperin

Direct threats made against Members of Congress surged by 105 percent during the last fiscal

that line more often." The department, Abrecht said, has responded by directing more resources to intelligence and threat-assessment di-

Watchdog Group Calls for Justice Probe of Shuster

Questions 'Interconnected Mutual Network of Favors, Benefits, and Interests' Between Chairman and Lobbyist

Continued from page 1

the last paragraph — that they have no documentation to back up these assertions."

"Surprise, surprise," Eppard said yesterday of the CAP complaint. "I really think that there's been a longtime feud between the liberal Ralph Nader and his organization and Bud Shuster" since Nader was pushing for the installation of air bags in all new cars.

Referring to the timing of the complaint, Eppard added, "I think it's wonderful that you have it for Thursday['s]" edition of Roll Call.

Complaints to the House ethics committee from Congressional watchdog groups may soon follow the request for Justice Department action.

Common Cause, said executive vice president Don Simon, is still working on a complaint to ethics, and Gary Ruskin of the Congressional Accountability Project said the group may also send its own complaint to ethics.

"If we can identify a Member of Congress who wanted to transmit an ethics complaint, we will do so," Ruskin said.

In his letter to Reno, Ruskin cited articles in Roll Call, the Journal of Commerce, and other publications that he said "have described how lobbyist Eppard and House Transportation & Infrastructure Committee Chairman Shuster have developed a complex, interconnecting web of legislative, political, financial, and personal ties."

The group wrote Reno after Roll Call on Feb. 8 disclosed that Shuster had been regularly lodging at the $823,000 waterfront Alexandria townhouse that Eppard bought in December 1994, shortly after leaving her 22-year job as Shuster's personal office chief of staff.

Eppard left the Hill to start Ann Eppard Associates, Ltd., a lobbying firm that the Journal of Commerce estimated pulled in as much as $1 million in its first year — lobbying for major clients like Federal Express Corp., the Outdoor Advertising Association of America, Frito-Lay Inc., and the Ocean Common Carrier Coalition. Her lobbying business is headquartered in the same townhouse in which Shuster has lodged.

Shuster's campaign has also been paying Eppard $3,000 per month as a consultant while raising at least $25,000 directly from officials or PACs of Eppard's clients. Eppard serves as the Shuster campaign's assistant treasurer and generally signs its filings with the Federal Election Commission.

Complaints to the House ethics committee could also come soon, from Common Cause and the Congressional Accountability Project.

Shuster has said since Roll Call's Feb. 8 story that Eppard's home is the "legal repository" of his campaign documents — although Shuster for Congress Committee stationery lists an Everett, Pa., post office box as its address.

In the letter to Reno, Ruskin cites press reports in outlining several categories of activity in what he said is a "complex web" that may comprise criminal violations. "Gratuities" are normally gifts given or accepted in connection with official acts.

They include Eppard's roles as:

• Shuster's "top political aide" and "Washington fundraiser and assistant treasurer" of Shuster's campaign;

• Chair of the Bud Shuster Portrait Committee, which raised money for a portrait that sources told Roll Call cost some $40,000;

• Campaign consultant and fundraiser to the Congressional campaign of Bob Shuster (R), the Congressman's son who is running in an open seat next to his father's;

• "Liaison for special interests wanting Mr. Shuster to appear at Washington events"; and

• "Provider of housing."

The complaint to Reno also cites a Roll Call report that Shuster at a dinner "told representatives from the air transportation industry a 'lot of nice things about Ann. About how good she is and how well she knows the Hill'...."

And the Ruskin letter asserts that, "On legislative matters, Ann Eppard has apparently produced significant benefits for some of her clients seeking action on transportation-related issues pending before Chairman Shuster's committee."

The Congressional Accountability Project noted press reports about Congressional action on behalf of Eppard clients like Frito-Lay Inc., Federal Express Corp., Outdoor Advertising Association of America, and Amtrak.

The complaint also questions whether Eppard fully abided by the one-year lobbying ban imposed on top aides who leave the Hill.

Eppard and Shuster have both insisted that she did not lobby Shuster personally during the one-year cutoff. And as a former personal office aide to Shuster, she was not barred from lobbying his committee staff.

But Ruskin asserted in his letter yesterday that "Representative Shuster's frequent presence as an overnight guest in Eppard's home — which also houses her lobbying business, as well as Eppard's frequent presence within Shuster's Congressional offices, and her excellent access to Shuster, calls into question whether Eppard obeyed the one-year ban against lobbying Shuster."

After telling Roll Call last month that he does not "live" at Eppard's home while in Washington, Shuster has increasingly acknowledged his regular lodging with her — and indicated that he did not pay her rent. There was "no requirement under the ethics rules" to do so, he told Gannett News Service on Feb. 14.

"Do you still beat your wife?" Eppard shot back when asked yesterday whether Shuster had paid rent. "I'm not going to answer that stupid question because to answer that question would be to say that there's some validity in it."

And in a Feb. 17 statement, Shuster said that, "two or three nights a week," he would stay either "in my office when working late, which is a common practice of Members, or on special occasions, my wife and family and I stayed at Ann Eppard's home."

Meanwhile, Shuster has for years received rental income — from his daughter at least some of the time — for a townhouse that he and his wife Pat own in Fairlington, Va.

Eppard's name previously came to the Justice Department's attention in 1994 while she was still on Shuster's staff. In August of that year, the FBI in Washington obtained her financial disclosure forms for several years on behalf of its Boston office.

"I can confirm that the agents of the Washington field office acted at our request here in Boston," Special Agent Peter Ginieres of the Boston Field Office told Roll Call. "I'm not able to make additional comment at this time."

There was no indication that Shuster was under any FBI scrutiny at that time or that Eppard was a target.

Eppard told Roll Call last year that she had no idea why the FBI procured her FDs. "You just caught me totally off guard," she said. "My life has passed in front of my eyes."

"I am still surprised," Eppard said yesterday. "No one that I know has been contacted, so I assume it is routine.... You must come to the same conclusion I do[, that] there is no investigation."

OPEN EVERY DAY (365)

Attachment #2

The Journal of Commerce and Commercial
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Lobbyist's '95 Revenue Could Top $1 Million

By WILLIAM L. ROBERTS
Journal of Commerce Staff

WASHINGTON — In a city full of new Republican lobbyists, Ann Eppard is a standout.

A longtime political aide and fund-raiser for House transportation leader Rep. Bud Shuster, R-Pa., Ann Eppard brought in more than $600,000 in revenue from transportation clients in her first year as a lobbyist.

Based on a list of at least 23 clients and the limited financial disclosure requirements imposed on lobbyists in 1995, Ms. Eppard's firm may have grossed as much as $1 million since Republicans won control of the House in 1994. The disclosure statement was filed Jan. 17.

The amount is unusual for a new firm, other lobbyists say.

"I think someone who started and picked up 20 and 30 clients is doing extremely well," said Wright Andrews, president of American League of Lobbyists and a partner in the law and lobby firm Butera & Andrews.

The keys to Ms. Eppard's success have been connections and timing — she spent 22 years working on Capitol Hill, and she left her congressional job just as the Republicans were taking control. She is not without her detractors.

Critics attribute Ms. Eppard's success largely to her long association with Rep. Shuster, the chairman of the House Transportation and Infrastructure Committee. The committee has broad jurisdiction over laws governing ocean shipping, railroads, aviation, trucking, seaports and highways — all capital intensive businesses with billions at stake in federal affairs.

Supporters say her success is the result of hard work, decades of building contacts in the Republican Party and a well-deserved reputation for professionalism and effectiveness.

"She and I have worked together, she's been my right arm for over 25 years, a quarter of a century," Rep. Shuster, a House veteran who for the past year has been the chairman of the Transportation and Infrastructure Committee, said in a recent interview.

Ms. Eppard had worked for 22 years in the personal office of Rep. Shuster, who represents the ninth district of Pennsylvania. Before his first bid for Congress, she had been his executive assistant at his computer business here in Washington. Ms. Eppard took early retirement in 1994, leaving Rep. Shuster's congressional employ after the election.

In addition to building a lobbying business, Ms. Eppard continued to serve as a leading fund-raiser for Rep. Shuster, as assistant treasurer to his re-election campaign and as political consultant for district affairs. He paid her $36,000.



EPPARD



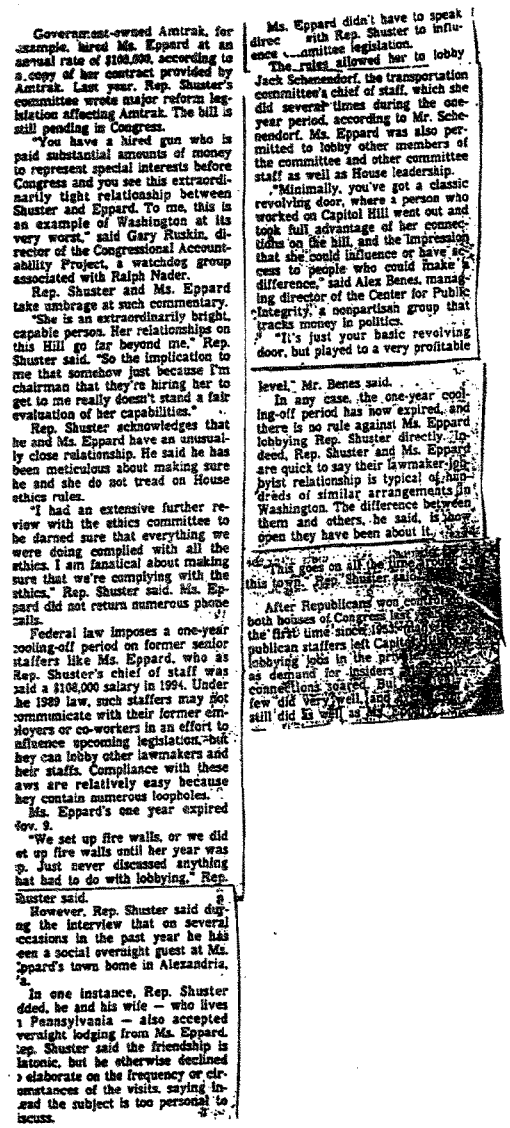
SHUSTER

Ms. Eppard helped raise $655,000 for Rep. Shuster during 1995. He faces opposition for the first time in years and has already spent $355,000, according to financial reports his campaign committee filed with the Federal Election Commission.

Ms. Eppard also provided staff-like services to Rep. Shuster, acting as his driver to and from his office on Capitol Hill, a role she has played for many years. For health reasons, he cannot drive in city traffic.

Ms. Eppard organized a private fund-raiser to finance a portrait of the chairman, which has been emplaced in the committee's hearing room. Transportation-related associations and companies were asked to contribute primary funding.

At the same time, almost all of her firm's clients are transportation companies or associations with legislative interests pending before Rep. Shuster's committee. Major transportation companies like railroads Conrail and Union Pacific, package delivery service Federal Express, and the passenger service United Airlines have retained the firm, as did a coalition of ocean ship lines headed by Sea-Land Service Inc.



Government-owned Amtrak, for example, hired Ms. Eppard at an annual rate of $108,000, according to a copy of her contract provided by Amtrak. Last year, Rep. Shuster's committee wrote major reform legislation affecting Amtrak. The bill is still pending in Congress.

"You have a hired gun who is paid substantial amounts of money to represent special interests before Congress and you see this extraordinarily tight relationship between Shuster and Eppard. To me, this is an example of Washington at its very worst," said Gary Ruskin, director of the Congressional Accountability Project, a watchdog group associated with Ralph Nader.

Rep. Shuster and Ms. Eppard take umbrage at such commentary.

"She is an extraordinarily bright, capable person. Her relationships on this Hill go far beyond me," Rep. Shuster said. "So the implication to me that somehow just because I'm chairman that they're hiring her to get to me really doesn't stand a fair evaluation of her capabilities."

Rep. Shuster acknowledges that he and Ms. Eppard have an unusually close relationship. He said he has been meticulous about making sure he and she do not tread on House ethics rules.

"I had an extensive further review with the ethics committee to be darned sure that everything we were doing complied with all the ethics. I am fanatical about making sure that we're complying with the ethics," Rep. Shuster said. Ms. Eppard did not return numerous phone calls.

Federal law imposes a one-year cooling-off period on former senior staffers like Ms. Eppard, who as Rep. Shuster's chief of staff was paid a $108,000 salary in 1994. Under the 1989 law, such staffers may not communicate with their former employers or co-workers in an effort to influence upcoming legislation, but they can lobby other lawmakers and their staffs. Compliance with these laws are relatively easy because they contain numerous loopholes.

Ms. Eppard's one year expired Nov. 9.

"We set up fire walls, or we did set up fire walls until her year was up. Just never discussed anything that had to do with lobbying," Rep. Shuster said.

However, Rep. Shuster said during the interview that on several occasions in the past year he has been a social overnight guest at Ms. Eppard's town home in Alexandria, Va.

In one instance, Rep. Shuster added, he and his wife — who lives in Pennsylvania — also accepted overnight lodging from Ms. Eppard. Rep. Shuster said the friendship is platonic, but he otherwise declined to elaborate on the frequency or circumstances of the visits, saying instead the subject is too personal to discuss.

Ms. Eppard didn't have to speak directly with Rep. Shuster to influence committee legislation.

The rules allowed her to lobby Jack Schenendorf, the transportation committee's chief of staff, which she did several times during the one-year period, according to Mr. Schenendorf. Ms. Eppard was also permitted to lobby other members of the committee and other committee staff as well as House leadership.

"Minimally, you've got a classic revolving door, where a person who worked on Capitol Hill went out and took full advantage of her connections on the hill, and the impression that she could influence or have access to people who could make a difference," said Alex Benes, managing director of the Center for Public Integrity, a nonpartisan group that tracks money in politics.

"It's just your basic revolving door, but played to a very profitable level," Mr. Benes said.

In any case, the one-year cooling-off period has now expired, and there is no rule against Ms. Eppard lobbying Rep. Shuster directly. Indeed, Rep. Shuster and Ms. Eppard are quick to say their lawmaker-lobbyist relationship is typical of hundreds of similar arrangements in Washington. The difference between them and others, he said, is how open they have been about it.

"This goes on all the time [illegible] this town," Rep. Shuster said.

After Republicans won control of both houses of Congress last year for the first time since 1953, many Republican staffers left Capitol Hill for lobbying jobs in the private sector as demand for insiders and their connections soared. But [illegible] few did very well, and [illegible] still did as well as Ms.

THE JOURNAL OF COMMERCE, Thursday, February 8, 1996

Eppard Clients

Ann M. Eppard's lobbying fees for 1995.

Client	Lobbying Fees	Legislative Interest
Conrail*	$ 50,000	ICC termination
Fastship Atlantic Inc.*	$ 50,000	Title XI ship construction loans
Natural Disaster Coalition	$ 40,000	Backing for disaster relief fund
Metropolitan Washington Airports Authority	$37,500	Administrative reform
Shuster for Congress Committee	$36,000	Fundraising, political consulting
Pennsylvania Turnpike Commission	$ 33,332	Highway funding
Amtrak	$ 30,000	Funding & privatization
Puerto Rico Department of Highways & Transportation	$ 21,110	Transportation
Outdoor Advertisers Assn. of America	$ 20,000	Billboards on scenic byways
Federal Express Corp.	$ 18,333	Japan bilateral aviation relations
Los Angeles County Mass Transportation Authority	$ 16,665	Transportation
American Road and Transportation Builders	$ 15,000	Highway construction funding
Ocean Common Carrier Coalition*	$ 12,450	Ocean shipping deregulation
Regulated Common Carrier Commission	$ 12,000	ICC termination, trucking
Frito-Lay Inc.	$ 10,000	Truck safety regulation
GTE	$ 9,333	Transportation
Union Pacific Co.	$ 9,000	ICC termination
Board of County Commissioners of Dade County, Fla.	$ 8,402	Transportation
United Airlines	$ 8,333	Japan bilateral aviation
I-73/74 Association, North Carolina	$ 6,667	Transportation
OMI Corp.	$ 1,666	Alaska oil exports, tankers
Southeastern Economic Development Corp.*	$ 1,666	Transportation
Panhandle Eastern Co	$ 833	International shipping, pipelines
Total	$448,290	All transportation related

*terminated lobbying contract before year end.

Note: Actual fees are higher in some cases because contracts call for services other than federal lobbying. Amtrak's contract, for example, called for a $100,000 annual payment. Also, not all clients are listed.

SOURCE: Ann Eppard & Associates, Clerk of the House of Representatives.

Attachment #3

Journal of Commerce 7/31/95

8A

Aide's Ties Raise Ethical Questions

By WILLIAM L. ROBERTS
Journal of Commerce Staff

WASHINGTON — Special interests may not be able to buy Rep. Bud Shuster, R-Pa., the powerful chairman of the House Transportation and Infrastructure Committee, but they can hire his top political aide.

Ann M. Eppard, longtime chief of staff to Mr. Shuster, resigned and started a lobbying firm after Republicans won control of the House in November and in a matter of months has earned more than $81,000 from 10 clients — all of them with business pending before the Transportation and Infrastructure Committee.


EPPARD

Amtrak, Conrail, the Ocean Common Carriers Coalition, Fastship Atlantic, OMI Corp., American Transportation Builders Association, Natural Disaster Coalition and the

SEE AIDE PAGE 8A

Aide/ Continued From Page 1A

Outdoor Advertising Association of America, among others have all retained her firm.

Ms. Eppard, 52, left her $108,000-a-year House post on Nov. 9. But though she is no longer on Mr. Shuster's congressional payroll, she continues to play an active role in his political affairs. Since starting her business, she has collected at least $20,000 in consulting fees from Mr. Shuster's re-election campaign where she serves as assistant treasurer and fund-raiser.

It is not illegal for Ms. Eppard to be both the congressman's fund-raiser and a private consultant to special interests seeking legislative advantage from the House committee he chairs. But it raises several conflict-of-interest questions.

'Revolving Door at Its Worst'

Said Donald J. Simon, a lawyer for Common Cause, an advocacy group pushing for lobbying reforms: "This case is an example of the Washington revolving door at its worst."

Moreover, Ms. Eppard's political service to Mr. Shuster, which provides her with regular access to the chairman, while she is also a lobbyist, creates the appearance of a possible violation of federal lobbying laws. Under the Ethics Reform Act of 1989, it is a felony for former senior staffers to lobby their former employers within one year of leaving the House. And according to House ethics rules, former staff members cannot seek official action, on the behalf of others, from that member or from any of the member's employees. Ms. Eppard and Mr. Shuster insist such appearances are deceiving.

"I will not permit you to say there is an appearance of a conflict," Ms. Eppard said in a recent telephone interview.

Mr. Shuster said he sees Ms. Eppard "several times a week" but that they do not discuss committee issues.

Said Ms. Eppard: "I have tried to stay very close to what was the spirit of what was the intent of the law. I understand walls very well. I don't take any client in to see Bud Shuster nor do I talk to him about any issue of my clients."

Advised by Counsel

"Absolutely not. This is ironclad," Mr. Shuster said. "If somebody mentions Amtrak, she gets up and leaves the room."

Ms. Eppard and Mr. Shuster say they have been advised confidentially by counsel at the House Committee on Standards of Official Conduct that the law permits Ms. Eppard to continue her political and fund-raising work for Mr. Shuster while also serving as a lobbyist.

Several clients said they have discussed the ethics question with Ms. Eppard and have been assured that she would not be lobbying Mr. Shuster.

Said William B. Newman Jr., Conrail vice president for government affairs: "She and I have talked about the ethics rules and have agreed that she will follow the ethics rules, which preclude her from lobbying Mr. Shuster personally for one year."

But good-government groups and officials of companies on the other side of the issues from Mr. Shuster argue that although the law permits the kind of political activities that Ms. Eppard engages in, the allowance is a loophole that should be closed.

"It shows the need for strong legislation to stop congressional aides who leave their jobs from taking exorbitant fees to lobby for special interests," said Mr. Simon.

Close Relations

Of particular concern to outside observers is Ms. Eppard's role as Mr. Shuster's campaign fund-raiser and top political aide.

While it is common for lobbyists to act as fund-raisers for lawmakers with whom they have had an associ-

action. It is unusual for lobbyists to also serve in the type of de facto staff role Ms. Eppard still provides for Mr. Shuster.

Further, her continuing service to the chairman falls within the one-year, non-lobbying period mandated by the Ethics Reform Act of 1989.

As a fund-raiser, Ms. Eppard is responsible for organizing dinners and cocktail parties, renting meeting rooms, hiring florists, musicians and caterers as well as inviting lobbyists — some of whom are associated with her clients — and others to come and greet Mr. Shuster in a congenial environment.

"I certainly am working hard to make sure that Bud Shuster has enough of a war chest so that anyone thinks seriously about challenging him," she said.

During the 1993-1994 campaign, Mr. Shuster raised $671,003, some of it in contributions from the same interest groups that have retained Ms. Eppard.

A Link to Home

As Mr. Shuster's political aide, Ms. Eppard plays a crucial role in district affairs.

In recent months, she represented Mr. Shuster on a local advisory committee on the closure of the Letterkenny Army Depot in his rural, central Pennsylvania district. She also interviewed candidates for county commissioner posts and advised Mr. Shuster on which candidates warrant his political backing.

In addition, Ms. Eppard serves as liaison for special interests wanting Mr. Shuster to appear at Washington events.

When Mr. Shuster spoke recently to the American Trucking Associations, it was Ms. Eppard who escorted the chairman and monitored his time at the podium. When questions from the crowd of trucking executives went too long, it was Ms. Eppard who indicated to ATA officials that it was time for the chairman to go. Mr. Shuster and Ms. Eppard left the meeting in a car together. She drove.

Ms. Eppard said she started working for Mr. Shuster 25 years ago when he was the chief executive of a computer company in central Pennsylvania. She followed him to Congress when he was elected in 1972 and describes their relationship as very close.

"I know philosophically where he is," she said.

Ms. Eppard said she advises clients on how they should approach the committee, what the House GOP leadership is thinking and how the new committee chairmen are constrained by the politics of the Republican revolution.

"I'm one of the people who have been inside for a long time," she said. "What I can do is help you through the committee."

THE JOURNAL OF COMMERCE, Monday, July 31, 1995

Eppard and Her Clients

Several clients of lobbyist Ann M. Eppard have an interest before the House Transportation and Infrastructure Committee, which is chaired by Rep. Bud Shuster, R-Pa. Ms. Eppard is Rep. Shuster's former chief of staff. The clients and their fees through March 30 include:

Client: Amtrak.
Fee: $10,000.
Legislative interest: Committee is handling legislation to privatize Amtrak.

Client: Conrail.
Fee: $15,000.
Legislative interest: Has an economic stake in the Amtrak issue in Interstate Commerce Commission sunset decisions.

Client: Outdoor Advertising Association.
Fee: $6,666.
Legislative interest: Billboard industry seeks to limit imposition of "scenic" highway designations.

Client: American Road and Transportation Builders Association.
Fee: $5,000.
Legislative interest: Rep. Shuster's push to take highway and aviation trust funds for construction projects off-budget.

Client: FastShip Atlantic.
Fee: $15,000.
Legislative interest: Looking for federal backing of innovative ship design through Maritime Administration program under the committee's jurisdiction.

Client: Natural Disaster Coalition.
Fee: $10,000.
Legislative interest: Pushing legislation in the committee to establish a federally backed bailout fund for property insurers facing hurricane and earthquake risks.

Client: Pennsylvania Turnpike Commission.
Fee: $6,333.
Legislative interest: Wants ongoing support for federal highway spending in Pennsylvania.

Client: Metropolitan Washington Airports Authority.
Fee: $6,250.
Legislative interest: Legislation restructuring the authority is pending before the committee.

Client: Ocean Common Carrier Coalition.
Fee: Not disclosed.
Legislative interest: Group of U.S. and foreign ship lines has major interest in legislation sunsetting the Federal Maritime Commission and partially deregulating ocean transportation. Also has stake in committee's planned oversight and possible reform of the Maritime Administration.

Client: OMI Corp.
Fee: Not disclosed.
Legislative interest: Independent tanker operator in the Alaska oil trade, recently needed Rep. Shuster to waive jurisdiction over bill lifting a ban on oil exports. Company also has interest in committee's plan to review Maritime Administration guaranteed loan and subsidy programs.

SOURCE: The Journal of Commerce, Clerk of the House of Representatives disclosure forms.

VAL HERNANDEZ-RHODES/Journal of Commerce

Unfair Advantages

Some lobbyists who work on the opposite side of issues from Ms. Eppard feel her participation in the committee's legislative action and unparalleled access to the chairman works to their disadvantage.

Ms. Eppard is often in Mr. Shuster's Capitol Hill office and has regular contact with the chairman, putting her in a position to use her influence even if she does not.

She is seen entering or leaving his offices almost daily when Congress is in session. And she occasionally makes appearances during committee hearings.

At a recent meeting on pending Amtrak legislation, in which nearly 20,000 union jobs and the future of passenger rail service were at stake, Ms. Eppard positioned herself prominently in the crowd. Her presence as a lobbyist for Amtrak and Conrail could hardly be lost on the committee members and staff.

Though the law prevents Ms. Eppard from lobbying Mr. Shuster or his staffers, it does not prevent her from doing so with staffers of the Transportation and Infrastructure Committee, even if they report directly to Mr. Shuster in his role as committee chairman. Ms. Eppard declined to answer questions about whether her lobbying of committee staff represents a conflict of interest. She then terminated the interview.

Mr. Shuster said he sees no problem in her lobbying staff or members of his committee, while at the same time working as a political consultant and fund-raiser for him.

"We've cleared everything with the ethics committee," Mr. Shuster said.

"I'm allowed to talk to people. I'm allowed to have friendships. I can go over and see the Senate side. They didn't take my right away to ask people questions," Ms. Eppard said.

Client Expectations

Those who have hired Ms. Eppard have been scrupulous in saying that she has not been retained to lobby Mr. Shuster.

"She knows the committee staff very well. She's been around these issues for a long time. She knows lots of the other members. She helps us get out our message," said Conrail's Mr. Newman. "As long as she comports with the rules, I don't think there's a problem."

Peter Finnerty, a lobbyist for Sea-Land Service who acts as chairman of the Ocean Common Carrier Coalition, which has retained Ms. Eppard among several lobbyists as part of a broad lobbying strategy, said the coalition does not expect her to lobby Mr. Shuster.

"I am aware that she has been active politically with Shuster because she always was when she was on his staff," Mr. Flanerty said.

Ms. Eppard may not seek to influence Mr. Shuster one way or another on issues of concern to her clients, Mr. Finnerty said.

Similarly, Tom Downs, Amtrak president, said the government-owned railroad expects Ms. Eppard to provide information and offer counseling.

"We hired her because of her experience; because of her experience with the committee and experience with the chairman," Mr. Downs said.

The Chairman's Work

Mr. Shuster's official actions in this Congress have not always benefited Ms. Eppard's clients.

The chairman has supported Amtrak by seeking labor concessions that go beyond what a majority of his committee members have been willing to support, but which Amtrak management says it needs to significantly reform the railroad's operations.

On the other hand, Mr. Shuster has opposed a Senate proposal that would take revenue from highway-user gas taxes to fund operating subsidies for Amtrak.

On reform of the Shipping Act of 1984 and elimination of the Federal Maritime Commission — a matter the committee will act on this week — Mr. Shuster has used his position as chairman to delay elimination of the FMC as an independent regulatory agency.

He effectively stalled the demise of the FMC until 1997, giving the Ocean Common Carriers Coalition time to reach a compromise with the National Industrial Transportation league. NIT League, which represents large corporate shippers nationwide, had been pushing for the merger of the FMC with the Department of Transportation as part of a rewrite of the Shipping Act.

The 104th Congress runs until the end of 1996, and Ms. Eppard is quick to point out to her new clients and others that the one-year restriction against her lobbying Mr. Shuster directly expires in November.

In the meantime, she and her firm have already done well. In December 1994, she bought a newly built, $823,000 town home on the Potomac River in Old Town Alexandria, Va. If the firm continues to develop at its present pace, it would be on track to earn half a million dollars over the two years of the 104th Congress.

After 22 years in public service, Ms. Eppard said it was time for her to move on to new challenges. She also says she made the decision to start her consultancy before Republicans won their first House majority since 1953, and thus before it was clear her former boss would become committee chairman.

Others, including one lobbyist who has hired her and a chief of staff for another House Republican, said simply:

"She's cashing in."

ROLL CALL
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Transportation Chair Lodges With Ex-Aide Who Makes Six Figures Lobbying His Panel

By Timothy J. Burger

In a potential violation of the House's gift rules, Rep. Bud Shuster (R-Pa) has been regularly lodging in the northern Virginia townhouse of Ann Eppard, a lobbyist making hundreds of thousands of dollars representing clients before the Transportation and Infrastructure Committee that Shuster chairs.

By his own account, Shuster has stayed overnight "many times" at the $823,000 Alexandria waterfront home of Eppard, though he denied that he "lives" there.

Multiple Congressional and transportation industry sources told Roll Call that Shuster has been regularly staying at Eppard's when he is in Washington.

For 22 years — until the day after the GOP won control of the House in 1994 — Eppard was Shuster's top Congressional aide. Now, she is a lobbyist whose firm has made more than $500,000 in the past year representing an array of transportation companies with major interests before Shuster's committee.

But their ties are far more extensive than those between most lobbyists and the chairmen they seek to influence.

Eppard runs her flourishing lobbying company, Ann Eppard Associates, Ltd., out of the same Alexandria home where Shuster stays.

And she continues on Shuster's campaign payroll as his top political aide, earning $3,000 a month to oversee a fundraising operation that netted Shuster's re-election campaign $655,000 last year — at least $25,000 of it from Eppard's transportation clients and their PACs.

Now, Eppard is even spearheading fundraising for Shuster's son Bob, a former aide to Rep. Bill Clinger (R-Pa) who is seeking a Congressional seat adjacent to his father's. With Eppard's help, Bob Shuster has already raised more than $100,000 for his fledgling campaign, much of it from the same transportation interests with business before his father's committee.

Their close ties extend even to the

Continued on page 18



Photo by Maureen Keating

Lobbyist Ann Eppard (left) with the newly unveiled portrait of Transportation Chairman Bud Shuster, her ex-boss, in background.

Attachment #4

Transportation Chairman Bud Shuster's Many Ties To Lobbyist Ann Eppard, His Former Chief of Staff

Continued from page 1

car Eppard owns — a 1994 Dodge sedan whose front bumper sports an official-looking license plate, "US House PA 9." Shuster's the one who represents Pennsylvania's 9th district, but according to the Pennsylvania Bureau of Motor Vehicles, Eppard owns the car.

"There is a serious potential for this being a conflict of interest," said Josh Goldstein, research director for the Center for Responsive Politics. "Certainly you have to question whether or not...that person has special influence with the Member of Congress."

But the most immediate question, according to a bipartisan assortment of Congressional ethics experts, is compliance with the House's gift rules. If Shuster has not paid rent, experts unanimously agreed, that arrangement may be suspect.

Eppard runs her flourishing lobbying company, Ann Eppard Associates, out of the same $823,000 Alexandria home where Shuster has acknowledged he has stayed 'many times.'

Asked about the ethics implications of a committee chairman often staying with a lobbyist who has business before him, a Republican attorney who is an expert on Congressional ethics said: "There's a question of whether or not he's receiving a gift of any sort.... I think it boils down to whether the guy's paying rent, unless he's got some waiver from the ethics committee."

But the Republican added that it "is unimaginable" that the panel would permit such an arrangement.

"The $64 question for you is, is there rent being paid?" — and at fair market value, said Stan Brand, a former House counsel who is now a partner in the firm Brand, Lowell & Ryan.

The House's newly passed gift ban does make certain exceptions for hospitality from lobbyists who are "personal friends" of Members and pay for gifts strictly from personal funds.

But Brand said he does not believe that the situation would be mitigated by determining that Eppard is a personal friend of Shuster's.

"I don't think the previous relationship matters," he said.

In a brief telephone interview Jan. 25 — after being observed leaving Eppard's home at 7 a.m. by Roll Call — Shuster said he doesn't "live" with Eppard and insisted that he and his wife Pat "have a small place here in town."

When asked where he lives when he's in Washington, Shuster replied, "That's none of your damn business." He concluded, "I resent your question" and hung up the phone.

Shuster and his wife own a house in Fairlington, Va., property records show. But that is currently rented out and, according to Shuster's financial disclosures, has been so for years. Property records indicate that Shuster owns no other residence in DC and he has no residential phone number in the Washington region.

Shuster's Transportation Committee chief of staff, Jack Schenendorf, said that Shuster told him to tell Roll Call that "he's been meticulous about clearing everything with the ethics committees and so has Ann."

But he said the Congressman did not specifically say ethics had approved his stays at Eppard's home.

Schenendorf said the Shuster and Eppard families have been close for 25 years. "I have been at dinner at Ann's house when his [Shuster's] whole family was there," he said.

But Schenendorf insisted he does not know where Shuster does live while in Washington.

"I don't know what people's personal lives have to do with this and I don't know what their personal situation is," Schenendorf said.

Eppard on Jan. 26 scheduled an interview with Roll Call for that afternoon. But an aide later called back to say that Eppard's "legal advisers have instructed her to cancel today's meeting."

Neither Shuster nor Eppard has responded to questions about their living arrangements — most importantly, whether the Congressman has paid Eppard anything for his stays or received an advisory ethics opinion and why Eppard has been using an official-looking Congressional plate on her car.

The Journal of Commerce, which first reported on Eppard's meteoric rise as a staffer-turned-lobbyist last July, estimated last month that Ann Eppard Associates earned at least $500,000 in its first year.

While serving on Shuster's staff, Eppard's salary topped out around $100,000.

Ethics rules barred Eppard from directly lobbying Shuster until November 1995. But since she had been a personal office — and not a committee — employee, the GOP takeover of Congress inadvertently offered Eppard a big loophole even before last November: Because her boss of 22 years was just the Transportation panel's ranking member when she left the Hill, she faced no restrictions on her ability to lobby other Transportation members, despite Shuster's ascension to the chairmanship last January.

Shuster, say other transportation lobbyists, has made it clear in industry circles how much he continues to value Eppard's counsel — and that, they insist, has helped Eppard's business.

At one dinner that Eppard helped organize after the 1994 elections, for example, Shuster told representatives from the air transportation industry a "lot of nice things about Ann. About how good she is and how well she knows the Hill," according to a source with knowledge of the event.

Eppard's car, a 1994 Dodge sedan, even sports on its front bumper an official-looking license plate that reads, 'US House PA 9.' Shuster's the one who represents Pennsylvania's 9th district.

Eppard's lobbyist disclosure forms show she has represented some 22 clients, including United Airlines, Federal Express, the Outdoor Advertising Association of America, and the American Road and Transportation Builders Association. Many of them have big stakes in key Shuster legislative interests like keeping the highway trust funds "off budget" and restrictions on billboards on those highways.

And a Roll Call study of Shuster's 1995 Federal Election Commission reports found that many of the transportation industry leaders who are paying Eppard to represent them before Shuster are at the same time handing out campaign contributions to Shuster — whose chief fundraiser is Eppard.

Among the 1995 Shuster contributors who are paying Eppard to lobby are the Outdoor Advertising Association of America, which paid Eppard at least $20,000 in 1995 while its officials gave Shuster's campaign a minimum of $2,000 and the group's PAC gave $5,000 to the Congressman.

The Natural Disaster Coalition, concerned about issues surrounding the National Disaster Protection Act, paid Ann Eppard Associates at least $40,000 last year for lobbying, and NDC executive director John Weber and deputy director Dave DeSantis each gave Shuster's campaign $1,000, according to FEC records.

Shuster's campaign also received $1,000 from the president of the Pennsylvania construction firm Day & Zimmerman, for whom Eppard is registered in Harrisburg to lobby the state government.

Meanwhile, Shuster's 1995 campaign disbursements included numerous payments to employees of Eppard's lobbying firm attributed to "fund raising activity" — suggesting Shuster's campaign fundraising is being handled largely out of a lobbying office whose main source of income is representing clients before Shuster.

Eppard has also chaired the Bud Shuster Portrait Committee, which raised money to pay for a portrait of the chairman that sources said cost more than $40,000 and was unveiled in the Transportation Committee room Jan. 22.

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EDITORIAL

Investigate Shuster

Rep. Bud Shuster (R-Pa) has taken the term "conflict of interest" to a whole new level in his tangled connections to lobbyist Ann Eppard. And the ethics committee ought to do something about it.

Reflecting the complexities of a town where friendship is often business and vice versa, many Members routinely tread a fine line in their dealings with lobbyists. But there don't appear to be any lines at all between Shuster, the chairman of the Transportation and Infrastructure Committee, and Eppard, who makes hundreds of thousands of dollars lobbying his panel.

As Roll Call reported last week, Shuster, in a potential violation of the House's gift rules, has been regularly lodging in Eppard's $823,000 Alexandria home — the same house out of which Eppard runs the flourishing lobbying business she started after 22 years as Shuster's top aide. Shuster denies that he "lives" there, but appears to have no other address in the Washington area. He admits he has frequently been an overnight guest in Eppard's home. And Eppard is far from a run-of-the-mill DC influence-peddler. She makes her money — some $600,000 last year by the Journal of Commerce's reckoning — representing an array of blue-chip transportation clients before the committee that Shuster chairs. She also runs Shuster's campaign fundraising operation out of her home. Her ties to Shuster are flaunted even on her car, which sports an official-looking license plate — "US House PA 9." With access like that, what company with business before Shuster's committee wouldn't want to hire her?

It's exactly that perception of unacceptably close influence which Congress's ethics rules are supposed to regulate against. And so it is all the more troubling that a "statement by the Shuster family" issued in response to our article invokes the authority of the House ethics committee in justifying the conflict-ridden arrangement.

The Shuster statement says that "[e]veryone has meticulously complied with ethics rules" and that the ethics panel has OK'd Eppard's dual role as lobbyist and campaign fundraiser. The ethics committee refuses to disclose what advice it has given Shuster, as does the Congressman himself. They should do so immediately.

If it turns out that the ethics panel has in fact authorized this arrangement, it has made a mistake. Either way, the committee should immediately launch an investigation of the gift issue. The question, ethics experts agree, is clear: Has Shuster paid any rent for his accommodations at Eppard's? Or received a waiver from the ethics committee saying that he doesn't have to? A Republican lawyer told Roll Call it was "unimaginable" that the ethics panel could have offered Shuster such an exemption. We think so, too.

Shuster has chosen to respond to Roll Call's story only with a splenetic attack on the "innuendo" he claimed was contained in the article. But this is not a story about Shuster's personal life. It's about a Congressman with extraordinarily close ties to a lobbyist who's getting rich off her access to him. That's not innuendo. It's not even very subtle.

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TOTAL

The Ties That Blind

What happens when a congressional staffer trades in her connections for a lucrative lobbying career

By KAREN TUMULTY

IN MOST CONGRESSIONAL OFfices, there is someone like Ann Eppard: the fierce gatekeeper deciding who sees the Congressman and who doesn't, the lieutenant whose years of iron loyalty have been rewarded with his deepest trust, the steward of his fund raising. Rarely are these staff members known outside the lawmaker's narrow orbit. But when Eppard left Capitol Hill the day after the 1994 election to start her own lobbying firm, many of the nation's richest interests were clamoring to sign her up, showering her with hundreds of thousands of dollars in fees.

That's because Eppard had served as the closest of advisers to E.G. ("Bud") Shuster of Pennsylvania, who after the 1994 election was suddenly elevated to chairman of the House Transportation and Infrastructure Committee, a position from which he can steer billions of dollars to specific projects and industries. And while House rules put a 12-month ban on Eppard's directly lobbying her boss of 22 years, she had free access to the rest of the committee and its staff. She kept her job as Shuster's chief Washington fund raiser, earning $3,000 a month for arranging receptions and speaking engagements. Among her new clients, which include Federal Express, Union Pacific and the Outdoor Advertising Association of America, she found a wellspring of eager contributors.

For a congressional staff member to use the ties of government service to provide a lucrative, comfortable afterlife "happens all the time," Shuster correctly notes. But theirs is a coziness that is drawing new scrutiny in these increasingly suspicious times in Washington. The watchdog group Common Cause plans this week to ask the House ethics committee to look into the relationship between the chairman and his former aide, who continues to serve as his top political adviser. What got people talking was a story that appeared earlier this month in the twice-a-week Capitol Hill newspaper *Roll Call*. Just after dawn on Jan. 25, the paper's reporter spotted the 9th district Congressman and Eppard pulling out of her recently purchased $823,000 town house. She was driving her 1994 Dodge sedan, which bears the official-looking license plate "US House PA 9." Shuster, it turns out, has rented out his only Washington residence, and acknowledged last week that while Congress is in session he now spends two or three nights a week at Eppard's home or in his office. But he, his wife and five children issued an angry statement denouncing the "maliciously untrue innuendo" raised about Eppard. They noted that the chairman's son—himself a congressional candidate and fund-raising client of Eppard's—was also at her home that morning.



CATERED AFF... Eppard (standing) is a favorite of Shuster

Whatever the personal relationship between Eppard and Shuster, the story has drawn attention to another, more common type of intimacy between Congress members and lobbyists who seek to influence them. Says Josh Goldstein of the Center for Responsive Politics: "This situation really describes in a compact way the culture of Washington." Even while working as a lobbyist, Eppard heads a fund-raising operation for Shuster that in 1995 surpassed $600,000. The effort is all the more remarkable as he has run unopposed since 1984, when he trounced Nancy Kulp, who played Jane Hathaway on the *Beverly Hillbillies*. In November he faces Monte Kemmler, a largely unknown county planner.

Despite the lack of a challenger, Shuster has found ways to spend the money. He has consistently led all other Congress members in the amount his campaign spends on meals—$70,313 during the 1992 election cycle, according to Dwight Morris, co-author of *The Handbook of Campaign Spending*. (His nearest competition was renowned steakhouse habitué Dan Rostenkowski, who spent $28,704.) And Shuster's campaign travel budget has ranked near the top among House members, although his district is a mere two-hour drive from Washington by way of a four-lane stretch of highway officially designated the Bud Shuster Byway.

Shuster and Eppard insist that he has done nothing special for his longtime aide or her clients. But the real value of effective lobbyists is the ability to make a member of Congress pay attention to the causes they promote. At a conference committee on highway legislation last fall, Shuster rankled some in the Senate by tying up talks for weeks with his demands to loosen the federal restriction that keeps billboards off scenic roadways. The billboard industry is both an Eppard client and a leading Shuster contributor. One question that Common Cause may ask the ethics committee to investigate is whether a lobbyist's providing free lodging to a Congress member violates the gift ban that the House, with much self-congratulation, passed late last year. Shuster maintains that he has "meticulously complied" with all ethics restrictions. He says his stays with Eppard were cleared by the committee, which refuses to comment.

But that new gift rule includes a loophole-size exemption for lobbyists who happen to be "personal friends" of House members. And if the break-in of mutual benefit between Shuster and Eppard say anything, it is about what constitutes friendship in Washington. *With reporting by Mollie Ascutt/Washington*

WEDNESDAY, SEPTEM[illegible] 20, 1995

POLITICS & POLICY

Emergence of Single-Member Lobbying Raises Fresh Concerns in Post-Packwood Washington

Wall Street Journal 9/20/95

By JILL ABRAMSON
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — In the capital's power corridors, Ann Eppard isn't exactly a household name.

For 22 years she toiled in relative obscurity as administrative assistant to Rep. Bud Shuster, the Pennsylvania Republican and longtime member of the House transportation panel. After the GOP victory last November swept Mr. Shuster into the chairmanship of the House Transportation and Infrastructure Committee, Ms. Eppard hung out her shingle as a lobbyist. Clients came flying to her door, including Federal Express Corp., the American Road and Transportation Builders Association, Amtrak and other transportation companies — all with vital business before Mr. Shuster's panel.

While the revolving door that spins between Capitol Hill and lobbying firms isn't anything new, Ms. Eppard's instant success does represent a new degree of specialization in the influence-peddling profession: the emergence of the single-member lobbyist. Disclosures in the controversy revolving around Sen. Bob Packwood have suddenly put single-member lobbying and the money connection between lobbyists and lawmakers into bold relief.



Rep. Bud Shuster

Ms. Eppard's clout derives mainly from a single relationship — her long service to Chairman Shuster. Although current ethics laws bar Ms. Eppard from lobbying her former boss or his personal staff for a year, she has free range with other members of the transportation committee and its staff, many of whom once worked beside her.

Paid a Consulting Fee

She also retains a position of influence with Mr. Shuster as his chief Washington fund-raiser and assistant treasurer of his re-election campaign. So far she has helped raise $170,000 from political-action committees, many in the transportation industry. Some of Ms. Eppard's clients, including Federal Express, have kicked in generously to Mr. Shuster's campaign. Ms. Eppard is paid a consulting fee by the Shuster campaign for her fund raising.

Ms. Eppard and Rep. Shuster both say they have scrupulously adhered to ethics laws in their dealings with one another. "I don't think I'm doing anything different from hundreds of other lobbyists," says Ms. Eppard. "There are a lot of people who left Dec. 31, and not all of them went home to Iowa to pick corn." She attributes the success of her new lobbying firm to her decades of expertise in transportation issues and emphasizes that she also enjoys good relationships with Democrats. Rep. Shuster says Ms. Eppard has "one of the most savvy, strategic minds of anyone I've ever met."

Nothing in current ethics laws — or the revisions being considered by Congress this year — prohibits single-member lobbying, other than the one-year freeze on lobbying a former congressional employer. The symbiotic relationship between lobbyists seeking legislative favors for their clients and lawmakers in need of a steady stream of campaign cash has also long been part of Washington's culture. But fallout from the sexual-misconduct case against Sen. Packwood has raised fresh questions about single-member lobbying.

In the Packwood debacle, which resulted in the Oregon Republican's resignation from the Senate earlier this month, the lobbyist in question is Ronald Crawford, whose association with Sen. Packwood began during his first Senate race in 1968. Mr. Crawford, whose wife worked on Sen. Packwood's staff, became the senator's chief fund-raiser, along with another prominent GOP lobbyist and former Packwood staffer, William Diefenderfer. Mr. Crawford was one of the Washington lobbyists from whom Mr. Packwood sought employment for his former wife in order to reduce his alimony payments. Mr. Crawford, in a statement, denies any quid pro quo.

Blatant Favor Trading

Mr. Packwood's famous diaries reveal numerous instances in which he helps Mr. Crawford's clients, including giving preferential tax treatment to Shell Oil Co., a unit of Royal Dutch/Shell Group, despite Mr. Packwood's hostility to oil interests. The diaries attest to blatant favor trading between the lobbyist and the senator: "He said 'I know how much you hate the oil companies.' I said 'Ron, I still hate the oil companies, but I'll do you a favor.'"

Mr. Crawford, whose attorney dec[illegible] further comment for this story, is more revealing about the relationship deposition he gave to the Senate e panel. In 1992, Mr. Crawford said helped raise nearly $1 million for Packwood's campaign from PACs in W[illegible]ington. In return, he received $60,0[illegible] consulting fees. Meanwhile, he lobbie[illegible] an array of clients with business befor[illegible] Senate finance panel, where Mr. P[illegible]wood was the former chairman and r[illegible]ing Republican member. When as[illegible] where Sen. Packwood ranked in term[illegible] the members he lobbied, Mr. Craw[illegible] matter-of-factly told the ethics panel, "I think Packwood certainly would be a[illegible] top of the list."

When they ruled the Capitol, it was Democrats who more or less invented single-member lobbying phenomen[illegible] Charlie McBride, a former staffer to [illegible] Louisiana Democrats, Sen. Russell Lo[illegible] and Sen. Bennett Johnston, opened a [illegible] bying firm in 1977. He represents ma[illegible] Louisiana firms and energy compan[illegible] with business before Sen. Johnston's e[illegible]ergy panel. Mr. McBride has also rais[illegible] funds for Sen. Johnston and other Sena[illegible] Democrats.

"Will my business suffer if Johnst[illegible]

Dear Diary

Excerpt from the diary of GOP Sen. Bob Packwood of Oregon regarding lobbyist and former Packwood fund-raiser Ronald Crawford:

Wednesday July 11, 1990 "...they (a potential lobby client) want to retain Ron because, as Ron says, 'People hear that you're tough to get to and they know I can get to you.' I said, 'Well, that's a happy relationship for all of us.'"

leaves, I don't think so," Mr. McBride says, when asked to ponder the ramifications on his five-person lobbying firm of Sen. Johnston's announced retirement in 1996. But he also concedes that "There are people who have hired me for help in that regard (to deal with Sen. Johnston), and maybe there will be those who won't see the need for my services any more."

Alumni from the offices of powerful Democrats such as Rep. John Dingell of Michigan and former Rep. Dan Rostenkowski of Illinois include former Dingell staffer Michael Kitzmiller, a lobbyist at the firm of Johnson, Smith, Dover & Stewart, and former Rostenkowski aide Robert Leonard, a partner at the politically connected law firm of Oldaker, Ryan & Leonard. Both firms include former aides to other lawmakers so that their web of influence is wider and deeper than the small firms run by Ms. Eppard or Messrs. Crawford and McBride.

Cassidy & Associates, a large firm that has hired many staffers to congressional appropriators, grew by creating an amalgam of different single-member specialists, including Henry Giugni, longtime administrative assistant to Democratic Sen. Daniel Inouye of Hawaii. After the November election, Cassidy acquired a Republican firm headed by former aides to Senate whip Trent Lott of Mississippi.

Another well-established firm, Parry & Romani Associates, was built by two former Senate aides. Thomas Parry, a former top aide to Sen. Orrin Hatch, represents a host of pharmaceutical companies with business before the Utah Republican. Mr. Parry's partner, Romano Romani, worked for former Arizona Democratic Sen. Dennis DeConcini.

And what of Mr. Crawford. Do his clients evaporate with Sen. Packwood? It doesn't appear so. His two major clients, the National Cable Television Association and the National Restaurant Association, both say he remains on retainer.

The Ulster Unionist Party wants to divide the six northern counties into 18 new constituencies, each of which would elect five delegates to a 90-member peace convention. Smaller parties would likely end up unrepresented. The Social Democratic and Labor Party and Sinn Fein both fear this system will give a built-in majority to unionists.

The Social Democratic and Labor Party favors a system in which voters would simply be given a list of parties and asked to check off the party they wished to represent them. The whole of Northern Ireland would be treated as one constituency, with

discuss any other issue until it is resolved. They need assurances that that will not be the case.

Many suspicions remain. The White House has served well as an honest broker, and should do so again if needed. Leaders from all three nations must use every opportunity to create good will and confidence. All the parties will need to prepare their followers for compromise, recognizing that democracy may involve the postponement of some goals.

The I.R.A. must also do its part by ending its renewed bombing campaign and showing the courage once again to seek a peaceful resolution of this conflict.

Dynamic Duo

3/16/96 New York Times

Even in Washington, where the revolving door between government service and lucrative lobbying whirs with breathtaking speed, Representative Bud Shuster's dealings with a lobbyist named Ann Eppard have attracted special notice. The Pennsylvania Republican is the chairman of the House Transportation and Infrastructure Committee. For more than 20 years, Ms. Eppard was his chief of staff.

When she left in 1994, she achieved instant success as a lobbyist. According to recent news accounts, she received more than $500,000 in fees her first year, mostly to represent transportation interests before Mr. Shuster's committee. Amtrak, for example, paid Ms. Eppard $100,000 a year when his committee was writing major legislation affecting the railroad.

Federal laws barred her from lobbying Mr. Shuster for one year — a prohibition both say was observed. But loopholes left her free to lobby the committee's chief of staff. She has also continued to do political and fund-raising chores for Mr. Shuster as a paid member of his campaign staff. She has solicited her clients for contributions for his reelection. At the same time, Mr. Shuster has regularly accepted free lodging at Ms. Eppard's home.

Common Cause has asked the Ethics Committee to determine whether Mr. Shuster acted properly. The answer will test the efficacy of House ethics standards, and of the committee.

Melting Planet

It has been as ugly in the Berkshires, two and a half hours north of New York City, as open, undisturbed country ever gets. One day the temperature reached 47 in the

This feels like some suffocating, damp antithesis.

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Journal of Commerce MONI
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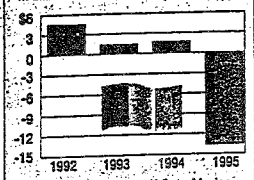
Journal of Commerce
FAST FACTS

US Trade Balance With Mexico
In billions of dollars, Jan.-Oct.



Positive numbers mean U.S.-to-Mexico exceeds Mexico-to-U.S.

SOURCE: Global Trade Information, Columbia, S.C.

TODAY

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New markets are opening in China for food processing and packaging equipment. 5A

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Lawmaker, Lobbyist Ties Under Scrutiny

Groups May Seek Eppard-Shuster Ethics Investigation

By WILLIAM L. ROBERTS
Journal of Commerce Staff

WASHINGTON — Concerned about the relationship between a House committee chairman and his former chief of staff, now a high-paid lobbyist, several public interest groups are poised to call for an ethics investigation.

"We're looking at filing something with the Ethics Committee to raise a couple of the issues with this. We haven't decided anything yet, but we do think it's probably appropriate for the House to take a formal look at this thing," said Donald J. Simon, executive vice president of Common Cause.

Over the past year, both House Transportation and Infrastructure Committee Chairman Bud Shuster, R-Pa., and Ann Eppard, whose start-up lobbying firm has been very successful in signing up clients since Rep. Shuster became chairman of the committee, have sought the advice of House ethics counsel.

Both say they've been careful to follow the rules.

What has watchdog groups like Common Cause concerned, however, is the dual role played by Ms. Eppard. Rep. Shuster's chief of staff for 22 years until 1994, she is now a highly paid lobbyist for major transportation companies and a top fund raiser and political consultant to Rep. Shuster.

Ms. Eppard and her firm Ann Eppard Associates Ltd., of Alexandria, Va., generated at least $600,000 in revenue — and possibly more than $1 million — in 1995, while at

SEE SHUSTER, PAGE 2A



The worst flooding in Oregon to their knees. Above, workers in Portland. Story, Page 6B.

China: Anti- Succeeding;

By JOE STUDWELL
Special to The Journal of Commerce

BEIJING — As a U.S. trade dele gation today begins its latest at tempt to curb theft of intellectua property, there are signs that Chi na's loudly trumpeted claims of ac tion are working.

China has relentlessly publicized its anti-piracy crackdown, with national and local television carrying dozens of reports featuring the burning and crushing under road rollers of pirated goods.

The state-run media says that by the end of January, 3,800 stores dealing in audio-video and electronic materials in the capital had been inspected by the Beijing Press and Publication Administration

Gerry Davies, regional foreign exchange director for Technical Data in Boston.

"The inherent weakness in the German economy underpins (the) dollar-mark (exchange rate)," he said.

"If you look at the rhetoric from the Bundesbank of late, they would be kind of happy to see a weaker mark, basically led by a higher dollar-mark" ratio in order to rejuvenate the German economy through export growth.

The dollar-yen rate, meanwhile, has been affected "by recent moves improvement in the U.S. trade figures in recent months" has been another important source of support for the dollar. The Commerce Department reported Thursday that the trade balance had improved for the fifth month in a row; the November deficit of $7 billion was the smallest since March 1994.

Bob Lynch, a currency analyst for MMS International in New York, said Friday, "The general tone of the dollar remains relatively positive.

"There was a bit of a scare earlier this week when the dollar dipped Sunday night in Asia and supported in the near term," he added.

Neither Mr. Lynch nor Mr. Davies believes that the U.S. economic data due to be released this week — covering durable goods orders, factory capacity utilization and export and import prices — is likely to have much impact on foreign exchange markets.

Along with concern about the German economy and Bundesbank policy, the U.S. Labor Department's report for January showing more weakness in the employment rate than had been expected moved those in the last seven weeks, is due to meet again on monetary policy on March 26. There is continuing anticipation of one more reduction of 25 basis points in the federal funds rate that banks charge each other for overnight loans.

As for the dollar's prospects beyond this week, Mr. Davies says, "We've kind of been stuck in a consolidation mode for a while now. The dollar looks fit, it's seeing good interest on dips. I think the feeling is that the dollar has the potential to go higher but it's going to be a long and painful process."

Shuster/ Continued From Page 1A

the same time assisting Rep. Shuster in raising $655,000 in political campaign contributions, according to congressional disclosure forms.

At issue, among other questions, is whether Ms. Eppard complied with a one-year federal ban on lobbying by senior congressional staff.



SHUSTER

The law was designed to damp- the effects of "revolving door," in which officials parlay government service and contacts into personal gain by joining the private sector. Its intent is to protect the congressional legislative and policy-making process from undue influence by former members and senior staff.

"In the totality of this, I think there is a question whether the cooling-off period in terms of the ban on lobbying has been observed," Mr. Simon said.

The rule itself is relatively easy to comply with. Lobbying is defined narrowly as spoken or written communication between the former staffer and the member with the intent to influence pending legislation or request official action, according to the House ethics manual.

Rep. Shuster and Ms. Eppard say they complied with the rule by establishing "fire walls" between them. They simply did not discuss committee business during the one-year period, which expired for Ms. Eppard on Nov. 9.

"First of all, we have been meticulous to be sure that we clear with the ethics committee what we do. Indeed we did it previously. And with the new legislation that passed . . . I had an extensive further review with the ethics committee to be darn sure that everything we were doing complied with all the ethics," Rep. Shuster said in an interview in his office on Capitol Hill in January.

"I am fanatical about making sure that we're complying with the ethics," he said.

A spokesman for Rep. Shuster said the congressman could not be reached for comment Friday. Repeated phone calls last week to Ms. Eppard's firm requesting comment were not returned.

"The circumstances are reason for very serious concern," said Josh Goldstein, a project director at the Center for Responsive Politics, a group that tracks patterns of influence and political contributions to candidates.

"Regardless of whether it technically violates a rule of the House . . . the impression that it leaves is this is Washington's business as usual," Mr. Goldstein said.

One factor accruing to Rep. Shuster's favor in any inquiry requested of the House Committee on Standards of Official Conduct, is that he and Ms. Eppard cannot be investigated for actions they took based on the advice of ethics counsel. But in a rule aimed at construing its ethics manual broadly, the House says members must not do indirectly what they would not be able to do directly, meaning members are bound to comply with both the spirit and the letter of House rules.

"I think this case definitely deserves thorough scrutiny by the ethics committee to determine whether or not Congressman Bud Shuster has provided any favoritism or special treatment for Ann Eppard's clients that would have constituted an abuse of office," said Gary Ruskin, director of the Congressional Accountability Project, a group associated with consumer advocate Ralph Nader.

While the watchdog groups have questions about the matter, none of their officials have asserted that Rep. Shuster has done anything wrong. Further, no House members have come forward to suggest that Rep. Shuster has violated congressional ethics standards.

Meanwhile, new questions are emerging about Rep. Shuster's acceptance of overnight lodging from Ms. Eppard on a number of occasions in the past year. Rep. Shuster and his wife have also been overnight guests of Ms. Eppard. He generally described the visits as social and stemming from a long family relationship.

He has declined, however, to elaborate further on the circumstances or frequency of the visits. He has said that lawmaker-lobbyist relationships like his and Ms. Eppard's are common and accepted in

Florida Sees Good in N. C.

increases the non-corporate funds he has available to help Congressional candidates and secure his place on the House leadership ladder. The public has made it manifest that it wants campaign finance reform. A key item in that reform should be the elimination of leadership PACs — which permit Members essentially to double the amount of money they can collect since contributors can give legally to both a Member's personal campaign and his leadership committee. Now, as DeLay has demonstrated, they can also duck the ban on corporate donations. This has got to stop.

Shuster & Ethics

The ethics committee owes the public an explanation for its dealings with Rep. Bud Shuster (R-Pa), the Transportation and Infrastructure Committee chairman who acknowledges that he has stayed overnight "many times" at the home of lobbyist Ann Eppard.

When Roll Call on Feb. 8 first published our story about Shuster's lodgings, the Congressman insisted through staff that the ethics panel had cleared "everything" about his dealings with Eppard. A week and a half later, Shuster produced a transcript of a conversation with an ethics lawyer in December, advising him that Eppard qualifies as a "personal friend" under the House's new gift rules and is therefore allowed to offer Shuster free hospitality. Does this constitute ethics committee approval of an arrangement in which Shuster can accept frequent stays at the home of a person who made more than $500,000 last year lobbying the committee that Shuster chairs? The ethics panel ought to say. Instead, committee staff director Ted Van Der Meid will confirm only that the conversation with Shuster took place and that the "gist" of the transcript is correct.

But sources say the panel can't find any written waiver, which the House Ethics Manual says is required for an exemption from the gift rules. So is Shuster right in claiming that "we have meticulously abided by House ethics rules"? We'd like to know the answer, which is why a full ethics probe of the matter is necessary.



ROLL CALL
THE NEWSPAPER OF CAPITOL HILL SINCE 1955
VOL. 41, NO. 57 MONDAY, FEBRUARY 12, 1996

Two Shusters Are Running for Congress, Both Aided by Fundraising Help of Lobbyist Eppard

By Timothy J. Burger

Rep. Bud Shuster (R-Pa), the chairman of the Transportation and Infrastructure Committee, acknowledged in a statement Thursday that his campaign is based in the home office of a lobbyist whose main business is representing clients before his committee.

Roll Call reported Thursday that Shuster, in a potential violation of the House's gift rules, has regularly lodged overnight in the $823,000 Alexandria waterfront home of Ann Eppard, who was his chief of staff for 22 years before opening her lucrative new lobbying business.

And now, Eppard is also deploying her fundraising clout in the transportation community to aid the House campaign of Shuster's son Bob, a former aide to retiring Rep. Bill Clinger (R-Pa) who is running to succeed him.

Within days of Clinger's Jan. 15 retirement announcement, Eppard had put together a $1,000-a-head fundraiser for Bob Shuster, she told Roll Call last month. Within about a week, the Bob Shuster campaign already had some $100,000 in commitments toward its goal of $250,000 for the April 23 GOP primary, an extraordinarily fast start for a first-time candidate.

And the younger Shuster's fundraising appeal was very much tied to his father's chairmanship, with Eppard assembling a guest roster that included a who's who of other transportation lobbyists. The event itself was a combination birthday party for Rep. Shuster and fundraiser for the aspiring Rep. Shuster.

With Eppard's help, the Shusters are hoping to become the first father-son team to serve simultaneously in the House.

The Shuster family's ties to Eppard are extensive, the Congressman's office said in its statement Thursday. "We have been family friends with Ann Eppard and her family for over a quarter of a centu-

Continued on page 16

Attachment #5

Shuster's Chair Is Boon for Son's House Campaign

Continued from page 1

try. The entire family — the Congressman, his wife Pat, and their children — have stayed at Eppard's home in Virginia many times over the years and she and her family have stayed at our home in Pennsylvania many times."

The Shuster statement blasted Roll Call's story as filled with "innuendo" and noted that Bob Shuster, as well as his father, was at Eppard's home at 7 a.m. one morning last month when a Roll Call reporter was invited in for coffee.

But the statement was silent on the key question of whether Rep. Shuster has paid for the housing or received an ethics committee waiver specifically allowing him to accept free hospitality. Common Cause is considering filing an ethics complaint against Shuster about the issue, according to executive vice president Don Simon. Sources said some Democratic Members are, too.

The family's ties to Eppard are professional as much as personal. The Congressman has been paying Eppard $3,000 a month to head his political operation. She is listed as his campaign's assistant treasurer and has been signing its Federal Election Commission filings.

And Shuster's statement on Thursday said that her office, "on the ground floor of her home, is the legal repository of our campaign documents" — confirming that the Shuster campaign is based in Eppard's lobbying office.

Shuster also said that the House ethics committee had approved the unusual arrangement but has refused to release any documentation from the panel. An aide to ethics Chairwoman Nancy Johnson (R-Conn) said the panel cannot do so itself without Shuster's permission and suggested that a reporter ask Shuster to produce the committee's advisory opinion.

Eppard has earned at least $500,000 in just one year lobbying, often before Shuster's committee, on behalf of some 22 clients, most of them blue-chip transportation companies such as United Airlines, Federal Express, and Fast Ship Atlantic.

In her capacity as Shuster's top campaign fundraiser, Eppard last year helped the Congressman raise $655,000, much of it from the transportation industry and at least $25,000 of it directly from Eppard's clients and their PACs.

And now she's taking on added duties for Bob Shuster's campaign, starting with the Jan. 23 fundraiser in the Capitol Hill Hyatt's Capitol View Club restaurant. At the event, billed as a reception and "intimate dinner" in invitations, there was a round of applause in the 11th-floor room overlooking the Capitol as Bob Shuster toasted his father's 64th birthday.

The event was hosted by "Friends of Chairman Bud Shuster," according to the invitation hastily issued by Eppard's office, with her lobbying office phone number listed for RSVPs.

Numerous top transportation lobbyists attended, from Mike Rock of Union Pacific to Dave Fuscus of the Air Transport Association, whose wife, Julie Chlopecki, works for Eppard. Union Pacific paid Eppard at least $9,000 to lobby for it last year. Eppard said last month that the event yielded "close to" $100,000 for the fledgling campaign. "It turned out really well."

But the fundraising advantages that come with a powerful parent in Congress can also translate into political liabilities. In 1992, for example, Sen. Bennett Johnston's (D-La) efforts to help his son, Bennett III, win the Democratic primary for a northern California House seat backfired, and Rep. Lynn Woolsey (D) took it.

Already there are signs that Bob Shuster's primary opponents will focus on his heavy-hitting Washington assistance. Shuster, a 30-year-old attorney, is opposed in the GOP contest for Clinger's seat by state Sen. John Peterson and Pat Conway, who was Clinger's senior district representative for eight years before joining Gov. Tom Ridge's (R-Pa) staff.

"Well, I'm not surprised to hear that," Conway said last month when told of his opponent's early fundraising success among transportation titans. "I naturally assumed that that would be an area that Bob would do well in, given Chairman Shuster's role in that industry."

Asked about Shuster's effective fundraising, Peterson said: "He or his father? Let's keep it straight, here. Or Ann Eppard."

Peterson insisted in a January interview that he, too, was "close to $100,000," but carefully noted that "my money is being raised in the district," which includes Warren, Bradford, and St. Mary's City. "I have a base of support. My support will not come from Washington."

But Eppard last month defended young Shuster's early list of contributors, saying that "a lot of these people have roots in Pennsylvania."

For example, "You could say that Mike Rock from Union Pacific was a transportation lobbyist. I would say that he's a Sigma Chi and a graduate of Dickinson [College in Carlisle, Pa.] and a longtime personal friend," Eppard said.

She also cited as a friend former Rep. Larry Coughlin (R-Pa), who practiced law with Bob Shuster when he was at the firm Eckert, Seamans and is now a lobbyist on transportation issues.

Bob Shuster, who until Jan. 14 spent a year as a $40,000-a-year district representative for Clinger, could also win key endorsements at least in part related to his father's position.

One source said last month, for example, that the local chapter of the Associated Builders and Contractors trade association, whose members have a large stake in Transportation Committee decisions, was likely to endorse Bob Shuster.

"I'd be shocked if they didn't," said Peterson. "I guess Bud Shuster is the transportation guru of the country."

An official of the central Pennsylvania chapter of ABC could not be reached for comment.

Eppard's involvement with Bob Shuster's campaign appears to predate Clinger's announcement that he would leave Congress at the end of the session. Peterson said his camp received inquiries — as to whether he would consider endorsing Bob Shuster — from third parties calling on Eppard's behalf.

"All the contacts were indirectly through her. Would I consider supporting Bob Shuster?" He said this began around 9 p.m. on Jan. 13, two days before Clinger's retirement announcement.

Eppard said that no one made calls on her behalf.

"If I wanted to call John Peterson," she said, "I'd call him directly."

EDITORIAL

Shuster Inc.

Roll Call 5/2/9

Attachment #6

"Constituent service" is not a synonym for "conflict of interest." As the Keating Five scandal should have taught Members of Congress, doing official favors for campaign contributors can be a conflict. Repeatedly intervening with the executive branch on behalf of a contributor who is in business with your children is definitely a conflict.

So when Rep. Bud Shuster's (R-Pa) former top aide says Shuster's official actions for Altoona real estate developer Maurice Lawruk were just "a normal part of constituency work," she is way off the mark. In fact, Roll Call's story this week on the Congressman's interlocking ties to Lawruk is a case study in conflict that should be investigated by the House ethics committee. To call Shuster's questionable pattern of efforts on Lawruk's behalf routine constituent service is to impugn the legitimate, conflict-free constituent service done by other Members.

Consider the facts uncovered by Roll Call's Timothy J. Burger: Lawruk gets Shuster and the late Sen. John Heinz (R-Pa) to secure a special exemption from Congress so that he can win HUD funds for his Penn Alto Hotel deal. In 1990 and 1991, with Lawruk under fire for not paying workers the federally mandated "prevailing wages," Shuster pleads Lawruk's case to HUD Secretary Jack Kemp and Labor Secretary Lynn Martin. At the same time, the longtime Shuster family friend is putting his money on the line to help Shuster's two twentysomething sons go into the car business.

And that's just one example. The overlapping ties continue today, now that the Shuster Chrysler dealership has moved to a new location on the Bud Shuster Highway, right next to an intersection that is being widened thanks to federal funds pushed for by...Bud Shuster. And Lawruk, who is still a partner in the dealership, is a key player in all of this, with his company receiving $800,000 to build the new Shuster Chrysler facility.

The ethics committee — and the Justice Department if need be — must sort through this tangled web to determine what relation there is between Shuster's official actions, his family's business interests, and Lawruk. Already, public interest groups have asked ethics and Justice to probe the Congressman's ties to Ann Eppard, in the wake of Roll Call's February story that Shuster has been regularly lodging in the home of Eppard, his former top aide who is now a lobbyist making a mint off lobbying his committee.

There's further reason for an investigation of their ties coming out of this week's Shuster story. Refusing to comment, the Congressman's office referred calls by other news organizations to Eppard. So now a lobbyist whose business depends on her ability to influence the outcome of actions in Shuster's committee is the official spokesperson defending him.

Once again, the lines are blurred between Shuster's Congressional office, his close friends, and their business interests. Such arrangements are so blatant it's hard to believe there needs to be a rule against them. But there does, and the ethics committee should act swiftly to clear up Shuster's evident confusion about the real meaning of "constituent service."

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Open
Modified
Closed

104th Congress

Open
Modified
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Attachment #7

THE WALL STREET JOURNAL.
★★★ EASTERN EDITION
FRIDAY, FEBRUARY 9, 1996
WHITE OAK, MARYLAND

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Pennsylvania's L..p. Shuster Stayed At Home of Ex-Aide, Now a Lobbyist

By PHIL KUNTZ
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — Ann Eppard for months has been Exhibit A for what critics call the revolving door between government service and lobbying. She became the transportation industry's most successful new lobbyist when her old boss, Rep. Bud Shuster, assumed the chairmanship of the committee that oversees such issues last year.

Now it turns out that the Republican Transportation Committee chairman has stayed at the lobbyist's home many times, he confirmed yesterday. The Pennsylvania congressman was responding to a story in Roll Call, the scrappy Capitol Hill tabloid, that asserted he has been regularly lodging at her pricey riverside home in Alexandria, Va. The same home houses her office, where she reportedly grossed hundreds of thousands of dollars in her first year in business. It also is headquarters for her work as the chairman's paid political adviser and fund-raiser. His campaign records also reside there.

Mr. Shuster's spokesman refused to say whether the congressman lives there, or if he ever stays anywhere else when in Washington.

Family Is 'Distressed'

"The Shuster family is deeply distressed by the maliciously untrue innuendo" in the Roll Call story, the congressman said in a statement. He added that "everyone has meticulously complied with the ethics rules." The congressman said that he and his wife, Pat, have been close friends with Ms. Eppard's family for 25 years and that the two families had stayed at each other's homes "many times."

Ms. Eppard didn't return phone calls. But, as previously reported in this newspaper, she said she scrupulously adheres to ethics rules in her dealings with Mr. Shuster. "I don't think I'm doing anything different from hundreds of other lobbyists," she said last year.

Though House rules severely restrict the gifts members may accept, "personal hospitality" is allowed. Members must get a written waiver from the Ethics Committee before staying at someone's home for more than 30 days in a single year. The congressman has previously been quoted as saying that he "checked with the Ethics Committee on every move that's made." His spokesman refused to elaborate yesterday.

Under revolving-door laws, Ms. Eppard was barred from lobbying Mr. Shuster directly for a year but was free to lobby his committee and colleagues. "We set up firewalls, or we did set up firewalls until her year was up," Mr. Shuster told the Journal of Commerce.

"I think it's outrageous," said Common Cause President Ann McBride. "You have a former staffer providing free lodging and raising money for him at the same time she is representing major interests that can be powerfully affected by the actions of the chairman." Common Cause plans to ask the Ethics Committee to look into the matter.

Ms. Eppard has filed disclosure forms for a number of clients with transportation interests. The Journal of Commerce, which has been tracking her activities for months, says she grossed at least $600,000 last year.

Truck-Weight Rules

"We were satisfied; they did a great job," said Mary Staples, a lobbyist for Frito-Lay Inc., which retained Ann Eppard Associates last year. Ms. Eppard worked on a measure requiring the Transportation Department to review its light- and medium-weight-truck rules with an eye toward deregulation. It was enacted last year as part of a larger highway bill.

Federal Express Corp. also retained Ms. Eppard after deciding to overhaul its lobbying strategy in light of the GOP takeover. "Hiring Ann Eppard was really not a very difficult decision," said Doyle Cloud, vice president of government affairs, adding that "it helped that she was Shuster's chief of staff."

Ms. Eppard also represented Amtrak as Congress debated cutting its subsidy, and she has represented the American Road and Transportation Builders Association. She was hired by the Outdoor Advertising Association of America, which successfully fought for legislation that could allow more highway billboards. The ocean-shipping industry used her services as it lobbied on an international-shipping-deregulation bill. And she was one of several lobbyists working for Union Pacific Corp. as it shielded its acquisition of Southern Pacific Rail Corp. from Justice Department antitrust enforcers in the bill that abolished the Interstate Commerce Commission.

Ms. Eppard was Rep. Shuster's top aide for more than 20 years. She decided to leave a few weeks before the 1994 election that brought the Republicans and her boss to power. Her last day was Election Day.

* * *

Rep. Shuster came under fire for regularly lodging at the home of a former aide who is now a lobbyist for clients affected by the work of the transportation panel he heads. The Pennsylvania Republican denied any impropriety, saying his family and hers are old friends. (Article on Page A4)

* * *

Attachment #8

NANCY L. JOHNSON, CONNECTICUT
CHAIRMAN
JIM BUNNING, KENTUCKY
PORTER J. GOSS, FLORIDA
DAVID L. HOBSON, OHIO
STEVEN SCHIFF, NEW MEXICO
THEODORE J. VAN DER MEID,
CHIEF COUNSEL

ONE HUNDRED FOURTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT
Washington, DC 20515–6328

JIM McDERMOTT, WASHINGTON
RANKING DEMOCRATIC MEMBER
BENJAMIN L. CARDIN, MARYLAND
NANCY PELOSI, CALIFORNIA
TIMOTHY J. PENNY, MINNESOTA
THOMAS C. SAWYER, OHIO
SUITE HT-2, THE CAPITOL
(202) 225-7103

June 13, 1996

Honorable Bud Shuster
2188 Rayburn Building
Washington, D.C. 20515

Dear Colleague:

We are responding to your letter of May 10, 1996, in which you pose several questions relating to your personal and business associations with a former employee. As you know, there have been press accounts in regard thereto.

The answers set out below contain the Committee's general guidance on the issues raised and are not intended to express approval or disapproval of any actions you have taken in the past.

Sincerely,

Nancy L. Johnson
Chairman

Jim McDermott
Ranking Democratic Member

Questions asked by Congressman Bud Shuster

Q. Can Ann Eppard work for my campaign after she leaves my personal office and becomes a lobbyist?

A. The House's jurisdiction does not extend to Ann Eppard and her activities after she leaves the House nor does its jurisdiction extend to your campaign organization or its employees. Attached is a Memorandum prepared by the Committee on November 8, 1994, which discusses post-employment and related restrictions for staff.

Q. Can my campaign use a media and public affairs firm if Ann Eppard worked for that firm as well as my campaign.

A. The House's jurisdiction does not extend to Ann Eppard and her activities, to your campaign organization and its employees, or to the companies with which the campaign contracts.

Q. Prior to December 31, 1995, could my wife, my family, and myself stay at Ann Eppard's home?

A. The House rule then applicable was Rule 43, clause 4. It provided that a Member, officer, or employee of the House shall not accept in any calendar year gifts (other than the personal hospitality of an individual or with a fair market value of $100 or less) totaling more than $250, directly or indirectly, from any source other than a relative. This Committee was authorized to waive the rule in "exceptional circumstances."

To qualify as personal hospitality, the lodging had to be provided at a personal residence, not a place of business. Thus, you could visit at someone's home, but a stay at an Inn, even one owned by a friend, would be governed by the $250 gift limit. Personal hospitality also included

food, whether at the host's home or at a restaurant. The hospitality exception did not extend to travel expenses or entertainment outside the home. These are subject to the $250 limit.

A Member or employee who accepted personal hospitality for more than four days or three nights consecutively from a single source had to document that the hospitality met the Committee's criteria. Documenting means preparing a memorandum for your files indicating that you have verified that the hospitality is being offered on the host's own premises, for a non-business purpose, and that the host is not being reimbursed or taking a tax deduction for the expenses associated with the hospitality. You could not accept more than 30 days of personal hospitality in a calendar year from a single source without a prior written waiver from the Committee on Standards.

In addition to the personal hospitality exception, the House gift rule had a separate exception for local meals. This exception allowed a Member or employee to accept a meal from a source who was *not* also providing lodging or travel, but who was present at the meal. A Member was not required to disclose the acceptance of either personal hospitality or local meals on his or her annual financial disclosure statement. Under House Rule LII, effective January 1, 1996, "local meals" are no longer permitted.

Q. While Ann Eppard was still on the House payroll, could she stay at my home?

A. The answer to the prior question also applied to Ms. Eppard's stays at your home while she was a House employee.

Q. What rules apply to my family providing her hospitality now that she is no longer a House employee?

A. No House rule regulates how, when, or to whom you extend hospitality.

Q. Prior to December 31, 1995, could Ann Eppard provide some personal transportation for me?

A. The House rule applicable to your inquiry was Rule XLIII, clause 4. It provided that a Member, officer, or employee of the House shall not accept in any calendar year gifts (other than the personal hospitality of an individual or with a fair market value of $100 or less) aggregating more than $250, directly or indirectly, from any source other than a relative. This Committee was authorized to waive the rule in "exceptional circumstances."

So long as the value of the transportation provided you did not exceed the gift limit, you could accept transportation from Ms. Eppard.

Q. Prior to December 31, 1995, could Ann Eppard pay for meals when we have been working late on campaign issues?

A. See the answer on page 1, beginning on line 23. The Federal Election Commission may have rules governing this.

Q. Under House Rule LII, effective since January 1, 1996, does Ann Eppard qualify as a "friend" under the following circumstances even though she is a lobbyist with issues before the Committee I chair?

a. I, my wife, and our family and supporters have stayed at Ann's home in Virginia on a number of occasions, and she has stayed at our home in Pennsylvania on many occasions.

b. We have each paid for meals when we are working late on campaign issues.

c. She and I first worked together at my computer company beginning in 1970.

d. She volunteered for my 1972 campaign and served as my Chief of Staff from 1973 to 1994.

e. Ann is hired by my campaign committee as a political consultant.

f. Ann does not take a business or tax deduction.

A. Rule 52 (effective January 1, 1996), exempts anything provided by an individual on the basis of a personal friendship unless you have reason to believe that, under the circumstances, the gift was provided because of your official position and not because of the personal friendship. The rule also states that no Member, officer, or employee may accept a gift worth more than $250 on the basis of the personal friendship exception unless this Committee issues a written determination that the exception applies.

The Committee has a long established policy of waiving the limits of the gift rule "in the case of gifts from individuals who have a long-standing personal or social relationship with the Member or employee, where it is clear that it is those relationships that are the motivating factors of the gifts, rather than the fact of the individual's office or position in Congress."[1] If your relationship meets these criteria, the Committee would determine that you may accept gifts exceeding $250 in value from Ms. Eppard, under the personal friendship exception to the gift rule. The rule requires the donee to seek the Committee's written approval prior to accepting gifts exceeding $250.00.

[1] HOUSE BIPARTISAN TASK FORCE ON ETHICS, REPORT ON H.R. 3660, 101st Cong., 1st Sess., 135 CONG. REC. H9255 (daily ed. Nov. 21, 1989).

Q. After January 1, 1996, can my family and I stay at Ann Eppard's house?

A. The new gift rule, House Rule LII, clause (16), allows personal hospitality and does not contain any time limitations on personal hospitality as the prior rule did. It states:

> A gift of personal hospitality (as defined in section 109(14) of the Ethics in Government Act)[2] of an individual other than a registered lobbyist or agent of a foreign principal.

The legislative history of House Rule LII specifically addresses the issue of "personal hospitality" from a lobbyist:

> The gift restrictions do not apply to personal hospitality from someone other than a registered lobbyist or foreign agent. Personal hospitality is defined in the Ethics in Government Act as "hospitality extended for a nonbusiness purpose by an individual, not a corporation, at the personal residence of that individual or his family or on property or facilities owned by that individual or his family" The provision is not intended to prohibit "personal hospitality" by registered lobbyists if the lobbyist qualifies under the "personal friends" exemption in paragraph (4)(A) of clause 1(e).[3] (Emphasis added.)

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[2] (14) "Personal hospitality of any individual" means hospitality extended for a nonbusiness purpose by an individual, not a corporation or organization, at the personal residence of that individual or his family or on property or facilities owned by that individual or his family;

[3] H.R. Rep. No. 337, 104th Cong., 1st Sess. page 11 (1995).

This Committee has accepted the legislative history and has also concluded that lobbyists can qualify as "personal friends" notwithstanding their status as a registered lobbyist.

Food, lodging, or entertainment received as personal hospitality need not be reported on your annual Financial Disclosure Statement. *See* 5. U.S.C. app 6 § 102(a)(2)(A). However, if the value exceeds $250.000, then this Committee must issue a written determination that the friend exception applies.

Q. Can Ann buy dinner for me?

A. If she qualifies as a "friend" under 1(c)(4) of House Rule LII, then she can pay for your dinner without any approval from this Committee. If the value exceeds $250.00, then this Committee must issue a written determination that the friend exception applies.

Q. Can I charge dinner to my campaign if it is a political dinner at which Ann Eppard and I discuss the campaign?

A. The use of campaign funds is regulated by the Federal Election Commission. The only House Rule implicated by the question is House Rule XLIII (6):

> A member of the House of Representatives shall keep his campaign funds separate from his personal funds. He shall convert no campaign funds to personal use in excess of reimbursements for legitimate and verifiable prior campaign expenditures and he shall expend no funds from his campaign account not attributable to bona fide campaign purposes.

Consequently, a violation of House rules would occur if the meal's costs were covered by campaign funds while the meal was for personal business.

Q. After January 1, 1996, can Ann drive me around in her car, and if she can, must I reimburse her?

A. The answer depends on the purpose for the transportation. If the transportation is for official business, House Rule XLV would require reimbursement so that Ms. Eppard is not subsidizing the operation of your Congressional office. If the transportation is for political business, then the rules of the Federal Election Commission apply. If the transportation is for personal reasons and is provided on the basis of *bona fide friendship* as defined in clause 1(c)(4) of House Rule LII, no reimbursement is required.

European rails urge Brussels to investigate CSX joint venture

BY BRUCE BARNARD
JOURNAL OF COMMERCE STAFF

BASEL, Switzerland — Europe is being invaded by U.S. railroads.

At least, that is the way some European rail interests feel. And they also feel betrayed by some of their traditional commercial partners.

The discontent surfaced here Wednesday, when European Union antitrust authorities were urged to investigate the competitive implications of a planned joint venture among CSX Corp. and the Dutch and German state railways.

"Should the joint venture be allowed to take place?" asked Alain Poinssot, chairman of the

See CSX, Page 4B

JOURNAL OF COMMERCE STAFF

Key House committees reached agreement on sanctions against foreign firms dealing with Iran and Libya, clearing the way for speedy passage next week, congressional aides said Wednesday.

The compromise on the secondary boycott bill sponsored by Rep. Benjamin Gilman, New York Republican and chairman of the International Relations Committee, may end a 10-week fight over provisions that have put billions of dollars in banking and trade with the European Union at risk.

The agreement, which is likely to be marked

See SANCTIONS, Page 7B

House GOP pushes ethics clearance for Shuster

BY WILLIAM ROBERTS
JOURNAL OF COMMERCE STAFF

WASHINGTON — The House Republican leadership is pressing the committee on ethics to clear Rep. Bud Shuster, R-Pa., of impropriety charges for his frequent overnight stays at the home of a transportation lobbyist during 1995, congressional sources say.

A minority of Democrats on the secretive House Committee on Standards of Official Conduct, which meets today on the matter, is balking at the proposal. The group fears it would give Rep. Shuster a shield against any future inquiry into the matter by the committee.

Further, Democrats allege Republicans have engaged in improper horse trading on the ethics committee by attempting to link Rep. Shuster's circumstance with an unrelated situation involving retiring Rep. Pat Schroeder, D-Colo.

"We've been told the committee might be contemplating some sort of barter or exchange," said Dan Buck, top aide to Rep. Schroeder. "It's

See SHUSTER, Page 4B

SO YOUR SHIP HAS COME IN. NOW WHAT?

Journal of Commerce 6/13/96

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Continued from Page 1A

Shuster

a corruption of the ethics process and doesn't reflect credibly on the institution. If they want to investigate Schroeder, they should investigate Schroeder. If they want to investigate Shuster, they ought to investigate Shuster. Instead, they are going out to try to take a hostage so we can have an exchange of prisoners."

Several other well-placed congressional sources expressed similar views on the ethics committee's consideration of the Shuster matter. Efforts to reach Rep. Shuster through his senior staff were unsuccessful.

Chairman of the House Transportation and Infrastructure Committee that governs laws covering shipping, railroads, aviation, trucking, highways and ports, Rep. Shuster has been dogged since July 1995 by questions surrounding close dealings with his former chief of staff, Ann M. Eppard.

Started lobbying firm

After more than 20 years as top aide to Rep. Shuster, Ms. Eppard left Congress in 1994 to start a lobbying firm. Republicans won a majority in the House and Rep. Shuster became chairman of the powerful House transportation committee.

Despite a federal law prohibiting senior staff from lobbying their former congressional employers for a "cooling-off" period of one year, Ms. Eppard continued to play a political role for Rep. Shuster just as she had prior to her departure from his government payroll. She served as assistant treasurer to his campaign committee and as a political consultant in his central Pennsylvania district.

During this time frame, Ms. Eppard and Rep. Shuster have said they avoided the lobbying problem by creating a "fire wall." They have said often they did not discuss transportation legislation, committee business, or Ms. Eppard's clients.

From the beginning they said they had received — and in fact did receive — oral advice from House ethics committee staff that the dual role of Ms. Eppard as both a lobbyist and a fund raiser/political aide to the congressman was acceptable within the bounds of House rules.

Construed as gift

What is unclear, and what Rep. Shuster is now trying to have clarified before the committee, is whether he was given advance clearance by the committee to stay overnight at Ms. Eppard's home, which also contains her lobbying firm's offices. With an exception for personal friends, House rules construe such overnight stays with lobbyists as "gifts" that members should not accept.

Rep. Shuster asserts that because he and Ms. Eppard are family friends whose personal relationship predates his, election to Congress his overnight stays with her should be permitted. House ethics committee staff agreed in a December 1995 telephone conversation. Technically, however, House members are required to obtain such clearances in writing and in advance, a step Rep. Shuster apparently failed to take.

Where and how Rep. Schroeder's situation fits in the committee's deliberations on Rep. Shuster is vague. What the two matters have in common is the question of oral advice by committee staff. After her announcement that she will retire at the end of the 104th Congress, Rep. Schroeder was inundated with employment offers. She sought ethics advice on whether she could negotiate a post-employment contract and was told she could, as long as it didn't create the impression of impropriety, Mr. Buck said. Since then, Rep. Schroeder has signed contracts for three speaking engagements in 1997 for $15,000 each with groups that have no interests pending before Congress.

Sources say Rep. Nancy Johnson, R-Conn., chairwoman of the ethics committee, wants the committee to approve a letter for Rep. Shuster retroactively sanctioning the oral advice he had received. At the same time, she is said to be linking committee action on Rep. Schroeder's advice as well.

Some opposition

Rep. James McDermott, D-Wash., the senior Democrat on the committee, is said to be opposed to issuing a letter of clearance to Rep. Shuster.

Members of the ethics committee traditionally do not comment on committee business. The committee seats are evenly held between five Republicans and five Democrats.

Andrew Corbett, consultant, dies

JOURNAL OF COMMERCE STAFF

NEW YORK — Andrew J. Corbett Sr., founder of a maritime consulting firm in New York, died Monday of kidney

Manhattan Prep School and Manhattan College.

He later opened A.J. Corbett & Sons, which represents ports in the United States, Europe and Asia.

ter, Katherine Clifford; and 10 grandchildren.

The Pelham Funeral Home is handling arrangements. Calling hours are 2 p.m. to 4 p.m. and

Roll Call 6/13/96

Ethics Spars Over Plan To Clear Rep. Shuster

By Damon Chappie and Juliet Eilperin

The House ethics committee is embroiled in a major fight over a move by Chairwoman Nancy Johnson (R-Conn) to forestall an investigation of Rep. Bud Shuster (R-Pa) and his ties to a top transportation lobbyist, sources told Roll Call.

Johnson has prepared a letter to the chairman of the Transportation and Infrastructure Committee that would memorialize the oral conversation Shuster had with an ethics committee staff attorney in December 1995.

But Democrats may balk at the move in a meeting today.

Shuster contends that he sought and received clearance for frequently lodging with his former aide, Ann Eppard, who now is a prominent lobbyist of Shuster's Transportation Committee. The new House gift rules that took effect in January bar Members from receiving virtually all gifts, including free housing, from lobbyists.

After Roll Call in February reported Shuster's lodging at Eppard's Alexandria home, Shuster released

Continued on page 20



Nearly Dozen Hill Staff Also Make the FBI List

By Juliet Eilperin

Tony Blankley, Speaker Newt Gingrich's (R-Ga) press secretary, isn't the only top Republican Congressional staffer whose FBI file turned up in the Clinton White House.

In fact, three aides to the Government Reform and Oversight ministration, according to an informal Roll Call survey.

Ironically, Russell George, staff director for the panel's government management, information, and technology subcommittee, planned to discuss privacy issues at a hearing today on how the Clinton Administration has implemented sev-

Roll Call, Thursday, June 13, 1996

House Ethics Split Over Johnson Proposal to Avoid Investigation of Rep. Bud Shuster's Ties to Lobbyist

Continued from page 1

a "transcript" of the conversation, even though it was not electronically recorded, that he considered cleared his lodging with Eppard as a "personal friend" under the new House gift rules.

But it has been unclear whether that verbal advice constituted a formal waiver of the gift rules — and whether that waiver would apply retroactively to 1995. The House ethics committee's files contain no record of a written waiver to Shuster.

Johnson's letter would likely forestall the ethics committee from opening its own investigation of Shuster because it would confirm that Shuster relied on the oral advice given by the staff attorney and give the imprimatur of a formal, written waiver.

Ethics rules protect Members who act "in good faith in accordance with a written advisory opinion from the Committee." In addition, and more important to Shuster, a Member who relies on the written opinion "may not then be investigated by the Committee based on the conduct addressed in the opinion, and courts will consider reliance on such an opinion a defense to prosecution by the Justice Department," according to the House ethics manual.

A complaint against Shuster has been filed by Common Cause, but no Member has moved to formally transmit the complaint. The Congressional Accountability Project has also asked the Justice Department to investigate whether Shuster's ties to Eppard violated gratuities laws, including her providing lodging while working on transportation issues and soliciting donations as chair of the Bud Shuster Portrait Committee.

Shuster, according to sources, has been privately pressing members of the ethics committee to issue a waiver because of the heat he has taken over the allegations in his district. On Wednesday afternoon, Shuster and Johnson could be seen engaged in a lengthy conversation on the House floor.

In an unusual twist, Johnson has raised a separate case involving oral advice from an ethics attorney received by Democrat Pat Schroeder (Colo), who asked the committee if it was proper to line up speaking engagements before actually leaving Congress at the end of this session (Roll Call, May 23). Johnson apparently is seeking to link the two cases together because both rely on oral advice, sources said.

A Democratic source familiar with the situation involving Schroeder described Johnson as seeking to hold Schroeder "hostage" in a bid to secure a decision in favor of a Republican Member by the ethics committee. "This doesn't reflect well on the committee," the source said.



Photo by Laura Patterson

At issue is a conversation Shuster had in December 1995 with an ethics committee counsel regarding the propriety of his lodging with lobbyist and ex-aide Ann Eppard.

Schroeder told Roll Call that at least one Republican Member was asked by other Republicans to file a complaint against her. But the Member refused, Schroeder said she was told.

Rep. Jim McDermott (D-Wash), the ethics ranking member, is refusing to sign the Shuster letter written by Johnson, sources said. But sources also said that the panel's Democrats were not unified on the issue and that one Democratic ethics member may support Johnson and the Republicans.

In other ethics news, special counsel James Cole is in Georgia today interviewing officials of Kennesaw State College for the probe of House Speaker Newt Gingrich.

The committee is evenly divided between the parties, so if one Democrat switches sides, Johnson is likely to win on the issue.

McDermott refused to comment.

Rep. Ben Cardin (D-Md) told Roll Call that he would not sign the letter in McDermott's place. But he refused to discuss whether he would vote with Republicans to issue the letter.

Shuster spokesman Jeff Neiligan said that he was unaware of any move by the ethics committee.

In other ethics matters, James Cole, the special counsel investigating House Speaker Newt Gingrich (R-Ga) and his use of tax-exempt groups to finance his nationally broadcast college course on Renewing American Civilization, is in Georgia today interviewing officials of Kennesaw State College, where Gingrich first taught the class.

Cole is scheduled to talk with Kennesaw State College President Betty Siegel; James Fleming, who heads the Kennesaw State College Foundation; Timothy Mescon, the dean of the business school; and Terri Lavelle, Mescon's assistant.

Both the college and the foundation are tax-exempt groups and both were used to funnel money from Gingrich supporters, many of them corporate, in support of the course. Mescon requested that Fleming set up a separate checking account within the foundation to accept and distribute tax-exempt contributions in support of the Gingrich class.

A 1993 memo outlining the arrangement noted that no foundation money was being used for the course. "The required $250,000 budget is projected new money being raised by the dean and the Gingrich organization." The memo described the foundation's involvement as "purely of a banking nature...."

After Kennesaw faculty protested that the Gingrich course was being used as a partisan showcase, the course was moved to the small, private Reinhardt College in Waleska, Ga. At that point, the funding of the course was taken over by the Progress & Freedom Foundation, another tax-exempt group set up by several longtime Gingrich associates.

Fleming arranged the foundation's services for the course and he and his wife also contributed to it.

Mescon's relationship to the course and to Gingrich is more complicated. In addition to his deanship, Mescon owns a consulting firm with his father called the Mescon Group, which worked on international issues.

In September 1992, Mescon wrote Gingrich seeking assistance in obtaining government contracts for his firm. A month later, Gingrich wrote to the Agency for International Development requesting that agency officials meet with Mescon.

Gingrich's assistance was unusual because Mescon did not reside in Gingrich's district. But Gingrich wrote back to Mescon that he had contacted AID and in a handwritten postscript wrote that "I am very interested in working with you after the election."

In November, Mescon informed Gingrich that his firm has opened an office in Ghana and he accepted Gingrich's offer to meet with him. Meanwhile, AID officials responded to Gingrich and informed him that they had provided the names of agency officials responsible for Ghana to Mescon.

Then, in February 1993, Mescon wrote a letter to Krister Holladay, a top Gingrich staffer, promising to "submit a proposal soon regarding [Gingrich's] teaching on campus in the fall quarter." In the next paragraph, Mescon asked for more "assistance" that "you might be able to provide in assisting with our attempt to expand our many activities both in Ghana and domestically."

A week later, Gingrich wrote a three-page memo to Mescon outlining the structure of the course, beginning the formal restart of Gingrich's academic career.

Democrats have complained that the Gingrich course was a veiled attempt to recruit Republican activists and that it was set up and managed by officials from GOPAC, the secretive political committee headed by Gingrich until last year.

Gingrich, in responses filed with the ethics committee, has argued that the course was educational and was properly financed through tax-exempt donations.

Meanwhile, on the Senate side, the Congressional Accountability Project, a watchdog group founded by Ralph Nader, filed an ethics complaint against Sen. Alfonse D'Amato (R-NY) urging that he be investigated for the allegedly special treatment he received from a broker that netted him $37,000 on a one-day stock deal.

The stock purchase was first revealed by Roll Call in June 1994.

The ethics complaint contends that D'Amato may have violated Senate rules and federal law by buying initial public offering stocks through Stratton Oakmont when the Securities and Exchange Commission was investigating the firm for allegations of fraud and other securities violations.

D'Amato was the ranking member of the Senate Banking Committee, which oversees the securities industry and the SEC.

"He should have been particularly sensitive to appearances or the propriety of accepting a large monetary benefit from a brokerage house with significant pending governmental interests," the complaint said.

More HOH: Is a Cigar Really Just a Cigar?

Continued from page 1

question about his age by launching into a remarkable impersonation of Sen. Strom Thurmond (R-SC).

"Ah don' wanna miss any votes," Dole, in a high-pitched voice, quoted Thurmond as saying.

Even Koppel chuckled.

More Than Just a Cigar? Feature articles on the resurgence in cigar smoking that has accompanied the Republican Revolution are now solidly in the "dog bites man" category, but the summer 1996 issue of Cigar Aficionado magazine includes a revealing look at one particularly smoke-filled room in the Capitol: the House Majority Leader's office.

The article depicts a group of shamelessly posing GOP staffers discussing their affinity for fine cigars, including: Horace Cooper, a [illegible] aide to Whip Tom DeLay (R-Texas); and Marc Lampkin, a counsel on the House Economic and Educational Opportunities Committee.

In competition for the high point of the article are Cooper's lighting of a Cuban cigar at his desk in the Capitol (he claims a colleague gave it to him, as if that were justification for violating the economic embargo) and Lassiter's volunteering that she's been reading Freud and wondering aloud, "Is cigar smoking phallus envy?"

Curb Service. Many Congressional features were ruffled back in 1993 when Sen. John McCain (R-Ariz) tried to ban free parking for Members at National and Dulles airports.

So HOH feels it's only fair to point out that McCain apparently doesn't feel so strongly about parking illegally on DC streets.

Shootout. Members of the Washington state delegation gathered last night at the National Rifle Association's Hill office to watch the Chicago Bulls try to sweep the Seattle SuperSonics in Game 4 of the 1996 NBA playoffs.

Scheduled to be on hand were Reps. Jennifer Dunn (R-Wash), Rick White (R-Wash), and Norm Dicks (D-Wash), along with Rep. Bob Walker (R-Pa), who was appointed honorary "Sonic-for-the-Evening" because his brother, Wally, is the Sonics' general manager.

The event was sponsored by the Washington State Society, which rented out the NRA space.

Senate dinner, McCain left his Cadillac in a "No Parking or Standing Anytime" tow-away spot. His car, of course, wasn't towed.

..., Washington, DC 20002-3557.

EDITORIAL

6/13/96 Roll Call

D'Amato & Shuster

If the Senate and House ethics committees expect to be taken seriously, they need to show they're serious about their work by pursuing probes of Sen. Alfonse D'Amato (R-NY) and Rep. Bud Shuster (R-Pa). Both cases raise troubling questions about special treatment accorded to Members with prime committee positions.

This is not, of course, D'Amato's first run-in with the Senate Ethics panel. Its first probe of him yielded a rebuke to the Senator for allowing his brother to misuse his office, but dismissal of a host of other charges involving alleged influence peddling. Now, the Congressional Accountability Project wants Ethics to investigate D'Amato's head-turning $37,125 initial public offering profit, first revealed by Roll Call in 1994. Two years ago, D'Amato insisted to Roll Call, "I'm no Hillary Clinton," even though he made a one-day profit from a brokerage, Stratton Oakmont, that was under investigation by the Securities and Exchange Commission, which D'Amato oversaw as ranking member (and now chairman) of the Senate Banking Committee.

Two years later, with the release of the SEC's file on the matter, it's been confirmed that Stratton Oakmont violated its own rules in selling D'Amato extra shares of computer stock — hence increasing his potential profit. An ethics case arises because the SEC's investigator quotes Stratton's president, Daniel Porush, as relating that D'Amato approached the firm's chairman, Jordan Belfort, at a fundraising event and said, "Can you make me some money?" Belfort reportedly replied that the SEC was investigating his firm and said to D'Amato, "Are you sure you want to do this? It would look bad." D'Amato is said to have replied, "Since when is it illegal to make money in the stock market?" D'Amato denies that the conversation took place, but the matter merits investigation as a potential solicitation of a gratuity on D'Amato's part.

In the Shuster case, meantime, it appears that House ethics Chairwoman Nancy Johnson (R-Conn) is trying to let the House Transportation Committee chairman escape both legislative and executive branch inquiries into his admitted receipt of free lodging from a lobbyist, Ann Eppard, who was his chief of staff and is now making a fortune lobbying his committee.

Sources say Johnson has written a letter — which Democrats on the committee may refuse to approve — confirming that Shuster received verbal clearance late last year from an ethics staff counsel to accept Eppard's hospitality because she fell under the "personal friend" exemption from new House gift rules.

It would be a big mistake for ethics to approve this letter. Why? (1) We don't see how it was possible for the ethics lawyer, Ed Hosken, to have acquired full information on the Shuster-Eppard arrangement in a phone call; (2) there is good reason to doubt whether Hosken could issue a gift rule clearance to Shuster in 1996 that would retroactively cover Shuster's lodging in 1995; and (3) a formal clearance letter from ethics could close down a Justice Department inquiry into the Shuster case. The ethics committee shouldn't be in the business of dispensing after-the-fact political cover to Members who engage in ethically questionable activities. Our advice to Johnson: Write Shuster a letter after an ethics investigation, not instead of one.

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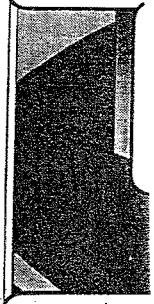

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once again made clear that state legislators may no longer create majority-minority House districts by drawing in minority voters from geographically remote areas."

But, of more immediate concern to current Members, the Justices gave no instructions on how elections should proceed this November in North Carolina and Texas, where nominees for both parties have already been chosen in primary elections in majority-minority districts that have now been thrown out and in the adjacent districts that also would be affected by any new map.

Continued on page 22

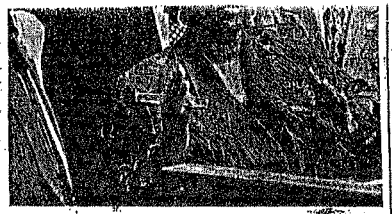

Photo by Laura Patterson

Since primaries have already passed, it's not clear what will happen this election year. Above, Black Caucus members (from left) Mel Watt, Eva Clayton, and Don Payne react to the rulings.

than $500,000 last year from the bestselling book, "To Renew America," after turning down the huge advance.

book, including $120,000 to a co-writer and hefty agent fees. Overall, the book, which spent three months

Continued on page 24

How Rich Are Richest Members? New Forms Make It Easier to Know

By Amy Keller

They're not necessarily getting richer, but more of their money is showing up on paper.

Friday marked the release of Members' financial disclosures for 1995, and new reporting requirements mean the forms more accurately reflect their wealth — or lack thereof.

Take Sen. Herb Kohl (D-Wis), whom Roll Call pegged as the third richest Member of Congress in January.

Because of the vague and broad categories on the old forms, Kohl's 1994 financial disclosure report set his worth as low as $10 million, but

Continued on page 24

Unusual Ethics Letter to Shuster Suggests He Needed Waivers

By Juliet Eilperin

In a highly unusual move, the House ethics committee last week gave Transportation and Infrastructure Chairman Bud Shuster (R-Pa) "general guidance" about the questions surrounding his ties to his former chief of staff, transportation lobbyist Ann Eppard.

And though the ethics letter, dated Thursday, is "not intended to express approval or disapproval" of Shuster's acceptance of lodging at Eppard's home, the guidelines clearly indicate the Congressman failed to receive required written waivers in advance for several of his actions.

In case after case, the panel's answers state that Members must receive "a prior written waiver" for gifts, including lodging and food. Under House Rule X, Members can only receive advisory opinions for "current or proposed conduct."

The ethics committee's files contain no record of a written waiver to Shuster.

After Roll Call in February first reported Shuster's frequent lodging at Eppard's Alexandria home, Shuster released a written "transcript" of a conversation between himself and an ethics committee staff attorney in December 1995. Shuster cited the document as evidence that the ethics panel had known about and approved his actions.

But the ethics letter, signed by Chairwoman Nancy Johnson (R-Conn) and ranking member Jim McDermott (D-Wash), does not refer to that conversation.

Shuster said in a statement on Friday that "I felt it was important to put my questions in writing and get written responses, which this [ethics] reply represents. The reply is consistent with what I understood the House Rules to be." He made no mention of why he had not sought written waivers from the panel.

Sources told Roll Call before Thursday's ethics meeting that Johnson had planned to write a letter clearing Shuster because he had received oral advice from the panel, but that McDermott was not prepared to sign such a letter (Roll Call, June 13).

Former House Counsel Stan Brand, who now works as a defense attorney, said the letter was "not very helpful" in terms of defending a

Continued on page 22

HEARD ON THE HILL

By Craig Winneker

It's Two Boys! Must be something in the hallway water fountain over on the second floor of Longworth, where Reps. Paul Gillmor (R-Ohio) and Blanche Lambert Lincoln (D-Ark) are next-door neighbors. Gillmor's wife, state Sen. Karen Gillmor (R-Ohio), gave birth to twin boys on

INSIDE

- More Dole fallout: Lott lands Finance seat, p. 3; after the losing, p. 5.
- The state of racial politics: Cook, p. 6; Kondracke, p. 8.
- Senate gets its second portrait of a woman, p. 10.

Dole's Gone, But His Archivist Isn't: Packing Up Relics of a Long Career

By Juliet Eilperin

The photo is vintage Americana, circa the late 1970s: a smiling couple, the man with slightly longish hair on the sides, the woman sporting a suede button-down shirt with wide lapels. Bob and Elizabeth Dole in the age of disco.



But Dole's official archivist,

Page 22 ROLL CALL Monday, June 17, 1996

House Ethics 'General Guidance' Letter to Shuster Skirts Questions About Possible Rules Violations

Continued from page 1

ellent against charges of ethical violations. Brand also said he could not recall a single similar instance in his entire professional career of the ethics panel issuing such a letter.

"In my 20 years I am unaware of the committee issuing a non-advisory, advisory opinion," he said, "but maybe I missed something."

Common Cause has asked the ethics committee to probe Shuster, though no formal complaint has been filed by a Member of Congress, and the Congressional Accountability Project has asked the Justice Department to investigate the Shuster-Eppard ties.

Roll Call has reported that Eppard is spearheading Shuster's campaign fundraising out of her lobbying office, which is in the same Alexandria home where Shuster has stayed. Eppard's fledgling lobbying business made more than $1 million, by the Journal of Commerce's reckoning, in its first year, fellow lobbyists attribute Eppard's success to her ties to the chairman of the panel she specializes in lobbying.

Brand noted that the ethics panel's letter "leaves open the question" of whether Shuster violated House rules.

"They do not express an opinion as to application of these rules to his specific conduct," he said. "You don't need the committee to reprint the House ethics manual; presumably he already has that."

A copy of the ethics panel's response, which does not include Shuster's letter of inquiry from May 10, reveals that many of the questions appear to hinge on whether Shuster's lodging with Eppard constituted a gift of "personal hospitality."

The third question in the document, for example, asks, "Prior to December 31, 1995, could my wife, my family, and myself stay at Ann Eppard's home?"

Even under the old House rules, the letter states, Shuster "could not accept more than 30 days of personal hospitality in a calendar year from a single source without a prior written waiver from the Committee on Standards."

The letter notes the same rules applied to Eppard staying at Shuster's personal residence when she was a House employee, but no rules apply to her now that she is off the House payroll.

The letter does not address the fact that Eppard has lobbied directly on issues pending before the panel Shuster now chairs, though it did outline areas where a conflict of interest affects even personal relationships.

For example, the House's new gift rule exempts gifts provided on the basis of a personal friendship, the letter states, "unless you have reason to believe that, under the circumstances, the gift was provided because of your official position and not because of the personal friendship." It also places a limit of $250 on personal gifts, unless a Member receives a prior written approval from the committee.

Under the current rules, the arrangement between Eppard and Shuster could be acceptable, provided the Congressman consulted the committee for a waiver.

There are no time limitations on personal hospitality from individuals other than lobbyists or foreign agents, and the letter notes under the legislative history of the gift ru "The provision is not intended to prohibit 'personal hospitality' by registered lobbyists if: lobbyist qualifies under the 'personal frien exemption in paragraph (4)(A) of clause 5(c

If the value of food, lodging, or entertainment exceeds $250, the letter adds, "then t Committee must issue a written determin tion that the friend exception applies."

Shuster did not list any gifts on his fin cial disclosure reports for 1995, which w released Friday.

At one point in the letter, Shuster asks, "(Ann buy dinner for me?" Again, the panel spouals that a dinner worth more than $25 quires a written determination concerning friend exemption.

Other questions raise even more compl dons. While Shuster asks if he can charge ner to his campaign if he and Eppard dis the campaign, the letter observes that s tete-a-tete could violate House rules (as as federal election law) if "the meal wa personal business."

Shuster also inquired if he could receive rides from Eppard, to which the committee sponded, "the answer depends on the pur of transportation."

In February, Roll Call observed the le his driving the Congressman in her car c her townhouse complex. Shuster ha knowledged that Eppard has routinely c ferred him.

"If the transportation is for official bus House Rule XLV would require reimbursement so that Ms. Eppard is not subsidizi operation of your Congressional office ethics letter says. "If the transportation political business, then the rules of the F al Election Commission apply."

Redistricting Ruling's Confusing Fallout

Continued from page 1

All of which has added a major dose of confusion to this fall's Congressional elections in those two states — and potentially others — with less than five months to go before November's balloting.

"Anybody who tells you they know what's going to happen is lying," said Texas Rep. Chet Edwards (D), whose Waco district was not directly affected by the Court's decision.

The decision whether to order the states to draw new lines and hold new primaries before November is now back in the hands of the three-judge federal panels who made the initial rulings on the constitutional validity of the districts.

In deciding how to proceed, the judges will take into consideration two major — and competing — considerations, say redistricting experts: the High Court's clear statement that the districts are in fact unconstitutional, and the practical difficulties and expenses involved in starting from scratch so late in the election cycle.

The Members whose districts were thrown out — Democratic Reps. Mel Watt of North Carolina and Eddie Bernice Johnson, Sheila Jackson Lee, and Gene Green of Texas — all said last week that they would push for the imposition of any new lines to be delayed until after the 1996 elections.

"A number of people have made substantial investments in the districts as currently configured," said Watt.

Added Jackson Lee, "The cost to the voters for a new election, coupled with the fact that the voice of the people has been heard in setting the race in November, should convince the court to proceed in November with the election as things are today."

And Democratic Congressional Committee Chairman Martin Frost (Texas), whose own Dallas district will now have to be redrawn, also argued for a delay. "The primaries have been held and candidates are now actively campaigning," he said. "Forcing changes to the lines now...would be too disruptive."

But the plaintiffs, who successfully argued

Morales said that the best-case scenario is to have the state legislature draw a new set of lines before the elections — which would require Gov. George W. Bush (R) to call a special session.

Bush spokesman Ray Sullivan told Roll Call Friday that the governor intends to wait until the three-judge panel in Houston makes a ruling finalizing which lines should be used in November before he himself expresses any preference.

"We'll have to play the cards the court deals us," he said.

In North Carolina, a spokesman for Attorney General Mike Easley (D) said he believes the legislature should not redraw the lines until 1997. That opinion may get a receptive hearing from the three-judge panel in the state, which ruled, 2-1, to uphold Watt's long and spindly "I-85 district," so named because it follows the interstate highway.

The Texas court, on the other hand, threw out the districts in that state.

No matter what the impact of the Supreme Court rulings in Bush v. Vera and Shaw v. Hunt on the next several election cycles, experts from both sides of the aisle agreed on one thing they will not do: stem the flood of litigation that has come to flow so freely out of the redistricting process.

"There will probably be just as much confusion as always" after the 2000 Census, said Democratic redistricting lawyer Jeff Wice.

Added Benjamin Ginsberg, the former Republican National Committee general counsel and architect of the RNC's redistricting strategy following the 1990 Census, "The largest constant in redistricting has been that there is always a great deal of litigation."

And both agreed that despite Associate Justice Sandra Day O'Connor's attempt, in a concurring opinion to her own plurality opinion in the Texas case, to lay out a specific "framework" that legislative cartographers may use to avoid constitutional challenge to their lines, the whole subject remains so subjective that future controversy is inevitable.

O'Connor tries in her concurring opinion to provide a set of guidelines by which legislators can navigate both the requirement under Sec. 2 of the Voting Rights Act not to dilute the votes of minority citizens and the mandate to avoid the bizarrely shaped districts deemed out of bounds by the Court.

Summarizes O'Connor, "Districts that are bizarrely shaped and non-compact, and that otherwise neglect traditional districting principles and deviate substantially from the hypothetical court-drawn district, for predominantly racial reasons, are unconstitutional."

But in arguing that majority-minority districts can pass constitutional muster if they are in fact "compact," said Wice, O'Connor still does not make clear what "compact" means. "Compactness is in the eyes of the justices," he said.

"There are still hugely varying interpretations," agreed Ginsberg.

And despite the series of rulings disallowing the use of race as the "predominant factor" in redistricting, said Ginsberg, the technical capabilities of political cartographers will allow them to draw precisely the same maps using political — rather than racial — data.

The Supreme Court has upheld, he pointed out, gerrymandering of a political, as opposed to racial, nature. And bizarrely shaped districts pass muster, said Ginsberg, as long as it can be shown that no explicitly racial data was employed to construct them.

More HOH: McIntosh's Troubled Trip Hom

Continued from page 1

Not cited in to the whole Gillmor baby situation was the Congressman's Democratic [illegible] Newark City Councilwoman An- and battery by two USAir employees after a May 10 incident at National Airport in which they claim he pushed and shoved them as he tried to board a plane for Indianapolis.

Smoke and Mirrors. HOH offers a in-the-face apology to Majority L Armey's aide Horace Cooper, who the Cuban cigar he was smoking in the [illegible]

Journal of Commerce 6/18/96

The pact was reached on the day that the United States was to block $2 billion a year in imports from China of apparel, electronics and sporting goods.

Almost every year since 1992, the United States has precipitated a major confrontation tive Charlene Barshefsky in negotiations in Beijing.

men are was not clear Monday. While U.S. officials said they had acted against the "most egregious" copyright pirates, that seemed limited to the three unlicensed plants shut down in recent weeks, which were

See AGREEMENT, Page 2A

Ethics hands Shuster neutral letter

BY WILLIAM ROBERTS
JOURNAL OF COMMERCE STAFF

WASHINGTON — The House ethics committee, following a closed-door meeting, gave transportation chairman Rep. Bud Shuster, R-Pa., a neutral letter regarding his complex and overlapping ties to a former longtime staffer, Ann M. Eppard.

The letter did not "express approval or disapproval" of Rep. Shuster's actions since November 1994 when Ms. Eppard started a new lobbying firm and Republicans won control of the House.

Rep. Shuster, who chairs the House Transportation and Infrastructure Committee, said in a statement he was "pleased" with the letter, but critics of his ties to Ms. Eppard and experts in congressional ethics said it raises as many questions as it answers.

"The committee has basically

See SHUSTER, Page 4B

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negotiations as early as July.

EU officials will flesh out the draft mandate and will be ready to open talks with the Americans by the fall, a commission official said.

The commission has won a "staggered" mandate, which means it cannot initially touch on key issues like market access, fares or capacity that lie at the heart of bilateral pacts.

The first negotiations will cover regulatory issues like competition rules, right of establishment, airline ownership limits, code sharing and access to computer reservation systems.

The EU believes there is scope in these areas to rebalance the trans-Atlantic relationship. U.S. airlines can own up to 49% of a European carriers, while European airlines are limited to a 25% voting stake in a U.S. carrier. The EU, reacting to U.S. criticism of state subsidies to European airlines, points to the ability of U.S. carriers to exploit bankruptcy laws to subsidize predatory prices.

The commission's hard-won victory was overshadowed Monday by preparations in London to trade an open-skies accord with Washington for U.S. antitrust clearance for the British Airways-American Airlines pact.

The two airlines announced plans last week to join forces in an alliance that would create a network spanning nearly 36,000 city pairs around the globe.

The two carriers account for 58% of traffic between the United States and Britain, and a nearly a quarter of traffic between the United States and Europe.

But in order for a BA-American alliance to work, the U.S. Transportation Department will have to grant the carriers antitrust immunity.

The Clinton administration has said repeatedly this year that open skies are a prerequisite for antitrust immunity.

Although the pending BA-American partnership is the key catalyst, the EU's decision could add fuel to Britain's newfound sense of urgency to renegotiate its air accord with Washington, a Senate aviation staffer said.

"The specter of the EU negotiating on behalf of Britain, if (Britain) doesn't negotiate a new bilateral, may hurry the process up," the aide said.

Meanwhile, Britain attempted Monday to drive a wedge between EU governments and their airlines.

"Negotiations with the United States are best undertaken by national governments. We know that the major European airlines share our views," said Sir George Young.

Lisa Burgess in Washington contributed to this report.

Continued from Page 1A

Shuster

done nothing more than restate what the rules are without in any way addressing whether Congressman Shuster has violated the rules," said Donald J. Simon, executive vice president for Common Cause, a group pushing political and campaign finance reforms that has asked the House to conduct an investigation of Rep. Shuster.

Ann Eppard Associates, based in Alexandria, Va., has been retained by a host of clients, including such companies as Federal Express, United Airlines, and Frito-Lay Inc., and interest groups such as the Outdoor Advertising Association of America and the International Council of Cruise Lines, that have legislative interests pending before Rep. Shuster's committee.

Role continues

At the same time, Ms. Eppard has been retained by Rep. Shuster to continue her longtime role as his chief fundraiser, for which his campaign now pays her $3,000 a month, and as a political consultant for affairs in his central Pennsylvania district.

Further, Rep. Shuster has been a frequent overnight guest at Ms. Eppard's home as have other members of the Shuster family. Ms. Eppard has also continued to serve as a car driver and liaison for the congressman.

Both Rep. Shuster and Ms. Eppard had sought advice from the ethics committee on how to avoid conflicts of interest. Also, during her first year in business, Ms. Eppard was precluded by federal law from lobbying the congressman. She and Rep. Shuster have said that, while they were frequently working together on fund raising or campaign matters, they did not talk about legislative or committee business.

Written advisory sought

But faced with continued questions from the press, Common Cause's call for an ethics inquiry, and a separate demand by Ralph Nader's Congressional Accountability Project for a Justice Department investigation, Rep. Shuster has been pushing the committee for a written advisory.

After the meeting June 13, Rep. Shuster issued a copy of the committee's letter with the following statement, obtained by The Journal of Commerce:

"I am pleased to release the reply which I had requested, and received today from the Ethics Committee.

"Over the years I have verbally sought and received advice on numerous occasions to be sure I was complying with the rules I felt it was important to put my questions in writing and get written responses, which this reply represents.

"This reply is consistent with what I understood the House Rules to be," Rep. Shuster's statement said.

The committee issued Rep. Shuster a series of answers to questions he posed with a short cover letter, saying:

"We are responding to your letter of May 10, 1996, in which you pose several questions relating to your personal and business associations with a former employee. As you know, there have been press accounts in regard thereto.

"The answers set out below contain the committee's general guidance on the issues raised and are not intended to express approval or disapproval of any actions you have taken in the past," it said.

The letter was signed by ethics chairwoman Rep. Nancy L. Johnson, R-Conn., and ranking minority member Rep. Jim McDermott, D-Wash.

With respect to the question of the overnight stays at Ms. Eppard's home the committee letter advises Rep. Shuster that "you could not accept more than 30 days of personal hospitality in a calendar year from a single source without a prior written waiver from the Committee on Standards."

Gone unanswered

After reviewing the letter from the committee, Mr. Simon said, "There is nothing in what the committee has put out that addresses the question we have raised and that we think is most important which is whether the relationship between Congressman Shuster and Ann Eppard violates the broader standards in the ethics code."

Gary Ruskin, director of the Congressional Accountability Project, said, "I think it is essentially going to be useless to Congressman Shuster for several reasons."

"This is past conduct that is under question here. Given that he is not given past waivers, it means that he is exposed for possible ethics committee action," Mr. Ruskin said.

Stanley M. Brand, a lawyer with the firm of Brand, Lowell and Ryan who specializes in ethics matters, said the letter was unprecedented in his experience.

"They don't opine with respect to the application of the specific rules to the facts," Mr. Brand said. "Legally, he didn't get anything."

Rep. Shuster's office failed to return repeated phone calls requesting comment.

Attachment #9

THE JOURNAL OF COMMERCE, Thursday, February 8, 1996

Eppard's Clients Win Some, Lose Some

By WILLIAM L. ROBERTS
Journal of Commerce Staff

WASHINGTON — Ann Eppard brought in a score of new clients in 1995.

Some of the success came with the direct assistance of Rep. Bud Shuster, R-Pa., chairman of the House Transportation and Infrastructure Committee. Some of it came without his involvement.

A review of the committee's legislative track record turns up a mixed bag of results that Ms. Eppard was able to deliver.

Dallas-based snack food maker and distributor Frito-Lay Inc. was one notable winner. The company, which already had in-house lobbyists, hired Ms. Eppard to assist in marshaling through Congress a law directing the secretary of transportation to set up a regulatory relief program for midweight delivery trucks. Federal rules require a wide range of safety checks, some of which are considered cumbersome.

The proposal, introduced in the House Transportation and Infrastructure Committee by Rep. Bill Emerson, R-Mo., who also wanted to win relief for farm vehicles, became controversial when trucking safety proponents and DOT officials raised questions about its workability. The language was later narrowed to make it a "pilot" program that was ultimately enacted.

Federal Express Corp., the Memphis air delivery service, was able to get a subcommittee hearing on U.S.-Japan bilateral aviation relations just as U.S. negotiators were dealing with their counterparts. A dispute had developed between FedEx and Japanese officials over FedEx's plan to open cargo service between Tokyo and its new hub in the Philippines. The hearing in which lawmakers hinted at retaliatory action was little noticed in the United States, but was broadcast by television news channels in Japan.

The Outdoor Advertisers Association of America, whose members and officials have long been major financial supporters of Rep. Shuster's, was successful in winning a change to federal policy governing the placement of billboards along routes designated partially as scenic byways. Rep. Shuster dug in his heels during negotiations with the Senate on highway legislation to protect the language, which through a series of regulatory layers will have the effect of allowing more billboards than before.

One client that won some, but also lost some, was Amtrak. Rep. Shuster worked hard to save Amtrak from a shut-off of federal funding sought by some within the House Republican caucus. He delivered a reform-and-privatization bill to the House floor that gave Amtrak much of what it wanted to achieve a badly needed financial restructuring. At the same time, however, he blocked Senate efforts to give states more flexibility in assigning funds to Amtrak routes, something Ms. Eppard and Amtrak were pushing for.

Similarly, Philadelphia-based freight line Conrail only won some of what it wanted after hiring Ms. Eppard. The company had an influential role in the drafting of both the Amtrak legislation and a bill downsizing the Interstate Commerce Commission and further deregulating the rail industry. At one point in the year, though, Conrail met stiff resistence from Rep. Shuster to a plan to restructure its car repair and manufacturing shops in Hollidaysburg, Pa., in the congressman's district. Layoffs of union members were possible, and Rep. Shuster offered language in the House that would have prevented Conrail's business plan from going forward without union consent. Generally viewed as a home district political ploy, the language was later dropped.

But it created enough friction to lead Ms. Eppard to call Conrail's government affairs staff and terminate her lobbying relationship.

Frito Hires Eppard to Lobby on Truck Rules

By WILLIAM L. ROBERTS
Journal of Commerce Staff

WASHINGTON — Frito-Lay Inc. has hired lobbyist Ann M. Eppard, an ally of Rep. Bud Shuster, R-Pa., chairman of the House Transportation and Infrastructure Committee, to help win passage of an exemption that would benefit the company.

Frito-Lay, a snack-food maker and distributor based in Dallas, is behind a controversial provision in pending highway legislation that would exempt from federal safety regulations medium weight trucks like those used to deliver the company's products.


EPPARD

The provision — which Rep. Shuster has sought to protect against Senate opponents in a House-Senate conference on legislation designating the National Highway System — is known among transportation aides on Capitol Hill and other officials as the "Frito-Lay" provision, or jokingly as the "chips and dip" provision.

Introduced in September as an amendment by Rep. Bill Emerson, R-Mo., a senior member of the transportation committee, the provision would exempt trucks weighing between 10,000 pounds and 26,000 pounds from most federal safety regulations.

Vehemently opposed by highway-safety advocates, the provision has drawn fire from the Clinton administration and from some influential senators, but now appears likely to be accepted by the Senate in narrower form as a pilot program.

In an October letter to Larry Pressler, R-S.D., chairman of the Senate Commerce, Science and Transportation Committee, 15 Democrats and two moderate Republicans voiced opposition to the exemption.

"The House provision received no congressional hearings or review before it was included in the NHS bill. In our view, such a sweeping and dangerous change in motor carrier safety deserves more careful consideration," the letter said.

On Nov. 2, Transportation Secretary Federico Pena sent a letter to John Warner, R-Va., chairman of the Transportation and Infrastructure Subcommittee of the Senate Environment and Public Works Committee, urging rejection of the Frito-Lay provision and calling it "an experiment we can ill afford."

> 'To sacrifice the safety of our traveling public to commercial interests who make unsubstantiated claims . . . is not in the public interest.'
>
> — Federico Pena
> Transportation Secretary

"To sacrifice the safety of our traveling public to commercial interests who make unsubstantiated claims that such action would have no safety impacts is not in the public interest," Mr. Pena wrote. According to the letter, nearly 40% of truck accidents involve single-unit vehicles in the weight class that would be eligible for the waiver.

Federal lobbying laws have precluded Ms. Eppard from lobbying Rep. Shuster directly for a year after leaving his employ in the House. That year expires today, but includes the period since June 30 in which Ms. Eppard was paid at least $5,000 for congressional lobbying, according to disclosure reports she has filed recently.

Ms. Eppard, who had worked as Rep. Shuster's administrative assistant for two decades before going into lobbying, is hosting a celebratory cocktail party tonight at her firm's offices in Alexandria, Va. In its first year of business, the firm was retained by 19 clients, virtually all of them with business pending before Rep. Shuster's committee.

During the period in which she was starting up her lobbying firm, Ms. Eppard continued to work for Rep. Shuster as a political person for district affairs and as his chief fund-raiser, roles she performed before leaving his congressional office. During the first half of the year, Rep. Shuster paid Ms. Eppard $3,000 a month out of campaign funds for her work.

Journal of Commerce 11/9/95

Attachment #10

Copyright 1995, The Commercial Appeal
The Commercial Appeal (Memphis)

September 30, 1995, Saturday, Final Edition

SECTION: BUSINESS, Pg. 3B

LENGTH: 679 words

HEADLINE: LEGISLATIVE ,
Firms win concession on safety for trucks

BYLINE: Jim Drinkard, The Associated Press

DATELINE: WASHINGTON

BODY:

Frustrated after a five-year effort to soften safety rules for medium- sized trucks, such industry giants as Frito-Lay and Federal Express Corp. turned to friends in the new Republican Congress for help.

And a quiet lobbying campaign aimed at the House Transportation Committee yielded in a few months what years of regulatory struggles had not: a waiver that could exempt service and delivery trucks from more than a dozen rules on the age and physical condition of drivers, on the number of hours they may drive and on paperwork for truck safety and maintenance.

The changes are included in a major highway bill that now is the subject of House-Senate negotiations. It is the same bill that would end the federally imposed 55 mph speed limit and lift requirements that motorcycle riders wear helmets.

"The changeover (to a Republican-controlled Congress) certainly made our job easier," said Robb Mackie, a lobbyist for the American Bakers Association, which helped lead the charge for the rules change. "People were more receptive."

Supporters believe the change will provide regulatory relief to thousands of businesses without harming safety. They say the Transportation Department will maintain control over who gets the waivers.

But the change stunned the insurance industry, which believes it would worsen highway safety and result in higher losses from accident claims.

"This creates a loophole big enough to drive millions of trucks through," said David Snyder, a lobbyist for the American Insurance Association.

The insurance industry has mounted an 11th-hour challenge, hoping to persuade a few key senators involved in the negotiations to reject it, or to hold out for language that would preserve more of the current rules.

Joan Claybrook, a former federal highway safety administrator and now a consumer lobbyist, joined forces with the insurance industry Thursday at a news conference to call attention to the issue.

"This is a backroom deal," she said. "The public whose lives and health are put at risk were not a part of this process . . . Some big trade associations and lobbyists who ply Congress with campaign money have pulled some strings behind closed doors."

Figures compiled by the Center for Responsive Politics show that members of the truck industry's Coalition to Redefine Commercial Motor Vehicles gave $ 285,000 in campaign money to members of the House Transportation Committee during the last two-year election cycle.

Nearly half the money came from FedEx, which is in a competitive struggle with United Parcel Service. UPS, opposed to the changes in federal regulation, is separately locked into many of the safety rules through labor agreements with the Teamsters Union, industry sources say.

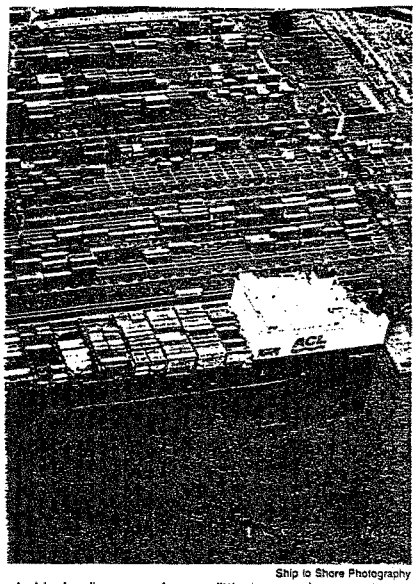
The Department of Transportation first began exploring changes in the safety rules for single-unit trucks between 10,000 and 26,000 pounds in 1989. But it dropped the effort early this year, saying it had been unable to establish the changes would not harm safety.

That came as a surprise to the businesses that had argued for relief, and they responded by aggressively expanding their coalition to include more than 70 members. Major members now include PepsiCo, Anheuser-Busch's Eagle Snacks division, U-Haul, the National Pest Control Association and utilities, landscapers, beer wholesalers, building contractors and florists.

The American Bakers Association approached Rep. Bill Zeliff (R-N.H.), who introduced a version of the safety waivers as a House bill this year. When Transportation Committee chairman Bud Shuster (R-Pa.) opened the door to amendments to the highway bill, Zeliff's provision was rolled into the measure along with several other rules waivers.

The Clinton administration opposes the House provision and is working to rewrite it before work on the bill is finished, a Transportation Department official said.

LOAD-DATE: October 1, 1995



Ship to Shore Photography

at shipping lines may have a little too much power to set

mmission hits setting authority

week challenged the ntainer carriers mov- between Europe and erica to set ocean s together.

nmission is warning ers of the North At- naking group, called Atlantic Conference have squeezed out ompetition from the their antitrust immu- e in jeopardy.

the first time in the long-running battle between the commission and shipping lines that the ability to set ocean rates collectively has been attacked.

In a statement of objections to TACA issued over the weekend, the commission threatened to withdraw the group exemption from the EU's antitrust laws because of the lack of competition on the North Atlantic.

See TACA, Page 3B

Attachment #11

Republican strategy for FedEx falls flat

Organized labor, Democrats unite to oppose special provision

- *In trying to pit truckers against rail workers to the benefit of lobbyists, campaign contributors and FedEx, the GOP finds it can't divide and conquer.*

BY WILLIAM ROBERTS
JOURNAL OF COMMERCE STAFF

Journal of Commerce (July 21/11

WASHINGTON — To the Republican leadership in the House, it was a smart strategy: divide organized labor by pitting the interests of truckers against rail workers.

Make them accept something they don't want, in exchange for something they need.

"It's an old legislative tactic. You throw one thing out that somebody wants and then you add to it something that is not so tasteful," Minnesota Rep. James Oberstar, senior Democrat on the House Transportation and Infrastructure Committee, said.

It didn't work.

Instead, the odd saga of how House Republicans tried to do a special favor for Federal Express Corp. on the backs of organized labor has become a crystalline example of how the 104th Congress is working to the benefit of big campaign contributors with heavyweight lobbying talent.

In last year's rush to do away with the Interstate Commerce Commission in the name of government cutbacks and bureaucratic streamlining, the Republican Congress inadvertently stepped on the toes of a major political contributor, Federal Express.

FedEx wants to be able to claim that it falls

See STRATEGY, Page 3B

tions as the most available indicators of current freight rates per shipment for intermodal were 1 index point below the all-commodity average.

In addition to providing a new barometer of transport activity, the traditional distinctions between transportation industry, the traditional distinctions between known IMCs are participating in the survey.

Continued from Page 1A

Strategy

under terms of the Railway Labor Act should it ever lose its status under the law as an airline.

The reason?

As long as FedEx remains under the act, unions have a tougher time organizing close to 100,000 FedEx ground workers such as drivers.

The problem?

By clearing away much of the arcane and outmoded U.S. railroad law in terminating the ICC, Congress took away an extra layer of protection FedEx uses to keep unions at bay.

"It was a mistake," a senior House Republican aide insists.

Democrats angered

The action galled Democrats.

"It's absurd for them to say, 'We got rid of these things because they don't exist, but we're going to recreate them just in case FedEx needs them,'" a Democrat aide said.

House Majority Leader Dick Armey, R-Texas, appears to have made a commitment to Federal Express to get its problem fixed somewhere, somehow in the legislative process this year, by restoring just enough of the old law. The leadership settled on using a noncontroversial housekeeping bill that simply raises unemployment benefits for about 5,000 railroad workers nationwide from $35 a day to $40.

If the Teamsters wouldn't accept the FedEx provision, House Republicans threatened privately to respond by sinking the bill increasing unemployment benefits.

> *'There is no question that the Republican Congress will do anything to make organized labor uncomfortable. And that is being driven by the leadership: Gingrich, Armey, DeLay.'*
>
> **Rep. James Oberstar**

At one point, Republican aides said Rep. Armey was prepared to take to the House floor with a speech lambasting "big labor bosses" for opposing the FedEx provision and consequently hurting their own working men and women.

Making good on threats

But labor opposed it — and opposed it broadly — forcing Republicans to make good on their threats. As a result, the unemployment benefits bill has been pulled from the House schedule and is being held hostage. Republicans now say there is a "pay-as-you-go" budgetary problem with the bill.

"The deal that I cut with leadership was they would look the other way on the pay-go problem if we could get the FedEx provision," Rep. Bud Shuster, R-Pa., chairman of the House Transportation and Infrastructure Committee, said last week.

"It's in the leadership's hands now."

Rep. Oberstar said: "There is no question that the Republican Congress will do anything to make organized labor uncomfortable. And that is being driven by the leadership: Gingrich, Armey, DeLay." In addition to Rep. Armey, it was a reference to House Speaker Newt Gingrich, R-Ga., and Majority Whip Rep. Tom DeLay, R-Texas.

Labor lobbyists say the pay-go problem is minor, technical and solvable. They say it is being raised by Republicans as a false obstacle, merely as an excuse to hold the bill up.

Labor says the railroads have offered to loan $10 million to the unemployment insurance fund to eliminate the pay-go problem. Republican staffers insist that isn't enough.

Effort to sanitize

Meanwhile, House transport Republicans are trying to sanitize the effort by saying that taking away part of FedEx's position under the Railway Labor Act was an unintended mistake, and there had been a deal in the ICC act not to modify coverage of the Railway Labor Act.

"There was an ironclad agreement to not change the Railway Labor Act," the senior Republican aide said.

Democrats and labor dispute this claim.

"That's not true," Rep. William O. Lipinski, D-Ill., a senior member of the transportation panel, said.

There was no such political deal in the ICC bill, he said. There was language, put in at labor's request, assuring that no labor protections in the Railway Labor Act would be changed. It was the ICC itself, Rep. Lipinski said, that asked Congress to delete an "express carrier" term that is now the focal point of FedEx's complaint.

Further, Democrats say problems associated with deleting the term "express carrier" in the ICC Act were not raised last year by FedEx.

"Somebody blew the deal. Their lobbyists never said anything about it. No one paid any attention to it," a House aide said.

FedEx has a veritable army of lobbyists working the halls of Congress on a variety of issues. In addition to a large in-house staff, FedEx has retained Ann Eppard Associates, a lobbying firm headed by Rep. Shuster's longtime former chief of staff who continues to work as a fund-raiser and political consultant to the congressman.

Lobbying firms retained

FedEx has also retained several other lobbying firms, notably Oldaker Ryan Phillips & Utrecht, Simpson and Associates Inc., Cassidy and Associates Inc., Dyer Ellis and Joseph, the Duke Group Inc., Madison Government Relations, O'Brien Calio, Vinson and Elkins, and Washington Counsel. Combined, the outside firms disclosed more than $137,000 in lobbying fees during 1995.

Meanwhile, the rail benefits bill may not be enacted this year.

"The sad thing is the winner or loser here is not organized labor or Federal Express. The losers here are people who really need the money," James Brunkenhoefer, a lobbyist for the rail workers United Transportation Union, said.

Continued from Page 1A

placed over ocean rate-setting trast to other major trade lanes.

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY

NOTICE OF SALE
M/V B. ONAL

The United States Marshal for the District of the New Jersey hereby gives notice that the M/V B. ONAL, Turkish Registry, of 16,682 gross tons, 10,687 net tons, 25,110 tons deadweight, of 177.55 meters length overall, built at Sasebo, Japan in 1971, steel hull, welded vessel, in class with Lloyds Register, together with her engines, tackle, apparel, furniture and equipment, etc. will be sold at public auction in the office of the United States Marshal, United States Courthouse, 1 John F. Gerry Plaza, Camden, New Jersey to the highest bidder on Wednesday, June 5, 1996 at 10:00 a.m. with all risks to be assumed by the purchaser at that time.

A deposit of 10%, in cash, certified or cashier's check, United States currency, shall be paid at the time of sale, and, if the sale is confirmed by the Court, the remaining 90% in cash, certified or cashier's check, United States currency shall be paid within three (3) days after the date of confirmation. If the sale should not be confirmed, the United States Marshal shall return the deposit to the highest bidder immediately after the rejection of the bid by the Court.

Should the highest bidder fail to complete the sale, the deposit will be forfeited and the second highest bidder will be given the opportunity to

Attachment #12

Copyright 1995 The Bureau of National Affairs, Inc.
Daily Report For Executives

July 21, 1995, Friday

1995 DER 140 d60

SECTION: REGULATION, ECONOMICS AND LAW, Section A; 140.

LENGTH: 599 words

HEADLINE: Aviation, AIRLINES SUPPORT HARD LINE IN DISPUTE WITH JAPAN AS NEW ROUND OF TALKS BEGINS

BODY:

Airline industry leaders testifying before a House Transportation and Infrastructure subcommittee June 20 urged the Clinton administration not to back down on its promise to impose sanctions on Japanese air cargo carriers.

The hearing occurred as U.S. and Japanese officials began a new round of negotiations in Los Angeles to try to resolve the air cargo dispute before the imposition of U.S. trade sanctions.

Transportation Secretary Federico Pena was meeting late July 20 with Japanese Transportiation Minister Shizuka Kamei. That meeting followed a session earlier in the day between lower-level U.S. and Japanese officials. A Transportation Department spokeswoman said she would not discuss results of the lower-level meeting before the Pena-Kamei meeting was complete.

Officials said it was possible the negotiations would continue July 21.

Before that meeting, Kamei expressed optimism, telling reporters, "The U.S. is well known for its fairness, so I have no worries at all about getting an agreement."

Federal Express Chief Executive Officer Frederick Smith and United Airlines CEO Gerald Greenwald told the Subcommittee on Aviation that they support the Department of Transportation's hard-line stance on forcing Japan to comply with the bilateral aviation agreement it has with the United States, adding that they are willing to take any losses that sanctions might indirectly inflict on their own airlines.

Greenwald and Smith, as well as most of the subcommittee members at the hearing, warned DOT against giving Japan any concessions during talks on the issue.

"We have yielded to the Japanese time and again," said Rep. James Oberstar (D-Minn), ranking minority member of the subcommittee. Oberstar said that although no one involved wants a trade war, the United States must "stand firm."

"It is time for us to get tough," added Rep. Bud Shuster (R-Pa), chairman of the full Transportation and Infrastructure Committee.

Greenwald said Japan's problem is that costs charged by its carriers are too high, making it difficult to compete with U.S. carriers. However, he said the

Japanese aviation industry is working to lower costs, and added that "airlines' competitive positions are not permanent."

"But rather than wait" for lower costs to improve business, Greenwald said the Japanese want "to turn back the clock" by imposing permanent restraints on foreign competition in the Japanese market.

Smith, reiterating testimony he gave to the Senate Commerce Committee July 11 (133 DER A-15, 7/12/95), said Federal Express will likely lose at least $ 10 million this quarter because of delays caused by its dispute with the Japanese government, which has been the center of the latest talks. Japan has withheld approval of a Federal Express plan to route cargo flights through Japan, on to Subic Bay in the Philippines, and from there to other destinations in Asia, even though officials say the bilateral trade agreement permits such routes.

Japan's actions are clearly intended "to disadvantage U.S. carriers to the advantage of Japanese carriers," Smith said.

Smith said he thinks the Japanese do not believe the United States will actually follow through on the promise of sanctions, or at least not strong sanctions.

He said his top concerns are that the United States will either make concessions to Japan or impose insufficient sanctions.

Smith and Greenwald both expressed approval of the administration's tough stand on the issue. Smith said he has spoken with DOT and State Department officials several times about his concerns.

LANGUAGE: ENGLISH

Attachment #13

THE JOURNAL OF COMMERCE

Billboard Rift Blots Landscape Of Highway Spending Talks

House, Senate Conferees Appear Near Compromise

By WILLIAM L. ROBERTS
Journal of Commerce Staff

WASHINGTON — House and Senate conferees hammering out their differences over the National Highway System and the multibillion-dollar highway spending package have hit an impasse over the use of billboards on America's "scenic byways."

The question is whether to permit new billboards in certain locales that already may contain commercial or industrial activity.

The Senate had said Congress should decide the issue in 1997, but Rep. Bud Shuster, R-Pa., chairman of the House Transportation and Infrastructure Committee, has dug in his heels, insisting on relaxing the law now.

Sen. John H. Chafee, R-R.I., chairman of the Senate Environment and Public Works Committee, has opposed allowing more billboards on scenic highways.

Late last week, the two appeared to be heading toward a compromise.

On Oct. 20, Sen. John Warner, R-Va., and Sen. Chafee wrote Rep. Shuster to say they believed the conference could report an NHS bill quickly if Rep. Shuster would remove his scenic byways provision in exchange for the Senate's dropping a provision that would let financially troubled Amtrak tap into federal gas tax revenue.

Rep. Shuster wrote to Sen. Warner and Sen. Chafee on Nov. 2, saying he would be willing to accept compromise language codifying present-day practice by the Federal Highway Administration governing billboards, or even drop it if the Senate were to restore $1 billion in highway funding.

The billboard issue is an important one for the Outdoor Advertising Association of America, which represents billboard companies and outdoor advertising executives, many of whom have been political contributors to Rep. Shuster in recent years.

"It's the states' right to ban outdoor advertising in commercial and industrial areas as well as to permit it if it is economically viable," a spokesman for the association said Friday.

But compared with the estimated $10.4 billion in federal highway funds over the next two years that hinge on the fate of the bill, the economic weight of allowing or not allowing more billboards on scenic highways is negligible.

As far back as mid-September, Pete Ruane, president of the American Road & Transportation Builders Association, warned that delays in the enactment of the NHS bill would be negative for business.

In a prepared statement, Mr. Ruane said that if state highway programs are delayed or disrupted, "there is a ripple effect that quickly impacts design and construction employment, heavy equipment leasing and sales, material purchases and public investment in industry firms."

In addition to individual contributions to Rep. Shuster from billboard executives in 1993-94 so substantial that at least one had to be returned because it exceeded Federal Election Commission limits, the outdoor advertising group has retained lobbyist Ann M. Eppard, a close ally of Rep. Shuster.

Ms. Eppard, who still plays a de facto staff role for Rep. Shuster, left his congressional employ after Republicans won the 1994 election to start a lobbying firm. Through Sept. 30, she had been paid at least $18,667 to lobby Congress on behalf of the outdoor advertisers, even though she is precluded from lobbying Rep. Shuster for a one-year "cooling-off" period.

Journal of Commerce 11/6/95

Attachment #14

Copyright 1995 Times Publishing Company
St. Petersburg Times

September 13, 1995, Wednesday, City Edition

SECTION: HERNANDO TIMES; COLUMN; Pg. 2

DISTRIBUTION: HERNANDO TIMES

LENGTH: 786 words

HEADLINE: Washington insider aids outdoor advertisers

BYLINE: DIANE STEINLE

BODY:

Children all over the country are back in school. Members of Congress went back to work last week.

The children, I hope, will get more A's than Congress is likely to earn.

I guess that our legislators didn't have enough to do their first week, with Bob Packwood, welfare reform, the ATF hearings and Medicare among the items on their agenda. They decided to take a few minutes out of their busy schedule to try to mess up our prettiest roadsides.

They began consideration of a bill that would allow new billboards to be erected on portions of "scenic byways" throughout the country.

Of course, the bill didn't just come out and say what it would do. And it wasn't labeled with a revealing title like most bills are - something like "A bill to allow billboards on scenic roads" or "A bill to increase outdoor advertising."

No, the billboard industry has figured out that the best way to get legislation advancing billboards through Congress and state legislatures is to hide it. So this provision that would allow new billboards on scenic roads was hidden deep inside an 88-page bill designating the National Highway System.

The bill must be passed by late September to allocate billions of dollars in federal highway money. What better way to slide a billboard industry "gift" past legislators and Congress-watchers than to attach it to a bill that must be passed quickly and is so long that people aren't likely to read it?

Behind this latest attempt is the illustrious Rep. Bud Shuster, R-Pa., chairman of the House

Transportation and Infrastructure Committee and recipient of tens of thousands of dollars in campaign contributions from the billboard industry the last time he ran.

Shuster is the same legislator leading the attack on the Environmental Protection Agency in the U.S. House (he calls the EPA an "environmental Gestapo"). He also is legendary for harvesting lots of the taxpayers' dollars to use for his pet projects. For example, he recently loaded up the

Republican's rescission bill, which is intended to cut existing spending in the federal budget, with millions of dollars in pork for his district.

What a guy.

Shuster has been there before for the billboard industry. Two previous years Shuster tried to push through plums for the billboard companies. But some environmental groups have gotten so adept at searching bills for Shuster's buried "treasures" that both previous attempts were revealed and blown out of the water.

May the same fate befall his latest effort. It would overturn provisions in the 1991 Intermodal Surface Transportation Efficiency Act, which offered the first successful reform of the 1965 Highway Beautification Act. As many people now know, the Beautification Act had its own buried provision, one that gave special protection to billboards along federal highways by requiring that billboard owners be paid for any signs that were ordered removed. The provision effectively prevented local and state governments from being able to touch billboards on those highways.

ISTEA fixed a portion of the problem by prohibiting new billboards on federal roads that had been designated as scenic byways. But Shuster and his cronies keep trying to remove that prohibition or modify it so that even our most scenic roads, or portions of those roads, will be fair game for billboards.

While this is going on in Congress, several large cities continue to try to eliminate billboards entirely. The most ambitious campaign is right here in Florida.

Jacksonville has worked for years to end erection of new billboards and remove existing ones. Residents were behind the effort - they voted to amend the city charter so the signs could be removed. But Naegele Outdoor Advertising, the owner of the vast majority of Jacksonville's billboards, battled the city in court for several years after that vote.

An out-of-court settlement ended the courtroom struggle. By 2015, Naegele has agreed to remove more than half of its 1,400 billboards in the city, and other companies will remove some 300 more. Not all signs will be removed, but the currently cluttered and unattractive roadways through Jacksonville will be much improved.

It takes a lot of time, determination and watchfulness to score points against the billboard industry and stem the flood of outdoor advertising onto the nation's streets and highways. The

industry has money. All we have is our voices.

Now would be a good time to make sure your voice is heard by your representatives in Congress.

- Diane Steinle is editor of editorials for the north Pinellas editions of the Times.

LANGUAGE: ENGLISH

LOAD-DATE: September 14, 1995

Attachment #15

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The Washington Post

May 26, 1995, Friday, Final Edition

SECTION: A SECTION; Pg. A01

LENGTH: 3084 words

HEADLINE: Coaxing House GOP Factions to Toe the Budget Line

BYLINE: David Maraniss; Michael Weisskopf, Washington Post Staff Writers

BODY:

On the morning of May 4, at a conference room in Leesburg, House Budget Committee Chairman John R. Kasich presented his Republican colleagues with the first details of his plan to balance the federal budget. As he roamed the aisles, praising and cajoling his brothers and sisters in a style that reminded one witness of "Brother John's Traveling Salvation Show," Kasich noticed the first sign of trouble: The Aggies were missing.

House Republicans from rural districts, known on Capitol Hill as Aggies, had essentially boycotted the opening of Kasich's presentation to caucus among themselves in another part of the conference center. Earlier that morning, they had found out from their leader, Agriculture Committee Chairman Pat Roberts (Kan.), that the Budget Committee proposal cut farm subsidies by $ 11.7 billion. It was too much, said Roberts, a fellow so attached to the farm constituency that he maintains a tote board on his office wall recording the ups and downs of wheat, corn, milo and cattle on the Dodge City Daily Markets. Roberts wanted the number cut to "single digits."

The shadow play with the Aggies marked the precarious opening of the most momentous two weeks of John Kasich's career, a fortnight that culminated with the House's historic May 18 vote approving House Concurrent Resolution 67, a measure intended to balance the federal books by 2002. On the surface, the budget endeavor seemed to benefit from a remarkable display of party unity: Kasich's plan sailed through committee and the House floor with only one dissenting Republican vote. But behind the scenes, the boyish budget chairman's we-can-work-it-out motto was stretched to the limit by several powerful factions: Roberts's Aggies and a competing group of urban members known as the Road Gang, along with defense hawks and corporate tax break defenders, all of whom threatened to withhold support of the budget until their needs were satisfied.

The money in dispute -- a relatively few tens of billions of dollars amid $ 1.4 trillion in savings -- seemed almost marginal in comparison with the massive cuts in Medicare, job training, science and education that went largely unchallenged within the party caucus. But the internal political considerations went to the heart of the party's relationship with key constituencies and its ability

to survive as a congressional majority.

Kasich gave in here and bargained there, seeking to ensure that no faction seemed to suffer or benefit out of proportion to the rest. It was a process, the Ohio Republican said, that reminded him of a sensitive moment in his own life, after his parents were killed in a traffic accident. "It's kind of like when mom and dad go, and you've got to go into the house and figure out who gets what," he said. "You don't want to send an appraiser in there to appraise everything and divide it up, if you're going to do things in a humane and decent way. But you kind of get a sense, well, I'll get this couch, and does that kind of measure up to this over here? Yeah, I think so. And that's kind of the way you do it."

Kasich occasionally found himself pulling back from his preferred way of doing it. The papers he brought to Leesburg were scripted for his career dreams, a spending blueprint guided more by frugality than politics. But when the plan shook a few too many idols of the Republican Party, he retreated in favor of the subtle but clear dictates of his mentor, Speaker Newt Gingrich (R-Ga.), who was always sensitive to the long-term political consequences of each budget decision.

The site of the retreat, a campus of concrete known as Xerox Document University that was so reminiscent of a penitentiary some congressmen took to calling it Lorton West, seemed like an appropriate arena for the kind of hostility Kasich occasionally encountered. While the Aggies were caucusing in protest, he heard first from Rep. Randy Cunningham, an ex-Vietnam fighter ace from California who goes by the nickname "Duke." He was seething at fine print in Kasich's budget that saved $ 25 billion by shaving 1.5 percent from the cost-of-living allowances built into military pensions.

It was more of a betrayal, Cunningham told the gathering, than "George Bush moving his lips."

"At 12 years, I put in my papers to get out of the Navy," Cunningham, who served as a model for Tom Cruise's "Top Gun" character, told his colleagues. "I was flying the Indian Ocean. The skipper came back and said, 'Duke, you only have eight years to go. You can do that standing on your head. Here's what your retirement benefits will be.' I said, 'Wait a minute, if I retire at 45 or 50 and live for another 35 years, I'll get zero because of inflation.' He said, 'You'll have the same buying power as now because of the cost-of-living allowance.' I bought into it. That's a contract."

When the public works section was presented, Bud Shuster (Pa.), chairman of the Transportation and Infrastructure Committee, countered Kasich's salesmanship with a threat. The proposal to phase out Amtrak and freeze mass transit projects was "a transportation disaster," Shuster said. He said it would be "difficult to muster" votes for the budget among the Road Gang unless Kasich agreed to take the transportation trust funds "off budget," giving Shuster's committee autonomy over $ 32 billion in gasoline and airline ticket taxes.

Shuster, whose congressional office is adorned with replica signs of Bud Shuster Highway, a stretch of road running down from Altoona, had been seeking full control of the trust funds for years and had calculated that the budget resolution might be his best opportunity.

The suit-and-tie contingent from the Ways and Means Committee also had a gripe. Led by Chairman Bill Archer (Tex.), several members of the tax-setting panel took to the microphones to challenge Kasich's proposal to save $ 25 billion by closing tax loopholes for large corporate interests. Archer, who represents the wealthy River Oaks section of Houston, home to the corporate elite, argued that the illustrative "corporate welfare" cuts in the budget plan -- taking away tax credits for pharmaceutical companies operating in Puerto Rico and eliminating deductions for advertising costs -- were in essence tax hikes, which he said he would not tolerate on his watch.

Doffing the Cap

When the general session was over, the private negotiations began. Kasich decided quickly that he would have to relent in some areas. Archer had outpositioned him by defining the corporate loophole cutbacks as a tax increase. The long arm of the business lobby had reached many members even out at Leesburg: the makeshift communications room was filling up with faxes from corporate agents trying to preserve the loopholes.

The defense hawks also got to Kasich that night. Duke Cunningham said he and his allies could not support a budget that capped cost of living allowances and presented him with the signatures of more than 50 Republicans asking that the cap be removed. The leadership eventually agreed, and Kasich backed off.

Kasich had mixed feelings about that decision. He considered the inflation cap a responsible cut, considering the precarious long-term condition of the federal pension fund, and he privately told some Budget Committee colleagues that he thought he had failed by caving in. On the other hand, in his larger mission to balance the budget, he felt that he had already won more than he had lost in his sometimes bitter confrontations with the defense hawks, especially Cunningham and Floyd Spence (S.C.).

A courtly man of military bearing and soft Carolina tones, Spence represented a Columbia-based district that housed a Marine training center, a naval hospital, and bases for the Army, Air Force and Navy. As chairman of the National Security Committee, he regarded the Republican revolution in the House as an opportunity to return to the full-throttle defense spending of the early 1980s. His view was shared by the defense industry, which contributed $ 3 million to congressional Republicans last fall and $ 230,000 to the party during the first 100 days of the new session.

Early in the budget proceedings, Spence staked out the hawks' claim. In a February letter to Kasich, he asked for $ 125 billion more than President Clinton had budgeted for defense over the next five years. Kasich held a more cautious view of defense spending: He liked to say that careful fiscal stewardship could turn the Pentagon into a Triangle. On a Sunday news show, he had offered a less ambitious number than Spence's: adding $ 50 billion to Clinton's budget and freezing defense spending at $ 270 billion a year. The conflict between the chief defense hawk and the lead deficit hawk prompted a meeting between the two men and Speaker Gingrich and the leadership.

At that late February meeting, a frustrated Spence lashed out at Kasich for "siding with people who want to destroy our nation's defense." He was alluding to Kasich's campaign with liberal Democrats in the 1980s to limit production of the B-2 "stealth" bomber. Kasich was stunned, but he remained silent for a minute, thought about what Gingrich had taught him about keeping cool, and finally replied: "Floyd, I respect you too much to respond."

His restraint paid off. The meeting ended with Gingrich and the leadership sympathetic to Kasich, and the defense number he promoted was never seriously challenged again by Republicans before it passed in the budget.

Within that larger context, Kasich felt, the cost-of-living dispute in Leesburg seemed like an area where he should defer. "Duke," he finally told Cunningham, "it's off the table."

The Hissing Contest

Kasich's final negotiations at the retreat were with the head of the Aggie caucus, Pat Roberts.

The farm subsidy issue had long been a point of contention among Republicans. Many conservatives, led by the Heritage Foundation and Majority Leader Richard K. Armey (Tex.), had called for the end of the "agricultural welfare state" of cash subsidies, price supports and export promotion grants for the nation's 2 million farmers. But their cause had been losing some momentum. Kasich's committee began with informal discussions of cutting out $ 16 billion from the total $ 40 billion in farm subsidies over five years. By the time Kasich got to Leesburg, the House number was down to $ 11.7 billion.

Roberts and Kasich met in the windowless communications room of the Xerox campus. Roberts spread out a file of newspaper clippings and reports detailing the harm that further subsidy cuts might cause in farm country, stories that he had stirred up by holding 16 hearings in rural America during the congressional break. The patter between Roberts and Kasich then switched back and forth between earnest argument and comic pantomime.

The farmers had already paid their dues, Roberts said, noting that because of previous cuts the farm program was the only federal entitlement in which the numbers had been declining in the 1990s. He then interrupted his argument with a stage whisper: "Six" he hissed, meaning he would accept $ 6 billion in cuts.

Kasich laughed and whispered back, "No!"

These reports show cuts would cause declining land values, Roberts continued. "Six," he murmured again in a breathy exhale.

"How about this," Kasich whispered, scribbling out the number 10 on a piece of paper.

Roberts pulled out his most potent political argument, noting that 34 of the 73 freshmen

Republicans come from farm country, primarily the South and West. "You don't want to shoot the troops with friendly fire," he said. This could cost the Republicans 20 to 25 seats next election. Kasich later paraphrased the rest of Roberts's argument this way: "Look, Clinton goes off to Ag country and panders to all the farmers. He gets all the farm guys uptight because then the farm people start saying, 'Well, why are we getting the shaft out here? What's going on?' . . . And the bankers are all uptight, they're freakin' out out here. And you're going to pull the rug out from under us!"

"Six," Roberts whispered.

"Turn that around," said Kasich.

They left the room with an unofficial agreement of $ 9 billion in cuts.

A Matter of Trust Funds

On the surface, House Republicans seemed united after their return from Leesburg, pushing through the measure intended to balance the budget by 2002 with only one dissenting Republican vote. But behind the scenes, the Aggies and the Road Gang were still clamoring for special attention.

Kasich had been courteous but unaccommodating in his dealings with Shuster, so the leader of the Road Gang turned up the political pressure. As the chairman of the largest committee in Congress, with 60 members, Shuster wielded the most obvious forms of political power: the ability to allocate projects in ways that the constituents of other lawmakers could readily see -- roads, bridges, airports, subways -- and a parallel ability to lure campaign contributions from affected industries. The transportation industry ranked second in corporate campaign funds last year, with $ 24 million, and contributed $ 337,000 to the Republican Party in the first 100 days. Shuster alone received $ 246,000 from the industry in his past two uncontested reelection campaigns.

It was his easy access to contractors that led Shuster to organize the Alliance for Truth in Transportation Budgeting. Comprising 80 business associations in the transportation field, the alliance pushed Shuster's agenda of taking the highway trust funds off budget where they could not be affected by budget balancing calculations. Each member of the alliance was assessed $ 10,000 to help pay for a high-powered lobbying team that included Shuster's former chief of staff and a former professional associate of one of his daughters.

The alliance was Shuster's personal army to achieve a career objective. He had long argued that counting the trust funds in the budget -- as the federal government has done since 1969 -- was an accounting fraud intended to make the deficit look smaller. Members of the Budget Committee saw it differently: they regarded Shuster's move as a raw attempt to gain more control over pork barrel projects. "As soon as you start talking balanced budgets, there are people who want to take everything off budget," said Robert S. Walker (Pa.), one of Kasich's committee allies. "It does strike me as something that people kind of expect of Washington politicians."

Each alliance member was assigned to lobby a passel of familiar congressional offices and instructed to write and sign daily reports rating the status of lawmakers on the issue: yes, leaning yes, no, uncommitted, leaning no, and no. In a late blitz, they organized a call-a-thon with a rehearsed script. While Shuster's bid gained in Congress, with more than 205 sponsors, it was largely ignored by Kasich and his Budget Committee colleagues.

Shuster's lobbying alliance faxed new instructions: ask co-sponsors to tell party whips testing support for the budget resolution that they were undecided because of the trust fund issue. The leadership called Shuster's bluff, and turned back his efforts to force the issue before the budget reached the floor. But Speaker Gingrich, who had served on Shuster's committee, did not want to leave him upset. "Shuster is my problem, I'll deal with him," he told Kasich.

Sweetening the Offer

Late on the afternoon before the budget vote, Gingrich called Shuster into his office, declared himself a "pro-infrastructure Republican," and promised to help resolve the trust fund issue after the budget passed. The next day, as

Shuster was voting for the budget, Gingrich released a letter announcing the formation of a Speaker's Task Force on Transportation with Kasich, Shuster and Appropriations Committee Chairman Bob Livingston (R-La.), who also had opposed Shuster's power play. The task force would be headed by Gingrich and attempt to "develop a consensus on the issue." Shuster declared victory.

Gingrich also played the central role in resolving the Aggie revolt. Roberts had decided the $ 9 billion in farm subsidy savings was too much.

On Friday, May 12, he brought 41 members of his posse into a meeting with Gingrich, away from Kasich and Majority Leader Armey, who was regarded, as one Aggie put it, as "the Darth Vader of rural America." Roberts's disdain for Armey was captured during an interview when the majority leader's name was mentioned. "What was the name?" Roberts said coolly. Roberts and his Aggies repeated to Gingrich the political costs of allowing the Democrats to frame the budget as a war on rural America. "These are our people," Roberts told the speaker, evoking the deep rural pockets of Republicanism which, along with votes on Election Day, helped fill the GOP coffers: the agriculture sector had already contributed $ 235,000 to Republicans in the first 100 days. Gingrich, the former history professor, recalled Truman's sweep of the farm vote in 1948 and the GOP shellacking in 1958 after Ike's agriculture secretary tried to end the farm subsidies, and the political troubles caused by the farm recession of the mid-1980s. "We have to be careful it doesn't happen again," the speaker concluded.

But Gingrich also appreciated Kasich's need to keep the cuts at $ 9 billion, so he and Roberts devised an extraordinary fail-safe provision in the budget resolution to protect the Aggies. Most of the farm subsidy cuts had been deferred to the last two years. Language was written into the bill instructing Congress to reexamine the planned cuts for those years unless there were a number

of favorable farm developments: steady land values, tax and regulatory relief and free trade unencumbered by subsidies for foreign competitors. As a final sweetener, Gingrich wrote a letter to Roberts promising in the inevitable House-Senate conference committee to "closely consider" the Senate's plan, which is more advantageous to farmers.

Roberts and the Aggies voted unanimously for Kasich's budget.

"People kept saying, 'He doesn't know how hard this is going to be.' Well, I knew how hard it was going to be," Kasich said as his budget work neared an end. "The press all along said it could not be done. Now the press will say, it wasn't as hard as we thought it was. I know there will not be any brass bands playing at the end."

Staff researcher Ann O'Hanlon contributed to this report.

GRAPHIC: Photo; Photo, keith jenkins; Photo, altoona mirror, Rep. John R. Kasich's budget plan survived GOP struggle and passed. National Security Committee Chairman Floyd Spence staked out the defense hawks' position last February: adding $125 billion to President Clinton's Pentagon request. People don't need a road sign to see what Bud Shuster, left, chairman of the transportation committee and head of the Road Gang, is going to fight to protect in the budget. For years, Shuster had been seeking control of huge trust funds. Absence of Aggie caucus leader Pat Roberts and other farm subsidy supporters from Budget Committee Chairman John R. Kasich's presentation at the Republican retreat May 4 in Leesburg was the first sign of trouble. Speaker Newt Gingrich, mentor to the Budget Committee's new chief, played instrumental role in resolving issues between Kasich and the Road Gang and Kasich and the Aggies. Vietnam War fighter ace Randy "Duke" Cunningham called the budget's shaving of military cost of living allowance more of a betrayal than "George Bush moving his lips."

LANGUAGE: ENGLISH

LOAD-DATE: May 26, 1995

Attachment #16

Copyright 1995 The Bureau of National Affairs, Inc.,
DAILY LABOR REPORT

DECEMBER 1, 1995

1995 DLR 231 d4

LENGTH: 657 words

SECTION: NEWS.

TITLE: Railroads: HOUSE APPROVES AMTRAK REFORM BILL THAT WOULD CHANGE LABOR PROVISIONS.

The House Nov. 30 overwhelmingly endorsed legislation that would change not only the way Amtrak does business but also the way some labor issues are handled at the passenger rail service.

By a vote of 406-4, the House approved the Amtrak Reform and Privatization Act (HR 1788), a bipartisan measure that would allow Amtrak and labor to negotiate certain contracting and severance provisions that under current law is prohibited.

The bill was crafted with the support of transportation unions and Amtrak management and differs markedly from a measure waiting action in the Senate.

The House bill would eliminate current provisions that prohibit Amtrak from contracting out work if employees would lose their jobs and that require Amtrak to provide up to six years of benefits for unionized workers who lose their jobs because of elimination of a route.

New Terms Within 254 Days

The bill does not specifically mandate any labor protections, but instead calls for "an accelerated bargaining process" to address labor protection payments and the current ban on contracting out.

The House Transportation and Infrastructure Committee approved the bill in September (184 DLR A-5, 9/22/95). The bill was crafted by committee chairman Rep. Bud Shuster (R-Pa) and Rep. Susan Molinari (R-NY), who chairs the Railroads Subcommittee.

Under HR 1788, if Amtrak and its unions cannot reach a settlement 224 days after the legislation's enactment, the bill would require that a neutral party step in and make recommendations, followed by the 30-day cooling-off period afforded under the Railway Labor Act.

On the 254th day, both Amtrak's statutory ban on contracting out for work--other than food and beverage--and other statutory and contract terms relating to labor protections would lapse. At

that point, labor and management could use "self-help," meaning that the union could legally call a strike or other job actions, and management could impose new terms.

The bill also would exempt Amtrak from the labor protection standards provided by the Interstate Commerce Commission if Amtrak goes into bankruptcy.

The Senate bill (S 1318) differs from the House measure in several respects, including the way it would treat the contracting and labor protection provisions. The Senate bill would outright repeal the contracting ban and reduce the statutorily mandated labor protection from six years to six months.

Labor, Management Hail Action

Amtrak spokesman Clifford Black said the railroad was "delighted" with the passage of HR 1788 and with the overwhelming margin by which it passed. The House bill would permit Amtrak "to operate more efficiently and more like a commercial operation," Black said, adding "we realize the subsidies will be phased out."

Black said Amtrak supported the labor provisions in HR 1788 because the bill would allow management and labor to work out the issues at the bargaining table rather than have Congress impose them. However, the company would have preferred a shorter time period for the bargaining process, he said from Amtrak's headquarters in Washington, D.C.

Edward Wytkind, executive director of the AFL-CIO's Transportation Trades Department, said the reforms in HR 1788 "represent major changes that strike a delicate but fair balance."

Wytkind said the House bill "offers a fair compromise" in that it would preserve employees' collective bargaining rights "on vital workplace issues," while at the same provide Amtrak management with the flexibility the company seeks to become more efficient with fewer federal funds.

Amtrak was established by Congress in 1970 to take over intercity passenger operations from railroads that wanted to drop passenger service. The railroad received nearly $ 1 billion in federal subsidies last year. The House bill would authorize $ 993.5 million for Amtrak in fiscal 1995, gradually decreasing to $ 663 million in fiscal 1999.

LANGUAGE: ENGLISH

Special Defense Policy Briefing: From Missiles to Peacekeeping

ROLL CALL

THE NEWSPAPER OF CAPITOL HILL SINCE 1955

VOL. 41, NO. 79 MONDAY, APRIL 29, 1996 $3.00

Shuster Intervened for Sons' Business Partner

Treasurer of Shuster Chrysler Was Helped by Congressman With HUD Project, Documents Show

By Timothy J. Burger

Rep. Bud Shuster (R-Pa) helped a family friend win a $3 million contract with the Department of Housing and Urban Development, then twice intervened with the executive branch in an effort to save the real estate developer some $350,000 in labor costs.

Even as Shuster's official actions aided Altoona businessman Maurice Lawruk, Roll Call has learned, the multimillionaire in 1990 became a financial backer of a new car dealership. His partners in that enterprise: Shuster's sons.

Documents obtained by Roll Call reveal a series of overlapping business, legislative, and political ties between Shuster and Lawruk that continue today — eight years after the Congressman worked with then-Sen. John Heinz (R-Pa) for an amendment to a homeless funding bill paving the way for HUD money to go to an Altoona hotel co-owned by Lawruk.

It's not clear whether Shuster violated any House rule by taking actions on behalf of a campaign contributor who is in business with Shuster's family and whose real estate dealings have repeatedly benefited from the federal largesse that the Transportation and Infrastructure Com-

Continued on page 23



GOP Leaders Ask Panels to Dig Up Damaging Info on Clinton, Unions

By Damon Chappie

House Republican leaders last week directed their committee chairmen to search their investiga-

internal GOP memo that leaked out on Friday.

The memo was sent by Reps. Bob Walker (R-Pa) and Jim Nussle (R-

The project is under the direction of one of House Majority Leader Dick Armey's (R-Texas)

Attachment #17

Developer in Business With Rep. Shuster's Sons Was Aided by the Congressman in an Altoona Hotel Deal

Continued from page 1

mittee chairman is renowned for bringing home to Altoona.

But the Shuster-Lawruk relationship raises further ethical questions about the Congressman, who has been at the center of controversy this year since reports in Roll Call about his ties to transportation lobbyist Ann Eppard prompted public-interest groups to request probes by the Justice Department and House ethics committee.

"That sounds like a conflict to me. Pretty straightforward," said Josh Goldstein of the Center for Responsive Politics, when told of Shuster's advocacy for Lawruk at the same time Lawruk was helping to open Shuster Chrysler. "There are many avenues to gain the gratitude of a Member of Congress."

Shuster did not return repeated phone calls seeking comment for this article; neither did Lawruk's attorney. Shuster's son, William, president of Shuster Chrysler, would only say that Lawruk is a family friend he has known for "a lot of years"; he declined to comment on the level of financial backing the dealership has received from the developer.

Reached in Florida on Friday, Lawruk twice hung up the phone, saying, "I'm busy."

The Penn Alto

At the center of the Shuster-Lawruk nexus was the Penn Alto Hotel deal.

Once a glitzy way station for the Pennsylvania Railroad that ran through Altoona, the Penn Alto by the mid-1980s was the only hotel in downtown and was in need of renovation.

Lawruk, who co-owned the building by then, wanted to convert it to federally subsidized low-income housing, according to documents obtained by Roll Call under the Freedom of Information Act.

After Lawruk applied unsuccessfully to the Department of Housing and Urban Development in the early 1980s, according to the Labor Department's Wage Appeals Board, Congress came to his aid.

A provision was slipped in H.R. 4352, an amendment to the McKinney Homeless Assistance Act, directing HUD to "permit the attachment of contracts for assistance payments to...the Penn Alto Hotel and...include not less than 140 units of housing for the elderly."

Penn Alto needed a special exemption to get the HUD funding, it turned out, because existing law restricted the percentage of subsidized residents in such projects.

The Congressional amendment waived that rule especially for Penn Alto.

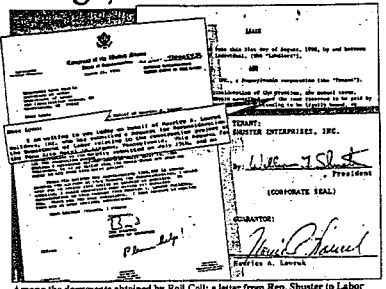
Heinz, a member of the Senate Banking Committee, wrote the amendment after consulting with Shuster, and the earmark — a staple of Congressional pork-barrelers — was added, virtually unnoticed in Washington but front-page news in Altoona.

According to the Altoona Mirror's 1988 account, Shuster and Heinz had both been working on ways to secure the funding for the Penn Alto.

"Congressman Shuster has been exceptionally vocal about how important the Penn Alto is," Shuster's chief of staff at the time, Ann Eppard, told the Mirror.

According to the newspaper, Shuster and Heinz "considered" various approaches to win the funding "but ran into stone walls." Then, Eppard said, "One day the Senator called and said, 'I have an opportunity, tell me about the Penn Alto.'"

Alan Mikula, who was Altoona mayor at the time, attended the press conference at which Heinz announced the success of his amendment. Also present, according to Mikula, was Shuster aide Eppard.



Among the documents obtained by Roll Call: a letter from Rep. Shuster to Labor Secretary Lynn Martin involving a Lawruk dispute and the $260,000 lease for Shuster Chrysler that Lawruk signed as a "guarantor" in 1990.

A source close to the Penn Alto deal said Shuster had long been trying to win HUD money for it, including at one point arranging a meeting in Washington for Lawruk with Reagan Administration HUD Secretary Sam Pierce.

Thanks to the Congressional language, HUD went forward with the project.

On Jan. 31, 1989, according to the Labor Department's summary of the project, Lawruk's building company signed a contract to do the multimillion-dollar renovation for the property.

The next day, the HUD contract came through: some $600,000 a year in Section 8 housing assistance for five years.

But Lawruk was soon in need of Congressional help again.

By 1990, HUD was investigating allegations that Lawruk's building company had not

Just last year, Shuster Chrysler, of which Lawruk is secretary and treasurer, spent more than $1 million to move to a choice spot on Route 220, the 'Bud Shuster Highway.'

paid workers on the Penn Alto project the "prevailing wages" for the region as required by the Davis-Bacon Act.

The Bush Administration charged that it had not — "a labor standards investigation conducted by HUD disclosed Davis-Bacon violations," said the Labor Department's Wage Appeals Board.

Not surprisingly, Lawruk wanted the Bush Administration to reconsider a decision that could cost his firm some $350,000 in extra pay.

Enter Congressman Shuster, who pressed Lawruk's case in letters to two former House Republican colleagues: HUD Secretary Jack Kemp and Labor Secretary Lynn Martin.

"I am writing to you today on behalf of Maurice A. Lawruk Builders, Inc.," Shuster told Kemp in his Oct. 12, 1990, letter, which insisted that "it is my belief that the Davis-Bacon Act does not apply to the Penn Alto Hotel project."

Said the letter to Kemp, obtained by Roll Call under the Freedom of Information Act, "Since the builder has approximately $345,000 in escrow pending the outcome of this Request for Reconsideration, I would urge you to review this matter as quickly as possible [and] would appreciate your giving all possible consideration to this request...."

In December, Shuster got an answer from HUD Assistant Secretary Timothy Coyle: No.

"[A]ll laborers and mechanics employed by Maurice A. Lawruk Builders" on the Penn Alto project must get the higher wages, Coyle wrote to Shuster.

Next, Shuster turned to the Labor Department for help, writing Secretary Martin a nearly identical plea.

"Please help," Shuster scrawled in hand at the bottom of the March 21, 1991, letter to Martin obtained under the Freedom of Information Act.

Three years later, the dispute dragged to a close when the attorney for Lawruk Builders signed a settlement with the Labor Department on the Davis-Bacon violations, agreeing to hand over $273,770 in back pay to the Penn Alto workers.

Shuster Chrysler & Lawruk

Less than two months before Shuster's letter to Kemp, Lawruk went into business with the Congressman's two sons: William, then 29, and Robert, 25.

On Aug. 31, 1990, Lawruk signed on the dotted line as "guarantor" of a lease for the newly christened Shuster Chrysler, risking his own money for the five-year, $260,000 lease, a copy of which was obtained by Roll Call.

William Shuster became the president of the dealership. His brother Robert, who last week lost his Republican primary bid to join his father as a House Member from Pennsylvania, is the vice president.

Lawruk is listed on official documents as secretary and treasurer of the dealership.

A well-known figure in Shuster's 5th Congressional district who put his own net worth at some $10.3 million in a 1994 financial statement, Lawruk has been a reliable political backer of the Congressman. He and his family have donated some $6,000 to Shuster's campaigns since 1987.

A 1988 profile of Lawruk in the Altoona Mirror listed his latest reading as Donald Trump's "The Art of the Deal." His dealmaking in Altoona has been very lucrative. Among the assets the developer listed in the 1994 financial statement were half of a US Post Office property and Burger King and Chi Chi's franchises. His stake in Shuster Chrysler was pegged on the document at $30,000.

In the five years since it was founded, Shuster Chrysler has reached $16 million in annual sales, according to information the dealership provided to Dun & Bradstreet.

Just last year Shuster Chrysler spent more than $1 million to move to a prime new location in East Freedom, Pa., a choice spot on Route 220, renamed in 1989 as the "Bud Shuster Highway."

So now, Shuster's sons are selling cars right on the road named for their father.

The new Shuster Chrysler is also benefiting from federal highway funds that Congressman Shuster helped send to the district. It is located right at the junction of Route 220 and Route 36. And Route 36 is currently being widened in an $8 million project: 80 percent of that $8 million is federal money.

The road-widening work is being undertaken by New Enterprise Stone and Lime, a local company that admitted last year to making illegal corporate contributions totaling some $69,000 to Shuster's campaign and agreed to pay a $150,000 civil penalty.

A Pennsylvania Department of Transportation staffer said the Route 36 widening has been needed in part to alleviate a high rate of auto accidents along it.

Among those attending a March 18 groundbreaking for the project: Rep. Bud Shuster.

As it happens, the road-widening runs from Route 220 right past the New Enterprise driveway.

And from whom did Shuster Chrysler purchase the site of its new dealership? New Enterprise, for $125,000, in April 1995 (the firm cleared a huge profit on the deal, buying the land, pre-Bud Shuster Highway, for just $5,000 in 1980, according to a company official).

Signing the deed on April 11, 1995, for the S & L Partnership — S.L. presumably standing for Shuster & Lawruk — were William and Robert Shuster and Maurice A. Lawruk, Daniel R. Lawruk, and Maurice D. Lawruk.

Lawruk is not only a partner in Shuster Chrysler; he is also getting business from the dealership.

His building firm — the same one that Congressman Shuster helped in the Penn Alto project — last year was put in charge of the $800,000 project to build the new Shuster Chrysler facility, according to a building permit application.

Also like the Penn Alto project, a federal government agency was involved — in this case, the Small Business Administration.

The SBA, according to documents obtained by Roll Call, guaranteed a $476,000 loan for Shuster Chrysler.

William Shuster, the principal listed on the SBA application form, sought the funding for "the acquisition of property & construction of buildings to house an automobile dealership & service center," according to the loan application, a copy of which was obtained by Roll Call.

Shuster Chrysler even cited the prime nature of its new location on the Bud Shuster Highway as a reason for buying the property. Said the loan application, "This site is adjacent to an access ramp for new U.S. Route 220 & the site is highly visible from the new highway. The new site will enable the company to display a wider variety of new & used automobiles & expand its service center."

In a recent telephone interview, William Shuster acknowledged that part of the SBA-backed loan money helped pay for Lawruk to build the new facility.

But he declined to discuss in further detail Lawruk's ties to the dealership.

"That's really none of your business," he said. "That's private."

PAT WILLIAMS
MONTANA

DEPUTY WHIP

2329 RAYBURN BUILDING
WASHINGTON, DC 20515
(202) 225-3211

Congress of the United States
House of Representatives
Washington, DC 20515–2601

COMMITTEES:
ECONOMIC AND EDUCATIONAL OPPORTUNITIES
RESOURCES

SUBCOMMITTEES:
RANKING MEMBER,
POSTSECONDARY EDUCATION
EARLY CHILDHOOD, YOUTH AND FAMILIES
NATIONAL PARKS, FORESTS AND LANDS
NATIVE AMERICAN AND INSULAR AFFAIRS

September 5, 1996

Mr. Gary Ruskin
Congressional Accountability Project
1322 18th Street N.W., Ste. 36
Washington, D.C. 20036

Dear Mr. Ruskin:

This letter is to inform you that I have received a copy of your complaint against Congressman Bud Schuster. I have chosen, however, not to file this complaint on your behalf with the House Committee on Standards and Official Conduct. I acknowledge that this may cause the committee to initiate a Preliminary Inquiry.

Best regards,

Sincerely,

Pat Williams

GREAT FALLS—59401
COURTHOUSE ANNEX
325 2ND AVE. NO.
(406) 771-1242

BUTTE—59701
305 W. MERCURY #206
(406) 723-4404

BILLINGS—59101
2806 3RD AVE. NO.
(406) 259-1015

MISSOULA—59802
302 W. BROADWAY
(406) 549-5550

HELENA—59624
316 NO. PARK AVE.
P.O. BOX 1681
(406) 443-7878

THIS STATIONERY PRINTED ON PAPER MADE WITH RECYCLED FIBERS

PATRICIA SCHROEDER
1st District, Denver, Colorado

WASHINGTON OFFICE:
2307 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-0601
(202) 225-4431

DISTRICT OFFICE:
511 E. 17TH AVENUE
DENVER, CO 80218
(303) 866-1239

NATIONAL SECURITY COMMITTEE
JUDICIARY COMMITTEE

Congress of the United States
House of Representatives
Washington, DC 20515–0601

September 5, 1996

Gary Ruskin
Director
Congressional Accountability Project
1322 18th St. NW, suite 36
Washington, DC 20036

Dear Mr. Ruskin:

This letter is to inform you that I received a copy of your complaint against Congressman Bud Shuster. I have chosen, however, not to file this complaint on your behalf with the House Committee on Standards of Official Conduct. I acknowledge that this may cause the committee to initiate a preliminary inquiry.

Sincerely,

Pat Schroeder

Pat Schroeder
Congresswoman

THIS STATIONERY PRINTED ON PAPER MADE OF RECYCLED FIBERS

LUIS V. GUTIERREZ
MEMBER OF CONGRESS
4TH DISTRICT, ILLINOIS
439 CANNON BUILDING
WASHINGTON, DC 20515
(202) 225-8203

Congress of the United States
House of Representatives
Washington, DC 20515-1304

COMMITTEES:
BANKING AND FINANCIAL SERVICES
SUBCOMMITTEES:
HOUSING AND COMMUNITY OPPORTUNITY
CAPITAL MARKETS, SECURITIES AND GOVERNMENT SPONSORED ENTERPRISES
VETERANS' AFFAIRS
SUBCOMMITTEE:
HOSPITALS AND HEALTH CARE

September 5, 1996

Mr. Gary Ruskin
Congressional Accountability Project
1322 18th Street, N.W. #36
Washington, D.C. 20036

Mr. Ruskin:

This letter is to inform you that I have received a copy of your complaint against Congressman Bud Schuster. I have chosen, however, not to file this complaint on your behalf with the House Committee on Standards of Official Conduct. I acknowledge that this may cause the committee to initiate a preliminary inquiry.

Sincerely,

Luis V. Gutierrez
Member of Congress

DISTRICT OFFICES
3101 NORTH ELSTON AVENUE
CHICAGO, IL 60618
(312) 508-0099
(312) 508-1526 TDD Line
MONDAY-FRIDAY
9 A.M. - 5 P.M.

2132 WEST 21ST STREET
CHICAGO, IL 60608
(312) 579-0099
MONDAY-FRIDAY
9 A.M. - 5 P.M.

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EXHIBIT 50

PATTON BOGGS, L.L.P.
2550 M STREET, N.W.
WASHINGTON, D.C. 20037-1350
(202) 457-6000
Facsimile (202) 457-6315

RECEIVED
96 SEP 11 AM 11:08
COMMITTEE ON STANDARDS

WRITER'S DIRECT DIAL
(202) 457-6405

September 10, 1996

The Honorable Nancy Johnson
Chairwoman
Committee on Standards of Official Conduct
HT-2, The Capitol
Washington, D.C. 20515

Dear Chairwoman Johnson:

We represent Congressman Bud Shuster. Late in the day of September 5, 1996, an organization calling itself the "Congressional Accountability Project" placed under Congressman Shuster's door a document styled as a complaint with your Committee against Congressman Shuster. Upon further investigation, we have learned that a copy of this document was also filed at your Committee's offices.

For the reasons set forth below, this document was improperly filed under the rules of the House and of your Committee. House Rule 10, clause 4(e)(2)(B)(ii) states this Committee can receive a complaint "from an individual not a Member of the House if the committee finds that such complaint has been submitted by such individual to not less than three Members of the House who have refused, in writing, to transmit such complaint to the committee." (emphasis supplied). Given this discretion granted by the Rule to the Committee, this complaint must be rejected in its present form in order to preserve the procedural protections afforded by the Rules of the House and of the Committee.

Members' Signatures on Refusal Letters: Most significantly, the signatures on two of the three letters of refusal (all of which are undated) required by House Rule 10, clause 4(e)(2)(B)(ii), do not match the Member's signature on file for franking purposes with the Clerk of the House. The Rule would appear to require the signatures of the Members themselves, and not a staffer, a requirement based on the gravity of the filing of a complaint with this Committee.[1] As the attachments demonstrate, the signature on the transmittal letter by Luis V. Gutierrez misspells the Member's own name -- it has only one "r" in his last name. In addition,

[1] The letters from the offices of Members Gutierrez and Williams do not even spell Congressman Shuster's name correctly.

the signature on Pat Schroeder's letter is significantly different from her signature on file with the Clerk (please see the "P" and the signature generally). This Committee must investigate whether the Members themselves personally signed the letters accompanying the Congressional Accountability Project's document, and if they did not, must return this document so that its filing comports with the Rules of the House and this Committee.

The actual signature of a Member is historically important in the House. For example, the instructions from the Clerk accompanying the pre-printed forms of official documents (such as bills, committee reports, conference reports) specify that the original signature of the Member is required in the appropriate place. Indeed, duplicate copies are specifically not acceptable. *See e.g.* U.S. House of Representatives, Comm. on Science, Space and Technology, Legislative Manual, pp. 14, 116, 103d Cong., 2d Sess. (1995); *accord*, Cong. Record, Feb. 3, 1972, p. 2521 (ruling of Speaker Albert); Hinds, Asher C., *Hinds Precedents of the U.S. House of Representatives*, vol. IV, § 3388 (1906) (bill cannot be introduced in the absence of the sponsoring Member).

Failure to Attach Refusal Letters: Committee Rule 14(e), as well as essential due process, requires that the Member who is the subject of the complaint be served with a complete copy of the complaint against him or her. Under Rule 14(e), "Legible copies of each refusal letter must accompany the complaint....A legible copy of the exact complaint submitted to and considered by the Member must be attached to that Member's refusal letter." The Congressional Accountability Project failed to attach properly the refusal letters.[2] Congressman Shuster never received a copy of the refusal letters from the filers of the document. Thus, this document should be rejected because those who filed failed to meet the Rules' fundamental requirement that a Member charged be able to ascertain who is responsible for allowing a third party group to bring a matter before this Committee.

Failure to Swear Under Oath: Furthermore, the document at issue was not sworn to under oath as required by House Rule 10, clause 4(e)(2)(B)(ii). An inspection of the document shows that, on its face, the signatory of the document does not at any point verify that the statements in it are true to the best of his knowledge. Nor does the notary stamp on the document even indicate that the document was stamped by the notary in the presence of the document's signer.

While ministerial in nature, these acts are considered essential parts of swearing to the authenticity of a document. This document raises serious charges against Congressman Shuster

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[2] The letters that were produced were undated, a procedural shortcoming given the Rules' prohibition on receiving letters less than 60 days before an election.

that were placed on the public record by an outside group on the last day possible before the upcoming elections. Both the timing and the charges are so blatantly politically-motivated that it is no wonder the signer did not want to conform to the requirements of swearing under oath as to the truth of the allegations. For this reason, the procedural deficiencies of this document are significant. If it is to be taken up by this Committee, the charges in it must be sworn to properly.

On the merits, the allegations raised in the document are a rehash of the political hit-job started against Congressman Shuster earlier this year. Congressman Shuster has throughout his congressional career made himself knowledgeable of the Rules of the House and complied scrupulously with them. The allegations are baseless.

That they are so baseless is all the more reason that the procedural safeguards set out in the Rules of the House and the Committee need to be followed. This document should not be accepted by the Committee unless: the three Members themselves signed the refusal letters; the letters from three Members who refused to file the matter themselves were properly served on Congressman Shuster, and the document is properly sworn to under oath. Failure to follow these procedural safeguards will only lead to the further politicization of the Ethics process.

Thank you for your consideration.

Sincerely,

Benjamin L. Ginsberg
Counsel for Congressman Shuster

BLG/jmt

Enclosures

LUIS V. GUTIERREZ
MEMBER OF CONGRESS
[illegible]
[illegible]
WASHINGTON, DC 20515
[illegible]

Congress of the United States
House of Representatives
Washington, DC 20515-1304

COMMITTEES:
BANKING AND FINANCIAL SERVICES
SUBCOMMITTEES:
HOUSING AND COMMUNITY OPPORTUNITY
CAPITAL MARKETS, SECURITIES AND GOVERNMENT SPONSORED ENTERPRISES
VETERANS' AFFAIRS
SUBCOMMITTEE:
HOSPITALS AND HEALTH CARE

September 5, 1996

Mr. Gary Ruskin
Congressional Accountability Project
1322 18th Street, N.W. #36
Washington, D.C. 20036

Mr. Ruskin:

This letter is to inform you that I have received a copy of your complaint against Congressman Bud Schuster. I have chosen, however, not to file this complaint on your behalf with the House Committee on Standards of Official Conduct. I acknowledge that this may cause the committee to initiate a preliminary inquiry.

Sincerely,

Luis V. Gutierrez
Member of Congress

DISTRICT OFFICES
[illegible]
[illegible]
[illegible]
[illegible]
[illegible]
[illegible]
[illegible]
[illegible]

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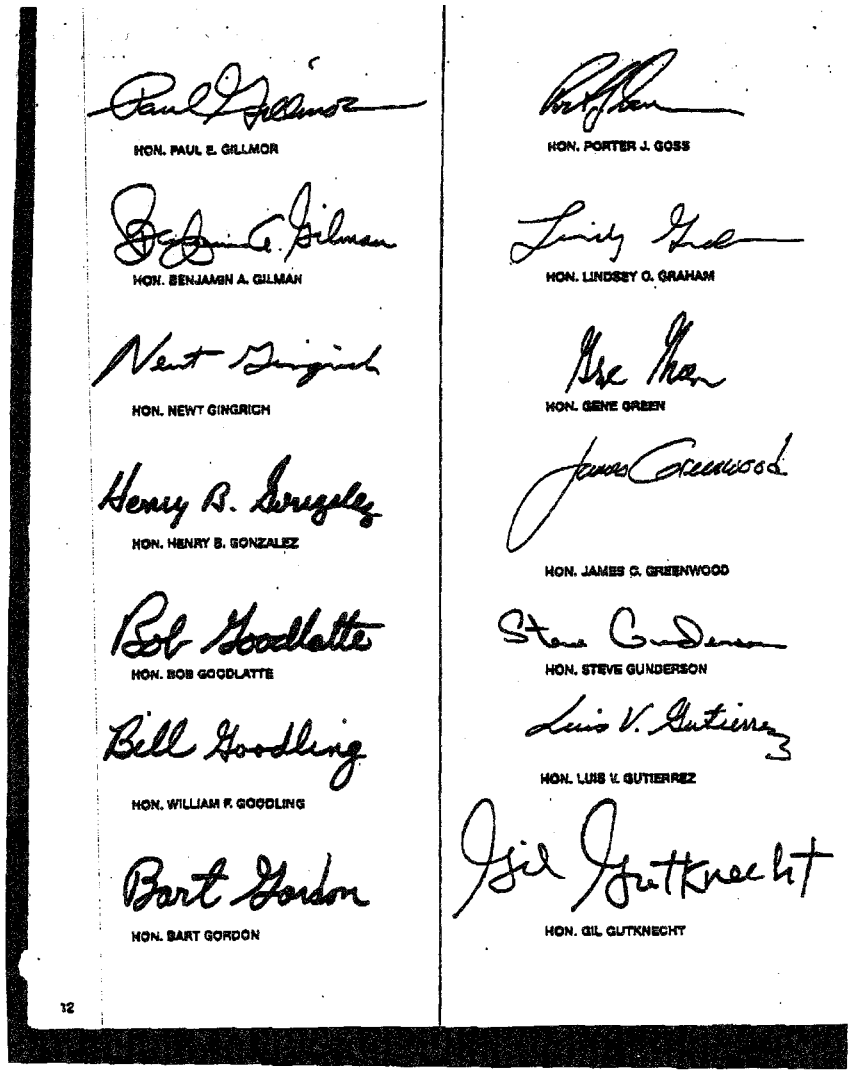

HON. PAUL E. GILLMOR

HON. PORTER J. GOSS

HON. BENJAMIN A. GILMAN

HON. LINDSEY O. GRAHAM

HON. NEWT GINGRICH

HON. GENE GREEN

HON. HENRY B. GONZALEZ

HON. JAMES C. GREENWOOD

HON. BOB GOODLATTE

HON. STEVE GUNDERSON

HON. WILLIAM F. GOODLING

HON. LUIS V. GUTIERREZ

HON. BART GORDON

HON. GIL GUTKNECHT

12

PATRICIA SCHROEDER
1ST DISTRICT, COLORADO

WASHINGTON OFFICE:
2307 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-0601
(202) 225-4431

DISTRICT OFFICE:
411 E. 17TH AVENUE
DENVER, CO 80218
(303) 866-1220

NATIONAL SECURITY COMMITTEE
JUDICIARY COMMITTEE

Congress of the United States
House of Representatives
Washington, DC 20515-0601

September 5, 1996

Gary Ruskin
Director
Congressional Accountability Project
1322 18th St. NW, suite 36
Washington, DC 20036

Dear Mr. Ruskin:

This letter is to inform you that I received a copy of your complaint against Congressman Bud Shuster. I have chosen, however, not to file this complaint on your behalf with the House Committee on Standards of Official Conduct. I acknowledge that this may cause the committee to initiate a preliminary inquiry.

Sincerely,

Pat Schroeder

Pat Schroeder
Congresswoman

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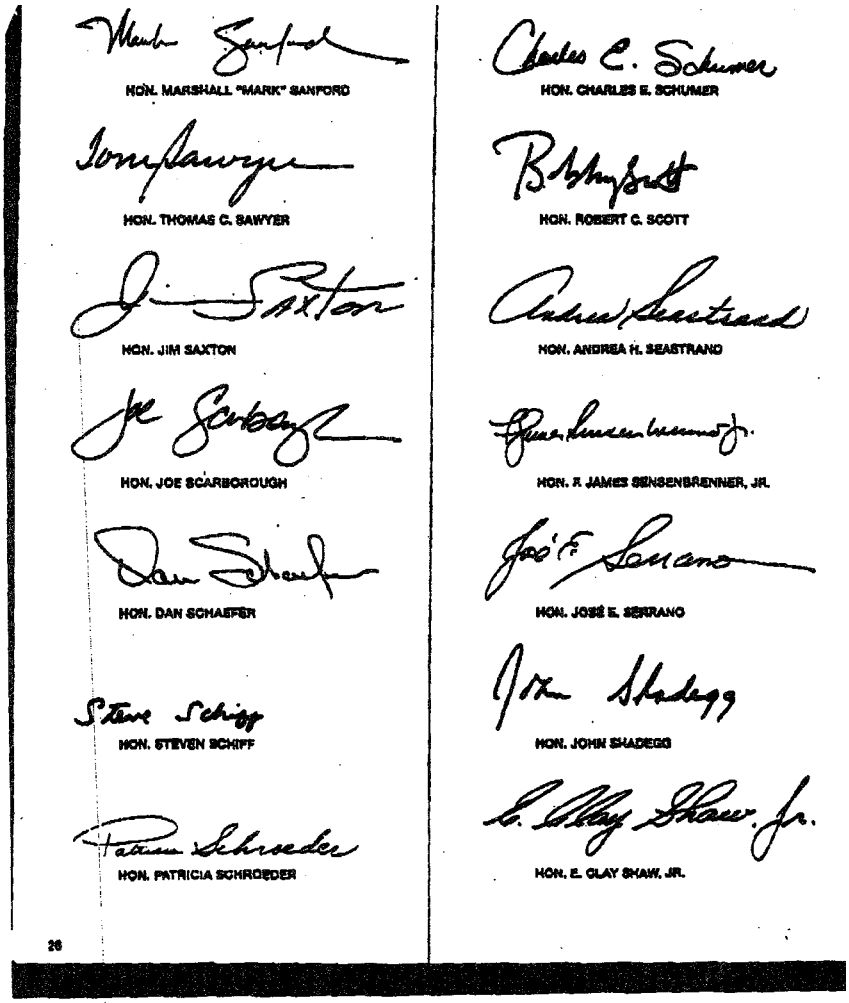


HON. MARSHALL "MARK" SANFORD

HON. CHARLES E. SCHUMER

HON. THOMAS C. SAWYER

HON. ROBERT C. SCOTT

HON. JIM SAXTON

HON. ANDREA H. SEASTRAND

HON. JOE SCARBOROUGH

HON. F. JAMES SENSENBRENNER, JR.

HON. DAN SCHAEFER

HON. JOSÉ E. SERRANO

HON. STEVEN SCHIFF

HON. JOHN SHADEGG

HON. PATRICIA SCHROEDER

HON. E. CLAY SHAW, JR.

EXHIBIT 51

NANCY L. JOHNSON, CONNECTICUT
CHAIRMAN
JIM BUNNING, KENTUCKY
PORTER J. GOSS, FLORIDA
DAVID L. HOBSON, OHIO
STEVEN SCHIFF, NEW MEXICO
THEODORE J. VA . DER MEID,
CHIEF COUNSEL

JIM McDERMOTT, WASHINGTON
RANKING DEMOCRATIC MEMBER
BENJAMIN L. CARDIN, MARYLAND
NANCY PELOSI, CALIFORNIA
ROBERT A. BORSKI, PENNSYLVANIA
THOMAS C. SAWYER, OHIO
SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FOURTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515–6328

September 12, 1996

The Honorable Bud Shuster
U.S. House of Representatives
2188 Rayburn House Office Building .
Washington, D.C. 20515

Dear Congressman Shuster:

On September 5, 1995, the Congressional Accountability Project transmitted to the Committee a complaint alleging violations of the House Ethics Rules by The Honorable Bud Shuster of the Ninth District of Pennsylvania. The complaint meets the procedural requirements of the Committee's rules.

We have enclosed a copy of the complaint and wish to formally advise you that you have thirty (30) days to submit to the Committee any information relevant thereto. The matter will be considered by the Committee at the next meeting following your response.

Sincerely,

Nancy L. Johnson
Chairman

Jim McDermott
Ranking Democratic Member

NLJ/JM:csw

Enclosure

CONGRESSMAN BUD SHUSTER
COMPLAINT FILED BY CONGRESSIONAL ACCOUNTABILITY PROJECT

EXHIBIT 52

NANCY L. JOHNSON, Connecticut
CHAIRMAN
JIM BUNNING, Kentucky
PORTER J. GOSS, Florida
DAVID L. HOBSON, Ohio
STEVEN SCHIFF, New Mexico
THEODORE VAN DER MEID
CHIEF COUNSEL

JIM McDERMOTT, Washington
RANKING DEMOCRATIC MEMBER
BENJAMIN L. CARDIN, Maryland
NANCY PELOSI, California
ROBERT A. BORSKI, Pennsylvania
THOMAS C. SAWYER, Ohio
SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FOURTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515-6328

September 12, 1996

Benjamin L. Ginsberg, Esq.
Patton Boggs, L.L.P.
2550 M Street, N.W.
Washington, D.C. 20037-1350

Dear Mr. Ginsberg:

This responds to your letter of September 10, 1996 requesting that the Committee reject the complaint filed against Congressman Bud Shuster on September 5, 1996 for failure to satisfy the requirements of clause 4(e)(2)(B)(ii) of House Rule 10.

After considering the points raised in your letter, the Committee declined to reject the complaint and has instead forwarded it to Congressman Shuster in accordance with Committee Rule 15. The Committee's view is that the procedural protections set forth in the House Rule have been afforded to Congressman Shuster.

Your first point is that the signatures on two of the letters of refusal do not match the Member signatures on file for franking purposes, and you assert that the House Rule appears to require original Member signatures. The corresponding Committee rule requires that a "refusal letter" from each of three Members accompany any complaint not transmitted by a Member. While this term may be somewhat ambiguous as to the required form, the Committee authorized me to contact the two particular Members, and both informed me that it was their intent to transmit the letter of refusal.

As to the fact that the copy of the complaint which complainant served on Congressman Shuster did not include copies of the refusal letters, the Committee notes that he was subsequently provided with copies by the Committee. In any event, the Committee has not previously ruled that the service copy of a complaint must include copies of the refusal letters, and the Committee is not prepared to reject the present complaint on this basis.

Finally, regarding the form of the notarization of the complaint, the Committee has in the past accepted complaints utilizing this form, and it is reluctant to reject a complaint on a basis that it had not previously enunciated. This is particularly so in view of the fact that the intent of the provision under which this complaint was filed was to

"quieten any notion that a legitimate complaint may be technically avoided." H. Rep. No. 1176, 90th Cong., 2d Sess. (1968), p. 16.

The remainder of your letter addresses the substance of the complaint. However, the determinations made on the points raised in your letter were made without regard to the merits of the complaint, as to which the Committee has made no determination whatsoever.

Sincerely,

Theodore J. Van Der Meid

Theodore J. Van Der Meid
Chief Counsel

EXHIBIT 53

RECEIVED
96 OCT -7 AM 10:03
COMMITTEE ON STANDARDS

PATTON BOGGS, L.L.P.
2550 M STREET, N.W.
WASHINGTON, D.C. 20037-1350
(202) 457-6000
FACSIMILE: (202) 457-6315
WRITER'S DIRECT DIAL

October 7, 1996

The Honorable Nancy Johnson
Chairwoman
Committee on Standards of Official Conduct
HT-2, The Capitol
Washington, D.C. 20515

Dear Mrs. Johnson:

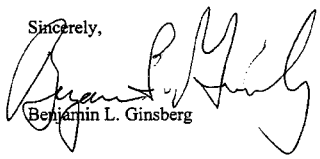
We represent Congressman Bud Shuster in connection with a complaint that was forwarded to him on September 13, 1996 by the Committee on Standards of Official Conduct. Under the Rules of the Committee, Mr. Shuster has 30 days to respond to that complaint. However, on October 4, 1996, the Congress adjourned *sine die*.

It appears that with the adjournment *sine die*, the committee has no plans to meet further to consider the complaint against Mr. Shuster. It is our understanding that the complaint has died for this session since the Congress adjourned before the completion of Mr. Shuster's 30-day response period.

As for the allegations in the complaint, by this letter, Mr. Shuster denies all the charges in the complaint. Given this complaint's timing and Mr. Shuster's duties as a committee chairman and conferee, plus an active reelection campaign, a detailed response has not been prepared and we do not intend to file one at this time. But should this matter ever come before the Committee, we note for the record that Mr. Shuster wishes to present a detailed refutation of the complaint. Accordingly, should the Committee decide to meet at any other time to consider this matter, Congressman Shuster requests at least one week's notice so that a detailed response may be submitted to the Committee.

Thank you for your consideration.

Sincerely,



Benjamin L. Ginsberg

EXHIBIT 54

H. RES. 168—IN THE HOUSE OF REPRESENTATIVES, U.S., SEPTEMBER 18, 1997

Resolved,

SECTION 1. USE OF NON-COMMITTEE MEMBERS.

(a) RULES AMENDMENT.—Clause 6(a) of rule X of the Rules of the House of Representatives is amended by adding at the end the following new subparagraph:

"(3)(A) At the beginning of each Congress—

"(i) the Speaker (or his designee) shall designate a list of 10 Members from the majority party; and

"(ii) the minority leader (or his designee) shall designate a list of 10 Members from the minority party;

who are not members of the Committee on Standards of Official Conduct and who may be assigned to serve as a member of an investigative subcommittee of that committee during that Congress. Members so chosen shall be announced to the House.

"(B) Whenever the chairman and ranking minority member of the Committee on Standards of Official Conduct jointly determine that Members designated under subdivision (A) should be assigned to serve on an investigative subcommittee of that committee, they shall each select the same number of Members of his respective party from the list to serve on that subcommittee.".

(b) CONFORMING RULES AMENDMENT.—Clause 6(b)(2)(A) of rule X of the Rules of the House of Representatives is amended by inserting after the first sentence the following new sentence: "Service on an investigative subcommittee of the Committee on Standards of Official Conduct pursuant to paragraph (a)(3) shall not be counted against the limitation on subcommittee service.".

SEC. 2. DURATION OF SERVICE ON THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT.

The second sentence of clause 6(a)(2) of rule X of the Rules of the House of Representatives is amended to read as follows: "No Member shall serve as a member of the Committee on Standards of Official Conduct for more than two Congresses in any period of three successive Congresses (disregarding for this purpose any service performed as a member of such committee for less than a full session in any Congress), except that a Member having served on the committee for two Congresses shall be eligible for election to the committee as chairman or ranking minority member for one additional Congress. Not less than two Members from each party shall rotate off the committee at the end of each Congress.".

SEC. 3. COMMITTEE AGENDAS.

The Committee on Standards of Official Conduct shall adopt rules providing that the chairman shall establish the agenda for meetings of the committee, but shall not preclude the ranking minority member from placing any item on the agenda.

SEC. 4. COMMITTEE STAFF.

(a) COMMITTEE RULES.—The Committee on Standards of Official Conduct shall adopt rules providing that:

(1)(A) The staff is to be assembled and retained as a professional, nonpartisan staff.

(B) Each member of the staff shall be professional and demonstrably qualified for the position for which he is hired.

(C) The staff as a whole and each member of the staff shall perform all official duties in a nonpartisan manner.

(D) No member of the staff shall engage in any partisan political activity directly affecting any congressional or presidential election.

(E) No member of the staff or outside counsel may accept public speaking engagements or write for publication on any subject that is in any way related to his or her employment or duties with the committee without specific prior approval from the chairman and ranking minority member.

(F) No member of the staff or outside counsel may make public, unless approved by an affirmative vote of a majority of the members of the committee, any information, document, or other material that is confidential, derived from executive session, or classified and that is obtained during the course of employment with the committee.

(2)(A) All staff members shall be appointed by an affirmative vote of a majority of the members of the committee. Such vote shall occur at the first meeting of the membership of the committee during each Congress and as necessary during the Congress.

(B) Subject to the approval of Committee on House Oversight, the committee may retain counsel not employed by the House of Representatives whenever the committee determines, by an affirmative vote of a majority of the members of the committee, that the retention of outside counsel is necessary and appropriate.

(C) If the committee determines that it is necessary to retain staff members for the purpose of a particular investigation or other proceeding, then such staff shall be retained only for the duration of that particular investigation or proceeding.

(3) Outside counsel may be dismissed prior to the end of a contract between the committee and such counsel only by an affirmative vote of a majority of the members of the committee.

(4) Only subparagraphs (C), (E), and (F) of paragraph (1) shall apply to shared staff.

(b) ADDITIONAL COMMITTEE STAFF.—In addition to any other staff provided for by law, rule, or other authority, with respect to the Committee on Standards of Official Conduct, the chairman and ranking minority member each may appoint one individual as a shared staff member from his or her personal staff to perform service for the committee. Such shared staff may assist the chairman

or ranking minority member on any subcommittee on which he serves.

SEC. 5. MEETINGS AND HEARINGS.

(a) HOUSE RULES.—(1) Clause 4(e)(3) of rule X of the Rules of the House of Representatives is amended to read as follows:

"(3)(A) Notwithstanding clause 2(g)(1) of rule XI, each meeting of the Committee on Standards of Official Conduct or any subcommittee thereof shall occur in executive session, unless the committee or subcommittee by an affirmative vote of a majority of its members opens the meeting to the public.

"(B) Notwithstanding clause 2(g)(2) of rule XI, hearings of an adjudicatory subcommittee or sanction hearings held by the Committee on Standards of Official Conduct shall be held in open session unless the subcommittee or committee, in open session by an affirmative vote of a majority of its members, closes all or part of the remainder of the hearing on that day to the public.".

(2)(A) The first sentence of clause 2(g)(1) of rule XI of the Rules of the House of Representatives is amended by inserting "(except the Committee on Standards of Official Conduct)" after "thereof".

(B) The first sentence of clause 2(g)(2) of rule XI of the Rules of the House of Representatives is amended by inserting "(except the Committee on Standards of Official Conduct)" after "thereof".

(b) COMMITTEE RULES.—The Committee on Standards of Official Conduct shall adopt rules providing that——

(1) all meetings of the committee or any subcommittee thereof shall occur in executive session unless the committee or subcommittee by an affirmative vote of a majority of its members opens the meeting or hearing to the public; and

(2) any hearing held by an adjudicatory subcommittee or any sanction hearing held by the committee shall be open to the public unless the committee or subcommittee by an affirmative vote of a majority of its members closes the hearing to the public.

SEC. 6. CONFIDENTIALITY OATHS.

Clause 4(e) of rule X of the Rules of the House of Representatives is amended by adding at the end the following:

"(4) Before any member, officer, or employee of the Committee on Standards of Official Conduct, including members of any subcommittee of the committee selected pursuant to clause 6(a)(3) and shared staff, may have access to information that is confidential under the rules of the committee, the following oath (or affirmation) shall be executed:

"I do solemnly swear (or affirm) that I will not disclose, to any person or entity outside the Committee on Standards of Official Conduct, any information received in the course of my service with the committee, except as authorized by the committee or in accordance with its rules."

Copies of the executed oath shall be retained by the Clerk of the House as part of the records of the House. This subparagraph establishes a standard of conduct within the meaning of subparagraph (1)(B). Breaches of confidentiality shall be investigated by the Committee on Standards of Official Conduct and appropriate action shall be taken.'.

SEC. 7. PUBLIC DISCLOSURE.

The Committee on Standards of Official Conduct shall adopt rules providing that, unless otherwise determined by a vote of the committee, only the chairman or ranking minority member, after consultation with each other, may make public statements regarding matters before the committee or any subcommittee thereof.

SEC. 8. CONFIDENTIALITY OF COMMITTEE VOTES.

(a) RECORDS.—The last sentence in clause 2(e)(1) of rule XI of the Rules of the House of Representatives is amended by adding before the period at the end the following: ", except that in the case of rollcall votes in the Committee on Standards of Official Conduct taken in executive session, the result of any such vote shall not be made available for inspection by the public without an affirmative vote of a majority of the members of the committee".

(b) REPORTS.—Clause 2(l)(2)(B) of rule XI of the Rules of the House of Representatives is amended by adding at the end the following new sentence: "The preceding sentence shall not apply to votes taken in executive session by the Committee on Standards of Official Conduct.".

SEC. 9. FILINGS BY NON-MEMBERS OF INFORMATION OFFERED AS A COMPLAINT.

(a) FILINGS SPONSORED BY MEMBERS.—Clause 4(e)(2)(B) of rule X of the Rules of the House of Representatives is amended by striking "or submitted to", by striking "a complaint" and inserting "information offered as a complaint", and by amending clause (ii) to read as follows:

> "(ii) upon receipt of information offered as a complaint, in writing and under oath, from an individual not a Member of the House provided that a Member of the House certifies in writing to the committee that he or she believes the information is submitted in good faith and warrants the review and consideration of the committee."

SEC. 10. REQUIREMENTS TO CONSTITUTE A COMPLAINT.

The Committee on Standards of Official Conduct shall amend its rules regarding complaints to provide that whenever information offered as a complaint is submitted to the committee, the chairman and ranking minority member shall have 14 calendar days or 5 legislative days, whichever occurs first, to determine whether the information meets the requirements of the committee's rules for what constitutes a complaint.

SEC. 11. DUTIES OF CHAIRMAN AND RANKING MINORITY MEMBER REGARDING PROPERLY FILED COMPLAINTS.

(a) COMMITTEE RULES.—The Committee on Standards of Official Conduct shall adopt rules providing that whenever the chairman and ranking minority member jointly determine that information submitted to the committee meets the requirements of the committee's rules for what constitutes a complaint, they shall have 45 calendar days or 5 legislative days, whichever is later, after the date that the chairman and ranking minority members determine that information filed meets the requirements of the committee's rules for what constitutes a complaint, unless the committee by an affirmative vote of a majority of its members votes otherwise, to—

(1) recommend to the committee that it dispose of the complaint, or any portion thereof, in any manner that does not require action by the House, which may include dismissal of the complaint or resolution of the complaint by a letter to the Member, officer, or employee of the House against whom the complaint is made;

(2) establish an investigative subcommittee; or

(3) request that the committee extend the applicable 45-calendar day or 5-legislative day period by one additional 45-calendar day period when they determine more time is necessary in order to make a recommendation under paragraph (1).

(b) HOUSE RULES.—Clause 4(e)(2)(A) of rule X of the Rules of the House of Representatives is amended by inserting "(i)" after "(A)", by striking "and no" and inserting "and, except as provided by subdivision (ii), no", and by adding at the end the following:

"(ii)(I) Upon the receipt of information offered as a complaint that is in compliance with this rule and the committee rules, the chairman and ranking minority member may jointly appoint members to serve as an investigative subcommittee.

"(II) The chairman and ranking minority member of the committee may jointly gather additional information concerning alleged conduct which is the basis of a complaint or of information offered as a complaint until they have established an investigative subcommittee or the chairman or ranking minority member has placed on the committee agenda the issue of whether to establish an investigative subcommittee.".

(c) DISPOSITION OF PROPERLY FILED COMPLAINTS BY CHAIRMAN AND RANKING MINORITY MEMBER IF NO ACTION TAKEN BY THEM WITHIN PRESCRIBED TIME LIMIT.—The Committee on Standards of Official Conduct shall adopt rules providing that if the chairman and ranking minority member jointly determine that information submitted to the committee meets the requirements of the committee rules for what constitutes a complaint, and the complaint is not disposed of within the applicable time periods under subsection (a), then they shall establish an investigative subcommittee and forward the complaint, or any portion thereof, to that subcommittee for its consideration. However, if, at any time during those periods, either the chairman or ranking minority member places on the agenda the issue of whether to establish an investigative subcommittee, then an investigative subcommittee may be established only by an affirmative vote of a majority of the members of the committee.

(d) HOUSE RULES.—Clause 4(e)(2)(B) of rule X of the Rules of the House of Representatives is amended by adding at the end the following new sentences: "If a complaint is not disposed of within the applicable time periods set forth in the rules of the Committee on Standards of Official Conduct, then the chairman and ranking minority member shall jointly establish an investigative subcommittee and forward the complaint, or any portion thereof, to that subcommittee for its consideration. However, if, at any time during those periods, either the chairman or ranking minority member places on the agenda the issue of whether to establish an investigative subcommittee, then an investigative subcommittee may be es-

tablished only by an affirmative vote of a majority of the members of the committee.".

SEC. 12. DUTIES OF CHAIRMAN AND RANKING MINORITY MEMBER REGARDING INFORMATION NOT CONSTITUTING A COMPLAINT.

The Committee on Standards of Official Conduct shall adopt rules providing that whenever the chairman and ranking minority member jointly determine that information submitted to the committee does not meet the requirements for what constitutes a compliant set forth in the committee rules, they may—

(1) return the information to the complainant with a statment that it fails to meet the requirements for what constitutes a complaint set forth in the committee rules; or

(2) recommend to the committee that it authorize the establishment of an investigative subcommittee.

SEC. 13. INVESTIGATIVE AND ADJUDICATORY SUBCOMMITTEES.

The Committee on Standards of Official Conduct shall adopt rules providing that—

(1)(A) investigative subcommittees shall be comprised of 4 Members (with equal representation from the majority and minority parties) whenever such subcommittee is established pursuant to the rules of the committee; and

(B) adjudicatory subcommittees shall be comprised of the members of the committee who did not serve on the investigative subcommittee (with equal representation from the majority and minority parties) whenever such subcommittee is established pursuant to the rules of the committee;

(2) at the time of appointment, the chairman shall designate one member of the subcommittee to serve as chairman and the ranking minority member shall designate one member of the subcommittee to serve as the ranking minority member of the investigative subcommittee or adjudicatory subcommittee; and

(3) the chairman and ranking minority member of the committee may serve as members of an investigative subcommittee, but may not serve as non-voting, ex officio members.

SEC. 14. STANDARD OF PROOF FOR ADOPTION OF STATEMENT OF ALLEGED VIOLATION.

The Committee on Standards of Official Conduct shall amend its rules to provide that an investigative subcommittee may adopt a statement of alleged violation only if it determines by an affirmative vote of a majority of the members of the committee that there is substantial reason to believe that a violation of the Code of Official Conduct, or of a law, rule, regulation, or other standard of conduct applicable to the performance of official duties or the discharge of official responsibilities by a Member, officer, or employee of the House of Representatives has occurred.

SEC. 15. SUBCOMMITTEE POWERS.

(a) SUBPOENA POWER—

(1) HOUSE RULES.—Clause 2(m)(2)(A) of rule XI of the Rules of the House of Representatives is amended in the first sentence by inserting before the period the following: ", except in the case of a subcommittee of the Committee on Standards of Official Conduct, a subpoena may be authorized and issued

only when authorized by an affirmative vote of a majority of its members".

(2) COMMITTEE RULES.—The Committee on Standards of Official Conduct shall adopt rules providing that an investigative subcommittee or an adjudicatory subcommittee may authorize and issue subpoenas only when authorized by an affirmative vote of a majority of the members of the subcommittee.

(b) EXPANSION OF SCOPE OF INVESTIGATIONS.—The Committee on Standards of Official Conduct shall adopt rules providing that an investigative subcommittee may, upon an affirmative vote of a majority of its members, expand the scope of its investigation when approved by an affirmative vote of a majority of the members of the committee.

(c) AMENDMENTS OF STATEMENTS OF ALLEGED VIOLATION.—The Committee on Standards of Official Conduct shall adopt rules to provide that——

(1) an investigative subcommittee may, upon an affirmative vote of a majority of its members, amend its statement of alleged violation anytime before the statement of alleged violation is transmitted to the committee; and

(2) if an investigative subcommittee amends its statement of alleged violation, the respondent shall be notified in writing and shall have 30 calendar days from the date of that notification to file an answer to the amended statement of alleged violation.

SEC. 16. DUE PROCESS RIGHTS OF RESPONDENTS.

The Committee on Standards of Official Conduct shall amend its rules to provide that—

(1) not less than 10 calendar days before a scheduled vote by an investigative subcommittee on a statement of alleged violation, the subcommittee shall provide the respondent with a copy of the statement of alleged violation it intends to adopt together with all evidence it intends to use to prove those charges which it intends to adopt, including documentary evidence, witness testimony, memoranda of witness interviews, and physical evidence, unless the subcommittee by an affirmative vote of a majority of its members decides to withhold certain evidence in order to protect a witness, but if such evidence is withheld, the subcommittee shall inform the respondent that evidence is being withheld and of the count to which such evidence relates;

(2) neither the respondent nor his counsel shall, directly or indirectly, contact the subcommittee or any member thereof during the period of time set forth in paragraph (1) except for the sole purpose of settlement discussions where counsels for the respondent and the subcommittee are present;

(3) if, at any time after the issuance of a statement of alleged violation, the committee or any subcommittee thereof determines that it intends to use evidence not provided to a respondent under paragraph (1) to prove the charges contained in the statement of alleged violation (or any amendment thereof), such evidence shall be made immediately available to the respondent, and it may be used in any further proceeding under the committee's rules;

(4) evidence provided pursuant to paragraph (1) or (3) shall be made available to the respondent and his or her counsel only after each agrees, in writing, that no document, information, or other materials obtained pursuant to that paragraph shall be made public until—

(A) such time as a statement of alleged violation is made public by the committee if the respondent has waived the adjudicatory hearing; or

(B) the commencement of an adjudicatory hearing if the respondent has not waived an adjudicatory hearing;

but the failure of respondent and his counsel to so agree in writing, and therefore not receive the evidence, shall not preclude the issuance of a statement of alleged violation at the end of the period referred to in paragraph (1);

(5) a respondent shall receive written notice whenever—

(A) the chairman and ranking minority member determine that information the committee has received constitutes a complaint;

(B) a complaint or allegation is transmitted to an investigative subcommittee;

(C) that subcommittee votes to authorize its first subpoena or to take testimony under oath, whichever occurs first; and

(D) an investigative subcommittee votes to expand the scope of its investigation;

(6) whenever an investigative subcommittee adopts a statement of alleged violation and a respondent enters into an agreement with that subcommittee to settle a complaint on which that statement is based, that agreement, unless the respondent requests otherwise, shall be in writing and signed by the respondent and respondent's counsel, the chairman and ranking minority member of the subcommittee, and the outside counsel, if any;

(7) statements or information derived solely from a respondent or his counsel during any settlement discussions between the committee or a subcommittee thereof and the respondent shall not be included in any report of the subcommittee or the committee or otherwise publicly disclosed without the consent of the respondent; and

(8) whenever a motion to establish an investigative subcommittee does not prevail, the committee shall promptly send a letter to the respondent informing him of such vote.

SEC. 17. COMMITTEE REPORTING REQUIREMENTS.

The Committee on Standards of Official Conduct shall amend its rules to provide that—

(1) whenever an investigative subcommittee does not adopt a statement of alleged violation and transmits a report to that effect to the committee, the committee may by an affirmative vote of a majority of its members transmit such report to the House of Representatives; and

(2) whenever an investigative subcommittee adopts a statement of alleged violation, the respondent admits to the violations set forth in such statement, the respondent waives his or

her right to an adjudicatory hearing, and the respondent's waiver is approved by the committee—

(A) the subcommittee shall prepare a report for transmittal to the committee, a final draft of which shall be provided to the respondent not less than 15 calendar days before the subcommittee votes on whether to adopt the report;

(B) the respondent may submit views in writing regarding the final draft to the subcommittee within 7 calendar days of receipt of that draft;

(C) the subcommittee shall transmit a report to the committee regarding the statement of alleged violation together with any views submitted by the respondent pursuant to subparagraph (B), and the committee shall make the report together with the respondent's views available to the public before the commencement of any sanction hearing; and

(D) the committee shall by an affirmative vote of a majority of its members issue a report and transmit such report to the House of Representatives, together with the respondent's views previously submitted pursuant to subparagraph (B) and any additional views respondent may submit for attachment to the final report; and

(3) members of the committee shall have not less than 72 hours to review any report transmitted to the committee by an investigative subcommittee before both the commencement of a sanction hearing and the committee vote on whether to adopt the report.

SEC. 18. REFERRALS TO FEDERAL OR STATE AUTHORITIES.

Clause 4(e)(1)(C) of rule X of the Rules of the House of Representatives is amended by striking "with the approval of the House" and inserting "either with the approval of the House or by an affirmative vote of two-thirds of the members of the committee".

SEC. 19. FRIVOLOUS FILINGS.

Clause 4(e) of rule X of the Rules of the House of Representatives is amended by adding at the end the following:

"(5)(A) If a complaint or information offered as a complaint is deemed frivolous by an affirmative vote of a majority of the members of the Committee on Standards of Official Conduct, the committee may take such action as it, by an affirmative vote of a majority of its members, deems appropriate in the circumstances.

"(B) Complaints filed before the One Hundred Fifth Congress may not be deemed frivolous by the Committee on Standards of Official Conduct.".

SEC. 20. TECHNICAL AMENDMENTS.

The Committee on Standards of Official Conduct shall—

(1) clarify its rules to provide that whenever the committee votes to authorize an investigation on its own initiative, the chairman and ranking minority member shall establish an investigative subcommittee to undertake such investigation;

(2) revise its rules to refer to hearings held by an adjudicatory subcommittee as adjudicatory hearings; and

(3) make such other amendments to its rules as necessary to conform such rules to this resolution.

SEC. 21. EFFECTIVE DATE.

This resolution and the amendments made by it apply with respect to any complaint or information offered as a complaint that is or has been filed during this Congress.

EXHIBIT 55

RECEIVED
97 SEP 11 PM 3:58
COMMITTEE ON STANDARDS

PATTON BOGGS, L.L.P.
2550 M STREET, N.W.
WASHINGTON, D.C. 20037-1350
(202) 457-6000
FACSIMILE (202) 457-6315

WRITER'S DIRECT DIAL
(202) 457-6405

September 11, 1997

VIA HAND DELIVERY

The Honorable James V. Hansen
Chairman
Committee on Standards of Official Conduct
HT-2, The Capitol
Washington, D.C. 20515

Dear Chairman Hansen:

We represent Congressman Bud Shuster. As your committee determines the status of complaints filed in the 104th Congress, we ask that you consider the facts surrounding the filing of the complaint naming Mr. Shuster. After this consideration, we believe you must conclude that this complaint cannot be automatically rolled over since all complaints in this Congress should have to be filed under any new Rules that may govern the Committee in the 105th Congress and, even if the filing requirement of the 104th Congress is still in effect, this complaint lacks the required support from Members serving in the 105th Congress.

New Procedures: To the extent new standards for filing are put in place for the 105th Congress, they would preempt the precedent of automatically rolling complaints over to the next Congress. These new procedures have been recommended to the House because of recognized flaws with the rules used in earlier Congresses.

Within this context, it is contradictory to force Members who were the subject of complaints in the final, politicized days of the 104th Congress to operate under the old rules that House may choose to correct. Accordingly, on behalf of Congressman Shuster, we ask that the complaint filed against him by the Congressional Accountability Project not be automatically rolled over. The Congressional Accountability Project may, of course, refile a complaint. But as a matter of procedural due process and elementary fairness, that complaint should only be considered under the rules that affect this 105th Congress.

Required Signatures: Even if the complaint is allowed to be rolled over under the rules of the 104th Congress, it is fatally flawed under the old standards and cannot be considered by the 105th Congress. The complaint by the Congressional Accountability Project was transmitted to the Committee pursuant to House Rule 10, clause 4(e)(B)(ii)'s requirement that three Members refuse in writing to transmit the complaint to the Committee. Since two of the three Members who signed the letter in September 1996 are not Members of the 105th Congress, we believe that the complaint cannot automatically be rolled over to the 105th Congress.

Since it lacks even the requisite Member support required by the old rules, the complaint against Congressman Shuster should not be automatically rolled over to the 105th Congress for consideration by the Committee. The Congressional Accountability Project is, of course, free to bring the complaint before the Committee pursuant to the rules under which the Committee operates in the 105th Congress.

Respectfully submitted,

Benjamin L. Ginsberg

RECEIVED
97 SEP 12 PM 4:15
COMMITTEE ON STANDARDS

PATTON BOGGS, L.L.P.
2550 M STREET, N.W.
WASHINGTON, D.C. 20037-1350
(202) 457-6000
FACSIMILE (202) 457-6315

WRITER'S DIRECT DIAL
(202) 457-6405

September 12, 1997

VIA HAND DELIVERY

The Honorable James V. Hansen
Chairman
Committee on Standards of Official Conduct
HT-2, The Capitol
Washington, D.C. 20515

Re: Rollover of Ethics Complaints from the 104th Congress

Dear Chairman Hansen:

As a follow-up to our letter yesterday on behalf of Representative Bud Shuster, we wish to emphasize our belief that any precedent holding that complaints from one Congress are rolled over to the next does not apply to the complaint filed against Mr. Shuster in the 104th Congress.

While such a precedent may exist for complaints considered by the Committee on Standards at the start of a new Congress, that is not the case here. Indeed, this situation involving Mr. Shuster has never before occurred. The complaint at issue was filed more than one year ago. There has been an unprecedented nine month moratorium on Mr. Shuster being able to clear his name on this complaint. Never before has a complaint been rolled over with this long a delay. This delay has impacted Mr. Shuster's procedural rights, especially since two of the three Members who signed the required refusal letters do not even serve in the 105th Congress, and the signature of the third Member is misspelled (the refusal letter signature of Luis V. Gutierrez contains only one "r" in his last name). The rules clearly require that a Member sign his name. It is our understanding that Mr. Gutierrez did not sign his name, but rather someone else signed it for him. At a minimum, the Committee should require that Mr. Gutierrez sign his own name reaffirming his original letter.

This situation is further without precedent since the Committee and/or the House are in the process of promulgating new rules governing the filing and consideration of complaints. These new rules will preempt the standard under which this complaint was filed and will be

weighed by the Committee. Thus, consideration of this complaint will occur in unique circumstances.

For these reasons, in addition to those detailed in our letter of September 11, 1997, the complaint against Representative Shuster should not be rolled over to the 105th Congress.

Sincerely,

Benjamin L. Ginsberg

Benjamin L. Ginsberg

EXHIBIT 56

Congressional Accountability Project
1611 Connecticut Ave. Suite #3A
Washington, DC 20009
(202) 296-2787
fax (202) 833-2406

RECEIVED
97 OCT -8 AM 8: 55
COMMITTEE ON STANDARDS

October 8, 1997

Honorable James Hansen, Chairman
Honorable Howard Berman, Ranking Member
House Committee on Standards of Official Conduct
HT-2, The Capitol
U. S. House of Representatives
Washington, DC 20515

RE: Request to Amend an Ethics Complaint Against Representative Bud Shuster

Dear Representatives Hansen and Berman:

This letter constitutes a formal request to amend the Congressional Accountability Project's September 5, 1996 ethics complaint against House Transportation Committee Chairman Elmer Greinert "Bud" Shuster (R-PA). We wish to append news accounts of Chairman Shuster's dubious practice of holding joint official fact-finding and campaign fundraising activities.

This amendment is pursuant to House Rule 10, which authorizes the House Committee on Standards of Official Conduct ("Ethics Committee") to investigate "any alleged violation, by a Member, officer or employee of the House, of the Code of Official Conduct or of any law, rule, regulation or standard of conduct applicable to the conduct of such Member, officer, or employee in the performance of his duties or the discharge of his responsibilities."

This letter also contains a formal request that the Ethics Committee prepare a new House Rule codifying House Ethics Manual warnings against linking campaign contributions with official actions.

A: House Transportation and Infrastructure Committee Chairman Shuster Has Repeatedly Linked Official Fact-Finding with Campaign Fundraising

On October 31, 1996, *Roll Call* revealed that several of Chairman Shuster's campaign fundraising events were closely linked -- in time, proximity, and substance -- to official fact-finding expeditions to evaluate possible federal financing of transportation projects. For example, in Frederick, Maryland:

> Desperate to link two interstate highways together and relieve traffic through their historic business district, town leaders here did

> **the only thing they believed would get the attention of House Transportation and Infrastructure Chairman Bud Shuster (R-Pa).**
>
> **They held a fundraiser for his re-election.**
>
> **"We were trying to be a squeaky wheel. We did everything we could think of to get the attentions of the powers who make these decisions," said Carolyn Barranca, a Frederick businesswoman who helped to organize last week's event....**
>
> **Like the Frederick fundraiser and helicopter tour, at most stops Shuster mixes an official inspection of transportation needs with events benefitting his campaign war chest....**
>
> **[In Frederick,] people talked quite bluntly about Shuster's visit. "It's the same reason you go to visit your mother-in-law," said a Frederick businessman who didn't want his name used. "You don't like to do it, but it keeps things smooth."[1]**

The *Frederick News-Post* described Rep. Shuster's visit to Maryland:

> [Shuster] toured Frederick in Mayor Jim Grimes' helicopter Friday morning to see the traffic problems created by the poor connection between I-70 and I-270.
>
> But the tour did not begin until after a fund-raiser for Mr. Shuster at the City Club organized by the Frederick Area Committee for Transportation (FACT), a private, non-profit organization that lobbies for transportation.[2]

In the fundraising solicitation letter from the Frederick Area Committee for Transportation, the fundraiser is clearly linked to a plea for official action:

> Chairman Shuster is visiting Frederick at the request of the Frederick Area Committee for Transportation, Inc. (FACT), to review first-hand our transportation improvement needs. This will be a rare opportunity for you and your associates to demonstrate to

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[1] Damon Chappie, "Transportation Chairman Hits Road To Scare Up Campaign Contributions." *Roll Call*, October 31, 1996. Attachment #1 also includes "Toll Road," editorial, *Roll Call*, October 31, 1996.

[2] Matthew Barakat, "Shuster Visit Raises Funds, Eyebrows." *Frederick News-Post*, October 26, 1996. See Attachment #2.

> Congress' most influential transportation supporter how our area's phenomenal growth and future potential are facing unfortunate constraints....
>
> ....We hope you will join us to discuss with Chairman Shuster our needs and plans for making Frederick second to none in the critical arenas of transportation and economic development.[3]

In Texas, according to a news release from Chairman Shuster's Transportation and Infrastructure Committee,

> Congressman Bud Shuster (R-PA), Chairman of the House Committee on Transportation and Infrastructure, and Congressmen [sic] Thomas Petri (R-WI), Chairman of the Committee's Subcommittee on Surface Transportation have announced that field hearings on border transportation and infrastructure issues, including issues related to NAFTA, will be held in August by the Subcommittee on Surface Transportation. The hearings will be conducted on August 8th in Laredo, Texas, and on August 9th in McAllen, Texas....
>
> "We will have a smaller hearing on Friday, August 9, in McAllen, Texas, to hear testimony from local residents on border infrastructure in the lower Rio Grande Valley, one of the fastest growing regions along the border." "To our knowledge, the Committee has not visited the Texas border and we believe that to truly understand border issues, it's necessary to visit and experience the area," concluded Shuster and Petri.[4]

Roll Call wrote of Chairman Shuster's Texas activities that:

> Mike Allen, director of the McAllen Economic Development and Industrial Recruitment Office, said he and other leaders "decided we needed to do everything we can to get people to notice us."
>
> Allen turned to Washington lobbyist Randolph DeLay, the brother

---

[3] Correspondence from Brooks R. Edwards and Bernard Grove of the Frederick Area Committee for Transportation, October 8, 1996. See Attachment #3.

[4] Committee on Transportation and Infrastructure, U.S. House of Representatives, "Special Attention: Hearings on NAFTA, Related Issues, Chairmen Shuster, Petri Announce Filed Hearings on U.S.-Mexico Border to Examine Transportation and Infrastructure Issues." News release, July 19, 1996. See Attachment #4.

> of GOP Whip Tom DeLay (R-Texas), to help arrange a Transportation Committee field hearing and campaign fundraiser for Shuster.
>
> Shuster, who didn't attend the field hearing, did go to the fundraiser -- complete with helicopter tour -- which netted his campaign $25,000, according to campaign filings....
>
> "We probably took some extreme measures," said Allen, who once served the area as a Catholic priest and who stayed there as a business leader. "To me it's marketing. He [Shuster] wasn't at the hearing. When you have our desperate situation, you want somebody to help you. And we needed to get his attention."

Regarding Chairman Shuster's activities in California, the *San Francisco Chronicle* wrote:

> Over the past month, [Rep. Frank] Riggs has also been touting a range of new spending initiatives, including $1.6 million for additional "park and ride" spaces along Highway 101 in Sonoma County, $1 million toward a bus and train depot in Eureka and a possible half billion dollars to widen Highway 101 in the North Bay.
>
> To drive home the point, Representative Bud Shuster...came out to Sonoma County last month to say that the Republicans, with Riggs' help, would try to deliver on the highway project. "I would expect that next year we should be able to provide the funds for 101," he said at a Riggs campaign stop.[5]

Roll Call wrote of Chairman Shuster's activities in California:

> In June, Shuster flew by helicopter over California's Sonoma County to look at Highway 101 with freshman Rep. Frank Riggs (R-Calif), who also has a tough race. Shuster also raised $18,000 at a California fundraiser at the same time.

Regarding Chairman Shuster's activities in Utah, the *Salt Lake Tribune* reported:

> Pennsylvania Congressman Bud Shuster, invited to Utah to tour highways and Winter Olympics sites, is also raising money for his re-election campaign....

---

[5] Louis Freedberg, "State Could Decide Control of Congress, Gingrich Tweaking Budget to Help House Candidates." *San Francisco Chronicle*, July 9, 1996. See Attachment #5.

> The Utah Motor Transport Association held a breakfast for the Pennsylvania Republican on Monday morning. An association spokeswoman confirmed that representatives from the transportation and construction industries attended, as did Utah Transit Authority officials developing light rail for Salt Lake Valley, Gov. Leavitt, 2nd District Rep. Enid Greene and 1st District Rep. Jim Hansen.
>
> Another gathering was held Monday Afternoon in Provo Canyon....
>
> Acknowledging that his re-election committee was paying for the trip West, Shuster held out hope Monday that Congress could look favorably on Utah's transportation needs for communities affected by the Olympics, as well as projects such as I-15's reconstruction. And, he said, those additional projects could be funded with the federal government covering 80% to 90% of the cost.[6]

Roll Call wrote of Chairman Shuster's trip to Provo:

> Provo's lobbyist in Washington, Patricia Jordan, helped to arrange a fundraiser for Shuster, who, once again, got a bird's-eye view with a helicopter tour. About 60 people attended the fundraiser, and Shuster reported raising $8,000....

Regarding Chairman Shuster's trips to Pine Bluff, Arkansas, *Roll Call* wrote:

> Since the fall of 1995, House Transportation and Infrastructure Committee Chairman Bud Shuster (R-Pa) has twice descended upon the area of Pine Bluff, Ark., to hold fundraisers that netted his campaign some $20,000.[7]

During one of Chairman Shuster's fundraising trips to Arkansas, the *Arkansas Democrat-Gazette* noted that:

> Earlier in the day, Gov. Mike Huckabee flew to West Helena to visit with Shuster about the proposed interstate's [I-69] importance to Arkansas. Shuster was touring that area of Arkansas's 1st

---

[6] John Keahey, "Pennsylvanian Campaigning in Beehive State." *Salt Lake Tribune*, September 17, 1996. Attachment #6 also contains "Fueling Cynicism," editorial, *Salt Lake Tribune*, September 21, 1996.

[7] Ed Henry and Damon Chappie, "A Billion-Dollar Arkansas Road Project Pits Chairman Against Majority Leader." *Roll Call*, October 6, 1997. See Attachment #7.

> Congressional District with [Rep. Jay] Dickey and Warren Dupwe of Jonesboro, the Republican nominee for the 1st district seat.[8]

Congressional fact-finding serves a legitimate governmental interest when it relates directly and solely to a Member's official duties in the Congress. Such fact-finding is in the public interest; a well-informed Member of Congress will likely make better decisions than an ill-informed Member.

However, Chairman Shuster's pattern of holding joint fundraisers and fact-finding events in Maryland, Texas, Utah, California, and Arkansas, as well as the comments of his campaign donors, call into question the legitimacy of his fact-finding. They leave the impression that Chairman Shuster requires an "entrance fee" or tribute of campaign contributions to consider or approve federal financing for transportation projects. The Ethics Committee must determine whether Chairman Shuster does require such a tribute.

Consideration for federal funding should not be "for sale" by politicians seeking fattened campaign warchests. If Chairman Shuster is trading such consideration for campaign contributions, he is misusing his chairmanship for political gain. This would likely fall within a class of dishonorable conduct prohibited by the House Code of Official Conduct. The Code states that:

> A Member, officer, or employee of the House of Representatives shall conduct himself at all times in a manner which shall reflect creditably on the House of Representatives.[9]

But even the appearance of linkage -- without the actuality of a tribute -- is demoralizing to the public. It erodes trust in the Congress, and the federal government. As such, it is corrosive to the legislative process, and cannot be permitted by the Ethics Committee. The Ethics Committee must take official action to preserve and protect public trust in the United States Congress.

The appearance standard was perhaps best expressed in the Senate Ethics Committee's report on the Investigation of Senator Alan Cranston:

> Because Senators occupy a position of public trust, every Senator always must endeavor to avoid the appearance that the Senator, the Senate, or the governmental process may be influenced by campaign contributions or other benefits provided by those with

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[8] Emmett George, "700 Rally in Stuttgart to Make Case for I-69." *Arkansas Democrat-Gazette*, October 17, 1996. See Attachment #8.

[9] House Rule 43, clause 1.

significant legislative or governmental interests.[10]

Senator Paul Douglas has pointed out, in his book Ethics in Government, that it is important for time to elapse between the gift of a campaign contribution to a Member of Congress, and any official action provided to the donor -- and that includes fact-finding. Senator Douglas's book is quoted with approval in the House Ethics Manual:

> It is probably not wrong for the campaign managers of a legislator before an election to request contributions from those for whom the legislator has done appreciable favors, but this should never be presented as a payment for services rendered. Moreover, the possibility of such a contribution should never be suggested by the legislator or his staff at the time the favor is done. Furthermore, a decent interval of time should be allowed to lapse so that neither party will feel that there is a close connection between the two acts.[11]

The House Ethics Manual also states that:

> The Senate [Select] Committee [on Ethics] concluded that "established norms of Senate behavior do not permit linkage between . . . official actions and . . . fund raising activities." House Members, too, should be aware of the appearance of impropriety that could arise from championing the causes of contributors and take care not to show favoritism to them over other constituents.[12]

At a minimum, Chairman Shuster has run afoul of the appearance standard and the House Code of Official Conduct by linking -- in time, proximity, and substance -- official fact-finding and campaign fundraising.

B: Request for a New House Rule Prohibiting Linkage Between Campaign Contributions and Official Action to Codify House Ethics Manual Warnings

Currently, no House Rule codifies the House Ethics Manual's warnings against linkage

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[10] Senate Select Committee on Ethics, Investigation of Senator Alan Cranston, S. Rep. No. 102-223, 102d Cong., 1st Sess. 11-12 (1991). Quoted in the House Ethics Manual at 250-51.

[11] Senator Paul Douglas, Ethics in Government. Harvard University Press, Cambridge, 1952. p. 89. Quoted in the House Ethics Manual at 257.

[12] House Ethics Manual at 251, quoting from Cranston Report at 29.

between campaign contributions and official action. This is a serious omission in the House Rules. Without such a House Rule, the public is nearly bereft of protection against the corrupting power of campaign contributions upon the Congressional legislative process, other than the weakened and crumbling Federal Election Campaign Act (FECA) of 1971 and amendments.

The gravity of this omission in the House Rules is compounded by the judicial decision in the bribery case *United States v. Brewster.*[13] In *Brewster*, the D.C. Circuit Court carved out a crucial exemption in federal bribery law (18 U.S.C. §201) for campaign contributions to Members of Congress. *Brewster* essentially exempts "legitimate campaign contributions" -- legitimate under FECA – from prosecution under federal bribery law.

Brewster was a disaster for the integrity of the Congressional legislative process. It essentially exempted what is likely the single most important source of corruption -- large campaign contributions -- from coverage under federal bribery law.

To make matters still worse, in *Brewster*, the court added two necessary elements not in the federal bribery statute which are now necessary to convict Members of Congress -- and only Members of Congress -- under section 201[14]. In an article in the *Journal of Legislation* on "Bribes, Gratuities, and the Congress," Joseph Weeks wrote:

> *Brewster* has proven to be a costly decision. Seldom has a single case at the circuit court level generated so much mischief in terms of potentially frustrating what should be routine convictions for corruption. All of this is a legitimate part of the price paid for the effort in *Brewster* to create a "legitimate campaign contribution" exception to section 201.
>
> The effect of the *Brewster* analysis is the addition of an additional, and wholly unneeded, element to section 201. The *Brewster* requirement of attribution to a specific act, together with the "for himself" requirement of section 201(g) [illegal gratuity], means that, for all but the most careless, the prosecution of congressmen under section 201 is essentially precluded.[15]

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[13] 506 F.2d 62 (D.C. Cir. 1974).

[14] See William M. Welch II, "The Federal Bribery Statute and Special Interest Campaign Contributions." *Journal of Criminal Law & Criminology* (1989), 79 J. Crim L. 1347. See also Joseph R. Weeks, "Bribes, Gratuities, and the Congress: The Institutionalized Corruption of the Political Process, the Impotence of Criminal Law to Reach it, and a Proposal for Change." *Journal of Legislation* (1986), 13 J. Legis. 123.

[15] Weeks, at 137-8.

Weeks's statement is mirrored by The U.S. Department of Justice manual on the Prosecution of Public Corruption Cases, which states:

> ...it should be noted that campaign contributions can be the stuff of both bribes and gratuities. When, however, the contributions are consistent with the Federal Election Campaign Act of 1971 and subsequent amendments to the Act, it is a steep, uphill climb to a successful prosecution, usually requiring a taped conversation of the illicit agreement between the donor and the Member of Congress.[16]

These barriers to prosecution of Members of Congress exist in spite of emphatic concern -- both from the public and the courts -- about the deleterious effects of both the appearance and the reality of linkage between campaign contributions and official action. For example, in *Buckley v. Valeo*, the Supreme Court noted that:

> To the extent that large contributions are given to secure a political *quid pro quo* from current and potential office holders, the integrity of our system of representative government is undermined. Although the scope of such pernicious practices can never be reliably ascertained, the deeply disturbing examples surfacing after the 1972 election demonstrate that the problem is not an illusory one.
>
> Of almost equal concern as the danger of actual *quid pro quo* arrangements is the impact of the appearance of corruption stemming from public awareness of the opportunities for abuse inherent in a regime of large individual financial contributions. [17]

Without a House Rule explicitly prohibiting linkage between campaign contributions and official action, citizens are left with only the flimsiest protections against such conduct: warnings in the House Ethics Manual, and a general rule in the House Code of Official Conduct. These feeble protections are not adequate to the task of protecting citizens and the legislative process against Members of the House of Representatives who link campaign contributions and official action.

Solutions to the problem of inadequate protection against the purchase of influence by campaign contributors are needed at two levels: a change in the federal bribery statute to once again bring campaign contributions to Members of Congress under section 201, and a new House

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[16] Reid H. Weingarten, "Legislative Corruption." In U.S. Department of Justice manual on the Prosecution of Public Corruption Cases (1988), p. 63.

[17] *Buckley v. Valeo* 424 U.S. 1 (1976) at 26-27.

Rule to protect citizens and our democracy against linkage between campaign contributions and official action.

We formally request that you remedy this omission in the House Rules by codifying House Ethics Manual warnings into a House Rule which clearly prohibits linkage between campaign contributing and official action, and win passage for the Rule in the House of Representatives. If you choose not to propose such a House Rule, we request that you state in writing precisely why you do wish to explicitly prohibit linkage between campaign contributions and official action in the House Rules.

C: Did Representative Shuster Violate House Rule 45 or Federal Law in the Financing of His Official and Campaign Fundraising Travels?

Given the unusual mixture of official and campaign fundraising activities, did the financing of Chairman Shuster's trips to Maryland, Utah, California, Texas, and Arkansas violate either House Rule 45 or federal law prohibiting the use of appropriated funds for unofficial purposes?

For example, the *Salt Lake Tribune* reported that Rep. Shuster's travels in Utah were paid for by his campaign committee. But is it appropriate for Chairman Shuster's fact-finding activities to be financed by his campaign? House Rule 45 prohibits the use of non-House funds for official purposes to prevent either the appearance or actuality of influence peddling. According to a 1977 House of Representatives Commission on Administrative Review:

> The Commission strongly believes that private funds should be used only for politically related purposes. Official allowances should reflect the necessary cost of official expenses. Increasing official allowances... to eliminate reliance on private sources represents a small cost to the public for the benefits to be derived. To suggest otherwise would be to accept or condone the continuation of a system which, at the very least, allows for the appearance of impropriety, and, at worst, creates a climate for potential "influence peddling" through private financing of the official expenses of Members of Congress.[18]

Conversely, if any of Rep. Shuster's campaign-related activities were financed with official funds, then Rep. Shuster likely violated federal law prohibiting the misuse of appropriated funds. Federal law broadly prohibits the use of government resources for political purposes:

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[18] House Commission on Administrative Review, Financial Ethics, House Doc. No. 95-73, 95th Congress., 1st Sess. 18 (1977). Quoted in the House Ethics Manual at 218.

> Appropriations shall be applied only to the objects for which the appropriations were made except as otherwise provided by law.[19]

This basic principal has often been restated. For example, in *Common Cause v. Bolger*, a Federal District Court stated that:

> It is clear from the record that Congress has recognized the basic principle that government funds should not be spent to help incumbents gain reelection.[20]

There is likely no acceptable way to finance Rep. Shuster's combined fact-finding and campaign fundraising events without violating either House Rule 45 or federal law. The merger of official and campaign functions creates an insoluble problem in terms of financing. This is one more reason why Rep. Shuster should not conduct these joint campaign fundraisers and fact-finding events.

D: Conclusion

The House Committee on Standards of Official Conduct is responsible for protecting the public against Members of Congress who violate the public trust. The Committee must investigate possible violations with diligence and punish wrongdoers, if the ethics process is to protect the public and our democracy. Without vigorous investigations and appropriate punishment, House Members will be encouraged to break House Rules and federal law, because they may understand that they act with impunity. During the 104th Congress, the Ethics Committee showed a liberal permissiveness towards offenders against House Rules, and several Ethics Committee "investigations" were far less than thorough.[21]

We would prefer to amend our pending Shuster complaint rather than undertake a laborious search for a letter of transmittal to file this amendment as a new complaint. Obtaining a letter of transmittal could be time-consuming and difficult; obtaining three letters of refusal for our Shuster complaint took several weeks of work during a seven month period. That was, of course, before the House of Representatives made it much harder for citizens to file complaints by eliminating the three letters of refusal procedure. That the House has chosen to erect high barriers against the filing of ethics complaints -- barriers not present in the Senate ethics process -- is a serious flaw in the House ethics process; it shields House Members from investigations

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[19] 31 U.S.C. §1301(a)

[20] *Common Cause v. Bolger*, 574 F. Supp. 672 (D.D.C. 1982), *aff'd* 461 U.S. 911 (1983).

[21] Testimony of Gary Ruskin, Director of the Congressional Accountability Project, before the House Ethics Reform Task Force, March 4, 1997.

regarding possible violations of House Rules and federal law.[22]

Regarding whether the Ethics Committee will grant the Congressional Accountability Project leave to amend our pending complaint against Chairman Shuster, House Committee on Standards of Official Conduct Rule 16(g) states that:

> A complaint may not be amended without leave of the Committee. Otherwise, any new allegations of improper conduct must be submitted in a new complaint that independently meets the procedural requirements of the Rules of the House of Representatives and the Committee's Rules.

The Ethics Committee's primary responsibility is to the public -- to protect the public against Members of Congress who might violate House Rules or federal law, not to protect Members of Congress from investigations regarding credible allegations of wrongdoing. If the Ethics Committee rejects this amendment for arbitrary reasons, or for no reason at all -- as in the Ethics Committee's rejection of an amendment to a complaint against Speaker Newt Gingrich last year[23] -- the public will know that the Ethics Committee is, once again, shielding a powerful fellow politician from legitimate ethics scrutiny. If you refuse to grant leave to amend our Shuster complaint, please state in writing the reasons for refusal.

Sincerely,

Gary Ruskin
Director

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[22] Testimony of Gary Ruskin, Director of the Congressional Accountability Project, before the House Ethics Reform Task Force, June 20, 1997. "Sham Ethics." *The New York Times*, September 23, 1997. "Ethics Menace." *Roll Call*, September 15, 1997. "The House Excludes The Public." *St. Louis Post Dispatch*, September 24, 1997. "Prognosis Bleak For Ethics Reform." *Allentown Morning Call*, September 16, 1997. Charles Levendosky, "House Ethics 'Reform' A Secretive Ruse." *Fort Lauderdale Sun-Sentinel*, June 3, 1997.

[23] Correspondence from House Committee on Standards of Official Conduct Chairman Nancy L. Johnson and Ranking Democratic Member Jim McDermott to Honorable David Bonior, Minority Whip, U.S. House of Representatives, January 25, 1996. See Attachment #9.

Certificate of Service

This is to certify that I have today, by hand delivery, provided an exact copy of this amendment to the respondent in this matter, Representative E. G. "Bud" Shuster, at the following address:

Representative Elmer Greinert "Bud" Shuster
2188 Rayburn House Office Building
U.S. House of Representatives
Washington, DC 20515

Gary Ruskin
Complainant

ly opposed for a third term as Speaker by Progressive Republicans. Although Cannon won his leadership

maintain the majority.

"There will be a challenge to Gin- game," said one GOP leadership

Continued on page 15

"It would be the ultimate political

Continued on page 22

Transportation Chairman Hits Road To Scare Up Campaign Contributions

By Damon Chappie

FREDERICK, Md.—Desperate to link two interstate highways together and relieve traffic through their historic business district, town leaders here did the only thing they believed would get the attention of House Transportation and Infrastructure Chairman Bud Shuster (R-Pa).

They held a fundraiser for his reelection.

"We were trying to be a squeaky wheel. We did everything we could think of to get the attention of the powers who make these decisions," said Carolyn Barranca, a Frederick businesswoman who helped to organize last week's event.

With the help of Washington, DC, lobbyist Edmund Graber, Frederick officials offered a $50-a-ticket

Continued on page 18



Photo by Laura Patterson

Rep. Bud Shuster has been all around the country hearing pleas from cities that want new roads and raking in dollars from them.

Roll Call 10/31/96

Attachment #1

Road to Riches Leads Transportation Chairman to Md.

Continued from page 1

fundraiser on Shuster's behalf, hoping that the chairman, who drives through their town on his weekly commute to and from Pennsylvania, would stop by and take a look around.

"It's sort of a 'you scratch our back, we'll scratch your back,'" said John Derr, a Republican state Senator who anted up for the Pennsylvania Congressman.

On Friday, Shuster's three-vehicle caravan pulled up to the front of Frederick's City Club, just a block away from the old city hall where Confederate Gen. Jubal Early once demanded $200,000 from Frederick leaders in exchange for not burning their town. (They paid it.)

Shuster, flanked by a bevy of aides, marched up to the breakfast event, shook a few hands of the 100 or so attendees, gave a ten-minute speech on the importance of funding the interstate link, and sped away to the nearby airport, where Frederick Mayor Jim Grimes (R) took the chairman on a brief helicopter tour.

For Shuster, who next week faces a Democratic opponent who has raised just $48,000 for the entire election cycle — or one-20th of Shuster's million-dollar receipts — the Frederick event was anything but unique.

"We hold fundraisers all over the country," said Ann Eppard, a transportation lobbyist who is also Shuster's chief campaign fundraiser and his former chief of staff.

All over indeed. A look at Shuster's campaign filings shows he's raising money almost everywhere. At least everywhere that planners dream of new highways.

Shuster's campaign contribution reports are like a map to roads that don't yet exist, revealing lessons about the geography of politics that have blurred the lines between the chairman's oversight duties and political fundraising.

Like the Frederick fundraiser and helicopter tour, at most stops Shuster mixes an official inspection of transportation needs with events benefiting his campaign war chest.

The invitation to Frederick community and business leaders from a nonprofit business group called the Frederick Area Committee for Transportation promised "a rare opportunity for you and your associates to meet and demonstrate to Congress' most influential transportation supporter how our area's phenomenal growth and future potential are facing unfortunate constraints."

Shuster, the letter said, would be on hand to "view first-hand our transportation improvement needs" and would "discuss...our needs and plans for making Frederick second to none in the critical arenas of transportation and economic development."

"In support of Chairman Shuster's reelection this November, we ask that you make a $50 contribution. Your check should be made payable to Bud Shuster for Congress," the letter said.

So, does the fundraiser mean that Frederick will get its road? Shuster didn't make that clear during his brief visit.

"I have a very special interest in Frederick, which is a bedroom community to Washington, DC," and a traveling destination for some of his Pennsylvania constituents, Shuster told reporters after alighting from the blue-and-white helicopter that gave him a bird's-eye view of the town.

Next year's highway authorization bill may address Frederick's needs, Shuster said, but "we have different kinds of needs in different parts of the country."

Indeed, Shuster has traveled to many different parts of it this year, raising nearly two-thirds of his $560,000 in individual contributions from outside Pennsylvania this election cycle.

In Texas, for example, business developers want to build the opening leg of an interstate they call a "free trade" corridor that will stretch from Mexico to Canada. Along the border towns of the southern tip of Texas, where unemployment runs as high as 18 percent, civic leaders believe a new interstate highway linking them to the "free trade" corridor will be an economic godsend.

Mike Allen, director of the McAllen Economic Development and Industrial Recruitment office, said he and other leaders "decided we needed to do everything we can to get people to notice us."

Allen turned to Washington lobbyist Randolph DeLay, the brother of GOP Whip Tom DeLay (R-Texas), to help arrange a Transportation Committee field hearing and campaign fundraiser for Shuster.

Shuster, who didn't attend the field hearing, did go to the fundraiser — complete with helicopter tour — which netted his campaign $25,000, according to campaign filings.

That's on top of the $71,000 individual Texans gave to Shuster at a 1995 fundraiser a week before his committee passed a bill designating US 59 as the future Interstate 69 corridor.

"We probably took some extreme measures," said Allen, who once served the area as a Catholic priest and who stayed there as a business leader. "To me it's marketing. He wasn't at the hearing. When you have our desperate situation, you want somebody to help you. And we needed to get his attention."

The plans aren't settled yet on exactly where the corridor will run from Texas. One route travels through Houston north to Arkansas,

Shuster's campaign contribution reports are like a map to roads that don't yet exist.

where Shuster took in $27,500 in 1995 and returned earlier this month to help raise funds for Republican Warren Dupwe, who hopes to join Shuster in Congress next year.

The town elders of Stuttgart, Ark., were very excited about Shuster's visit, and more than 700 citizens rallied to demonstrate their unity in support of the new highway, said Stephen Bell, executive vice president of the Stuttgart Chamber of Commerce.

"We just wanted to let him know we're here," Bell said. "It's important for him to see the effect the Interstate is going to have, particularly on a community of our size."

To help, they presented Shuster with his own "duck call," reflecting Stuttgart's reputation as the duck hunting capital of the world due to its rice fields.

"A very important case has been made today for I-69," Shuster said at the rally, according to the Arkansas Democrat-Gazette.

Executives from Riceland Foods, one of the area's biggest employers that relies on highways to carry its products across the country, chipped in $2,000 for Shuster's campaign well after the event, according to Oct. 22 reports filed with the Federal Election Commission.

But a competing route for the corridor would run through Oklahoma City to St. Louis and Chicago. And Illinois residents, it turns out, are the third largest supporters of Shuster's 1996 campaign, donating more than $35,000.

That isn't the only "free trade" route envisioned, however. Over on the East Coast, Buffalo, N.Y., wants to be the opening gate of a corridor that will run to Washington, DC, along US Route 219, which happens to slice right through Shuster's own mountainous district.

Earlier this month, Shuster ordered a field hearing of the Transportation Committee in Buffalo, where fellow Rep. Jack Quinn (R-NY) is in a tight re-election contest. Democrats, according to sources, weren't happy about the hearing and refused to show up.

There wasn't any fundraising in Buffalo for Quinn or Shuster. "We just didn't think that was appropriate," a Quinn aide said.

But the next day, Shuster traveled south, where the Western Pennsylvania Chapter of the National Association of Industrial and Office Properties wanted to discuss building a new 88-mile expressway and held a fundraiser for the chairman.

The suggested donation to Shuster's campaign was $50 to attend the general reception, but for $250, guests could spend a more intimate hour with the chairman.

Highway projects are designed in the [illegible]

West, too. In June, Shuster flew by helicopter over California's Sonoma County to look at Highway 101 with freshman Rep. Frank Riggs (R-Calif), who also has a tough race. Shuster also raised $18,000 at a California fundraiser at the same time. And California ranks as the fourth richest source of funds from individuals to Shuster's re-election bid.

In Utah, Salt Lake City will host the 2002 Winter Olympics. So officials there decided to host a fundraiser for Shuster this September that included local transportation officials, Utah Gov. Mike Leavitt (R), and GOP Reps. Enid Greene and Jim Hansen. From a breakfast fundraiser sponsored by the Utah Motor Transport Association, Shuster traveled south on Interstate 15 for the 45-minute trip to Provo, Utah.

Provo's lobbyist in Washington, Patricia Jordan, helped to arrange a fundraiser for Shuster, who, once again, got a bird's-eye view with a helicopter tour. About 60 people attended the fundraiser, and Shuster reported raising $8,000.

Provo Mayor George Stewart, a Republican who describes himself as a "big Shuster fan," said he was worried at first whether anyone would show up for a fundraiser honoring a Congressman living a continent away. "But we really had good support for it."

Jordan, like her lobbying colleagues Graber, DeLay, and Portland's Peter Peyser, didn't respond to questions about the fundraisers. "I don't have a comment," said Jordan. DeLay and Peyser didn't return repeated phone calls.

Although many of Shuster's fundraisers had a $50 minimum, his Federal Election Commission reports for the period from July through mid-October report just $5,724 in unitemized contributions under $200. That would account for just 114 contributors giving $50 donations.

Eppard, who runs her transportation lobbying shop and Shuster's fundraising from her Alexandria, Va., home, also did not respond to numerous telephone messages inquiring about the fundraisers.

Jeff Nelligan, the Transportation Committee spokesman, also did not respond to repeated phone calls. But he told the Frederick News-Post last week that "every Congressman does it" and that the fundraising is a way of covering expenses. "It's to the credit of the people of Frederick that he's coming."

Back in Frederick, though, people talked quite bluntly about Shuster's visit. "It's the same reason you go to visit your mother-in-law," said a Frederick businessman who didn't want his name used. "You don't like to do it, but it keeps things smooth."

Galen Clagett, a Democrat and former president of the Frederick County Commissioners, condemned the entire exercise and refused to attend the breakfast.

"It's influence peddling," he said. "He's exacting a fee for doing a job that he should be doing as chairman of the committee. It's rather bold."

Others defended the event. "It's a token of our appreciation for him to be with us," said Mark Hoke (R), president of the board of the Frederick County Commissioners. "You're damned right I did," he said, when asked if he paid $50 to Shuster's campaign. "If a $50 contribution is going to buy his influence, we've got a serious problem."

Rep. Roscoe Bartlett (R-Md), who represents Frederick, didn't attend. An aide said he had a "scheduling conflict."

Shuster, who cut off the airport press conference as soon as a reporter asked about the fundraiser, hopped in a car headed to Harrisburg, Pa. "We're in the middle of a major merger," shouted a Shuster campaign aide, referring to the pending sale of Conrail.

Late filings at the FEC show that the Shuster campaign took in $33,000 that same day from [illegible]

Observer: The New Federalist

Continued from page 5

edgeable, skilled, and experienced Members on a regular basis can scarcely be good for any institution with serious work to do. And this is especially true in view of the fact that, willy-nilly, the work must be done.

But with term limits it will be done by less experienced and knowledgeable legislators, who, deprived of the option of a legislative career, are bound to be less willing to invest personally in the mastery of policy.

Such legislators would also be unusually susceptible to the influence of interested parties, most commonly organized in the United States into interest groups. This inordinate influence would occur at a minimum at three stages of the term-limited legislator's career.

In most parts of the United States, in order to enter Congress a prospective Member must self-start. This requires putting together sufficient resources to run and usually requires at least some alliances with like-minded interest groups in the constituency.

Once a Member is in office for a while, the interest groups usually need the Member more than the Member needs any particular interest group. Term limits guarantee a steady flow of more new Members, hence creating more opportunities for the initial dependency of Members on interest groups. The dependency arises at the start of a Member's service.

Even greater dependency would occur toward the end. Term-limited Members must then worry about what comes next. For many departing Members, cordial relations with interest groups can provide leads into life after Congress. Able Members may distinguish themselves to future employers who do regular business with Congress. Similar opportunities will unavoidably exist for the less scrupulous.

So at both the beginning and the end of a Member's Congressional career, the Member is usually susceptible to interest-group influence. To shrink the distance between these two points creates a bonanza for outside interests to take advantage of it.

Inexperience at legislative work for Members new on the job provides yet a third toehold for interest groups, who can supply knowledge about issues and make up for the ignorance of the newly arrived.

So the idea that term limits advocates sometimes express that term limits emancipate Congress from interest groups is dubious — indeed, more likely exactly the opposite is true.

It remains to be said that a dependent, relatively ignorant, inexperienced, and weak Congress is not a good thing. Ordinary Americans need the access to their government that a strong Congress can provide.

For the sake of the American people, the branch that represents them and listens to them best needs to be preserved and strengthened, not crippled by term limits.

Roll Call 10/31/96

Toll Road

Disclosure doesn't always tell the whole story, however. Consider the campaign spending reports of House Transportation and Infrastructure Chairman Bud Shuster (R-Pa), which reveal that he's raising tons of money from outside his home state. But that's far from the whole picture. Many Members raise huge amounts of money from outside their districts — a situation Republicans have proposed to ban in their campaign reform proposals. Shuster, however, has refined the practice of out-of-the-district fundraising into a not-so-subtle political art. This election year, he's been traveling the country to cities that want roads built. The price of an audience with the chairman who can deliver those roads is apparently a fundraiser. "It's the same reason you go to visit your mother-in-law," a businessman in Frederick, Md., told Roll Call of one such Shuster fundraiser. "You don't like to do it, but it keeps things smooth." Added a Texas business leader who also anted up, "When you have our desperate situation, you want somebody to help you. And we needed to get his attention." Campaign donations just shouldn't be mixed with official business in this way. But the donors sure seem to think that's what's required to make their case with Shuster.

Shuster visit raises funds, eyebrows

10-26-96

By MATTHEW BARAKAT
News-Post Staff

A visit to Frederick by an influential congressman may have increased the county's chances of getting federal highway funds, but some raised questions about the visit's ethical implications.

Rep. E.G. Bud Shuster, who chairs the House of Representatives Transportation Committee and represents much of south central Pennsylvania, toured Frederick in Mayor Jim Grimes' helicopter Friday morning to see the traffic problems created by the poor connection between I-70 and I-270.

But the tour did not begin until after a fund-raiser for Mr. Shuster at the City Club organized by the Frederick Area Committee for Transportation (FACT), a private, nonprofit organization that lobbies for transportation. Everyone at the fund-raiser was asked to contribute at least $50 to Mr. Shuster's re-election campaign.

Gary Ruskin, director of the Congressional Accountability Project, a watchdog group founded by Ralph Nader, called FACT's fund-raiser "a bald attempt to purchase influence from Bud Shuster."

"This is so brazen that it's really quite unusual," Mr. Ruskin said.

He cited a section of the House ethics manual that states "members . . . should be aware of the appearance of impropriety that could arise from championing the cause of contributors and take care not to show favoritism to them."

But Mr. Shuster said there was nothing unethical about holding the fund-raiser at the same time he was conducting congressional business.

"We hold fund-raisers all over the country," Mr. Shuster said. "This project will be decided on the merits."

After getting off the helicopter with Mr. Grimes, Mr.

(Continued on Page A-9)

Shuster

(Continued from Page A-1)

Shuster said the I-70/I-270 connection deserves attention.

"I think these are the only two interstates in the country that don't connect directly," Mr. Shuster said. "When you get up there, you can really see the problem."

He also noted that many of his constituents commute into Frederick County and would benefit from the I-70/I-270 connection.

"This is one of the most vibrant, growing areas of the country," he said. "It's very important that we connect these two highways."

FACT members agreed that there was nothing wrong with Mr. Shuster raising money while he was in town.

"We feel very strongly that the fund-raiser is just a token of our appreciation," said FACT president Brooks Edwards. "Fifty dollars is not going to buy anybody."

"I think it was pretty ingenious that we invited him," said Carolyn Barranca, who sits on FACT's board of directors. "If it made the congressman pay attention to Frederick County, then what does it hurt?"

Reporters were tossed out of the fund-raiser after being told by Mr. Edwards that the meeting was private and that Mr. Shuster would be available to the media later. But it appeared that well over 100 people attended the fund-raiser.

But several elected officials who were invited to attend decided not to do so, including Frederick Aldermen Meta Nash and Frances Baker and Delegate Sue Hecht, D-Frederick/Washington, who is also a member of FACT's advisory board.

"I was concerned," Ms. Hecht said. "I think it was very wise to get the congressman to see our area. But I was uncomfortable mixing these two things (the fund-raiser and the tour)."

"I just had some questions about it," Ms. Baker said. "I decided I wouldn't attend."

Ms. Nash said she believes election law should be changed to make it illegal to raise money out-of-state to eliminate the possibility of appearance of impropriety.

"As an elected official I don't want to condone what happened," she said.

All three officials stressed that they believe the project's importance speaks for itself and said FACT was working hard to make necessary improvements in local infrastructure.

"FACT is a good group; an excellent group," Ms. Hecht said. "It's very commendable what they have done."

But a number of elected officials decided to attend the event, including county commissioners Mark Hoke, Bruce Reeder and Ilona Hogan and Sen. John Derr, R-Frederick/Washington.

Ms. Hogan said she attended despite some reservations.

"It was important for us to talk to him," she said. "The timing was not wonderful. It is telling of our system that we have come to this point."

But Mr. Hoke had no qualms at all about the timing. Asked if he contributed to Mr. Shuster, he replied, "You're damn right I did. I wanted him to come here."

Frederick News-Post 10/26/96

602

Attachment #2

Attachment #3

FREDERICK AREA COMMITTEE FOR TRANSPORTATION

October 8, 1996

ADVISORY BOARD

DIRECTORS

Dear Community and Business Leader:

We are writing to invite you to join with other local business and community leaders in a unique opportunity to meet U. S. Congressman "Bud" Shuster of Pennsylvania, Chairman of the House Committee on Transportation and Infrastructure, when he visits on the morning of October 25th.

Chairman Shuster is visiting Frederick at the request of the Frederick Area Committee for Transportation, Inc., (FACT), to view first-hand our transportation improvement needs. This will be a rare opportunity for you and your associates to meet and demonstrate to Congress' most influential transportation supporter how our area's phenomenal growth and future potential are facing unfortunate constraints. Since Chairman Shuster travels through the Frederick area on a weekly basis, this visit will afford him a first-hand view of one of Maryland's fastest growing areas.

FACT is hosting a Continental Breakfast Reception for Chairman Shuster from 8:00 AM to 9:00 AM on the morning of Friday, October 25th, at the City Club, 30 West Patrick Street. We hope you will join us to discuss with Chairman Shuster our needs and plans for making Frederick second to none in the critical areas of transportation and economic development. In support of Chairman Shuster's reelection this November, we ask that you make a $50 contribution. Your check should be made payable to Bud Shuster For Congress, and forwarded to FACT, 5500 Buckeystown, Pike, Frederick, Maryland 21703. Sorry, corporate checks cannot be accepted.

Please call Pat Cook, FACT secretary, at (301) 662-1082 no later than 5:00 PM, October 18th to confirm your attendance or fax your confirmation to Pat at (301) 662-9163. We need your help in convincing Chairman Shuster of the importance of the new interchanges on Interstate 70/270. On behalf of FACT, thank you. We look forward to seeing you at this important event.

Sincerely,

Brooks R. Edwards
President

Sincerely,

Bernard L. Grove
Advisor

5500 Buckeystown Pike Frederick, Maryland 21701 301-662-1082 301-662-9163 FAX

Attachment #4

Copyright 1996 Federal Document Clearing House, Inc.
Congressional Press Releases

July 19, 1996, Friday

SECTION: PRESS RELEASE

LENGTH: 422 words

HEADLINE: BORDER TO EXAMINE TRANSPORTATION AND INFRASTRUCTURE

BYLINE: BUD SHUSTER , CHAIRMAN, COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE , HOUSE , CHAIRMAN SHUSTER, PETRI ANNOUNCE FIELD HEARINGS ON U.S.-MEXICO

BODY:
Committee on NEWS Transportation and Infrastructure U.S. House of Representatives

Congressman Bud Shuster, Pennsylvania

Chairman

FOR IMMEDIATE RELEASE: JULY 19, 1996

CONTACT: Jeff Nelligan, Director of Communications, 202-225-9446

SPECIAL ATTENTION: HEARINGS ON NAFTA, RELATED ISSUES

CHAIRMEN SHUSTER, PETRI ANNOUNCE FIELD HEARINGS

ON U.S.-MEXICO BORDER TO EXAMINE TRANSPORTATION

AND INFRASTRUCTURE ISSUES

WASHINGTON -- Congressman Bud Shuster (R-PA), Chairman of the House Committee on Transportation and Infrastructure, and Congressmen Thomas Petri (R-WI), Chairman of the Committee's Subcommittee on Surface Transportation have announced that field hearings on border transportation and infrastructure issues, including issues related to NAFTA, will be held in August by the Subcommittee on Surface Transportation. The hearings will be conducted on August 8th in Laredo, Texas and on August 9th in McAllen, Texas. In addition, a visit to Brownsville to inspect infrastructure will be included. "These hearings on the Texas-Mexican border will examine NAFTA- related issues -- including the adequacy of border infrastructure, coordination of infrastructure improvements: motor carrier safety issues; the delay in the December 18, 1995 date for the operation of foreign motor carriers in the U.S. and Mexican border states: and, the effect of increased transportation on border communities." "The

Subcommittee is planning to hold a general policy hearing in Laredo, Texas on Thursday, August 8. Laredo is the busiest crossing in Texas, with roughly 4,500 truck crossings each day. We are compiling the witness list and would expect it to include Members of Congress, a U.S. federal panel, the Texas Department of Transportation, the American Trucking Association [American Trucking Association [ATA] and several other groups. We also hope to have participation by local Mexican officials and transportation interests." "We will have a smaller hearing on Friday, August 9, in McAllen, Texas, to hear testimony from local residents on border infrastructure in the lower Rio Grande Valley, one of the fastest growing regions along the border." "To our knowledge, the Committee has not visited the Texas border and we believe that to truly understand border issues, it's necessary to visit and experience the area," concluded Shuster and Petri.

Contact: Jeff Nelligan, Director of Communications

2165 Rayburn House Office Building - Washington D.C. 20515 -

(202)225-9446

LANGUAGE: ENGLISH

LOAD-DATE: July 22, 1996

Attachment #5

Copyright 1996 The Chronicle Publishing Co.
The San Francisco Chronicle

JULY 9, 1996, TUESDAY, FINAL EDITION

SECTION: NEWS; Pg. A4

LENGTH: 1242 words

HEADLINE: State Could Decide Control of Congress
Gingrich tweaking budget to help House candidates

BYLINE: Louis Freedberg, Chronicle Washington Bureau

DATELINE: Washington

BODY:

Bill Clinton and Bob Dole may be battling for the heart and soul ofCalifornia, but an equally fierce contest is taking place for dominance in the state's key congressional races as well.

The outcome of the California races could have a major effect on which party will control Congress during the 105th session, scheduled to start in January. One sign of California's importance occurred last month when House Speaker Newt Gingrich issued a memo instructing the powerful chairmen of the 13 appropriations subcommittees to analyze budget effects on the state.

The not-so-subtle message: Get money to marginal districts in California where Republicans have a chance of being defeated.

"There is a serious struggle for the House under way, and it is not at all surprising that Gingrich would do everything he could to improve the climate for Republicans seeking re-election," said Thomas Mann, director of governmental studies at the Brookings Institution in Washington, D.C.

To hold onto their majority in the House, Republicans cannot lose more than 20 seats. In California, Democrats are focusing on several seats, including those of Representatives Frank Riggs, R- Napa, and Brian Bilbray, R-San Diego.

STANDARD CAMPAIGN TACTIC

Congressional observers say it is standard operating procedure for the party in power to use tax dollars to bolster the election prospects of their candidates. President Clinton, for one, has come to California to deliver one taxpayer- supported project after another, from earthquake relief to new cops on the streets. But they say it is unprecedented for a congressional leader to be so blatant and blunt about his strategy.

Beau Phillips, a spokesman for Riggs, said the switch has nothing to do with election year politics. He said Riggs only supported the outpatient clinic as a stop-gap measure to make sure that veterans in the area had access to some health care. "The congressman's position has always been that the best alternative was to build a new hospital," he said.

Over the past month, Riggs has also been touting a range of new spending initiatives, including $ 1.6 million for additional "park and ride" spaces along Highway 101 in Sonoma County, $ 1 million toward a bus and train depot in Eureka and a possible half billion dollars to widen Highway 101 in the North

Bay.

To drive home the point, Representative Bud Shuster, R-Pa., the chairman of the powerful Transportation and Infrastructure Committee, came out to Sonoma County last month to say that the Republicans, with Riggs' help, would try to deliver on the highway project. "I would expect that next year we should be able to provide the funds for 101," he said at a Riggs campaign stop.

"Keep this team," Riggs said with Shuster at his side.

Michaela Alioto, Riggs' Democratic opponent, said she supported most of the new projects but objected to the way they have materialized just months before voters go to the polls.

"It is not that he has gotten this stuff, it is how he has gotten it," said Alioto. "For two years, we have been waiting for this to happen, and it only happened when it was tied to having a positive impact on his re-election campaign."

But Phillips said all the projects have been in the works for quite some time, and that Riggs' district, with a high proportion of federal lands and projects, deserves more federal support than some others. "The fact is that the congressman is on the appropriations committee, and as such is in a good position to provide for the key needs of his first district," he said.

Some Republican campaign officials argue that the GOP has little to fear from Democrats in the fall congressional campaign. "Looking at the fundamentals, you see very clearly that we have states where we have additional opportunities to pick up seats" from Democrats, said Craig Veith of the Republican National Congressional Campaign. "California will be an important factor in how many we pick up in November."

Nonetheless, there is nervousness in Republican leadership circles about the effect of a Dole defeat in California. Larry Sabato, a political scientist at the University of Virginia, says Gingrich's strategy of delivering funds and projects for California is an attempt to build "a fire wall" between the presidential contest and the congressional races in the state.

"He knows Dole is likely to lose California, probably by a wide margin," said Sabato. "He needs to find a way around a Clinton landslide."

"I can't think of another instance where the speaker of the House has in effect directed someone to take this electoral consideration into account in the distribution of federal taxpayer largesse," said Mark Petracca, a political scientist at the University of California at Irvine.

In his memo to the appropriations chairmen -- who are referred to on Capitol Hill as the "13 cardinals" -- Gingrich listed seven questions they should ask in analyzing legislation, including "What impact will this bill have on California?" The Golden State was the only one the speaker referred to specifically.

Democrats could lose several seats as well, but they took some delight in watching Gingrich's scramble to make sure the GOP does not lose ground in California. Representative David Obey, D- Wis., the leading Democrat on the Appropriations Committee, said Republicans were in a "poll-driven panic" and described Gingrich's instructions to fund California projects as nothing more than "an election-year device to get Republicans to the polls in November."

What makes the Gingrich memo even more noteworthy is that until a year ago, Republicans based their entire electoral strategy on cutting federal programs and labeling virtually every project as unnecessary "pork."

Notes on a subsequent meeting between Gingrich and the Republican leadership indicate it was decided that congressional appropriations "should help California." Those notes, which were obtained by The Chronicle, mention Riggs and Bilbray by name.

"We are including funds for Travis Veterans Administration hospital (Riggs), funds for U.S.-Mexico border projects (Bilbray), several Environmental Protection Agency water, air and science projects throughout the state, and full funding for the NASA and National Science Foundation programs supported in California," the notes said.

HOSPITAL AN EXAMPLE

The veterans hospital planned for Travis Air Force Base in Fairfield provides a graphic case of how election-year politics has made all the difference in getting a stalled project off the ground. Previous Democratic Congresses had authorized, but not appropriated, money for the $ 160 million hospital, which was intended to replace a VA hospital in Martinez damaged in the 1989 Loma Prieta earthquake. Vice President Al Gore even attended a ground- breaking ceremony in June of 1994.

However, when Republicans took control of Congress a few months later, they put a halt to construction of all new VA hospitals. Instead of the 170-bed hospital at Travis, they proposed building a $ 27 million outpatient clinic, a project Riggs defended.

This year, however, GOP appropriators have given the green light for a new hospital at Travis and are promising $ 57 million to get the project off the ground. Plans for the outpatient clinic have been scrapped.

GRAPHIC: PHOTO (3),Newt Gingrich (left) is trying to bolster the re-election prospects of Reps. Brian Bilbray of San Diego (center) and Frank Riggs of Napa

LANGUAGE: ENGLISH

LOAD-DATE: July 9, 1996

Attachment #6

Pennsylvanian Campaigning In Beehive State

Powerful Republican Key to Transportation Funds for Utah

BY JOHN KEAHEY
THE SALT LAKE TRIBUNE

Pennsylvania Congressman Bud Shuster, invited to Utah to tour highways and Winter Olympics sites, is also raising money for his re-election campaign.

Why Utah, so far away from his home state?

Shuster, a powerful Republican lawmaker and chairman of the House Committee on Transportation and Infrastructure, is important to Utah's interests.

He can make or break Utah requests for highway and light-rail funds, plus he controls purse strings that could affect transportation-project funding tied to the 2002 Winter Olympics.

And Utah has launched a $1.36 billion reconstruction of Interstate 15 through the Salt Lake Valley. So far, only a few million federal dollars have been earmarked for the 4½-year project.

"When they are doling out federal bucks, it has to come by [Shuster]," said Kent Hansen, Utah Department of Transportation spokesman. Hansen pointed out that the more federal money appropriated for such projects, the easier it is on state taxpayers.

Hansen said Gov. Mike Leavitt invited Shuster earlier this summer to visit Utah to become educated about the state's transportation needs. Hansen said the fund-raising element was added later by interests not associated with UDOT.

The Utah Motor Transport Association held a breakfast for the Pennsylvania Republican on Monday morning. An association spokeswoman confirmed that representatives from the transportation and construction industries attended, as did Utah Transit Authority officials developing light rail for the Salt Lake Valley, Gov. Leavitt, 2nd District Rep. Enid Greene and 1st District Rep. Jim Hansen.

Another gathering was held Monday afternoon in Provo Canyon. A guest list was not available.

Acknowledging that his re-election committee was paying for the trip West, Shuster held out hope Monday that Congress could look favorably on Utah's transportation needs for communities affected by the Olympics, as well as projects such as I-15's reconstruction. And, he said, those additional projects possibly could be funded with the federal government covering 80% to 90% of the cost.

Federal funding for Olympic transportation projects, Shuster said, was important to help U.S. cities bidding for Olympic Games. Foreign competitors, he said, generally have significant national support for their bids.

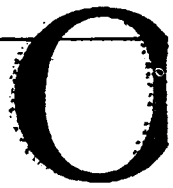
Olympic organizer Dave Johnson said federal support for the I-15 reconstruction is critical for the success of the 2002 Games in Utah.

"We are expecting a lot from UDOT," said Johnson, who is a Salt Lake Organizing Committee senior vice president. "We want to have it done before the Olympics are here."

The project is scheduled to begin next April with a scheduled completion date for October 2001.

9/17/96
Salt Lake Tribune

SATURDAY, September 21, 1996



OUR VIEW

The Salt Lake Tribune's Editorial Position

Fueling Cynicism

Gov. Mike Leavitt's invite of a powerful Republican lawmaker and chairman of the House Committee on Transportation and Infrastructure to see first-hand the amount of road construction Utah needs before the 2002 Winter Olympics can be adequately hosted was appropriate and smart.

Pennsylvania Congressman Bud Shuster saw Monday that any allocation of federal money made to Utah will be a good investment in the state and will be equally good for the rest of the country. But including fund-raising events as part of this fact-finding trip was inappropriate.

The events held here to raise money for Shuster's re-election campaign — details of which were unavailable — were added to the schedule after the fact-finding trip was planned, said Kent Hansen, Utah Department of Transportation spokesman. But Hansen quickly pointed out in apparent justification that the more federal funds Congress allocates for this pre-Olympics project, the less Utah will need to spend its own money.

As if on cue, Shuster said these necessary projects could be paid for with the federal government covering 80 to 90 percent of the cost.

Shuster's re-election campaign did pay for his travel to Utah, but this comingling of travel sends a bad message and gives federal government critics ammunition for their argument that government spending decisions are too often quid pro quo and sweetheart deals.

And who could prove such a claim invalid? For what other reason than contribution for construction money would Utahns donate to a congressional campaign on the other side of the nation?

This is not a Republican issue. Democrats have previously been equally guilty of raising money at inappropriate times. But both appear oblivious to what looks bad to the average observer, and both wonder why voters become cynical about government and politics.

While there may be few indiscretions like the one committed earlier this week in Utah, they form lasting impressions when they occur.

Though campaign finance reform is needed, no collection of laws would prevent such incidents. That would require a commitment by political parties and their followers to avoid any action or activity that so much as appears improper. When politicians adhere to that standard — fact-finding trips, for instance, limited to finding facts — cynics will have less fuel for their campaign of heaping contempt on government.

Attachment #7

called during a recent interview. "He's just too smart to work [by himself]. He will attract and build

Joining the two Texans in a private room at Head's, the now-

Continued on page 20

campaign finance reform bill ... will be voted on in the Senate this week, for backing a 1993 gas tax in-

Continued on page 30

A Billion-Dollar Arkansas Road Project Pits Chairman Against Majority Leader

And That's Just Part of the Story of Lobby War Over 'Dickey Split'

By Ed Henry and Damon Chappie

Since the fall of 1995, House Transportation and Infrastructure Chairman Bud Shuster (R-Pa) has twice descended upon the area of Pine Bluff, Ark., to hold fundraisers that netted his campaign some $20,000.

The tiny city did not go unnoticed when it came time for Shuster to craft his version of BESTEA, the sprawling highway reauthorization act. The bill includes an estimated $1.5 billion provision to prop up the local economy with the "Dickey split."

Named for Rep. Jay Dickey (R-Ark), who seems to have taken a page from Shuster by raising money from businessmen who admit they stand to gain from the provision, the project adds Pine Bluff to the Interstate 69 corridor that will run from Canada to Mexico. In order to add the extra asphalt to include Pine Bluff, the legislation splits I-69's route in Mississippi.

But the controversial provision is also splitting powerful Republicans, with knowledgeable sources saying Senate Majority Leader Trent Lott (R-Miss) has vowed to kill the project in conference committee because of the way it encroaches on

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Roll Call 10/6/97

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Washington, DC 20006

Arkansas Road Project's Unusual Route on the Hill

Continued from page 1

the flow of federal highway dollars to his home state of Mississippi.

Supporters of the Dickey split, however, have helped their case against Lott by hiring a key lobbyist: Ann Eppard, Shuster's former top aide, whose complex relationship with the chairman has generated a complaint pending with the House ethics committee.

Adding to the intrigue is the fact that Eppard says she landed the lobbying contract with the help of Randy DeLay, the brother of House Majority Whip Tom DeLay (R-Texas), whose lobbying has generated a separate ethics complaint. "He was the one who said I may be able to help on this," Eppard said in an interview.

Eppard is lobbying for the Dickey split on behalf of Fulbright & Jaworski, a Texas firm that has retained DeLay on separate issues. Eppard said that DeLay, who did not return a call seeking comment, is not lobbying directly on behalf of the split.

But disclosure reports show that from 1996 through April of this year, DeLay received $100,000 for lobbying on behalf of the I-69 Mid-Continent Highway Coalition, which is lobbying for as many highway dollars as possible for the entire region.

Eppard said it would be "ludicrous" to suggest that Shuster or Dickey, who raised more than $20,000 of his own two weeks ago from contributors who say they stand to gain from the project, acted because of the campaign contributions.

"Just because [people in Pine Bluff] contributed a minimal amount of money to Shuster and Dickey, they should not be deprived of" transportation dollars, said Eppard.

Even though the project is a prime slice of pork, Dickey admits that he is taking a lot of heat back home for what one local columnist called a "cockamamie idea." Some local officials have publicly said the estimated price tag of $1.5 billion is too high, and they are worried that by picking a fight with Lott, Dickey has jeopardized any funding for I-69 in Arkansas.

The project has also received tepid support from the rest of the Arkansas Congressional delegation, with only Rep. Marion Berry (D) endorsing it. "I want as many miles for Arkansas as possible, but I don't want to jeopardize the overall project," said Sen. Tim Hutchinson (R).

Part of the reason for the lack of solidarity among Arkansas Republicans may stem from the fact that the Senator's brother, Rep. Asa Hutchinson (R), who sits on the Transportation panel, was cut out of the loop.

"I wasn't aware that [the Dickey split] was in the bill until I read the draft of BESTEA," said Rep. Hutchinson. "I think it's a real compliment to Representative Dickey and his legislative skills that he was able to get the provision into the bill."

How Dickey did it is a story of how a road gets built under the stewardship of Shuster. Dickey said in an interview that while the project was his idea, "Shuster taking a personal interest in the area is what did it."

Dickey conceded that the cost of the project is a concern for him, but he said job creation will offset the cost. "We want to convert our welfare recipients into taxpayers," said Dickey.

Likewise, said Dickey, Shuster has been motivated by the stories of poverty in the Delta. "Shuster has been to my district twice, he has talked to the folks, and he has heard the story of the Delta," said Dickey. "He's heard what we're going to save by taking people off welfare, so I think he's responded to that."

But during those trips in 1995 and 1996, Shuster also raised money for himself and his son, Bob Shuster, who lost a bid for a House seat from Pennsylvania last year. Chairman Shuster's chief of staff and spokesman did not return calls seeking comment.

Federal Election Commission records show that Shuster raised some $20,000 during his two trips to Arkansas during the last cycle. Bob Shuster raised $4,500 from the state.

Scott McGeorge, who owns the Pine Bluff Sand & Gravel Co., and his wife each chipped in $1,000 to Bob Shuster last year. McGeorge and his wife also contributed $1,000 each to Dickey this year, but he refused to discuss why he contributed to Dickey or a Pennsylvania candidate.

But in an interview, Dickey volunteered the fact that McGeorge helped organize the fundraising event that raked in more than $20,000 for Dickey's campaign. When asked if McGeorge stands to make money from the new highway through his sand and gravel business, Dickey responded, "Probably — I think he will. But I don't think that's any issue at all."

"I'm not tying it to legislation," Dickey said of his fundraising.

But another one of the co-chairs of the fundraising event, George Makris, noted in an interview that the new highway will be a big help to him. Makris is the distributor of Anheuser-Busch beer in the Pine Bluff area. Makris said he is about to expand and become a wholesale support center, which will enable him to carry beer further around the state, and the Dickey split will be a big help to his transportation.

"It would do wonders for us," Makris said. "It would be a tremendous asset for us."

Lott has helped engineer the proposed expansion of I-69 from Michigan through Tennessee and on through his home state of Mississippi on the way to the Mexican border.

Over the summer, nonpartisan engineers overseen by the Federal Highway Administration decided that part of I-69 would split in northwestern Mississippi and cross the Mississippi River into the eastern part of Arkansas, south of Pine Bluff. Sources close to Lott say he signed off on that decision.

"He made a great compromise to let it go to Arkansas at all," said one source close to Lott.

But in the estimation of Lott, according to sources, Dickey had gotten greedy in the spring by rallying support on Capitol Hill for a second, parallel crossing to the north. The crossing near Memphis will take I-69 into Arkansas through the Pine Bluff area.

"We all kind of looked at each other and said, 'Impossible, impractical, and too expensive,'" recalled one GOP source involved in the negotiations. "I assumed the idea was dead."

But then Eppard started lobbying over the summer, and the project was very much alive.

The Dickey split wound up in the House version of BESTEA unveiled by Shuster in early September. But it was left out of the Senate version of the bill. Sources close to Lott say he has already been approached by Senators representing other states along the I-69 corridor who want the highway split into their states, too.

In a letter to members of the Transportation panel on Sept. 3, the Mississippi Department of Transportation estimated that the Dickey split will cost $1.5 billion and "jeopardize support for funding of Corridor 18."

Lott would not comment on his conversations with colleagues, but he did say, "I think the Senate version has the most attractiveness."

Eppard said she has not lobbied Shuster on the issue. Eppard said she has met with Lott's staff, but she realizes that Lott is not receptive to the split.

"I told Mr. Dickey that every chance he has, he should genuflect three times," said Eppard.

In order to counter Lott, Dickey has also claimed that the north crossing is needed because the state needs a tremor-proof bridge to guard against a possible earthquake along the New Madrid Fault.

"Every day we're closer to it," Dickey said of an impending earthquake. "We need to do something."

Attachment #8

Copyright 1996 Arkansas Democrat-Gazette
Arkansas Democrat-Gazette

October 17, 1996, Thursday

SECTION: NEW; Pg. 1B

LENGTH: 602 words

HEADLINE: 700 rally in Stuttgart to make case for I-69

BYLINE: EMMETT GEORGE, Democrat-Gazette Pine Bluff Bureau

BODY:

STUTTGART -- Against a backdrop of duck calls, blues music and modified hog calls, about 700 people rallied Wednesday in support of the proposed Interstate 69 highway project.

Rep. Jay Dickey, R-Ark., wanted the rally to demonstrate to visiting Rep. Bud Shuster, R-Pa., chairman of the House Transportation and Infrastructure Committee, how much support there is in Arkansas for the project. The rally was at the Grand Prairie War Memorial Auditorium.

"A very important case has been made today for I-69," Shuster told the gathering. "I am confident the reauthorization next year for the transportation bill will address the issue of emerging trade corridors as we move into the 21st century."

Shuster stopped short of a commitment on funding, saying Arkansas' principal competition for the mid-America leg of the highway will come from Mississippi. Shuster said Arkansas is in a favorable position because of its facilities for river and railroad transport.

"Funding is always a problem," he cautioned, adding that the project will require "innovative financing." Shuster said such a financial package would include federal and state matching funds, as well as possibly private enterprise participation and revenue from toll roads.

The proposed 1,800-mile project runs from Port Huron, Mich., to Indianapolis and veers south across Kentucky, Tennessee, Arkansas, Mississippi, Louisiana and Texas. It ends near Mexico.

According to a statement from Dickey's office, the highway would add $ 2.2 billion to the national economy and create 27,000 jobs and $ 11 billion in wages by 2025.

Dickey was joined by Rep. Blanche Lambert Lincoln, D-Ark.; Rep. Tim Hutchinson, R-Ark.; Stuttgart Mayor Harry "Butch" Richenback; state Sen. Kevin Smith, D-Stuttgart; state Rep. Wanda Northcutt, D-Stuttgart; and Dan Flowers, director of the Arkansas Highway and

Transportation Department.

Flowers said the project would cost about $ 6 billion. The Arkansas part would cost about $ 1 billion, with the state matching $ 200 million, he said.

Before the program, David Leech, president of the Stuttgart Chamber of Commerce, said that for every mile that the highway crosses Interstate 40, permanent jobs will be created.

"This rally is not being held for Stuttgart," Leech said. "It's being held for unity of the corridor. Wherever it crosses Arkansas, it will be good for Stuttgart."

Leech said projections anticipate that I-69 could cut through the region anywhere from West Memphis to Rosedale, Miss.

Earlier in the day, Gov. Mike Huckabee flew to West Helena to visit with Shuster about the proposed interstate's importance to Arkansas. Shuster was touring that area of Arkansas' 1st Congressional District with Dickey and Warren Dupwe of Jonesboro, the Republican nominee for the 1st District seat.

"The main reason we're all ganging up here is I-69 could be the future engine of Southeast Arkansas," Huckabee told Shuster.

Huckabee told him that Arkansas officials would work with Mississippi officials regarding the interstate's location. He said talks have been encouraging.

"I think a lot of our chances of getting the interstate have to do with how much unity we can show," Huckabee said afterward. "That way, they know that if they come down here, they won't spend most of their time watching us fight each other. That's what we were trying to show Congressman Shuster today as the chairman of that transportation committee."

Information for this article was contributed by Democrat-Gazette staff writer Kevin Freking.

LANGUAGE: ENGLISH

LOAD-DATE: October 17, 1996

EXHIBIT 58

RECEIVED
97 NOV -5 PM 3:16
COMMITTEE ON STANDARDS

BUD SHUSTER
9TH DISTRICT, PENNSYLVANIA

Congress of the United States
House of Representatives

November 5, 1997

The Honorable James Hanson, Chairman
The Honorable Howard Berman, Ranking Member
House Committee on Standards of Official Conduct
HT-2 The Capitol
U.S. House of Representatives
Washington, D.C. 20515

Re: Motion to Dismiss Complaint Filed Against Representative Bud Shuster by Congressional Accountability Project

Dear Messrs. Hanson and Berman:

In compliance with Committee Rule 18(b), I have reviewed the enclosed response prepared by counsel and I agree with the factual assertions made therein.

Sincerely,

Bud Shuster

BUD SHUSTER
MEMBER OF CONGRESS

WASHINGTON OFFICE:
2188 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-3909
PHONE: (202) 225-2431

DISTRICT OFFICE:
RD 2, BOX 711
ALTOONA, PA 16601
PHONE: (814) 946-1653

DISTRICT OFFICE:
179 E. QUEEN ST.
CHAMBERSBURG, PA 17201
PHONE: (717) 264-8308

DISTRICT OFFICE:
1214 OLDTOWN ROAD, SUITE #4
CLEARFIELD, PA 16830
PHONE: (814) 765-9106

EXHIBIT 57

JAMES V. HANSEN, UTAH
CHAIRMAN

HOWARD L. BERMAN, CALIFORNIA
RANKING DEMOCRATIC MEMBER

SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515–6328

October 8, 1997

Mr. Gary Ruskin
Congressional Accountability Project
1611 Connecticut Avenue, Suite 3A
Washington, D.C. 20009

Dear Mr. Ruskin:

The Committee is in receipt of your formal request to amend the Congressional Accountability Project's September 5, 1996, complaint against Representative Shuster.

The Committee hereby denies your request. If you wish to submit an amendment to the prior complaint, you must obtain the sponsorship of a House Member pursuant to Section 9 of H. Res. 168. If you want the Committee to consider the material submitted as "information" rather than as a formal amendment, the Committee can accept the material and, in its discretion consider it together with the original complaint.

Sincerely,

James V. Hansen
Chairman

Howard L. Berman
Ranking Democratic Member

PATTON BOGGS, L.L.P.
2550 M STREET, N.W.
WASHINGTON, D.C. 20037-1350
(202) 457-6000
FACSIMILE (202) 457-6315

WRITER'S DIRECT DIAL
(202) 457-6405

November 4, 1997

The Honorable James Hanson, Chairman
The Honorable Howard Berman, Ranking Member
House Committee on Standards of Official Conduct
HT-2, The Capitol
U.S. House of Representatives
Washington, D.C. 20515

Re: Motion to Dismiss Complaint Filed Against Representative Bud Shuster
By Congressional Accountability Project

Dear Messrs. Hanson and Berman:

By this letter, Representative Bud Shuster seeks dismissal of the above-captioned complaint (cited herein as the "Complaint"), filed more than 13 months ago on the last possible day before the 1996 elections. As demonstrated below, the complaint is deficient both procedurally and substantively: procedurally, it does not comply with the Rules of the House of Representatives ("House Rules") or the Rules of this Committee; substantively, its collection of misstatements, innuendo and character assassination does not amount to any violation of the Rules of the House.

The complaint presents a novel question for this Committee and its revised rules -- whether an organization that is a long-standing political opponent of a Member can plant inaccurate articles in publications and then use those same articles as the "basis" of an ethics complaint to the House. As the Committee will see from this response and the attached sworn

affidavits of Mr. Shuster and Mrs. Ann Eppard, a former longtime staff member of Mr. Shuster's who is cited in the complaint, the "facts" upon which the complaint is based are misstatements, misrepresentations or fabrications.[1] The bottom line is that the personal innuendo about Mr. Shuster and Mrs. Eppard are false and slanderous, and that Mr. Shuster was aware of the House Rules at all times and scrupulous in not violating them.

I. PROCEDURAL DEFICIENCIES

Notwithstanding the Committee's vote to rollover this complaint filed during the 104th Congress (filed on September 5, 1996), it must now be dismissed as procedurally deficient under the rules of the 105th Congress that govern this Committee's consideration of this matter. In particular, the complaint is deficient in, *inter alia*, two ways: (1) the necessary procedural safeguards mandated by Committee Rules 15 and 16(d) (concerning the mandatory predicate of Member certification of third party complaints) have not been satisfied by this complaint; and (2) the complaint does not comport with the directive of Committee Rule 16(a)(4), since it is based

[1] Typical is the *Roll Call* article of February 8, 1995, which states in the headline that Mr. Shuster "Lodges With Ex-Aide." The innuendo is based on Mr. Shuster "being observed leaving Eppard's home at 7 a.m. by *Roll Call*." What *Roll Call* failed to report was that Mr. Shuster's wife, daughter, son and grandchildren also stayed at Mrs. Eppard's, and, in fact, Mr. Shuster invited the reporter in and he and his son talked with the reporter in Mrs. Eppard's living room for about 30 minutes. Affidavit of Bud Shuster ("Shuster Aff.") ¶ 9. As explained herein, this stay did not violate the gift rules. The initial *Roll Call* article did not even mention the presence of Mr. Shuster's son. It was only after Mr. Shuster told the newspapers in his District that his family had also stayed at Mrs. Eppard's that *Roll Call* published a second article acknowledging his son's presence.

on "innuendo, speculative assertions, [and] conclusory statements," and not on "simple, concise and direct statements of fact."

A. Rules 15 and 16(d)

The Complaint does not comport with Committee Rules 15 and 16(d). Committee Rule 15 states in pertinent part:

> Pursuant to clause 4(e)(2)(B) of House Rule X of the Rules of the House of Representatives, the Committee may exercise its investigatory authority when --
> (b) information offered as a complaint from an individual not a member of the House is transmitted to the Committee, provided that a Member of the House certifies in writing that he or she believes the information is submitted in good faith and warrants the review and consideration of the Committee.

Similarly, Committee Rule 16(d) states:

> Information offered as a complaint by an individual not a Member of the House may be transmitted to the Committee, provided that a Member of the House certifies in writing that he or she believes the information is submitted in good faith and warrants the review and consideration of the Committee.

The necessary procedural safeguards mandated by these Committee Rules have not been satisfied in this case. The complaint was filed at 4:25 p.m. on September 5, 1996, the final day (and during essentially the final hour) that such complaints could be filed prior to the 1996 moratorium on pre-election complaints, and was signed by an individual not a Member of the House. Included with the filing were three letters purporting to be the signatures of three Members of the 104th Congress, all stating they were declining to file the complaint. Two of those three are not now Members of the 105th Congress, and the supposed "signature" of the

third Member was misspelled and, contrary to the Committee's Rules, was not actually signed by the Member. *See* Letter from Benjamin L. Ginsberg to Chairman James V. Hanson of 9/12/97 (previously submitted *via* hand delivery). This defect has not (and cannot) be cured by the Committee's vote during the 104th Congress to rollover the complaint.

Critically, and contrary to the mandate of Committee Rules 15 and 16(d), no Member of the 105th Congress has certified "in writing that he or she believes the information is submitted in good faith and that it warrants the review and consideration of the Committee." The Committee's need to adhere to such a predicate (and not to rely improperly on the rollover vote) is readily apparent from the content of this complaint. An unsubstantiated collection of innuendo, speculation and libelous character assassination, it should not, in good faith, be considered worthy of review by this Committee. The absence of the procedurally fundamental predicates contained in the Rules mandate that this complaint be dismissed.

B. Rule 16(a)(4)

The complaint is also fatally defective under Committee Rule 16(a)(4). Pursuant to that Rule, a complaint considered in the 105th Congress "shall" set forth "in simple, concise and direct statements the facts alleged to give rise to the violation. The complaint shall not contain innuendo, speculative assertions, or conclusory statements." Committee Rule 16(a)(4). As demonstrated in this response, and in the accompanying affidavits from Mr. Shuster and Mrs.

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B. Rule 16(a)(4)

The complaint is also fatally defective under Committee Rule 16(a)(4). Pursuant to that Rule, a complaint considered in the 105th Congress "shall" set forth "in simple, concise and direct statements the facts alleged to give rise to the violation. The complaint shall not contain innuendo, speculative assertions, or conclusory statements." Committee Rule 16(a)(4). As demonstrated in this response, and in the accompanying affidavits from Mr. Shuster and Mrs.

B. Background

The truth is that Mr. Shuster, his family, Mrs. Eppard and her family have known each other since Mrs. Eppard worked in Mr. Shuster's computer company 27 years ago, before Mr. Shuster began serving in Congress in 1973. Affidavit of Bud Shuster ("Shuster Aff.") ¶ 2 (attached hereto as Exhibit A); Affidavit of Ann Eppard ("Eppard Aff.") ¶ 2 (Attached hereto as Exhibit B). They and their families have been friends for this entire period, their children grew up together and several went to school together. *Id.* Mr. Shuster and his family have stayed at Mrs. Eppard's many times over that 25-year period, and she and members of her family have stayed at the Shusters' farm in Bedford County, Pennsylvania many times over the years. Shuster Aff. ¶ 4; Eppard Aff. ¶ 4. Mrs. Eppard even lived with the Shuster Family while running one of Mr. Shuster's congressional campaigns in his district. *Id.* Mindful at all times of the limits in the House Rules, those stays have never exceeded the limits in the Rules in place at the times of the stays. Shuster Aff. ¶ 4.

Despite the innuendo in the articles attached to the complaint, the truth is that Mr. Shuster usually spends only two, and sometimes three, nights a week in Washington when Congress is in session. Shuster Aff. ¶ 6. The southern border of his District is the Maryland line, and his Pennsylvania farm is only two hours from Washington. *Id.* When he stays in Washington and his family is not with him, Mr. Shuster generally stays in his House office, as do a number of Members. Shuster Aff. ¶ 7. For a period of time before July 1995 and after July 1996,

Mr. Shuster would also occasionally stay at his townhouse in Fairlington which he and his wife also rented to his daughters. *Id.* On special occasions, when his wife or other members of his family were in town, they would stay at their townhouse or at Mrs. Eppard's. Shuster Aff. ¶ 8. Mr. Shuster has always been aware of the Rules of the House, including the operative gift rule and rules concerning personal hospitality, and complied with them. *Id.*

C. Argument

A point-by-point examination demonstrates why the complaint should be dismissed for not meeting the standard in either the Rules of the House or this Committee.

1. The Roles and Relationships Developed Working Together for 27 Years in the Private Sector and on a Member's Staff Do Not Create "A Complex Web" That Violates the House Rules.

It is true that Congressman Shuster has employed Ann Eppard for over 27 years, first in his private computer business and then as his top aide for 22 years after being elected to the House. It is certainly true that she performed many legislative and political tasks for him during that period and, like many former Hill aides, has continued to assist her former boss in various political and quasi-political roles since leaving in November 1994.[1] It is also true that when she left, she was successful in attracting clients in those areas in which she developed an expertise

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[1] Mrs. Eppard submitted her retirement papers in September 1994 to take advantage of the government's one-time lump sum retirement offer and left the House payroll in November 1994. *See* Eppard Aff. ¶ 5.

and contacts during her years on the Hill. But this is also the norm on Capitol Hill, and it is not against the Rules to do so.

None of the points raised in the complaint rise to the level of a violation, and the only "support" for any of the points raised are newspaper articles, which generally appear to have been planted by the very people who filed this complaint. The essential points are these:

- the allegations in the complaint are based solely on newspaper articles in two publications owned by the same publisher (The Economist owns both *Roll Call* and *The Journal of Commerce*), and many of those feature either anonymous sources or quotes from individuals allied with the group that filed the complaint, or are editorials;
- the so-called "the complex web" did not spring up overnight. Mr. Shuster had employed Mrs. Eppard since before coming to Congress 25 years ago. Their relationship far predates Mrs. Eppard becoming a lobbyist in November 1994 and meets the Rules' definition of "personal friend." Mr. Shuster has regularly reimbursed Mrs. Eppard for transportation and hospitality expenses she may have incurred while Mr. Shuster was in Washington. Shuster Aff. ¶ 11; Eppard Aff. ¶ 7.
- Mr. Shuster and Mrs. Eppard both know the applicable Rules; Mr. Shuster and Mrs. Eppard independently sought frequent advice on a number of issues from the Committee on Standards of Official Conduct, and both followed them scrupulously,

including Mrs. Eppard's required one-year cooling off period after retiring from the House. Shuster Aff. ¶¶ 10, 13-16; Eppard Aff. ¶¶ 5, 8-11.

- Mr. Shuster has never directed or even suggested to anyone that he or she hire Mrs. Eppard, Shuster Aff. ¶ 12, and there is absolutely no credible evidence that he did so. At most, Mr. Shuster did praise Mrs. Eppard for her competence and faithful 22 year service as she left his employ, a not uncommon occurrence that is a far cry from a violation of the Rules.

Indeed, while spinning the so-called "complex web," the complaint tries to assess guilt by innuendo. But because there were none, it cannot cite any violations of House Rules to sustain the complaint.

2. There is No Violation of the House Gift Rules and No Evidence to Warrant an Investigation.

The complaint insinuates that Mr. Shuster must have accepted improper "gifts" from Mrs. Eppard, whether under the old gift rules or the ones that went into effect on January 1, 1996. This insinuation is false. The fact of the matter is that Mr. Shuster spent few nights in Washington, since his primary residence in Bedford County, Pennsylvania, is a 2-hour drive from the Capitol and several counties of his District bordering the Maryland state line are even closer. The notion that he received a "gift" in the form of free lodging is nonsensical since he generally stayed in other places on the two nights a week average he spent in Washington.

Furthermore, the complaint utterly fails to provide any substantive, specific information to support its sweeping charge. As the attached affidavit shows, Mr. Shuster has sworn under penalty of perjury that he knew what both the former and current rules required, and that he did not violate either set of rules. *See generally* Shuster Aff. Aware of the Rules in effect through December 1995, Mr. Shuster never received personal hospitality for more than 30 days in a calendar year, or three consecutive days in violation of the Rules. Shuster Aff. ¶ 8. Mr. Shuster routinely reimbursed Mrs. Eppard for expenses during the entire period covered by this complaint, and, as the checks attached to Mr. Shuster's affidavit show, since the January 1, 1996 effective date of the new Rules, Mr. Shuster has written a check to cover any transportation and hospitality expenses that Mrs. Eppard may have incurred for each month he was in Washington. Shuster Aff. ¶ 11; Eppard Aff. ¶ 7.

a. Old Rules

The complaint asserts that a violation occurred "if Rep. Shuster has received personal hospitality for more than 30 days in any calendar year before December 31, 1995, and if he neither received a formal waiver nor paid rent to Mrs. Eppard, he may have violated the old gift rule." This is incorrect. Prior to December 31, 1995, House Rule 43, clause 4 provided that a Member could not accept in any calendar year gifts, "other than personal hospitality of an individual or with a fair market value of $100 or less," totaling more than $250. Letter from Committee on Standards of Official Conduct to Rep. Bud Shuster of 6/13/96 at 1-2 (attached to

the complaint). To qualify as personal hospitality, the lodging had to be provided at a personal residence, rather than at a hotel or inn. *Id.* at 2. Personal hospitality also included food, whether at the host's home or at a restaurant. *Id.* A Member could not accept personal hospitality for more than four days or three nights consecutively or for more than 30 days in a calendar year from a single source. *Id.* Under the Rule, "personal hospitality" had to be offered for a non-business purpose and the host could not be reimbursed or take a tax deduction for the expenses associated with the hospitality. *Id.*

As Mr. Shuster says in his sworn affidavit, he was aware of the Rules and very careful to follow them. Shuster Aff. ¶ 10. The fact of the matter is that over the years, he and his family have stayed at Mrs. Eppard's many times and she and her family have stayed at Mr. and Mrs. Shuster's home in Pennsylvania many times. Shuster Aff. ¶ 4. When in Washington, Mr. Shuster generally stayed in his office in the Capitol, or occasionally in the townhouse owned by his wife and him in Fairlington where his daughters lived until July 1995. Shuster Aff. ¶ 7. In the words of Mr. Shuster: "During [the] entire period [at issue], I have been aware of the applicable House Rules, and have complied with them. I never received personal hospitality for more than 30 days in a calendar year, or three consecutive days, at anyone's home in violation of the applicable Rules." Shuster Aff. ¶ 8. For her part, Mrs. Eppard has never taken a tax deduction for any personal hospitality for Mr. Shuster or his family. Eppard Aff. ¶ 6.

As for transportation, Mrs. Eppard has frequently driven Mr. Shuster, especially when she was on his staff. Aware of the Rule, Mr. Shuster either paid directly for expenses or made regular cash reimbursements to Mrs. Eppard during this period. Shuster Aff. ¶ 11; Eppard Aff. ¶ 7.

b. New Rules

Since January 1, 1996, a revised gift rule (Rule 52 when adopted, Rule 51 in the 105th Congress) has exempted anything (not only gifts) provided a Member by an individual on the basis of personal friendship unless the Member has reason to think that the gift was provided because of his or her official position and not because of the personal friendship. Rule 51 § (c)(4)(A); Letter from Committee on Standards of Official Conduct to Rep. Bud Shuster of 6/13/94 at 4. However, if the value of the gift is to exceed $250, the Committee must issue a written determination that the friend exception exists. *Id.* The Committee also has determined that lobbyists can qualify as personal friends notwithstanding their status as registered lobbyists, adopting the legislative history which states that the Rule "is not intended to prohibit 'personal hospitality' by registered lobbyists if the lobbyist qualifies under the 'personal friends' exemption of the Rule." Letter from Committee on Standards of Official Conduct to Rep. Bud Shuster of 6/13/94 at 5. Unlike the prior rule, Clause 16 of the Rule does not contain any time limitations on personal hospitality. *Id.*; Rule 51 § (c)(4)(A).

The complaint's insinuations that Mr. Shuster violated this new Rule are meritless, and the Complaint does not (because it cannot) state that Mr. Shuster actually violated the Rule. Instead, the complaint merely asserts that it is "likely" that there is a violation, Complaint at 6, which, as illustrated by the specific facts more fully set out below, is baseless and does not warrant further investigation by the Committee. Accordingly, this complaint must be dismissed under Rule 16(a)(4), as complaints cannot be based solely on such "innuendo, speculative assertion, [and] conclusory statements."

More importantly, the conduct cited, even assuming *arguendo* its truth, does not constitute a "gift" as that term is defined by the Rule. Pursuant to section 1(b)(1) of Rule 51, an item or service can only constitute a "gift" if it has "monetary value." Rule 51 § 1(b)(1). Here, the activity at issue does not have monetary value. A monetary value cannot be assigned to an evening's stay at Mrs. Eppard's home, since it is her private residence (not a hotel for which a commercial value could be ascertained), and Mr. Shuster had other lodging options (thus dispelling any inference that he somehow received "value" by the avoidance of paying for lodging). Thus, any such evenings spent in the private home of another do not constitute a "gift" under the plain language of section 1(b)(1) of Rule 51.[4]

Even assuming *arguendo* that such a stay constitutes a gift, section 1(a)'s standard that a Member must "knowingly accept a gift" does not apply to "[a]nything provided by an individual

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[4] Were the Committee to adopt such an *ex post facto* standard, its policing role would escalate to illogical dimensions in contemporary Washington.

on the basis of a personal friendship . . . ." Rule 51 § 1(c)(4)(A). The complaint concedes, as it must, that this section is applicable here. *See* Complaint at 6. Further, in accordance with the Rule, Mr. Shuster had no "reason to believe that, under the circumstances, the gift was provided because of the official position of the Member . . . and not because of personal friendship." Rule 51 § 1(c)(4)(A). There can be no question that Mr. Shuster and his family and Mrs. Eppard and her family qualify as "personal friends" since they and their families have known each other and worked together for over 27 years. *See* Rule 51 § 1(c)(4)(B)(i) (in determining whether a gift is provided on the basis of personal friendship, the Member shall consider "[t]he history of the relationship between the individual giving the gift and the recipient of the gift, including any previous exchange of gifts between such individuals").

Furthermore, the complaint's reliance on section 1(e) is misplaced. That section states in full:

> No Member, officer, or employee may accept a gift the value of which exceeds $250 on the basis of the personal friendship exception in paragraph (c)(4) unless the Committee on Standards of Official Conduct issues a written determination that such section applies. No determination under the paragraph is required for gifts given on the basis of the family relationship exception.

Rule 51 § 1(e). The complaint mischaracterizes this section as embodying an "exception" to the general prohibition. Instead, the section merely requires that the Committee first approve of a gift if its exceeds $250; it does not prohibit the receipt of gifts from personal friends. *Id.*; *see also* Letter from Committee on Standards of Official Conduct to Rep. Bud Shuster of 6/13/96.

As shown above, in an abundance of caution to ensure compliance with the new Rules effective January 1, 1996, Mr. Shuster wrote Mrs. Eppard checks for the months he was in Washington, although he was not required to do so by the Rules. See Shuster Aff. ¶ 11, Exhibit A1 (true and correct copies of the checks). The amount of these checks reimburses Mrs. Eppard for any expenses she incurred for Mr. Shuster. Shuster Aff. ¶ 11; Eppard Aff. ¶ 7. Such "reimbursement" is both contemplated and sanctioned by the Rule, specifically section 1(c)(1) (the prohibition does not apply to "[a]nything for which the Member . . . pays the market value . . ."). Thus, assuming *arguendo* that the allegations contained in the complaint have a ring of plausibility, such payment exonerates Mr. Shuster, a point which the complaint implicitly concedes. *See* Complaint at 6.

Finally, the so-called "gift ban" is a specific intent offense ("No Member . . . shall knowingly accept a gift . . . ."). Rule 51 § 1(a) (emphasis added). Not only does the complaint fail to offer any proof of intent by Mr. Shuster, it completely ignores this applicable standard, designed to demand a high level of proof (unlike that presented in the complaint). In fact, Mr. Shuster's monthly payments and his frequent contacts with the Committee seeking advice display a particular attention to, and respect for, the Rules. These affirmative acts by Mr. Shuster dispel even the inference of an intentional lapse. Therefore, regardless of the merits of the complaint, there is absolutely no evidence whatsoever that Mr. Shuster knowingly accepted a gift. Accordingly, for this reason alone, the Committee should dismiss this matter.

In conclusion, the complaint presents no evidence -- only pure speculation based on inaccurate newspaper accounts -- that any violation of either the old or new gift rules occurred. Indeed, the uncontroverted, sworn testimony of Mr. Shuster demonstrates that no violation of the Rules occurred and that no investigation by the Committee is warranted.

3. The Insinuation That Mrs. Eppard's Clients Received Improper Benefits from Chairman Shuster is False and Based Solely on Innuendo and Speculation.

By listing a number of Eppard & Associates clients, the complaint attempts without any specific charges to allege some impropriety regarding Mrs. Eppard's lobbying on transportation issues. Through this method of guilt by association, this complaint again fails to meet the standards of the Committee's Rules. While clients of Mrs. Eppard may have arguably achieved positive results, any such success Mrs. Eppard achieved was based on the skills she learned in 22 years of working in key positions on the Hill. It is quite natural, and certainly not uncommon, that someone with her substantive background would be retained to assist on projects in the areas of her expertise and that positive results were obtained. An example of the bipartisan recognition of her skills, talents and broad contacts is the letter presented to her and signed by 23 Members of the House and Senate. Eppard Aff. ¶ 13, Exhibit B1 (Letter of 11/9/95).

Offering nothing more than a list of her clients and some newspaper articles on the status of legislation, the complaint does not allege any Rules violation and does not even offer one

shred of evidence of any impropriety. Indeed, one of the articles attached to the complaint states in a portion omitted from the complaint: "Those who have hired Mrs. Eppard have been scrupulous in saying that she has not been retained to lobby Mr. Shuster" during her cooling off period. William L. Roberts, *Aide's Ties Raise Ethical Questions*, Journal of Commerce, July 31, 1995 (attached to the complaint). As for the individual projects cited, there is no allegation of any violation of a House Rule:

- Frito-Lay, Inc. -- This representation took place in the year after Mrs. Eppard left the Hill and she did not lobby Chairman Shuster during that year. Shuster Aff. ¶ 13; Eppard Aff. ¶ 8. As even the news article from which this allegation has sprung states, Representative Bill Emerson, not Mr. Shuster, sponsored the legislation, and in fact, the project was only partially successful. Although not mentioned in the complaint, the headline of the *Journal of Commerce* article cited was: "Eppard's Clients Win Some, Lose Some." William L. Roberts, *Eppard's Clients Win Some. Lose Some*, Journal of Commerce, Feb. 8, 1996 (previously submitted with the complaint). Most importantly, the waiver at issue exempting medium sized trucks from a dozen regulations considered onerous by the industry was part of a larger effort by the Congress to enact regulatory reform. This effort was strongly opposed by followers of Ralph Nader; the Congressional Accountability Project, which filed this complaint, is a Nader organization.

- Federal Express -- Mrs. Eppard did not lobby Mr. Shuster during her cooling-off period on the issue of U.S. - Japan bilateral aviation relations. Shuster Aff. ¶ 14; Eppard Aff. ¶ 9. Mr. Shuster has consistently held the same position on the need to get tough with the Japanese in trade disputes for the last 20 years. Shuster Aff. ¶ 14.
- Outdoor Advertisers -- The articles cited do not allege or show any violation of a House Rule; indeed, one is an editorial that disagrees with Chairman Shuster's position. *See* Complaint at 9 (*quoting* Diane Steinle, *Washington Insider Aids Outdoor Advertisers*, St. Petersburg Times, September 13, 1995). Mrs. Eppard did not lobby Chairman Shuster on this issue in the year after her retirement from the House. Shuster Aff. ¶ 15; Eppard Aff. ¶ 10. Chairman Shuster has been a consistent supporter for 20 years of the billboard industry's right to put up legal boards, and of the Fifth Amendment requirement that owners receive just compensation for removal. He has also supported prohibiting billboards on scenic byways. Shuster Aff. ¶ 15.
- Amtrak -- The articles cited describe disagreements on the restructuring of Amtrak, a complex issue with Members holding many different views. Mr. Shuster's positions on the subject are driven by his experience on transportation issues and by the fact that he represents Altoona, Pennsylvania, one of the most important railroad towns in the United States. Shuster Aff. ¶ 16. Mrs. Eppard did not lobby him on the issue during the first year after her retirement from the House. *Id.*; Eppard Aff. ¶ 11.

In yet another baseless insinuation, the complaint states that "Shuster implicitly recommended Eppard to potential lobbying clients." Complaint at 4-5. Saying complimentary things about a 22-year employee who is leaving a Member's staff is entirely appropriate and, thankfully, still a common occurrence on the Hill. This is not violation of the Rules. Typical of this complaint, there is no evidence offered beyond the speculative conclusion that a violation must have occurred, and Mr. Shuster states in his sworn affidavit that he has "never directed or even suggested to anyone that he or she hire Ms. Eppard." Shuster Aff. ¶ 12.

4. The Complaint's Conclusory Statements Concerning Criminal Law Violations Are False, Slanderous and Clearly Do Not Rise to the Level of a Cognizable Claim.

As is typical throughout, the complaint provides no specific facts in support of its charges of criminal code violations. Indeed, it can do nothing more than note a "remarkable symbiotic network" that allegedly "raises the clear likelihood -- and provides substantial circumstantial evidence to support the conclusion -- that section 201 may have been triggered." This is precisely the sort of allegation that prompted the House to adopt the Rule that a Member had to verify any complaint filed in the 105th Congress and this Committee to adopt the Rule that a complaint must spell out the "facts alleged to give rise to the violation. The complaint shall not contain innuendo, speculative assertions, or conclusory statements." Rule 16(a)(4) (emphasis

added). For the record, Mr. Shuster denies ever soliciting or accepting any illegal gratuities, Shuster Aff. ¶ 17, and Mrs. Eppard denies ever making any illegal gratuities. Eppard Aff. ¶ 12.[9]

5. Inquiries on Behalf of a Constituent Were Proper.

Another hyperbolic charge in the complaint is that Mr. Shuster improperly intervened with two federal agencies on behalf of a business partner of his son. The truth is that Maurice Lawruk is a constituent of Mr. Shuster's, and the contacts on the status of the project were so routine (as they would be for any constituent) that Mr. Shuster's staff signed the letters referred to, and he neither saw them nor was specifically aware of them. Shuster Aff. ¶ 18. Mr. Shuster had no interest in this business venture, and his son was not involved at all in the project complained of. *Id.* Mr. Shuster's son and Mr. Lawruk were partners in an unrelated business. *Id.*

The *Roll Call* article upon which the charge is based even explains that Mr. Shuster "worked with then Senator John Heinz (R-Pa.) for an amendment to a homeless funding bill paving the way for HUD money to go to an Altoona hotel co-owned by Lawruk." Timothy J. Burger, *Shuster Intervened for Sons' Business Partner*, Roll Call, April 29, 1996 at 1 (attached to

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[9] Significantly, the complaint also misses the critical element of the statute -- that any gratuity must be received because of an official act. 18 U.S.C. § 201. Indeed, model jury instructions for a charge of a violation of the federal gratuity statute recognize that there must be some official act, not just the official status of the recipient. *See* Pattern Jury Instructions, Fifth Circuit, § 2.13 (1997); E. Devitt, Federal Jury Practice Instructions, § 25.03 (1990). Thus, a mere "symbiotic network," as alleged in the complaint, does not trigger the statute, especially when a 27-year family relationship is involved. As is typical, however, the complaint fails to allege even a single "official act" that could rise to a violation.

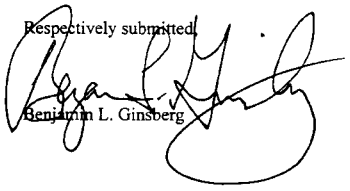
the complaint). In fact, the late-Senator Heinz, and not Congressman Shuster, offered the amendment, and the project provided badly needed housing for the low income elderly, a point omitted in the Complaint.

Thus, there is absolutely no basis for the complaint's false charge that Mr. Shuster improperly intervened with any government agencies.

III. CONCLUSION

For the reasons set forth above, Mr. Shuster respectfully requests that this complaint based on innuendo, speculative assertions and conclusory statements be dismissed since it is defective procedurally and without merit substantively.

Respectively submitted,



Benjamin L. Ginsberg

BLG/jmt

BEFORE THE HOUSE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Re: Complaint Filed Against Representative Shuster By Congressional Accountability Project

AFFIDAVIT OF CONGRESSMAN BUD SHUSTER

I, Bud Shuster, hereby swear and/or affirm the following:

1. My name is Bud Shuster. I am over eighteen years of age. I am currently a Member of the United States House of Representatives, and have served in that capacity since 1973. I have reviewed the above-referenced complaint.

2. My family and I have known Ann Eppard and her family since Mrs. Eppard worked in my computer company in Pennsylvania over twenty seven years ago, and before I was elected to Congress more than twenty four years ago. Our families have been personal friends for this entire period. Our children have grown up together, and several went to school together.

3. I was first elected to Congress in 1972, and became a Member in 1973. I hired Ann Eppard to be on my staff. She was my top aide for approximately twenty two years. During that period, Mrs. Eppard performed many legislative and political tasks for me.

4. Because of our personal friendships, my family and I have stayed at Mrs. Eppard's many times over the past several decades, and Mrs. Eppard and members of her family have stayed at our farm in Bedford County, Pennsylvania many times over the years. In fact, Mrs. Eppard even lived with us in Pennsylvania while she was running one of many congressional campaigns. These visits and stays have never exceeded the limits, or in any way violated, the applicable Rules of the House of Representatives.

5. Mrs. Eppard left my staff in November of 1994.

6. As a member of Congress, my usual practice is to spend only two, and occasionally three, nights a week in Washington when Congress is in session. My primary residence is and has remained my farm in Pennsylvania, which is approximately two hours by car from Washington, and located in my District (the southern border of which is the Maryland state line).

7. When I do stay in Washington, I generally stay in my House office, as do a number of Members. For a period of time prior to July of 1995, and after July of 1996, I would occasionally stay at a townhouse in Fairlington, owned by my wife and me, and rented out to our daughters.

8. On special occasions, and on the instances when my wife or other members of my family were in town, we would stay at either our townhouse or at Mrs. Eppard's. During this entire period, I have been aware of the applicable House Rules, and have complied with them. I never received personal hospitality for more than thirty days in a calendar year, or three consecutive days at anyone's home in violation of the applicable Rules.

9. I have reviewed an article that appeared in *Roll Call* on February 8, 1995, and that has been cited in the Complaint. The headline for that article, that I "Lodg[e] With Ex-Aide," mischaracterizes the facts. In addition to the headline, the article itself mischaracterizes and omits critical facts regarding what occurred on or about the day that the article reports that I was "observed leaving Mrs. Eppard's home at 7 a.m. by *Roll Call*." What *Roll Call* did not report was that my wife, daughter, son and grandchildren had also stayed at Mrs. Eppard's, and that I invited the reporter in, and my son and I talked with the reporter in Mrs. Eppard's living room for approximately thirty minutes. The initial *Roll Call* article did not even mention the presence of

my son. It was only after I told the newspapers in my District that my family had also stayed at Mrs. Eppard's that *Roll Call* published a second article acknowledging my son's presence.

10. I have sought advice from the Committee on Standards of Official Conduct regarding the application of the House Rules to Mrs. Eppard and myself, as well as on other issues on several occasions. In the course of seeking such advice, I never heard, read, saw, or otherwise was informed of anything which gave me so much as a reason to believe that I had violated, was violating, or would violate the House Rules. I have followed all applicable House Rules scrupulously.

11. I have routinely reimbursed Mrs. Eppard for any expenses that she may have incurred during the period covered by this complaint. Aware of the Rules at all times, prior to January 1, 1996 I either paid directly for expenses or made regular cash reimbursements to Mrs. Eppard. In an abundance of caution, since January 1, 1996 (the effective date of the new Rule), I have written a check to reimburse Mrs. Eppard for any transportation and hospitality expenses that she may have incurred for each month I was in Washington. True and correct copies of these canceled checks (for the year 1996) are attached hereto as Exhibit A1.

12. I have never directed or even suggested to anyone that he or she hire Mrs. Eppard, although I certainly have publicly praised her skills as I have observed them for the last 27 years.

13. Mrs. Eppard did not lobby me for Frito-Lay during her one year cooling off period. I did not sponsor this legislation, although I was generally supportive of reform efforts to reduce the over-regulation on the trucking industry.

14. Mrs. Eppard did not lobby me on the issue of U.S.-Japan bilateral aviation relations during the cooling-off period. I have held the same position on the need to get tough with the Japanese in such trade disputes for the last twenty years.

15. Contrary to the allegations contained in the Complaint, Mrs. Eppard did not lobby me on behalf of the Outdoor Advertisers in the year after her retirement from the House. I have been a consistent supporter for twenty years of the billboard industry's right to put up legal billboards and of the Fifth Amendment requirement that owners be paid "just compensation" for removal. I have also supported the prohibiting billboards on scenic byways.

16. Contrary to the allegations contained in the Complaint, my views and positions on the Amtrak issue is driven by my experience on transportation issues, and by the fact that I represent Altoona, Pennsylvania, one of the most important railroad towns in the United States. Mrs. Eppard did not lobby me on the Amtrak issue during the first year of her retirement from the House.

17. I have never solicited or accepted any illegal gratuities.

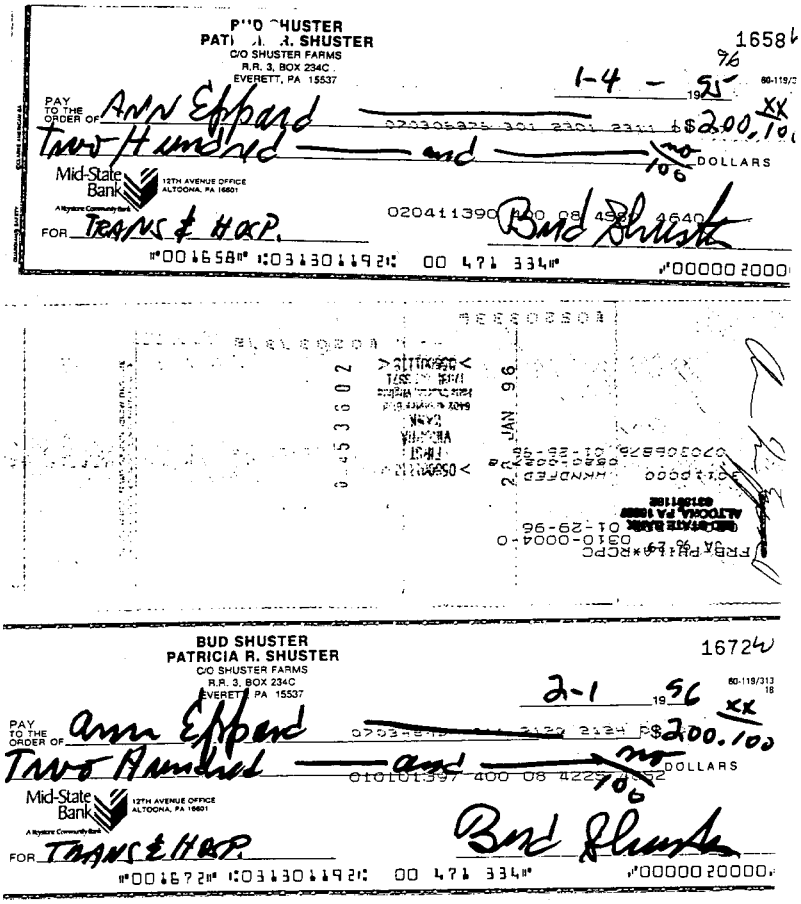
18. Maurice Lawruk is a constituent of mine. Any contacts that my office and/or I may have had with him were routine, and were in accordance with how other constituents are treated. The contacts on the status of the project cited in the Complaint were so routine that my staff, and not I, signed the letters referred to in the Complaint. I neither saw, nor was specifically aware of, the letters. I have never had any interest in the business venture cited, and my son was not involved at all in the project complained of. My son and Mr. Lawruk were partners in another unrelated business.

I swear and/or affirm under the penalty of perjury, on this 5th day of November, 1997, that the foregoing is true and correct to the best of my knowledge and belief.

Congressman Bud Shuster

Subscribed and sworn (or affirmed) to before me this 5th day of Nov 1997

NANCY E. BURTON
Notary Public
District of Columbia
My Commission Expires February 28, 2000



BUD SHUSTER
PATRICIA R. SHUSTER
C/O SHUSTER FARMS
R.R. 3, BOX 234C
EVERETT, PA 15537

1658

1-4 - 95 96

60-119/3

PAY TO THE ORDER OF Ann Eppard $200.100 XX

Two Hundred and no/100 DOLLARS

Mid-State Bank
12TH AVENUE OFFICE
ALTOONA, PA 16601
A Keystone Community Bank

FOR TRANS & HOSP.

020411390 400 08 4581 4640

Bud Shuster

⑈001658⑈ ⑆031301192⑆ 00 471 334⑈ ⑈000002000

0 4 5 3 6 0 2

JAN 96

FRB PHILA *RCPC
JA 96 29 0310-0004-0
01-29-96

BUD SHUSTER
PATRICIA R. SHUSTER
C/O SHUSTER FARMS
R.R. 3, BOX 234C
EVERETT, PA 15537

1672

2-1 1996

60-119/313
18

PAY TO THE ORDER OF Ann Eppard $200.100 XX

Two Hundred and no/100 DOLLARS

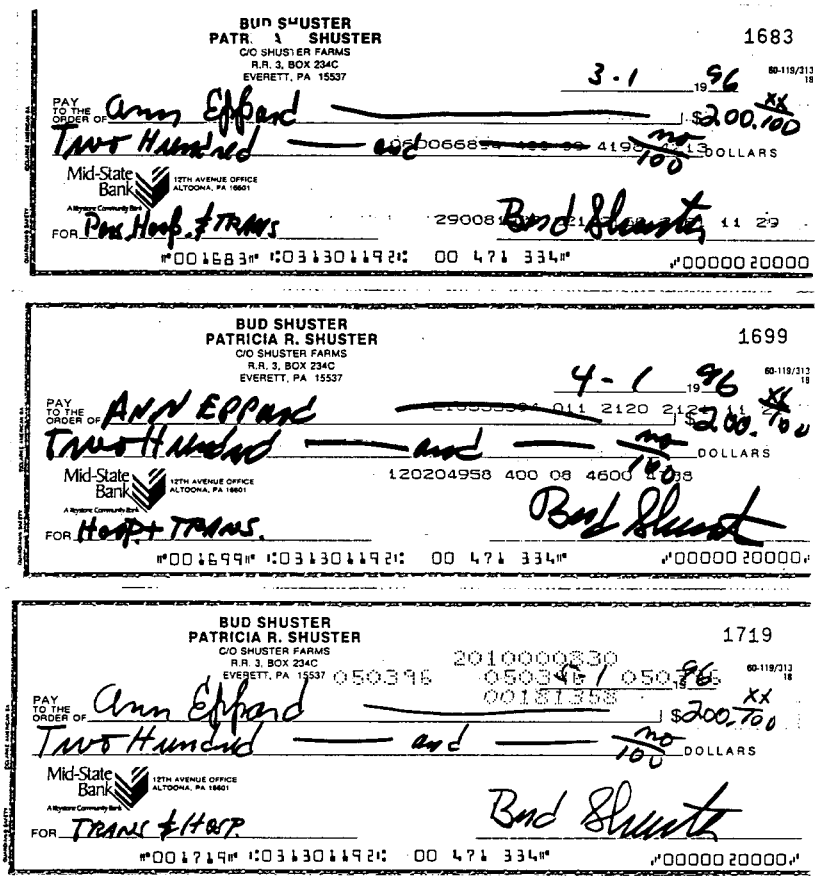
010101397 400 08 4225 4652

Mid-State Bank
12TH AVENUE OFFICE
ALTOONA, PA 16601
A Keystone Community Bank

FOR TRANS & HOSP.

Bud Shuster

⑈001672⑈ ⑆031301192⑆ 00 471 334⑈ ⑈000002000



BUD SHUSTER
PATRICIA R. SHUSTER
C/O SHUSTER FARMS
R.R. 3, BOX 234C
EVERETT, PA 15537

1683

3-1 1996

60-119/313
18

PAY TO THE ORDER OF Ann Eppard $200.xx/100

Two Hundred and no/100 DOLLARS

Mid-State Bank
12TH AVENUE OFFICE
ALTOONA, PA 16601
A Keystone Community Bank

FOR Pers. Hosp. & TRANS

Bud Shuster

⑈001683⑈ ⑆031301192⑆ 00 471 334⑈ ⑈0000020000

BUD SHUSTER
PATRICIA R. SHUSTER
C/O SHUSTER FARMS
R.R. 3, BOX 234C
EVERETT, PA 15537

1699

4-1 1996

60-119/313
18

PAY TO THE ORDER OF ANN EPPARD $200.xx/100

Two Hundred and no/100 DOLLARS

Mid-State Bank
12TH AVENUE OFFICE
ALTOONA, PA 16601
A Keystone Community Bank

120204958 400 08 4600 1138

FOR Hosp. + TRANS.

Bud Shuster

⑈001699⑈ ⑆031301192⑆ 00 471 334⑈ ⑈0000020000⑈

BUD SHUSTER
PATRICIA R. SHUSTER
C/O SHUSTER FARMS
R.R. 3, BOX 234C
EVERETT, PA 15537

1719

2010000830
050396 050396 / 050396
00181358

60-119/313
18

PAY TO THE ORDER OF Ann Eppard $200.xx/100

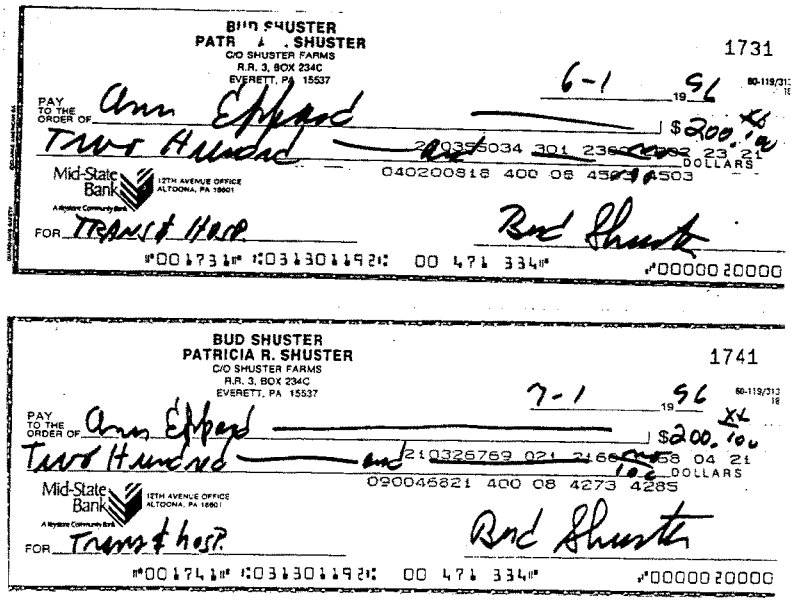
Two Hundred and no/100 DOLLARS

Mid-State Bank
12TH AVENUE OFFICE
ALTOONA, PA 16601
A Keystone Community Bank

FOR TRANS & HOSP.

Bud Shuster

⑈001719⑈ ⑆031301192⑆ 00 471 334⑈ ⑈0000020000⑈



BUD SHUSTER
PATR[illegible] SHUSTER
C/O SHUSTER FARMS
R.R. 3, BOX 234C
EVERETT, PA 15537

1731

6-1 19 96

PAY TO THE ORDER OF Ann Eppard $200.00 XX

Two Hundred and 210356034 301 2360 [illegible] 23 21 DOLLARS

040200818 400 08 45[illegible] 4503

Mid-State Bank 12TH AVENUE OFFICE ALTOONA, PA 16601
A Keystone Community Bank

FOR Trans & Hosp.

Bud Shuster

⑈001731⑈ ⑆031301192⑆ 00 471 334⑈ ⑈0000020000

BUD SHUSTER
PATRICIA R. SHUSTER
C/O SHUSTER FARMS
R.R. 3, BOX 234C
EVERETT, PA 15537

1741

7-1 19 96

PAY TO THE ORDER OF Ann Eppard $200.00 XX

Two Hundred and 210326769 021 2166 [illegible] 58 04 21 DOLLARS

090046821 400 08 4273 4285

Mid-State Bank 12TH AVENUE OFFICE ALTOONA, PA 16601
A Keystone Community Bank

FOR Trans & hosp.

Bud Shuster

⑈001741⑈ ⑆031301192⑆ 00 471 334⑈ ⑈0000020000

BEFORE THE HOUSE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Re: Complaint Filed Against Representative Shuster By Congressional Accountability Project

AFFIDAVIT OF ANN EPPARD

I, Ann Eppard, hereby swear and/or affirm the following:

1. My name is Ann Eppard. I am over eighteen years of age. I am currently a registered lobbyist, and am President of Ann Eppard Associates, Ltd. I have reviewed the above-referenced complaint.

2. My family and I have known Bud Shuster and his family since I worked in Bud Shuster's computer company over twenty seven years ago, and before he was elected to Congress more than twenty four years ago. Our families have been personal friends for this entire period. Our children have grown up together, and several went to school together.

3. When Bud Shuster was first elected to Congress in 1972, and became a Member in 1973, I was hired by him to be on his staff. I was his top aide for approximately twenty two years. During that period, I performed many legislative and political tasks for him.

4. Because of our personal friendships, Bud Shuster and his family have stayed at my home many times over the past several decades, and members of my family and I have stayed at his farm in Bedford County, Pennsylvania many times over the years. In fact, I even lived with the Shusters in Pennsylvania while I was running one of Mr. Shuster's congressional campaigns. These visits and stays have never exceeded the limits, or in any way violated, the applicable Rules of the House of Representatives.

5. In September of 1994, I submitted my retirement papers to take advantage of the government's one-time lump sum retirement offer. I officially left my staff position in November of 1994. Since then, I have complied with all applicable laws, regulations and rules concerning former staff lobbying Congress. Specifically, I adhered to the one year so-called "cooling off" period.

6. Mr. Shuster and members of his family have, on occasion, stayed at my home while they were in the Washington area. However, at no time did Congressman Shuster ever violate applicable House Rules, of which I have knowledge due to my 22 years of service on the Hill. I never provided personal hospitality for more than thirty days in a calendar year, or three consecutive days to Congressman Shuster, since I left my position on his staff. The place where the Shusters stayed was my private home. I have never taken a tax deduction for any hospitality for Mr. Shuster or his family.

7. Prior to January 1, 1996, Mr. Shuster would either pay directly for expenses or make regular cash reimbursements to me for expenses. In an abundance of caution to ensure compliance with the new Rules, effective January 1, 1996, Congressman Shuster reimbursed me by check to cover any transportation and hospitality expenses that I may have incurred for the months he was in Washington.

8. Contrary to the allegations in the Complaint, I did not lobby Congressman Shuster on behalf of Frito-Lay, Inc. in the year after my retirement from the House.

9. I did not lobby Congressman Shuster on the issue of U.S. - Japan bilateral aviation relations in the year after my retirement from the House.

10. Contrary to the allegations contained in the Complaint, I did not lobby Congressman Shuster on behalf of the Outdoor Advertisers in the year after my retirement from the House.

11. Contrary to the allegations contained in the Complaint, I did not lobby Chairman Shuster on the Amtrak issue the year after my retirement from the House.

12. I do not believe that I have done anything which would be determined to be an illegal gratuity.

13. Attached hereto as Exhibit B1 is a true and correct copy of a November 9, 1995 letter addressed to me.

I swear and/or affirm under the penalty of perjury, on this 5th day of November, 1997, that the foregoing is true and correct to the best of my knowledge and belief.

Ann Eppard

NANCY E. BURTON
Notary Public
District of Columbia
My Commission Expires February 28, 2000

JOHN P. MURTHA
[illegible] DISTRICT, PENNSYLVANIA

[illegible]
APPROPRIATIONS

Congress of the United States
House of Representatives
Washington, DC 20515-3812

November 9, 1995

Dear Ann,

It's been a year since you left the halls of Congress, a fitting time for us to pause and reflect on your resolute devotion to the Pennsylvania delegation and to the people of our great state.

It seems that every one of us has a story concerning the help you provided on a particular issue or problem. But collectively, what we miss most is your wise counsel on matters affecting the whole of Pennsylvania. Sure, we sit on both sides of the political aisle, but your efforts transcended party labels and helped the delegation act with unusual solidarity and purpose. Whether it was highway issues or constituent cases, state politics or redistricting, you were always a straight shooter whose word was trusted and whose advice was much sought after.

In addition to your legacy as a model Chief of Staff, you also served as a pathfinder for the now increasing number of women assuming leadership positions on Capitol Hill. The fact is, every day for 22 years you proved that women could excel in the sometimes rough and tumble world of Congress. The women coming after you should be grateful for your enduring example.

Your dedication to public service and your affection for the people of the Keystone State helped this delegation achieve legislative prodigies in Congress. If there is a silver lining in your leaving public service last year, it's that as a private citizen, you've continued your work on behalf of Pennsylvania. Even so, we cannot help but say: Annie, we miss you.

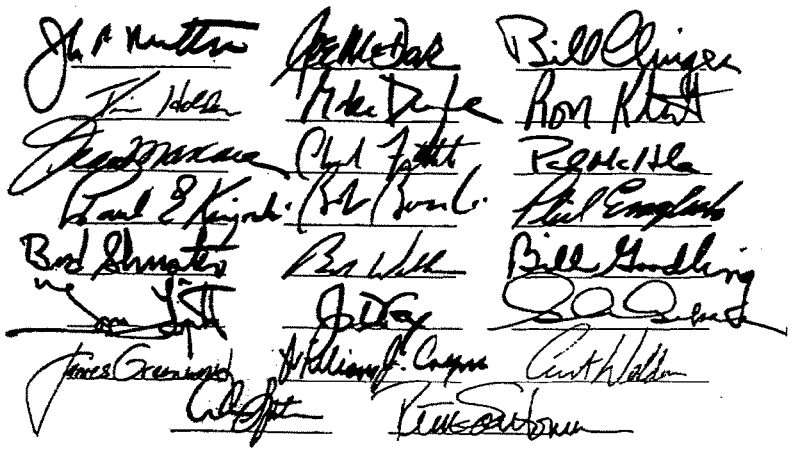


EXHIBIT 59

JAMES V. HANSEN, UTAH
CHAIRMAN

HOWARD L. BERMAN, CALIFORNIA
RANKING DEMOCRATIC MEMBER

SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515–6328

November 14, 1997

Honorable Bud Shuster
U.S. House of Representatives
Washington, D.C. 20515

Dear Colleague:

We have established an investigative subcommittee pursuant to our authority under Committee Rule 17(c)(2) and have forwarded the complaint and your response to them. The subcommittee will be chaired by Rep. Hefley with Rep. Lofgren serving as the Ranking Democratic Member. The other two members of the subcommittee are Rep. McCrery and Rep.Edwards.

Pursuant to Committee Rule 18(g), you have ten days to object to the participation of any subcommittee member. Such objection must be in writing and on the grounds that a subcommittee member cannot render an impartial and unbiased decision. The subcommittee member is the sole judge of his or her disqualification.

Sincerely,

James V. Hansen
Chairman

Howard L. Berman
Ranking Democratic Member

EXHIBIT 60

JAMES V. HANSEN, UTAH
CHAIRMAN

HOWARD L. BERMAN, CALIFORNIA
RANKING DEMOCRATIC MEMBER

SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515-6328

November 14, 1997

PRESS STATEMENT

The Chairman and Ranking Democratic Member have established an investigative subcommittee pursuant to Committee Rule 17(c)(2) in the matter of Representative Bud Shuster.

The Subcommittee will be chaired by Rep. Hefley with Rep. Lofgren serving as the Ranking Democratic Member. The other two members of the subcommittee appointed by the Chairman and Ranking Democratic Member pursuant to section 1 of H.Res. 168 are Rep. McCrery and Rep. Edwards.

EXHIBIT 61

Received 10:45 am 2/3/99

PATTON BOGGS LLP
ATTORNEYS AT LAW

2550 M Street, NW
Washington, DC 20037-1350
202-457-6000

Facsimile 202-457-6315

February 2, 1999

Benjamin L. Ginsberg
202-457-6405
bginsberg@pattonboggs.com

CONFIDENTIAL

VIA COURIER

The Honorable Lamar Smith
The Honorable Howard Berman
Committee on Standards of Official Conduct
HT-2, The Capitol
Washington, D.C. 20515

Re: In the Matter of Representative Bud Shuster

Dear Representative Smith and Representative Berman:

The Committee's recent decision to rollover this matter means that a complaint filed at the last hour of the last permissible day of the 104th Congress by a special interest group long-opposed to Congressman Shuster will now be dragged into the 106th Congress. Whether by accident or design, this investigation begun 28 months ago with an improperly filed complaint has resulted in an unprecedented and unjust stigma being associated with a Member.

Mr. Shuster and those associated with him are under a public pall because of this Committee's prosecutorial actions, including:

- The questionable procedural history of the investigation;
- The absence of fairness and civility to Mr. Shuster and to his former staffers caused by the heavy-handed nature of the investigation;
- Unnecessary and unwarranted leaks to the media; and
- Exchanges between Mr. Shuster and members of the Committee that call into question the impartiality and fairness of the prosecution.

Mr. Shuster keenly believes that these actions not only violate the Rules of this Committee and the House, but more crucially run contrary to the best traditions of the House. Consequently, he is signing this letter personally, together with his counsel, to implore all Members of this Committee -- not just its staff -- to give their immediate and personal attention to his concerns. Having served for a quarter century in this House, Mr. Shuster has a high regard for its reputation and an interest in its legacy. Quite apart from the destructive effects this

PATTON BOGGS LLP
ATTORNEYS AT LAW

CONFIDENTIAL

investigation has had on him, his family, his staff and his colleagues, Mr. Shuster – like other Members of this Committee – laments that the House is now publicly perceived as a forum for inquisition rather than fair investigative inquiry. He believes that his interests and the interests of the House in restoring its reputation for fairness are joined here, and that fairness calls for the termination of this out-of-control investigation.

EXECUTIVE SUMMARY

Mr. Shuster asks the Committee's attention to the following:

1. A complaint filed against Congressman Shuster at the last hour on the last permissible day of the 104th Congress by a Ralph Nader group long opposed to Congressman Shuster, supposedly supported by the required three letters from sitting Members, did not meet the plain wording of House Rule 10, clause 4(e)(B)(ii) and should have been summarily rejected. Specifically, the letter purportedly signed by Rep. Gutierrez misspelled his name and he has acknowledged that he did not sign the letter. Surely a matter as important as the filing of an ethics complaint against a Member should comply with the plainly spelled out rules requiring Members' signatures. The Ethics Committee violated the Rules by accepting the complaint. Nevertheless, Congressman Shuster, believing he would be treated fairly, acted in good faith, instructing his staff to cooperate fully, and answered the complaint under oath.

2. When the new rules of the 105th Congress were adopted, Congressman Livingston, Co-Chairman of the Task Force, sought out Congressman Shuster on the floor of the House and informed him that his case would be heard under the new rules. Further, Mr. Livingston stated on September 18, 1997, according to Page H7554 of the *Congressional Record* regarding complaints filed in a prior Congress, "that such complaints shall be treated in all respects as if they had been accepted under the new rules, which shall then govern accordingly." Mr. Cardin, on the same page, concurred: "They would then proceed under the new rules in this Congress." Under those rules, this complaint, clearly, would be dismissed since the complaint was based solely on newspaper articles, and new Rule 16(a)(4) states that allegations based on "innuendo, speculative assertions, or conclusory statements" are prohibited. Further, two of the Members who signed the letters were not members of the 105th Congress (Rep. Patricia Schroeder and Rep. Pat Williams). Therefore, the three member requirement was not met.

3. During the week of October 5, 1998, Chairman Hansen sought out Congressman Shuster on the floor and informed him that he would be receiving a letter from the Committee stating that the Committee was going to proceed with the inquiry to wrap it up by year's end. Chairman Hansen informed Congressman Shuster that he had met with other members of the

Committee, that they did not believe there was anything of substance to the complaint, that it was "B.S.," and they needed only a few additional answers to complete it. He specifically referred to information needed from the Congressman's son.

4. On October 15, the day his attorneys received a letter dated October 9, 1998, stating that the Committee was actually expanding the investigation, Congressman Shuster sought out Chairman Hansen and expressed his dismay that, contrary to Chairman Hansen's statements, the Committee was expanding the inquiry. Chairman Hansen expressed surprise and reiterated his previous statements, and said that he would immediately go to the Committee to look into the matter. Hearing nothing further, Congressman Shuster sent a letter to Congressman Hansen, dated November 17, 1998 (Attachment A), reiterating their previous conversations, outlining what he and we as his attorneys believed to be an out-of-control "witch hunt" against him, and again requesting an opportunity to meet with the appropriate members of the Committee.

The following states in greater specificity the fundamentally flawed and unjust prosecution of a senior Member of the House and the reasons why it should be terminated.

THE HOUSE'S TRADITION OF FAIRNESS

A well-timed series of inaccurate leaks in the last two weeks, numerous sweeping and overbroad subpoenas on third parties by House prosecutors, and overlooked procedural infirmities have resulted in the Committee's investigation publicly harming Mr. Shuster's reputation while failing to provide him with any notice of violations of House Rules. This prolonged fishing expedition is fundamentally unfair to Mr. Shuster and to current and former members of his staff.

House prosecutors have unhesitatingly issued at least 16 sweeping subpoenas to supporters of Mr. Shuster, and to clients of a former aide to Mr. Shuster who is not even subject to the jurisdiction of the House. Committee staff have been equally quick to threaten witnesses with contempt of Congress in connection with those subpoenas. At the same time, the Committee has refused Mr. Shuster's reasonable request to meet with the Committee to learn why the investigation has been conducted in this manner, or even to learn its focus. Any sense of fairness to Mr. Shuster, who has served the House for over 25 years, mandates a fair resolution of this matter.

The Committee's investigation also has had the inevitable effect, whether intended or not, of putting him into a "whipsaw" position between clearing his name in the House and

confronting efforts to embroil him in a grand jury investigation in Boston. Despite a formal request by Mr. Shuster, the Committee denied Mr. Shuster's March 12, 1998 request for a stay, even though there are clear signs that the scope of the two investigations overlaps. Concerns about the overlapping nature of the two investigations were sufficiently evident to the Justice Department that it also requested a stay. The Committee granted the Justice Department's stay request on June 10, 1998, but then reversed itself without explanation just four months later. Apart from the unfairness of the Committee's course, the unexplained off-again, on-again nature of the investigation smacks of arbitrariness.

Representative Edwards was right when he reproached a different congressional proceeding: "In the name of 'the rule of law', the congressional process ignored the fundamental principles of due process and fairness that form the foundation of the rule of law. In the name of 'no person is above the law' this process overlooked that no citizen should be treated below the law." Statement of Representative Chet Edwards, Dec. 12, 1998.

What Mr. Edwards said in that context is as true in this one, and his words deserve consideration by the members of this Committee. The rights spoken of by Mr. Edwards need to be recognized for Mr. Shuster and others caught up in the Committee's proceeding as well.

We fully recognize the right and need of the Committee to investigate allegations of wrongdoing by Members of the House. But regardless of whether the scope of this investigation is the original complaint, or the amended complaint, or an investigation expanded without explanation by the Committee, this seemingly unfocused investigation has evolved into one that has become fundamentally unfair.

Its scattershot, prolonged and increasingly public nature appears designed more to weaken Mr. Shuster politically, embarrass Mr. Shuster publicly, and injure his former aide commercially than to arrive at any sort of just resolution. Mr. Shuster has never received any indication of any specific violations of House Rules. His request to be provided with exculpatory information, however, has been met with a staff response that there is none. A host of procedural deficiencies have riddled the investigation. Third parties have had to go to considerable expense. Anne Eppard, Mr. Shuster's former aide, has had nearly all of her clients subpoenaed and telephoned by Committee prosecutors in an apparent attempt to injure her professional reputation and livelihood.

All this has resulted today in such a fundamentally flawed and unjust prosecution of a Member of the House by Members of the House that it should be terminated.

We ask that the observation made by Representative Lofgren in the context of another prosecution be considered here. Of the prosecutors' conduct elsewhere, she said: "This would never be allowed in a court proceeding, and there are ethical questions in my mind about the propriety in these proceedings as well." Representative Lofgren, House Judiciary Committee, Nov. 19, 1998. In other words, any investigation, however properly or improperly initiated, nevertheless can become unfair when it is pursued with heavy-handed tactics. Indeed, this investigation suffers from what Representative Lofgren described elsewhere as "cafeteria advocacy – only those statements that fit the getting the [subject of the investigation], not the exculpatory." As Representative Lofgren said: "We want to exalt justice and the rule of law, but there's not been a mention of the intimidation or abuse of witnesses to get statements damaging to the [subject of the investigation]." *Id.* Certainly, the House prosecutors' ready invocation of the threat of contempt of Congress to end reasonable objections to dragnet subpoenas warrants concern that this investigation is suffering from the defect so properly highlighted by Ms. Lofgren. There is a fundamental need to maintain fairness. The way to achieve fairness is to resolve this matter and end the investigation against Mr. Shuster.

Regrettably, we are instead closer to what Robert H. Jackson, former Supreme Court justice and Attorney General, warned of in 1940: "The prosecutor has more control over life, liberty and reputation than any other person in America....The spirit of fair play and decency should animate the Federal prosecutor." Justice Jackson said that the greatest danger of prosecutorial abuse comes when "the prosecutor picks some person whom he dislikes." If anything, when the House discharges its authority to investigate its Members, the obligation of civility and fair play should be still higher than in the criminal context.

I. Procedural Unfairness of the Investigation

The proceedings appear to violate the Committee's own rules and procedures. These steps have kept the investigation going, but cumulatively have deprived Mr. Shuster of his basic procedural due process rights.

Filed at literally the last hour of the last day that complaints could be filed before the pre-election moratorium of the second session of the 104th Congress, the complaint against Mr. Shuster was based entirely on newspaper articles. Most significantly, it was not signed by a Member and no Member certified as required by then Rules 15 and 16(d) that "he or she believes the information is submitted in good faith and that it warrants the review and consideration of the Committee."

Rather, the complaint by the Ralph Nader-led Congressional Accountability Project was transmitted to the Committee along with signed letters purporting to be from three Members, as required by then Rule 10, clause 4(e)(B)(ii). But the complaint was fatally flawed since it was not heard by the first session of the 105th Congress and did not meet the requirements of the Rules instituted for the second session of that Congress.

Under the Rules of the 105th Congress, which should govern, this complaint would be dismissed since it was based solely on newspaper articles. That, under the Rules imposed for the Committee that evaluated the complaint, should have meant dismissal since allegations based on "innuendo, speculative assertions, or conclusory statements" are prohibited by new Rule 16(a)(4). Indeed, the author of the new Rules for the 105th Congress, Representative Bob Livingston, told Mr. Shuster that it was the intent of the drafters of the new Rules that Mr. Shuster's case be heard under the new Rules. This Committee voted otherwise, despite this assurance.

Furthermore, the complaint should have been dismissed even under the Rules of the 104th Congress. Of the three Members who signed the letter, two were no longer members of the 105th Congress and the third indisputably did not in fact sign the letter and that signature incorrectly spelled the Member's name.

The Committee chose to overlook these lapses in due process.

Mr. Shuster is rightfully skeptical of the fairness of these proceedings, given the Committee's refusal to apprise him of the nature of any suspicions about his conduct, and the simultaneous separate assurances he received that the Committee perceives no violation of House Rules. During a conversation between Mr. Shuster and the Committee's former Chair, Cong. Jim Hansen, just at the end of the 105th Congress' second session, Mr. Hansen told Mr. Shuster that he would be receiving a letter from the Committee stating that the Committee was proceeding with the inquiry because it wanted to conclude the investigation by the end of 1998. Mr. Hansen further told Mr. Shuster that there did not appear to be any charges of substance and that the Committee needed only a few additional answers to complete its work, specifically concerning Mr. Shuster's son.

But rather than receiving notice to that effect, the Committee instead sent a letter stating that, in fact, the investigation was being expanded. (This information was then artfully brought to the attention of the media during the week of January 21, 1999 by referring them to an obscure portion of the Committee's annual report, see below). Puzzled and concerned by this letter, Mr. Shuster again sought out Mr. Hansen, who reiterated his previous statement and said

that he had met with other Members who had also concluded that there was nothing of substance and wanted to end the matter.

Mr. Shuster and Mr. Hansen saw each other again before the conclusion of the session, and again Mr. Hansen stated that the committee was "not interested in giving [Mr. Shuster] any grief." Mr. Shuster noted that rather than wrapping up the investigation, Committee staff was at that very time blanketing his constituents and supporters with burdensome subpoenas, and that several had been threatened with contempt of Congress if they did not immediately comply with the subpoenas. Indeed, rather than follow the assurances of Chairman Hansen, the staff continued to issue broad subpoenas, this time sending four staff members to comb through all of Mr. Shuster's campaign records for 1994, 1996 and 1998.

As such, an "investigation" begun under a clouded procedural history has mushroomed into an active prosecution of Mr. Shuster, replete with a multitude of subpoenas to his supporters and constituents, and a flurry of newspaper articles from "sources." Although the investigation began more than 28 months ago, Mr. Shuster still has no idea of the charges against him, if there are any. What is evident is an investigation that appears to be "after" him. This constitutes basic procedural and due process unfairness to a Member by this Committee.

II. The Heavy-Handed Effect of the Subpoenas Constitutes Basic Unfairness

The Committee has issued at least 16 subpoenas, each of which is extremely broad and burdensome. They have been issued to members of Mr. Shuster's family, his political supporters and to the clients of Ann Eppard, Mr. Shuster's chief-of-staff for over 20 years. Committee counsel have, on numerous occasions, told recipients they would be in contempt of Congress if they did not reply quickly enough for them.

The breadth of the subpoenas and the treatment of recipients by the Committee's staff are troublesome. Regardless of whether the Committee is proceeding under the complaint as originally filed, the complaint as amended, or the scope as expanded by the Committee, it is contrary to the basic fairness these proceedings should have. This Committee is responsible for ensuring investigations of Members are fair and include a modicum of civility to Members under investigation. The subpoenas and the investigation have, regrettably, not met that standard.

Nowhere is this more true than in the war of economic attrition being waged by Committee staff against Ann Eppard, Mr. Shuster's former chief of staff, who now heads her own lobbying firm. (As someone no longer employed by the House, she is no longer subject to the Committee's jurisdiction.) As with many staff members who leave the Hill, Ms. Eppard now

lobbies the committees with which she worked most closely when serving on the Hill. That includes the Transportation and Infrastructure Committee now headed by Mr. Shuster.

Despite this rather typical evolution of staffer to lobbyist, the Committee's investigators have decided to target Ms. Eppard's business. Virtually every client for whom she has registered to lobby has received a subpoena seeking records of her efforts on their behalf. Mr. Shuster asked to meet with the Committee to learn its rationale for this action. Although that request was refused, the effects on Ms. Eppard's ability to earn a livelihood are obvious. Without delving into whether this pattern is a direct attempt to punish her without bringing any actual charges, the issuance of subpoenas against her clients without having to offer an explanation has impaired her livelihood.

Also disturbing is the manner in which the Committee has taken the original complaint and expanded it to delve into the personal life and business of Ms. Eppard. Ms. Eppard left the service of the House in November 1994. She consistently followed the post-employment restrictions that she not lobby Congressman Shuster on behalf of her clients during the 12-month period ending in November 1995.

Nonetheless, the Committee has requested documents from Ms. Eppard and her clients that extend far beyond the 12-month period after she ended her employment with the House. Again, there has been absolutely no explanation or rationale given for this action, despite its obvious hurtful affects on Ms. Eppard and her ability to earn a living. In addition to great personal embarrassment and anxiety, she has been forced to pay many thousands of dollars in legal fees, all for a Committee proceeding that extends far beyond the one-year period in which she was covered by the House's Rules.

As Representative Lofgren remarked about a witness in the impeachment hearings: "She was repeatedly threatened with prosecution [as Ms. Eppard has been with contempt of Congress over production of materials for discovery] in an effort to get her to cooperate ... She lost her business. Her career is ruined. Her family is hurt. She never had her day in court. And I wonder about the rule of law for her." The blanket subpoenas issued by this Committee to Ms. Eppard's clients and the actions of Committee staff raise these same issues.

III. Investigation in the News Media

Mr. Shuster's reputation and standing have also been injured by unnecessary statements to the media by the Committee since the naming of the investigative subcommittee at the

beginning of 1998. Specifically, when they were named to head the investigative subcommittee, both Representative Hefley and Representative Lofren granted interviews in the February 2, 1998 edition of the semi-weekly newspaper, *Roll Call*. While noting they were "prohibited under ethics committee rules from discussing the Shuster case directly," the headline of the article, which led the newspaper, was: "Shuster Probers Hefley, Lofgren Saddle Up for Wild Rodeo Ride". While the proceeding itself is confidential, the Members brought unwelcome and unfair embarrassment to Mr. Shuster through their interviews for this article.

That pattern continued in the Committee's handling of the stay of its proceedings at the request of the Justice Department. In denying Mr. Shuster's March 13, 1998 request that the Committee stay its proceedings pending the outcome of a federal grand jury investigation in Boston, the Committee wrote Mr. Shuster on March 20, 1998: "[T]his Committee will not comment on communications it might have with the Department of Justice in connection with this or any other investigation." Page 3, note 1.

Despite this straightforward declaration, the Committee issued a "Press Statement" just three months letter stating: "At the request of the U.S. Department of Justice, the Committee of Standards of Official Conduct has agreed to refrain at this time from conducting interviews and deposing witnesses in connection with its investigation of Representative Bud Shuster." The Committee's statement went on to call attention to the Department's "ongoing criminal investigation" and state that it might "relate to matters similar to those under investigation by the Committee. This action will not affect the Committee's ability to issue and enforce subpoenas for documents in connection with its investigation." Committee Statement of June 10, 1998.

By any reading, the June 10 Committee Press Statement contradicts its earlier promise to Mr. Shuster that it would "not comment on communications it might have with the Department of Justice." Not only did the Committee comment, it also announced its intention to release (thereby disclosing the existence of) a letter from the Department.

The Committee's actions contradicted its prior representations to Mr. Shuster, and created prejudicial publicity about the status of the supposedly confidential Committee proceedings. This action by the Committee injured Mr. Shuster personally, publicly and politically, and inflicted great pain on his family.

Furthermore, on October 9, 1998, the Committee decided to lift its stay without explanation. In telling Mr. Shuster of that decision to proceed with interviews and depositions, the Committee also notified him that the Committee had expanded its investigation into his

campaign's records for 1994, 1996 and 1998. The Committee's letter stated that it "does not plan to issue any public statements regarding these development at this time."

That remained true for only two months. On December 4, 1998, the Committee issued, for no apparent reason other than to embarrass Mr. Shuster, a Press Statement: "The Investigative Subcommittee will proceed with interviews and depositions of witnesses in connection with its investigation of Representative Shuster." Given that anyone notified by the Committee of its intent to interview or depose them would know, the only purpose of a public statement had to have been to continue the Committee's trial-by-media of Congressman Shuster.

The Committee continued to call attention to the "confidential" proceeding involving Mr. Shuster. The January 21, 1999 *Roll Call*, citing "[a] source familiar with the investigation", reported that your Committee had "widened its investigation" of Mr. Shuster to examine possible violations of House rules or federal laws connected with his recent campaigns.

Indeed, the "source familiar with the investigation" learned more than Mr. Shuster had in that the newspaper reported that "the inquiry being conducted by a four-member panel includes allegations that campaign money was used for personal benefits such as expensive meals, trips and entertainment, a well as charges of mixing fundraising trips with official business." *Id.*

The information provided a semi-weekly newspaper is more information than the Committee has ever provided Mr. Shuster.

The genesis of the article was that the "source familiar with the investigation" pointed out to the reporter the Committee's report of its activities in the two-year session, which included almost verbatim the information provided to Mr. Shuster in the October letter about which it "did not plan to release any public statements". The Committee has not given Mr. Shuster any explanation of why a supposedly confidential investigation is even being talked about in Committee's public report.

This public campaign by the Committee is harmful to Mr. Shuster, who would request that his colleagues give more than lip-service to the concept of confidentiality in these proceedings.

PATTON BOGGS LLP
ATTORNEYS AT LAW

The Honorable Lamar Smith
The Honorable Howard Berman
February 2, 1999
Page 11

CONFIDENTIAL

CONCLUSION

Grievous damage has been done to a Member by an out of control investigation, the very initiation of which violated the Rules of the House. We respectfully request that the investigation be terminated and that Congressman Shuster's good name be restored.

Sincerely,

Bud Shuster
Member of Congress

Benjamin L. Ginsberg

Mitchell R. Berger

cc: The Honorable Dennis Hastert
The Honorable Richard A. Gephardt
The Honorable Joel Hefley
The Honorable Zoe Lofgren
The Honorable Joe Knollenberg
The Honorable Martin Olav Sabo
The Honorable Ed Pastor
The Honorable Chaka Fattah
The Honorable David Camp
The Honorable Rob Portman

Attachment

c 40029

ATTACHMENT A

BUD SHUSTER
9TH DISTRICT, PENNSYLVANIA

Congress of the United States
House of Representatives

November 17, 1998

Congressman James V. Hansen
Chairman, Committee on Standards of Official Conduct
Suite HT - 2, The Capitol

Dear Chairman Hansen,

I was dismayed to learn that the committee is scheduling a vote tomorrow to consider my pending motion to dismiss the complaint filed against me in the previous Congress by Mr. Gary Ruskin without giving my attorneys an opportunity to meet with appropriate members of your committee as I requested in my letter of October 16th.

I remain perplexed by the information provided me over the past month. During the week of October 5th you informed me personally that I would be receiving a letter from the committee stating that the committee was proceeding with the inquiry because you wanted to wrap it up by the end of the year. You stated that there did not appear to be anything of substance and that the committee needed a few additional answers to complete its work. You referred to information needed from my son.

After my attorneys received the letter from the committee and informed me of its contents, I spoke with you on October 15th and stated that I was puzzled because the letter actually informed me that the inquiry was being expanded. You reiterated your previous statement that the committee simply wanted to wrap it up by year's end and said it was not their intention to expand the inquiry. I assured you that the letter, in fact, stated just that. You then stated that you had met with members Hefley, Lofgren and Berman and believed based on everything they had seen, that there was nothing of substance and wanted to conclude the matter. Expressing surprise at the contents of the letter, you turned and said you would go to the committee to look into the matter.

Later that afternoon, I saw you in the hall and asked about the situation. You again reiterated the information expressed above and told me you had asked Congressman Hefley to call me. I informed you that the committee was blanketing my constituents and supporters with broad ranging supoenas; that several said they had been treated in an abusive and intimidating manner by committee investigators, and that in at least one instance threatened with Contempt of Congress if they did not immediately comply with information that their attorney said the committee was not entitled to. I stated that my attorneys expressed their opinion that the staff was going far beyond the scope of the complaint filed by the Nader organization, and had no right to much of the information they were requesting. You stated twice that the committee was "not interested in giving me any grief." You said we should find Congressman Hefley right away. We went together to room HC 5 where a meeting was underway but could not locate him. You then stated that

WASHINGTON OFFICE:
2188 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-3809
PHONE: (202) 225-2431

DISTRICT OFFICE:
RD 2, BOX 711
ALTOONA, PA 16601
PHONE: (814) 946-1653

DISTRICT OFFICE:
178 E. QUEEN ST.
CHAMBERSBURG, PA 17201
PHONE: (717) 264-8308

DISTRICT OFFICE:
1214 OLDTOWN ROAD, SUITE #4
CLEARFIELD, PA 16830
PHONE: (814) 765-9106

you would locate him and have him contact me. As of this date I have not heard from him.

I again request that my attorneys have an opportunity to meet with the appropriate members of the committee before any decision is made.

Respectfully

Bud Shuster

BUD SHUSTER
MEMBER OF CONGRESS

EXHIBIT 62

JAMES V. HANSEN, UTAH
CHAIRMAN
LAMAR SMITH, TEXAS
JOEL HEFLEY, COLORADO
BOB GOODLATTE, VIRGINIA
JOE KNOLLENBERG, MICHIGAN

HOWARD L. BERMAN, CALIFORNIA
RANKING DEMOCRATIC MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA
SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Washington, DC 20515-6328

December 23, 1997

The Honorable Donald K. Stern
United States Attorney
District of Massachusetts
1003 J. W. McCormack POCH
Boston, Massachusetts 02109

Dear Mr. Stern:

This is to advise you of investigative actions taken by our committee that may relate to an ongoing criminal investigation by your office.

On November 14, 1997, the Committee on Standards of Official Conduct of the U.S. House of Representatives voted to commence an investigation regarding whether Representative Bud Shuster violated House Rules, criminal prohibitions against the acceptance of illegal gratuities, or related criminal statutes.

An investigative subcommittee is now conducting an investigation into alleged misconduct by Representative Shuster. We would like to discuss matters concerning this investigation with you in an effort to avoid any unnecessary overlap between our investigations. Please contact subcommittee counsel Virginia Johnson or Paul Lewis at (202) 225-7103 by January 7, 1998, regarding this matter.

Sincerely,

Joel Hefley
Chairman

Zoe Lofgren
Ranking Democratic Member

cc: Lee J. Radek, Esq.
Chief, Public Integrity Section
U.S. Department of Justice

Mary Lou Leary, Esq.
United States Attorney
District of Columbia

JH/ZL:pml

EXHIBIT 63

CONFIDENTIAL

U.S. Department of Justice

United States Attorney
District of Massachusetts

1003 J.W. McCormack Building P.O. & Courthouse
Boston, Massachusetts 02109

January 16, 1998

The Honorable Joel Hefley
The Honorable Zoe Lofgren
U.S. House of Representatives
Committee on Standards of Official
Conduct
Suite HT-2, The Capital
Washington, D.C. 20515-6328

Dear Representatives Hefley and Lofgren:

I am writing in response to your letter of December 23, 1997 regarding the Committee's investigation of Representative Bud Shuster.

We believe that it would be adverse to the interests of justice for the Committee to proceed with a full investigation at this time. Therefore, we respectfully request that the Committee not interview any witnesses or subpoena witnesses to testify before the Committee. We have no objection to the Committee serving subpoenas for the production of documents.

We expect that we will be in a position to provide you with further information on or about March 1, 1998.

Thank you for your consideration of this request.

Sincerely,

Donald K. Stern
United States Attorney

EXHIBIT 64

U.S. Department of Justice

United States Attorney
District of Massachusetts

1003 J.W. McCormack Building P.O. & Courthouse
Boston, Massachusetts 02109

March 11, 1998

Via Facsimile to (202) 226-1360
Kerry W. Kircher,
Deputy General Counsel
Office of the General Counsel
U.S. House of Representatives
219 Cannon House Office Building
Washington, DC 20515-6532

Re: Grand Jury Subpoena (attached)

Dear Mr. Kircher:

With this letter, I am enclosing a further grand jury subpoena addressed to the Committee on Standards of Official Conduct. I assume that you will accept service on behalf of the Committee. If I am incorrect, please let me know today.

Thank you for your assistance.

Very truly yours,

DONALD K. STERN
United States Attorney

By: Alexandra Leake
ALEXANDRA LEAKE
Assistant U.S. Attorney

AO 110 (Rev. 12/89) Subpoena to Testify Before Grand Jury

United States District Court

DISTRICT OF Massachusetts

TO: Keeper of Records
Committee on Standards of Official Conduct
U.S. House of Representatives

SUBPOENA TO TESTIFY BEFORE GRAND JURY

Attn: Kerry W. Kircher
Deputy General Counsel

SUBPOENA FOR:
☐ PERSON ☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
United States Attorney's Office 1003 J.W. McCormack Post Office & Courthouse Devonshire & Milk Streets Boston, Massachusetts 02109	Grand Jury 13th Floor
	DATE AND TIME Thursday, March 19, 1998 10:00 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

Bring:

1. written waivers granted by the Committee on Standards of Official Conduct pursuant to clause 4(e)(1)(E) of Rule X to Hon. E.G. "Bud" Shuster.

2. written waivers granted by the Committee on Standards of Official Conduct pursuant to clause 4(e)(1)(E) of Rule X to Ann M. Eppard.

In lieu of personal appearance, the subpoenaed documents may be produced to the Assistant listed below. Alexandra Leake may be reached at (617) 223-9430

☐ *Please see additional information on reverse*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
	March 10, 1998
(BY) DEPUTY CLERK	
Marianne C. Schneider	

This subpoena is issued upon application of the United States of America.

DONALD K. STERN
United States Attorney

NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY
ALEXANDRA LEAKE (617) 223-9430
Assistant U.S. Attorney
1003 J.W. McCormack Post Office & Courthouse
Boston, MA 02109

*If not applicable, enter "none."

JAMES V. HANSEN, UTAH
CHAIRMAN
LAMAR SMITH, TEXAS
JOEL HEFLEY, COLORADO
BOB GOODLATTE, VIRGINIA
JOE KNOLLENBERG, MICHIGAN

HOWARD L. BERMAN, CALIFORNIA
RANKING DEMOCRATIC MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA
SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Washington, DC 20515–6328

March 16, 1998

The Honorable Newt Gingrich
Speaker
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

This is to formally notify you, pursuant to Rule L (50) of the Rules of the House of Representatives, that the Committee on Standards of Official Conduct ("Committee") has been served with a grand jury subpoena (for documents) issued by the U.S. District Court for the District of Massachusetts and directed to the Committee's "Keeper of Records."

After the consultation with the Office of General Counsel, the Committee has determined that compliance with the subpoena is not consistent with the precedents and privileges of the House and, therefore, that the subpoena should be resisted.

Sincerely,

James V. Hansen
Chairman

GERALDINE R. GENNET
GENERAL COUNSEL

KERRY W. KIRCHER
DEPUTY GENERAL COUNSEL

MICHAEL L. STERN
SENIOR COUNSEL

CAROLYN BETZ
ASSISTANT COUNSEL

U.S. HOUSE OF REPRESENTATIVES

OFFICE OF THE GENERAL COUNSEL
219 CANNON HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515-6832
(202) 225-9700
FAX: (202) 226-1360

March 17, 1998

BY FAX (617/223-4826) AND FIRST-CLASS MAIL

Alexandra Leake, Esq.
Assistant U.S. Attorney
Office of the U.S. Attorney
for the District of Massachusetts
1003 J.W. McCormack Post Office & Courthouse
Boston, MA 02109

Re: Grand Jury Subpoena to Committee on Standards of Official Conduct, U.S. House of Representatives (issued March 10, 1998)

Dear Ms. Leake:

I am writing to confirm, as we discussed today, that (1) I have been authorized to accept service of the above-referenced subpoena on behalf of the Committee on Standards of Official Conduct, and (2) you have agreed to defer the Committee's obligation to respond to the subpoena pending further discussions between us to take place on Friday, March 20, 1998.

As always, thank you for your courtesy and attention.

Sincerely,

Kerry W. Kircher

GERALDINE R. GENNET
GENERAL COUNSEL

KERRY W. KIRCHER
DEPUTY GENERAL COUNSEL

MICHAEL L. STERN
SENIOR COUNSEL

CAROLYN BETZ
ASSISTANT COUNSEL

U.S. HOUSE OF REPRESENTATIVES

OFFICE OF THE GENERAL COUNSEL
219 CANNON HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515-6532
(202) 225-9700
FAX: (202) 226-1360

March 20, 1998

BY FAX (617/223-4826) AND FIRST-CLASS MAIL

Alexandra Leake, Esq.
Assistant U.S. Attorney
Office of the U.S. Attorney
for the District of Massachusetts
1003 J.W. McCormack Post Office & Courthouse
Boston, MA 02109

Re: Grand Jury Subpoena to Committee on Standards of Official Conduct, U.S. House of Representatives (issued March 10, 1998)

Dear Ms. Leake:

I am writing to confirm, as we discussed today, that you have agreed to withdraw for now the above-referenced subpoena to the House Committee on Standards of Official Conduct.

Thank you for your courtesy and attention.

Sincerely,

Kerry W. Kircher

EXHIBIT 65

U. S. Department of Justice

Office of Legislative Affairs

Office of the Assistant Attorney General — Washington, D.C. 20530

March 17, 1998

Honorable James V. Hansen
Chairman
Committee on Standards of
Official Conduct
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for meeting with United States Attorney Donald Stern on March 11, 1998, regarding a pending criminal investigation in his office. We understand that a Subcommittee chaired by Congressman Joel Hefly is conducting an investigation of Congressman Bud Shuster, which may relate to similar matters.

As Mr. Stern indicated, he is very concerned that a Committee investigation at this time will pose certain unavoidable risks to the pending criminal investigation. He is particularly concerned about issues relating to possible congressional immunity, witness interviews by the Committee, possible discovery obligations resulting from the Committee's investigation, and identification of any witnesses who may be cooperating or have testified in the grand jury pursuant to court ordered immunity.

We fully appreciate the Committee's responsibility to investigate matters within its jurisdiction. Consequently, we request that the Committee delay its investigation only with great respect for your obligations. Consistent with our law enforcement responsibilities, we will continue to communicate with Committee staff so that any delay in the Committee's work can be minimized to the extent possible.

The Honorable James V. Hansen
Page 2

Please do not hesitate to contact Faith Burton at 202/514-1653 if you would like additional information regarding this matter.

Sincerely,

Andrew Fois /mAF
Assistant Attorney General

cc: Honorable Howard L. Berman
Ranking Minority Member

EXHIBIT 66

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

UNITED STATES OF AMERICA	)	
	)	
V.	)	CRIMINAL NO. 98-
	)	
ANN M. EPPARD,	)	VIOLATIONS:
VERNON A. CLARK,	)	
	)	18 U.S.C. §371 (Conspiracy)
	)	18 U.S.C. §§1341, 1346 (Mail Fraud)
Defendants.	)	18 U.S.C. §§1343, 1346 (Wire Fraud)
	)	18 U.S.C. §2 (Aiding and Abetting)

INDICTMENT

COUNT ONE: (18 U.S.C. §371 - CONSPIRACY)

The United States Grand Jury for the District of Massachusetts (the "Grand Jury") charges that at all times material to this Indictment:

DEFENDANTS

1. From 1972 to in or about November, 1994, defendant ANN M. EPPARD was the chief of staff in the Congressional office (the "Congressional Office") of a person known to the Grand Jury (the "Person").

2. Defendant ANN M. EPPARD also served as the Assistant Treasurer of a committee ("the Committee") known to the Grand Jury which Committee was engaged in fund raising activities for the election and re-election campaigns of the Person and was subject to the limitations and reporting requirements of the Federal

Election Campaign Act, 2 U.S.C. §§431 et seq. ("the Election Act").

3. Defendant VERNON A. CLARK was a lobbyist registered pursuant to the Federal Regulation of Lobbying Act. Defendant VERNON A. CLARK did business as Vern Clark & Associates ("VCA"), an incorporated subchapter-S corporation. CLARK and his wife owned the shares in VCA.

THE CONSPIRACY

4. From a date unknown to the Grand Jury, but no later than 1989, through in or about April, 1995, at East Boston, Boston, South Boston, Cotuit, Falmouth, Hyannisport, New Seabury, and Stoneham, in the District of Massachusetts, and elsewhere, the defendants,

ANN M. EPPARD,

VERNON A. CLARK,

and others known and unknown to the Grand Jury, knowingly and willfully conspired and agreed:

(a) for defendant VERNON A. CLARK and other persons known to the Grand Jury, directly and indirectly, to give, offer, and promise things of value, namely (i) money, (ii) payment of transportation, food, lodging and entertainment expenses, and (iii) tangible gifts, to defendant ANN M. EPPARD, while defendant ANN M. EPPARD was serving as a "public

official" as defined by Title 18, United States Code, Section 201(a)(1), all under favorable terms and conditions which would not otherwise have been available to her, for and because of official acts performed and to be performed by her, in violation of Title 18, United States Code, Section 201(c)(1)(A);

(b) for defendant ANN M. EPPARD, while she was serving as a "public official," as defined by Title 18, United States Code, Section 201(a)(1), otherwise than as provided by law for the proper discharge of official duty, directly and indirectly, to demand, seek, receive, and accept, and agree to receive and accept things of value personally, namely (i) money, (ii) payment of transportation, food, lodging and entertainment expenses, and (iii) tangible gifts, all under favorable terms and conditions which would not otherwise have been available to her, for and because of official acts performed and to be performed by her, in violation of Title 18, United States Code, Section 201(c)(1)(B); and

(c) to defraud the Internal Revenue Service ("IRS"), an agency of the United States, by impeding, impairing, obstructing and defeating the lawful functions of the IRS in the ascertainment, computation, and assessment of federal income

taxes.

MANNER AND MEANS
BY WHICH THE CONSPIRACY WAS CARRIED OUT

5. It was part of the manner and means of this conspiracy that defendant ANN M. EPPARD would use her official position in the Congressional Office to enrich herself by soliciting and accepting illegal gratuities from persons seeking official acts from the Congressional Office, including the following persons seeking official acts in connection with a project known as the Central Artery/Third Harbor Tunnel Project ("CA/THT") in Boston, Massachusetts: defendant VERNON A. CLARK and clients and associates of VERNON A. CLARK and VCA.

6. It was further part of the manner and means of this conspiracy that defendant ANN M. EPPARD would use a close family member (the "Relative") to receive illegal gratuities. On occasion, the Relative served simply as a conduit or "straw" for such illegal gratuities, passing them on to defendant ANN M. EPPARD. On other occasions, the Relative himself retained the monies and things of value (in the form of "loans," for example). The payment of these monies and things of value to the Relative, even when retained by the Relative, conferred a personal benefit on defendant ANN M. EPPARD, in various ways, including the following:

(a) First, the "loans" permitted the Relative to acquire a car dealership, whose assets and income he used to the

substantial benefit of defendant ANN M. EPPARD. For example, the Relative caused the dealership to (i) pay $10,300 to defendant ANN M. EPPARD in the Spring of 1993, (ii) pay $100,000 to defendant ANN M. EPPARD in the period from November, 1994-February, 1995, and (iii) give her free use of a car.

(b) Second, the income which the Relative earned from this car dealership helped to obviate defendant ANN M. EPPARD's having to pay various expenses of the Relative.

(c) Third, defendant ANN M. EPPARD had herself made a loan to the Relative in connection with his acquisition of this car dealership and the payment of these other "loans" enabled the Relative to repay a portion of her loan and made it more likely that the Relative would remain solvent and be able to repay the balance of the loan from defendant ANN M. EPPARD.

7. It was further part of the manner and means of this conspiracy that the conspirators would seek to conceal defendant ANN M. EPPARD's receipt of illegal gratuities from the citizens of the United States, from the Congressional Office, and from the IRS. The conspirators used the following methods, among others, to conceal such matters:

(a) failing to report the illegal gratuities on Financial Disclosure Statements prepared, signed and submitted, pursuant to the Ethics in Government Act of 1978, Public

Law 95-521 ("EIGA"), by defendant ANN M. EPPARD, and on loan applications and other financial documents;

(b) failing to report the illegal gratuities on the U.S. Individual Income Tax Returns, Forms 1040, of defendant ANN M. EPPARD and, on occasion, reporting them on the U.S. Individual Income Tax Returns of the Relative;

(c) causing the illegal gratuities to be paid, or paying them, in various guises, for example, in the form of "loans" (without intending to enforce the terms of the loan), or as payments for "consulting" (without receiving any bona fide consulting services and having the payor deduct the payments as business expenses); and

(d) using conduits and "straws."

8. It was further part of the manner and means of this conspiracy that defendant VERNON A. CLARK would pay for, and cause VCA to pay for, food, lodging, entertainment and transportation expenses and to buy tangible gifts for defendant ANN M. EPPARD and, from time to time, to bill those expenses to VCA's clients. It was further part of the conspiracy that the clients of defendant VERNON A. CLARK and VCA would also themselves pay the expenses of and give tangible gifts to defendant ANN M. EPPARD.

9. It was further part of the manner and means of this conspiracy that defendant VERNON A. CLARK would regularly meet with defendant ANN M. EPPARD about his clients and defendant ANN M. EPPARD would use her official position in the Congressional

Office to seek to benefit persons paying her illegal gratuities by, among other things, interceding on their behalf with agencies or third parties.

GENERAL ALLEGATIONS

EIGA Financial Disclosure Statements

10. EIGA imposed upon government officials, including defendant ANN M. EPPARD, a duty to fully and accurately disclose publicly their personal financial interests. This duty included, but was not limited to, the duty to accurately prepare and file yearly a Financial Disclosure Statement. With certain exceptions, this Statement required disclosure of, among other things:

(a) "all gifts aggregating [a certain dollar figure] or more in value...from any source;"

(b) income aggregating a certain dollar amount or more other than current employment by the U.S. Government;

(c) "liabilities of over $10,000 owed to any one creditor at any time during the reporting period;" and

(d) assets that had a fair market value exceeding $1,000 as of the end of the calendar year.

(In the case of Financial Disclosure Statements for the years up through 1991, the aggregate figure constituting the disclosure threshold for gifts was $100; beginning in 1992, the relevant aggregate figure was $250.) In reporting "gifts," the reporting individual did not need to report gifts from relatives, gifts of

personal hospitality of an individual, and certain meals.

11. The purposes of such Financial Disclosure Statements were, among other things, to increase public confidence in the federal government, demonstrate the integrity of government officials, deter conflicts of interest, deter unscrupulous persons from entering public service, and enhance the ability of the citizenry to judge the performance of public officials.

General Background Concerning the CA/THT Project

12. The Central Artery ("CA") was a six-lane, three-section roadway which ran north to south for approximately 7.5 miles through the City of Boston, Massachusetts.

13. Boston's Logan International Airport was located in East Boston, across Boston Harbor from downtown Boston. Until 1995, access to East Boston from downtown was via the Sumner or Callahan Tunnels, completed in 1934 and 1961, respectively.

14. By the late 1960's and into the mid-1970's, greatly increased traffic on the CA and in the two harbor tunnels prompted the Commonwealth of Massachusetts to consider, individually, construction of an expanded, depressed (i.e., underground) CA and construction of a third harbor tunnel ("THT"). In 1977, the Commonwealth proposed a combined CA/THT Project as part of a feasibility study.

15. In 1985, the Federal Highway Administration ("FHWA") issued a record of decision approving an Environmental Impact Statement which called for a combined CA/THT Project. The

majority of the CA/THT Project (excepting the depression of the CA between High and Causeway Streets) was eligible for Interstate Construction ("IC") funds, meaning that the FHWA would reimburse the Commonwealth of Massachusetts up to 90% of the costs of the project.

16. The Massachusetts Executive Office of Transportation and Construction ("EOTC") was a state agency which operated, among other things, the Massachusetts Highway Department ("MHD") and the Massachusetts Port Authority. The MHD and its consultant administered the CA/THT Project, which was overseen and funded by the FHWA's Headquarters Office, Region 1 Office and the Massachusetts Division Office.

17. After eight years of review and redesign, construction started on the CA/THT Project in 1991.

18. The South Boston Haul Road, also known as the Bypass Road, was constructed initially as a mitigation measure to provide a roadway for construction vehicles transporting equipment, material and excavate for the CA/THT Project without utilizing the local streets of South Boston or the existing Central Artery.

Background On Takings Occasioned by the CA/THT Project

19. In order to complete the CA/THT Project, the Commonwealth, acting through the MHD, bought or planned to buy privately owned land, buildings and rights of way through a legal process called eminent domain. In an eminent domain proceeding, the Commonwealth would "take" land, buildings or rights of way

from a private person. The owner of the land, building or right of way could not refuse to sell his property to the Commonwealth, but he could challenge the price offered and sue in court for damages. Provided that the FHWA determined that these proceedings occasioned by the CA/THT project were in compliance with federal law, FHWA would reimburse the MHD for virtually all the takings at the applicable reimbursement rates of 75% to 90%. In connection with the CA/THT Project, the MHD took hundreds of parcels of land, at the cost of hundreds of millions of dollars.

VCA's Clients

20. Richard D. Goldberg was a businessman in Massachusetts who owned and controlled businesses and family trusts, including Liverpool Lumber, Inc., an inactive lumber company which he utilized as a management company for other active businesses that he owned and operated, including the Goldberg Family Ltd. Partnership, d/b/a Logan Communications, a billboard company, and EB Trust II. In addition, Richard D. Goldberg was a partner in a company named Bremen Company, Ltd., d/b/a Park 'N Fly of Boston ("Park 'N Fly"), which owned a parking facility in East Boston, Massachusetts near Logan International Airport.

21. In or about 1988, Richard D. Goldberg learned that the MHD was planning to take, for the CA/THT Project, all or part of the land on which Park 'N Fly's parking lot in East Boston and Logan Communication's billboards were located.

22. Beginning in 1988, on behalf of the partners in Bremen

Company, Ltd., Richard D. Goldberg conducted a political and lobbying campaign against the proposed taking of Park 'N Fly's property and sought advice and assistance from defendant VERNON A. CLARK. As part of this campaign, effective October 26, 1989, Goldberg, acting on behalf of his partners, hired VCA to lobby public officials against the proposed taking.

23. In or about 1987, a person known to the Grand Jury ("VCA's South Boston client") learned that the MHD was planning to take all or most of his land in South Boston in order to convey it to Consolidated Rail Corporation ("Conrail"), a Pennsylvania corporation, in substitution for land of Conrail's which Conrail used for the First Street Railroad Yard in South Boston and which was being taken in connection with the construction of the South Boston Haul Road for the CA/THT Project.

24. In December, 1989, on the recommendation of Richard D. Goldberg, VCA's South Boston client hired VCA to lobby public officials against the proposed taking of his property in South Boston.

OVERT ACTS

25. In furtherance of this conspiracy, and to achieve one or more of the objects thereof, the conspirators committed the overt acts alleged in the following paragraphs of this Count One in the District of Massachusetts and elsewhere.

General Allegations

26. At various times during the period from 1989 through September, 1994, Richard D. Goldberg caused payments to be made to VCA for its lobbying services in connection with the CA/THT Project, including payments for illegal gratuities paid to defendant ANN M. EPPARD, and defendant VERNON A. CLARK sought official action from defendant ANN M. EPPARD and the Congressional Office.

27. At various times during the period from 1989 through 1994, VCA billed its South Boston client for lobbying services in connection with the CA/THT Project, including bills for illegal gratuities, and defendant VERNON A. CLARK sought official action from defendant ANN M. EPPARD and the Congressional Office.

The Gifts, Gratuities And Things Of Value: A Partial Summary

28. The gifts, gratuities and things of value solicited and received, directly and indirectly, by defendant ANN M. EPPARD for herself and her Relative were all for the benefit of defendant ANN M. EPPARD, and included, but were not limited to those listed hereinafter:

(a) From Defendant VERNON A. CLARK

	Date[1]	Amount
(1)	9/15/89	$5,000 paid to Relative for alleged "consulting"
(2)	10/12/89	$5,000 paid to Relative for alleged "consulting"
(3)	2/28/91	$5,000 paid to Relative for alleged "consulting"
(4)	12/19/91	$30,000 "loan" to Relative on terms and conditions not otherwise available to him
(5)	1/14/92	$70,000 "loan" to Relative on terms and conditions not otherwise available to him
(6)	3/29/93	$30,000 "loan" to defendant ANN M. EPPARD, using the Relative as a conduit, on terms and conditions not otherwise available to either of them

(b) From Richard D. Goldberg

	Date	Amount
(1)	5/22/90	$5,000 paid to Relative for alleged "consulting"
(2)	10/9/90	$5,000 paid to Relative for alleged "consulting"

(c) From VCA's South Boston Client

	Date	Amount
(1)	1/23/92	$75,000 "loan" to Relative on terms and conditions not

[1]All dates in this indictment are "on or about" and all dollar amounts are approximate.

otherwise available to him

Payments By Defendant VERNON A. CLARK To The Relative In 1989 and 1991

The Transactions

29. On or about the dates listed below, defendant VERNON A. CLARK caused VCA to issue checks to the Relative for "consulting" services. The Relative had not provided any such services.

Date	Check No.	Amount
9/15/89	2472	$5,000
10/12/89	2518	$5,000
2/28/91	1370	$5,000

These checks were deposited into a joint account of defendant ANN M. EPPARD and the Relative which account was entirely controlled by defendant ANN M. EPPARD.

The False Tax Documents

30. On or about May 11, 1990 and September 15, 1992, defendant VERNON A. CLARK caused VCA to file VCA's U.S. Income Tax Return for an S Corporation, for the years 1989 and 1991, respectively, and falsely deduct the payments to the Relative as business expenses.

31. On or about April 15, 1992, defendant ANN M. EPPARD filed her U.S. Individual Income Tax Return, Form 1040, for the year 1991, and falsely omitted the payments to the Relative from VCA.

Payments By Goldberg To The Relative in 1990

The Transactions

32. On or about the dates listed below, in Massachusetts, Richard D. Goldberg caused the Goldberg Family Limited Partnership to issue checks to the Relative. To disguise the true nature of these payments, Richard D. Goldberg caused the payments to be termed compensation for "consulting" services and the Relative prepared a "consulting" report for Goldberg. Defendant ANN M. EPPARD and the Relative deposited these checks in the accounts shown below:

Date	Check No.	Amount	Deposited In
5/22/90	632	$5,000	joint account of defendant ANN M. EPPARD and the Relative controlled by defendant ANN M. EPPARD
10/9/90	638	$5,000	personal account of defendant ANN M. EPPARD

The False Tax Documents

33. In 1991, the Relative filed his U.S. Individual Income Tax Return, Form 1040, for the year 1990, falsely including, as income earned by him, the payments from the Goldberg Family Limited Partnership, and defendant ANN M. EPPARD filed her U.S. Individual Income Tax Return, Form 1040, for the year 1990, falsely omitting these same payments.

The Loans By Defendant VERNON A. CLARK And VCA's South Boston Client To The Relative in 1991 and 1992 For The Dealership And The Solicitation of a Loan From Richard D. Goldberg

Background of the Dealership

34. Beginning in December, 1991, the Relative began talking with employees of Chrysler Corporation ("Chrysler") about acquiring a Chrysler dealership in Prince Frederick, Maryland, then known as All Star Dodge of Prince Frederick ("the Dealership").

35. Because the Relative did not have sufficient equity to finance the acquisition of the Dealership on his own, defendant VERNON A. CLARK made a loan to him and defendants ANN M. EPPARD and VERNON A. CLARK solicited loans from others seeking official action from the Congressional Office.

The Loans From Defendant CLARK

36. On or about the following dates, defendant VERNON A. CLARK made and caused VCA to make unsecured "loans" to the Relative in the following amounts for the purpose of financing the Relative's acquisition of the dealership:

Date of "Loan"	Amount of "Loan"
12/19/91	$30,000
1/14/92	$70,000

The Loan by VCA's South Boston Client

37. On January 18, 1992, defendant ANN M. EPPARD sent a letter to VCA's South Boston client. In this letter, defendant

ANN M. EPPARD invoked the Congressional Office and solicited a loan to the Relative. On January 23, 1992, in Massachusetts, VCA's South Boston client wrote a check for a "loan" to the Relative in the amount of $75,000. (The "loans" to the Relative by VCA and VCA's South Boston client were made on terms and conditions more favorable than the Relative would have been able to obtain on his own.)

38. On January 28, 1992, the Relative deposited the $75,000 "loan" from VCA's South Boston client. As a result of receiving this "loan," the Relative was able to repay a portion of a "loan" which he had received from defendant ANN M. EPPARD. On January 31, 1992, the Relative wrote a $5,000 check payable to defendant ANN M. EPPARD.

The Solicitation Of A Loan From Richard D. Goldberg

39. On a date unknown to the Grand Jury, but in or about the period from December, 1991 through January, 1992, defendant VERNON A. CLARK solicited a "loan" to the Relative from Richard D. Goldberg.

Concealment of the Loans, Generally

40. On various occasions, the Relative made misrepresentations to Chrysler Credit Corporation about the source of the financing for his acquisition of the dealership and concealed the existence of the "loans" which the Relative had received from VCA, defendant ANN M. EPPARD, and VCA's South Boston client.

The $30,000 "Loan" By Defendant VERNON A. CLARK To Defendant ANN M. EPPARD Using The Relative As A Conduit in 1993

The Transactions

41. In or about March 1993, Defendant VERNON A. CLARK agreed to lend $30,000 to defendant ANN M. EPPARD using the Relative as a "straw." The purpose of the loan was to provide sufficient funds to defendant ANN M. EPPARD so that she could qualify for a mortgage loan in connection with her purchase of a town house located at 30 Wolfe Street, Alexandria, Virginia.

42. On March 29, 1993, defendant VERNON A. CLARK caused VCA to write a check in the amount of $30,000 payable to the Relative. On the memo line the check read: "loan due 10/1/93 at 6.5% Int." On March 30, 1993, the Relative caused this check to be deposited into his and his wife's personal joint checking account.

43. On March 30, 1993, the Relative wrote a check drawn on this account in the amount of $30,000 payable to defendant ANN M. EPPARD. On the memo line, he wrote: "loan due 10/1/93 at 6.5% int." On March 31, 1993, defendant ANN M. EPPARD deposited this check into her checking account at First Virginia Bank.

44. During the period from in or about March 29 through in or about August 12, 1993, the defendant ANN M. EPPARD took, and caused others to take, numerous steps to conceal the existence of this loan from the mortgage company to which defendant ANN M. EPPARD had applied for a mortgage loan to purchase 30 Wolfe Street and from the broker who was handling the sale. Among other

things, defendant ANN M. EPPARD failed to disclose the existence of this loan and misrepresented the nature of the $30,000 deposit into her checking account at First Virginia Bank. In addition, defendant ANN M. EPPARD caused the spouse of the Relative to fraudulently alter the canceled $30,000 check dated March 30, 1993, written by the Relative and payable to defendant ANN M. EPPARD, substituting, on the memo line, "reimbursement of loan" for "loan due 10/1/93 at 6.5% int." Defendant ANN M. EPPARD, directly or indirectly, provided a copy of the altered check to the mortgage company.

45. After having received a mortgage loan in connection with the purchase of 30 Wolfe Street, on September 22, 1993, defendant ANN M. EPPARD applied for a $10,000 loan from the Wright Patman Congressional Federal Credit Union, stating that the purpose of the loan was for dental and other like expenses. On her application, she failed to list the $30,000 loan from the Relative and/or defendant VERNON A. CLARK.

46. On September 29, 1993, defendant ANN M. EPPARD wrote three separate checks payable to the Relative in the aggregate amount of $30,000.

47. On October 1, 1993, the Relative caused his spouse to write two checks payable to defendant VERNON A. CLARK in the aggregate amount of $30,000.

False EIGA Financial Disclosure Statements

48. In contravention of her duties under EIGA, and to

conceal her receipt of this $30,000 loan, defendant ANN M. EPPARD prepared, signed and submitted a Financial Disclosure Statement, for 1993 which Statement failed to list the $30,000 loan from defendant VERNON A. CLARK.

Other Illegal Gratuities

49. On various dates during the period from 1989 through November, 1994, in Massachusetts and elsewhere, defendant ANN M. EPPARD solicited, accepted and received tangible gifts and payment of transportation, lodging and entertainment expenses from defendant VERNON A. CLARK, Richard D. Goldberg, and other clients of VCA and failed to report the receipt of such items on her Financial Disclosure Statements filed pursuant to EIGA and her U.S. Individual Income Tax Return, Form 1040, for the relevant year.

Official Acts of Defendant ANN M. EPPARD

50. On various occasions during the period from 1989 through November, 1994, in the District of Massachusetts and elsewhere, defendant ANN M. EPPARD performed the following official acts, among others:

(a) Defendant ANN M. EPPARD regularly met with defendant VERNON A. CLARK, who was seeking to secure assistance from the Congressional Office in connection with Richard D. Goldberg and VCA's South Boston client, and discussed matters pertaining to Richard D. Goldberg and VCA's South Boston client.

(b) In January, 1990, defendant ANN M. EPPARD forwarded a letter to an official of the FHWA. The letter concerned the property of VCA's South Boston client.

(c) After a meeting among Richard D. Goldberg, his lawyer, and officials of the FHWA on May 1, 1990, defendant ANN M. EPPARD met with Richard D. Goldberg and defendant VERNON A. CLARK.

(d) Sometime after this meeting on May 1, 1990, defendant ANN M. EPPARD forwarded two "position papers" prepared by or for Park 'N Fly to an official of the FHWA.

(e) On September 26, 1990, defendant ANN M. EPPARD, directly or indirectly, caused a facsimile to be sent to Conrail, enclosing a partially executed copy of an agreement relating to the property of VCA's South Boston client.

(f) On December 8, 1993, defendant ANN M. EPPARD spoke with an employee of Conrail, which had earlier entered into an agreement with VCA's South Boston client. Defendant ANN M. EPPARD told the Conrail employee that VCA's South Boston client had come to the Congressional Office for help in getting Conrail to alter the terms of its agreement with him. She advised the Conrail employee that VCA's South Boston client believed that Conrail would not be responsive to his concerns unless he went through the Congressional Office and that she was then calling on behalf of that office.

(g) On January 13, 1994, defendant ANN M. EPPARD and VCA's South Boston client met with the Conrail employee at Conrail's First Street Railroad Yard in South Boston, Massachusetts to discuss issues related to the alteration of Conrail's agreement with VCA's South Boston client.

(h) On various occasions during 1994, defendant ANN M. EPPARD, in her official capacity, met with employees of EOTC in the District of Massachusetts and elsewhere and discussed her concern for VCA's South Boston client.

All in violation of Title 18, United States Code, Section 371.

COUNTS TWO THROUGH SEVEN: (18 U.S.C. §1341 and 1343 - MAIL AND WIRE FRAUD)

The Grand Jury further charges that at all times material to this Indictment:

1. The Grand Jury repeats and realleges the allegations contained in paragraphs One through Three, Ten through Forty-Eight, and Fifty of Count One of this Indictment as though fully set forth herein.

DUTY OF HONEST SERVICES

2. Public service is a public trust. As the chief of staff in the Congressional Office and an employee and official of the United States and the Legislative Branch, the honest services owed by defendant ANN M. EPPARD to the United States, its citizens, the officials of the United States Congress, and the Congressional Office included the duties to: (a) neither solicit nor receive gratuities in violation of federal law, (b) perform her job as chief of staff in the Congressional Office free from deceit, fraud, dishonesty, conflict of interest and self-enrichment, (c) obey the criminal and civil laws of the United States in the performance of her official duties, and (d) disclose to the government and the public material information as required by law and regulation.

3. As the Assistant Treasurer of the Committee, the honest services owed by defendant ANN M. EPPARD to the Committee and the

citizens of the United States included the duties to: (a) obey the criminal and civil laws of the United States in the performance of her official duties, and (b) disclose to the Federal Election Commission (the "FEC") material information as required by law and regulation.

THE SCHEME TO DEFRAUD

4. From in or about September, 1988 through in or about October, 1993, in East Boston, Boston, South Boston, Cotuit, Falmouth, Hyannisport, New Seabury, and Stoneham, in the District of Massachusetts, and elsewhere, the defendant ANN M. EPPARD and a close family member ("the Relative") did devise, and intend to devise, a scheme and artifice:

(a) to defraud and to deprive the United States, its citizens, the Congressional Office and the Committee of their right to defendant ANN M. EPPARD's honest services; and

(b) for defendant ANN M. EPPARD to obtain money and property by means of false and fraudulent pretenses, representations and promises,

and defendant VERNON A. CLARK did aid and abet defendant ANN M. EPPARD and the Relative in devising and intending to devise said scheme and artifice.

5. The rights of the United States, its citizens, the Congressional Office and the Committee contravened by defendant

ANN M. EPPARD's scheme and artifice included, but were not limited to:

(a) the right to her conscientious, loyal, faithful, disinterested services, actions, and performance of her official duties, free from dishonesty, deceit, conflict of interest, official misconduct, willful omission, and fraud; and

(b) the right to have her conduct her official duties in accordance with the relevant laws and regulations, free from her receipt of gifts and gratuities from persons that were seeking official action from the Congressional Office.

PURPOSE AND OPERATION OF THE SCHEME

6. It was part of the scheme that defendant ANN M. EPPARD would use the services of the Relative, as a conduit or "straw" and otherwise, and her official positions on the Committee and in the Congressional Office, all for the purpose of enriching herself, both by embezzling funds from the Committee and by soliciting and accepting illegal gratuities from persons seeking official acts from the Congressional Office.

7. It was further part of the scheme that the Relative would serve as the recipient of embezzled funds and illegal gratuities and that defendant ANN M. EPPARD would use her official position in the Congressional Office to seek to benefit persons

paying her illegal gratuities by, among other things, interceding on their behalf with agencies or third parties.

8. It was further part of the scheme that defendant ANN M. EPPARD would conceal the embezzlement of these funds and the payment of these illegal gratuities in various ways, including:

(a) using the Relative to receive these embezzled funds and gratuities;

(b) disguising the true nature of the payments to the Relative by causing them to be paid or received in the form of payments for "consulting" or "loans;" and

(c) omitting, or falsifying the nature of, these payments on various documents prepared, signed and submitted by defendant ANN M. EPPARD, in her official positions.

9. It was further part of the scheme that in receiving these embezzled funds and illegal gratuities, the Relative would sometimes act simply as a "straw" or conduit for such funds and gratuities, by passing them on to defendant ANN M. EPPARD, and would sometimes retain the monies for his own use, but in either case the Relative's receipt of these embezzled funds and gratuities conferred a personal benefit on defendant ANN M. EPPARD.

10. It was further part of the scheme that from September, 1988 through February, 1990, defendant ANN M. EPPARD would embezzle $27,500 from the Committee and appropriate the funds to her own use by causing a person known to the Grand Jury (the

"Consultant") and the Relative each to act as conduits for payments from the Committee to her. Defendant ANN M. EPPARD would cause the Committee to make payments to the Consultant's company, ask the Consultant to issue checks in like amounts to the Relative (who had not done any work or performed any services for the Consultant in this period), and then cause the Consultant's checks to the Relative to be deposited into her personal account or otherwise used for her benefit. Defendant ANN M. EPPARD concealed the embezzlement and her receipt of these funds by, among other things, falsely characterizing the purpose of those payments on periodic reports filed by the Committee with the FEC and omitting them from the Financial Disclosure Statements which she prepared, signed and submitted, under EIGA, for the calendar years 1988, 1989 and 1990.

11. It was further part of this scheme that during the period from September, 1989 through October, 1993, defendant ANN M. EPPARD would use the services of the Relative to receive illegal gratuities, in the form of payments for "consulting" or loans," from persons seeking official acts from the Congressional Office. These illegal gratuities included payments from defendant VERNON A. CLARK, in the form of "consulting" and "loans," and payments from clients of VCA -- Richard D. Goldberg and VCA's South Boston client -- in the form of "consulting" and "loans." Defendant ANN M. EPPARD concealed the payments of these illegal gratuities by, among other things, omitting them from the

Financial Disclosure Statements which she prepared, signed and submitted, under EIGA, for the calendar years 1989-1993.

COUNTS TWO THROUGH SIX
MAIL FRAUD

12. The immediately preceding paragraphs One through Eleven above are realleged and incorporated by reference as though fully set forth herein.

13. On or about the dates set forth below, in the District of Massachusetts and elsewhere, defendants ANN M. EPPARD and VERNON A. CLARK, for the purpose of executing and intending to execute the aforesaid scheme and artifice to defraud the United States, its citizens, the Congressional Office, and the Committee of the intangible right of honest services and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, and attempting to do so, did place and cause to be placed in an authorized depository for mail matter, the items described below, to be sent, as addressed, by the United States Postal Service, and did knowingly cause to be delivered by mail according to the direction thereon, such mail matter described below:

COUNT	DATE	DESCRIPTION
TWO	4/30/93	Letter to VCA's South Boston client, in South Boston, Massachusetts from the Relative, in Maryland (2 pages with check enclosure)
THREE	12/20/93	Letter to VCA's South Boston client, in South Boston, Massachusetts from Conrail, in Philadelphia, Pennsylvania (4 pages)

FOUR	1/14/94	Letter to VCA's South Boston client, in South Boston, Massachusetts from Conrail, in Philadelphia, Pennsylvania (2 pages)
FIVE	1/15/94	Statement dated January 15, 1994 to VCA's South Boston client, in South Boston, Massachusetts from VCA, in Potomac, Maryland and Washington, DC (1 page)
SIX	6/15/94	Statement dated June 15, 1994 to VCA's South Boston client, in South Boston, Massachusetts from VCA, in Potomac, Maryland and Washington, DC (1 page)

All in violation of 18 U.S.C. §§1341, 1346, and 2.

COUNT SEVEN
WIRE FRAUD

14. The immediately preceding paragraphs One through Eleven above are realleged and incorporated by reference as though fully set forth herein.

15. On or about the date set forth below, in the District of Massachusetts and elsewhere, defendants ANN M. EPPARD and VERNON A. CLARK, for the purpose of executing and intending to execute the aforesaid scheme and artifice to defraud the United States, its citizens, the Congressional Office, and the Committee of the intangible right of honest services and to obtain money and property by means of false and fraudulent pretenses, representations, and promises, and attempting to do so, transmitted and caused to be transmitted by means of wire communications in interstate commerce writings, signs, signals, pictures and sounds described below:

COUNT	DATE	DESCRIPTION
SEVEN	1/13/94	E-mail from Conrail's office in Massachusetts to various Conrail employees, including one working in Conrail's office in Washington, DC

All in violation of 18 U.S.C. §§1343, 1346, and 2.

EXHIBIT 67

U. S. Department of Justice

United States Attorney

District of Massachusetts

1003 J.W. McCormack Post Office & Courthouse
Boston, MA 02109

April 9, 1998

PRESS RELEASE

EPPARD AND CLARK INDICTED BY FEDERAL GRAND JURY FOR CORRUPTION

Boston, MA ... Two Washington, DC lobbyists, **ANN M. EPPARD** and **VERNON A. CLARK**, have been indicted on corruption charges in a seven-count federal indictment returned today. The alleged corrupt conduct occurred while **EPPARD** was a congressional staffer.

United States Attorney Donald K. Stern, Special Agent in Charge of the Federal Bureau of Investigation Barry Mawn, and Chief of the Criminal Investigation Division of the Internal Revenue Service for the New England District Frederick P. Auffero, announced that **ANN M. EPPARD**, 55, of 14 Wolfe Street, Alexandria, Virginia, and **VERNON A. CLARK**, 68, of 17 Myron Drive, Stateline, Nevada, were indicted today by a federal grand jury.

According to the indictment, from 1972 to 1994, **EPPARD** was the chief of staff in a Congressional office; she also served as the Assistant Treasurer of a campaign committee. **CLARK** was a lobbyist registered pursuant to the Federal Regulation of Lobbying Act and did business as Vern Clark & Associates ("VCA").

Count One of the indictment charges that **EPPARD** and **CLARK** conspired to violate the federal gratuity statute and to defraud the Internal Revenue Service ("IRS"). Counts Two through Seven allege that **EPPARD** and a close family member, called the "Relative" in the indictment, devised a scheme to defraud the Congressional office and the campaign committee of **EPPARD**'s "honest services" and to obtain money, in violation of the mail and wire fraud statutes, and that **CLARK** aided and abetted that scheme. The indictment charges that it was part of the scheme that **EPPARD** would use the services of the Relative, as a conduit or "straw," and her official positions on the campaign committee and in the Congressional office to enrich herself by embezzling funds from the committee and accepting illegal gratuities.

The federal indictment alleges that **EPPARD** and **CLARK** sought to conceal **EPPARD**'s receipt of the illegal gratuities in various ways, including:

-- using the Relative as a "straw" or conduit;
-- paying the illegal gratuities in various guises, for example in the form of purported "loans", or as payments for "consulting"; and
-- creating false tax documents

The mail and wire fraud counts also allege that **EPPARD** sought to conceal her receipt of the embezzled funds.

With respect to funds embezzled from the committee, the indictment alleges that from 1988 through 1990, **EPPARD** embezzled $27,500 from the committee, using the services of the Relative.

With respect to illegal gratuities, the indictment alleges that **EPPARD** received the following:

(1) $15,000 paid by **CLARK** to the Relative for alleged "consulting" in 1989 and 1991, although no such consulting services were actually performed;

(2) $100,000 paid by **CLARK** to the Relative in the form of a "loan" in 1991 and 1992, to enable the Relative to purchase a car dealership;

(3) $30,000 paid by **CLARK** to **EPPARD**, using the Relative as a conduit in 1993;

(4) $10,000 paid by Richard D. Goldberg, a Boston businessman and part owner of Park 'N Fly, and a client of **CLARK** in 1990;

(5) $75,000 paid by a second client of **CLARK** in 1992.

The indictment further alleges that **EPPARD** received tangible gifts and payment of transportation, lodging and entertainment expenses from **CLARK** and others.

The indictment alleges that in 1989, both Goldberg and the second client of **CLARK** hired VCA to lobby public officials in connection with their campaigns against the proposed taking of their property for the Central Artery/Third Harbor Tunnel Project in Boston. The indictment further alleges that **EPPARD** used her official position in the Congressional office to seek to benefit persons paying her illegal gratuities.

U.S. Attorney Stern said: "The indictment alleges that Ann Eppard accepted illegal gratuities from Vernon Clark and his clients. Some gratuities were provided directly to Eppard, some were funnelled through a family member, and still others benefited her even though retained by the family member. In all instances, however, the gratuities were not disclosed, often were disguised with phony documents, and represented a breach of public trust."

Stern added: "The indictment does not allege that any other official of the Congressional office or the campaign committee is a co-conspirator or otherwise participated in the crimes charged."

EPPARD and **CLARK** each face a maximum penalty of five years' incarceration and a $250,000 fine on each of the seven counts of the indictment.

The case against **EPPARD** and **CLARK** was investigated by the Federal Bureau of Investigation and the Criminal Investigation Division of the Internal Revenue Service. It will be prosecuted by Assistant U.S. Attorneys Alexandra Leake and John M. Griffin, of Stern's Public Corruption and Special Prosecutions Unit.

The investigation is continuing.

Press contact: Amy Rindskopf, 617-223-9445

EXHIBIT 68

PRESS RELEASE

June 10, 1998

At the request of the U. S. Department of Justice, the Committee on Standards of Official Conduct has agreed to refrain at this time from conducting interviews and deposing witnesses in connection with its investigation of Representative Bud Shuster. The Department of Justice has indicated that its ongoing criminal investigation may relate to matters similar to those under investigation by the Committee. This action will not affect the Committee's ability to issue and enforce subpoenas for documents in connection with the investigation.

EXHIBIT 69

JAMES V. HANSEN, UTAH
CHAIRMAN
LAMAR SMITH, TEXAS
JOEL HEFLEY, COLORADO
BOB GOODLATTE, VIRGINIA
JOE KNOLLENBERG, MICHIGAN

THEODORE J. VAN DER MEID
CHIEF COUNSEL/STAFF DIRECTOR
BARI L. SCHWARTZ
COUNSEL TO THE RANKING
MINORITY MEMBER

HOWARD L. BERMAN, CALIFORNIA
RANKING MINORITY MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA

SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515–6328

PRESS STATEMENT

In the Matter of Representative Bud Shuster

June 15, 1998

Because of questions raised about the Committee's press statement of June 10, 1998, the Committee is releasing this letter received from the Department of Justice on June 8, 1998.

U. S. Department of Justice

Office of Legislative Affairs

Office of the Assistant Attorney General

Washington, D.C. 20530

June 8, 1998

Honorable James V. Hansen
Chairman
Committee on Standards of
Official Conduct
U.S. House of Representatives
Washington, D.C. 20515

Honorable Howard L. Berman
Ranking Minority Member
Committee on Standards of
Office Conduct
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman and Representative Berman:

As you may be aware, a federal grand jury in the District of Massachusetts recently returned indictments against Ann M. Eppard and Vernon A. Clark. We understand that a Subcommittee chaired by Congressman Joel Hefley is conducting an investigation of Congressman Bud Shuster, which may relate to similar matters.

We fully appreciate the Committee's responsibility to investigate matters within its jurisdiction. We are very concerned, however, that a Committee investigation at this time will pose certain unavoidable risks to the cases currently under indictment, United States v. Ann Eppard and Vernon A. Clark, Crim. No. 98-10114-JLT (D. Mass.) and United States v. Vernon A. Clark, Crim No. 10069-JLT (D. Mass.), as well as the ongoing criminal investigation. Consequently, it is only with great respect for your obligations that we request that the Committee defer its formal investigation. To the extent possible, consistent with our law enforcement responsibilities, we will communicate with Committee staff so that any delay in the Committee's work can be minimized to the extent possible.

Please do not hesitate to contact Faith Burton, Special Counsel in this Office, at 202/514-1633 if you would like additional information regarding this matter.

Sincerely,

L. Anthony Sutin
Acting Assistant Attorney General

EXHIBIT 70

JAMES V. HANSEN, UTAH
CHAIRMAN
LAMAR SMITH, TEXAS
JOEL HEFLEY, COLORADO
BOB GOODLATTE, VIRGINIA
JOE KNOLLENBERG, MICHIGAN
THEODORE J. VAN DER MEID,
CHIEF COUNSEL/STAFF DIRECTOR
BARI L. SCHWARTZ
COUNSEL TO THE RANKING
MINORITY MEMBER

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

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Washington, DC 20515–6328

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ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA

SUITE HT–2, THE CAPITOL
(202) 225–7103

PRESS STATEMENT

December 4, 1998

In the Matter of Representative Bud Shuster

The Investigative Subcommittee will proceed with interviews and depositions of witnesses in connection with its investigation of Representative Shuster.

EXHIBIT 71

PATTON BOGGS, L.L.P.
2550 M STREET, N.W.
WASHINGTON, D.C. 20037-1350
(202) 457-6000
FACSIMILE: (202) 457-6315

WRITER'S DIRECT DIAL
(202) 457-6405

March 16, 1998

VIA FACSIMILE to (202) 225-7392

Virginia H. Johnson, Esquire
Counsel
Committee on Standards of Official Conduct
Washington, D.C. 20515

Re: In the Matter of Representative Bud Shuster

Dear Ms. Johnson:

Pursuant to your telephone request, the document signed by Representative Shuster under Committee Rule 18(b) as part of our filing dated March 12, 1998 should have been captioned "Motion for Stay." A conforming document will be filed upon Mr. Shuster's return to Washington.

Sincerely,

Benjamin L. Ginsberg

BUD SHUSTER
9TH DISTRICT, PENNSYLVANIA

Congress of the United States
House of Representatives

March 12, 1998

The Honorable James V. Hansen
Chairman
Committee on Standards of Official Conduct
United States House of Representatives
Washington, D.C. 20515

The Honorable Howard Berman
Ranking Minority Member
Committee on Standards of Official Conduct
United States House of Representatives
Washington, D.C. 20515

Re: Motion to Dismiss complaint Filed Against Representative Bud Shuster By Congressional Accountability Project.

Dear Messrs. Hansen and Berman:

In compliance with Committee Rule 18(b), I have reviewed the enclosed response prepared by counsel and I agree with the factual assertions made therein.

Sincerely,

Bud Shuster
Member of Congress

WASHINGTON OFFICE:
1135 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-3909
PHONE: (202) 225-2431

DISTRICT OFFICE:
RD 2, BOX 711
ALTOONA, PA 16601
PHONE: (814) 946-1653

DISTRICT OFFICE:
119 E. QUEEN ST.
CHAMBERSBURG, PA 17201
PHONE: (717) 264-8308

DISTRICT OFFICE:
1214 OLDTOWN ROAD, SUITE #4
CLEARFIELD, PA 16830
PHONE: (814) 765-9106

RECEIVED
98 MAR 13 PM 2:21
COMMITTEE ON STANDARDS

PATTON BOGGS, L.L.P.
2550 M STREET, N.W.
WASHINGTON, D.C. 20037-1350
(202) 457-6000
FACSIMILE (202) 457-6315

WRITER'S DIRECT DIAL
(202) 457-6405

March 12, 1998

VIA HAND-DELIVERY

The Honorable Joel Heffley, Chairman
The Honorable Zoe Lofgren, Ranking Democratic Member
Investigative Subcommittee
Committee on Standards of Official Conduct
Room HT-2, The Capitol
Washington, D.C. 20515-6328

Re: In the Matter of Representative Bud Shuster

Dear Mr. Heffley and Ms. Lofgren:

As counsel to Representative Shuster, we must formally request on behalf of Mr. Shuster that your Investigative Subcommittee stay all proceedings in this matter pending the resolution of a federal Grand Jury matter in the District of Massachusetts that, regrettably, appears to involve considerably overlapping, if not parallel, areas of investigation with those being pursued by your Subcommittee.

We must seek this stay because we understand that Representative Shuster, as well as current and/or former members of his staff, are more than witnesses and likely are the focus of this Grand Jury investigation. In addition, the Boston Grand Jury proceedings, and Mr. Shuster's reported involvement, have been the subject of prominent media reports as recently as the Saturday, March 7, 1998 *Washington Post*, which also reported your Committee's "probe" of Mr. Shuster, and suggested that the two investigations overlap considerably. *See* Attachment A.

It is our belief that continuation of the Subcommittee's investigation at this time will impair Mr. Shuster's ability to protect his interests before the Boston Grand Jury. Specifically, the effective representation of Mr. Shuster will be compromised if we and current or former members of his staff are required to go forward with the general production of documents or the giving of any testimony to the Subcommittee prior to the clarification of Mr. Shuster's position at the conclusion of the Grand Jury's proceedings.

We recognize and understand the Subcommittee's position concerning the production of documents for which it has issued subpoenas. However, this production does raise significant constitutional concerns for Mr. Shuster and, perhaps, current or former members of his staff.

The Supreme Court has recognized that the act of producing materials in response to a subpoena may be testimonial in nature. *Fisher v. United States*, 425 U.S. 391, 410-11 (1976). Because compliance with a subpoena acknowledges by implication both the "existence of the papers demanded and their possession or control," the Court stated that the act of production "has communicative aspects of its own, wholly aside from the contents of the papers produced." *Id.* As noted by the Eighth Circuit, "the act of turning over documents in response to a broad sweeping subpoena may involve discretionary judgments about the documents themselves," thereby implicating the Fifth Amendment. *In Re Grand Jury Proceedings*, 41 F.3d 377, 380 (8th Cir. 1994).

The Committee's subpoena calls for such discretionary judgments (and thus calls for testimonial communication). For example, the subpoena calls for the production of a variety of documents "pertaining to" or "relating to" a host of topics apparently under investigation. Consequently, Mr. Shuster's response would require him to communicate an express or implied assertion of fact or belief. *Pennsylvania v. Muniz*, 496 U.S. 582, 597 (1990).

A series of requests in the Committee's subpoenas also implicate and would cause Mr. Shuster to jeopardize his constitutionally protected interest in his personal papers; see, for example, the requests for his correspondence (Requests 1, 2, 3, 4 & 5), documents pertaining to his appointments (Request 6), and other personal records (Requests 7 & 11). Over a century ago, the Supreme Court recognized that the contents of personal papers are protected by the Fifth Amendment, even if the papers relate to business activities, *Boyd v. United States*, 116 U.S. 616 (1886), and the First Circuit (whose law governs the Boston Grand Jury) extends Fifth Amendment protections to papers whose disclosure would "break the heart of our sense of privacy." *In Re Grand Jury Subpoena*, 973 F.2d 45, 51 (1st Cir. 1992).

Respectful of the Committee's position on this matter, enclosed are the documents responsive to the Committee's subpoena that already have been provided to the Grand Jury, labeled EGS 000001 through EGS 000203. Production pursuant to those grand jury subpoenas is on a "rolling" basis and we will produce to the Subcommittee any documents responsive to Mr. Shuster and his staff[1] as they are turned over to the Grand Jury.

---

[1] In view of the definition of "Office Property" is the House Employee Handbook (*see* Attachment B), the subpoenas to Mr. Shuster's current staff members call for production of documents under his legal control, and thus call for his documents.

In addition, as your letter of March 5, 1998 requested, Attachment C is a copy of the four subpoenas served on Mr. Shuster as part of the Boston Grand Jury investigation. A comparison of those subpoenas with the Investigative subcommittee's subpoenas to Mr. Shuster and to his staff members, Tim Hugo and Tracy Mosebey, shows a high degree of overlap, particularly with respect to lodging, travel and hospitality issues relating to Mr. Shuster and his present and former staff, as well as of issues relating to Mr. Shuster's family. In fact, the most recently served subpoena (dated March 10, 1998) requests documents submitted to or generated by your Committee.

In response to your request, Attachment D is a copy of the Form 4506 Mr. Shuster filed on March 11 with the Internal Revenue Service for income tax returns for calendar years 1994, 1995 and 1996. As we represented orally to your counsel, Mr. Shuster prepared his filings for those years by himself without the aid of a professional tax preparer and did not retain copies of the returns as filed. We understand that, by providing the Investigative Subcommittee with access to his filed federal tax return for those years, Mr. Shuster need not provide copies of his retained workpaper copy of the returns.

Furthermore, it is our understanding that it is the preference of the Assistant U.S. Attorney responsible for the Grand Jury that these proceedings before the Committee on Standards of Official Conduct be suspended pending the conclusion of the Boston Grand Jury investigation. Indeed, the latest Grand Jury subpoena, served on Mr. Shuster just Tuesday of this week, seeks documents pertaining to the work of your Committee, and apparently also within the scope of the investigation of your Subcommittee. *See* Attachment C. This latest subpoena must be seen as at least a tacit acknowledgment of what the U.S. Attorney's office told us about its position concerning your investigation. As provided for in the precedents of the House, this can be corroborated by the U.S. Attorney.

We appreciate your consideration of the difficult, if not untenable, position in which Mr. Shuster finds himself in having to deal with parallel proceedings in which he is involved. We further appreciate the cooperative and professional hearings we have received from Ms. Johnson and Mr. Lewis as we have discussed this request for a stay. We believe this request is consistent with the precedents of the House, which recognize the fundamental unfairness of forcing a Member to defend himself or herself simultaneously before both an ongoing Grand Jury and an investigation by this Committee. "[I]t is recognized that in certain instances some deferral of Committee action might be required because of the pendency of judicial proceedings. For instance, a criminal trial and a disciplinary hearing should not be conducted simultaneously because of the impossibility of a Member defending himself in two forums at the same time." *In the Matter of Representative Daniel J. Flood,* H.R. Rept. No. 96-856, 96th Congress, 2d sess. (1980); *see also In the Matter of Representative Andrew J. Hinshaw,* H.R. Rept. No. 94-1477,

94th Congress, 2d sess. (1976) (where the Committee recommended that no action be taken against the respondent pending completion of the judicial proceeding); *Summary of Activities, One Hundred and Third Congress*, H.R. Rept. No. 103-873, 103d Congress, 2d sess. (1994) (concerning the deferral of an inquiry into the House Post Office).

Thank you for your consideration and we would be pleased to address either in person or in writing any additional concerns or questions you may have.

Respectfully submitted,

Benjamin L. Ginsberg
Mitchell R. Berger

Counsel for Congressman Bud Shuster

Lobbyist Tied To Shuster Is Indicted

Prosecutors Question Links to Lawmaker

By CHARLES R. BABCOCK
Washington Post Staff Writer

A federal grand jury in Boston indicted a Washington lobbyist on conspiracy and tax fraud charges Thursday in what two individuals familiar with the case say is a sign a long-running investigation of Rep. Bud Shuster (R-Pa.) and Ann Eppard, his chief fund-raiser and former top aide, is heating up.

Vernon A. Clark, 63, of Potomac, a longtime lobbyist for billboard interests and friend of Shuster and Eppard, was charged with conspiring with a client, Boston businessman Richard Goldberg, to defraud the Internal Revenue Service. The three-count indictment said Clark used Goldberg to funnel $77,000 in payments to subsidize the living expenses of a female friend in the early 1990s. Goldberg was convicted of tax fraud in 1995 for some of the same acts outlined in the Clark indictment.

Shuster and Eppard are not mentioned in the charges. But the indictment notes that Goldberg hired Clark in 1989 to lobby public officials to stop the government from taking his parking lot near Logan International Airport as part of a multibillion-dollar highway project known as the "Big Dig." Sources familiar with the case said prosecutors have been pressuring Clark to talk about dealings he, Goldberg and another Boston businessman had with the congressman and his former aide on the highway dispute in the early 1990s.

At the time, Shuster was the senior Republican on the House subcommittee that controlled funding for the multibillion-dollar Boston project, which is burying 7.5 miles of interstate highway. He is now chairman of the full Transportation and Infrastructure Committee.

News accounts in Boston in the past year have said prosecutors are investigating whether Shuster and Eppard helped Goldberg and restaurateur Nicholas Contos in return for favors. Goldberg and Contos made campaign donations to Shuster, and Goldberg paid speaking fees to Shuster and Eppard during the early 1990s, according to public records.

A spokesman for Goldberg confirmed that he also paid a $10,000 "consulting fee" to Eppard's son Ralph during the same period, but did not say what he did for the money. Contos, who is cooperating with authorities, loaned Ralph Eppard money to help finance a Maryland car dealership he started in 1992, according to the Boston Globe.

The businessmen settled their disputes with the government in 1991. Goldberg in a land swap with the state and Contos in an arrangement involving Conrail Inc., the railroad company. Sources said that Eppard approached Conrail on Contos's behalf and that Conrail was subpoenaed in the probe. Shuster has acknowledged forwarding a letter from a lawyer to the Department of Transportation on behalf of businessmen complaining about the land takings.

Clark was collecting $1 million a year, mostly from billboard companies, in the early 1990s. He currently reports making about $750,000 a year representing five clients. They are Goldberg's company, R.J. Reynolds Tobacco Co., Metromedia International Group Inc., News Corp. and the Coalition for Property Rights, an alliance of billboard interests. The coalition paid him $328,000 last year.

Clark, his attorney, Shuster and Eppard did not respond to calls seeking comment. Shuster has dismissed earlier reports about the Boston grand jury as "baloney."



REP. BUD SHUSTER
. . . subject of House ethics probe

Shuster's close relationship with Eppard also is the subject of a probe by the committee. After leaving his staff in 1994, Eppard remained Shuster's chief fund-raiser and became a lobbyist with billings of more than $1 million a year. The complaint followed a Roll Call report in early 1995 that questioned whether Shuster's stay at Eppard's Alexandria town house was an improper gift.

Staff researcher Ben White contributed to this report.

cards to the Sergeant-at-Arms Office of Identification Services, 321 Cannon HOB, x53820, and a new I.D. card will be issued to you. **Because an I.D. card is House property, it must be returned upon termination of employment.**

Office Property

All staff members play an important role in the political process, and enjoy a relationship of trust and confidence with the Member. Inherent in this relationship is the expectation that staff members understand the need to protect sensitive and confidential information, and work at all times for the good of the Member and his/her constituents.

To assist the Member in performing his/her duties most effectively and efficiently, it is imperative that the Office have immediate access to all Office files and other property. For example, in an employee's absence, the Office may need to enter and search an employee's work area to retrieve work-related materials. The Office also must retain its ability to locate missing property promptly and to investigate suspicious activities in the Office. Therefore, the Office reserves the right to inspect and search all areas and property in the Office at any time, for these reasons, or any others within its discretion, without notice or consent.

All inspections and searches must be preauthorized by a supervisor. Inspections, searches and investigations can include, without limitation, the examination of physical files, computer files, e-mail, voice mail, file cabinets, desks, work stations, closets, storage areas, manuals, equipment, and all other Office property and areas. For these reasons duplicates of all keys issued to the staff are maintained. The Office also reserves the right to search purses, packages, parcels and other containers within the Office to investigate suspicious activities which may compromise the work of the Member.

Employees should leave valuable items at home. The Office cannot be responsible for the loss, theft or damage of any property brought into the Office. Additionally, employees should report any suspicious activity they observe in the Office to a supervisor. As a condition of continued employment, the Office expects each employee to assist with the Office's efforts to maintain the confidentiality of Office activities, and to provide for employee and Office security.

Medical Emergencies

If a medical emergency occurs during working hours or on the premises, you should immediately contact the Capitol Police at x55151 or the Attending Physician's Office at x55421. The Physician's Office is open 9:00 a.m. to 5:00 p.m., or until adjournment, Monday through Friday. In the case of a minor injury or illness, go immediately to one of the First Aid Offices, which are in the following locations and are open 9:00 a.m. to 5:00 p.m., Monday through Friday:

H-166 The Capitol, x55421

100 Cannon HOB, x53470

1239 Longworth HOB, x52500

United States District Court

DISTRICT OF MASSACHUSETTS

TO:

E.G. "Bud" Shuster

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
☐ PERSON ☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
Room 1003 John W. McCormack Post Office & Courthouse Devonshire Street Boston, Massachusetts 02109	GRAND JURY 13th Floor
	DATE AND TIME July 31, 1997 10:00 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

See attachment.

You may comply with this subpoena by forwarding the requested documents to Assistant U.S. Attorney Alexandra Leake at the address below.

Witness travel & reimbursement instructions are attached. Call Witness Coordinator Maryann Casoli at (617) 223-4057 if you have any questions. For after business hour emergencies, call (617) 223-9400.

☐ *Please see additional information on reverse.

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
TONY ANASTAS	July 21, 1997
(BY) DEPUTY CLERK: JEANN ROBICHEAU	

This subpoena is issued on application of the United States of America.

DONALD K. STERN
UNITED STATES ATTORNEY

NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY

ALEXANDRA LEAKE
Assistant U.S. Attorney
U.S. Attorney's Office
J.W.McCormack Post Office & Courthouse
Boston, MA 02109 (617) 223-9430

Attachment to subpoena to E.G. "Bud" Shuster

BRING

I. With respect to each of the following trips by E.G. "Bud" Shuster, Ann M. Eppard, Ralph T. Eppard, Jr., Pamela Jensen Eppard and/or Karen Schechter:

(a) all documents evidencing, reflecting or referring to the fact of the trip by any of the foregoing persons, including, without limitation, itineraries, tickets, invoices, charge card slips, diaries, appointment books, calendars;

(b) all documents evidencing, reflecting or referring to Ann M. Eppard or the Bud Shuster for Congress Committee's having made any payments toward the expenses of that trip (whether for lodging, transportation, meals, entertainment, transportation or otherwise); and

(c) if the trip was paid for in whole or in part by the Bud Shuster for Congress Committee, all documents evidencing, reflecting or referring to any purpose for that trip as other than purely personal.

The trips for which these records are sought are trips to the places shown below (the dates are approximate):

1989	
8/89	Stage Coach Inn, ME
1990	
1/22-27/90	LaQuinta, CA
3/16/90	Boston, MA
3/29/90	Los Angeles, CA and elsewhere in CA
7/9/90	St. Michaels, MD
7/21/90	St. Michaels, MD
8/17-20/90	Cotuit (Cape Cod), MA
1991	

United States District Court

DISTRICT OF MASSACHUSETTS

TO:

E.G. "Bud" Shuster

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:

☐ PERSON ☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
Room 1003 John W. McCormack Post Office & Courthouse Devonshire Street Boston, Massachusetts 02109	GRAND JURY 13th Floor
	DATE AND TIME July 31, 1997 10:00 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

See attachment.

You may comply with this subpoena by forwarding the requested documents to Assistant U.S. Attorney Alexandra Leake at the address below.

Witness travel & reimbursement instructions are attached. Call Witness Coordinator Maryann Casoli at (617) 223-4057 if you have any questions. For after business hour emergencies, call (617) 223-9400.

☐ Please see additional information on reverse.

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
TONY ANASTAS	July 21, 1997
(BY) DEPUTY CLERK: JEANN ROBICHEAU	

This subpoena is issued on application of the United States of America.

DONALD K. STERN
UNITED STATES ATTORNEY

NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY

ALEXANDRA LEAKE
Assistant U.S. Attorney
U.S. Attorney's Office
J.W.McCormack Post Office & Courtho
Boston, MA 02109 (617) 223-9430

* If not applicable, enter "none."

subject of a Chrysler dealership in Prince Frederick, MD, including: appointment books, diaries, calendars, letters, notes.

V. All documents relating to loan(s) made to Robert Shuster, Ralph T. Eppard, Jr., or Ann M. Eppard, including, without limitation: promissory notes, loan agreements, checks representing the proceeds of the loan, security agreements, documents evidencing the payment of interest.

VI. All documents evidencing your place of residence in the Washington, DC area during the period from 1986 through November, 1994, including, without limitation: tax bills, utility bills (telephone, electricity, gas), water bills, leases.

VII. All documents evidencing the identity of all individuals residing in any house or apartment or other building or space owned by you in the Washington, DC area during the period from 1986 through November, 1994, including, without limitation: leases, rental checks.

VIII. Copies of state and federal tax returns and all work papers and backup materials to said.

1/24/91	Boston, MA
2/8-15/91	La Quinta, CA (and other locations in CA)
3/14/91	Boston, MA
3/25-31/91	Los Angeles, CA (and other locations in CA)
4/6-7/91	La Quinta, CA
4/12-15/91	Palm Beach Shores, FL
5/2-7/91	New York, NY
5/28-30/91	Lake Buena Vista, FL
8/14/91	Hyannis (Cape Cod), MA
1992	
2/27-3/2/92	LaQuinta, CA
7/92	New Seabury (Cape Cod), MA
11/4-8/92	Phoenix, AZ
1993	
3/93	LaQuinta and Los Angeles, CA
1994	
1/94	Boston, MA
2/94	LaQuinta, CA
2/28/94	New York, NY
3/31/94-4/4/94	La Quinta, CA
4/5-8/94	Palm Beach Shores, FL

II. All documents reflecting any payments by Ann M. Eppard or E.C. "Bud" Shuster to Bun Air for the following trips: (a) to Sanford, Maine in August, 1989, (b) to Hyannis, Massachusetts in July, 1992.

III. The "analysis of the business" referred to in the letter attached hereto.

IV. All documents evidencing, constituting or referring to any communication with Chrysler Corporation, Chrysler Credit Corporation, or any of its or their affiliates on the

Subpoena Attachment to E.G. "Bud" Shuster

Bring:

This subpoena calls for the production of all original records, tangible objects and nonidentical copies of records from 1988 to present which constitute, refer or relate to:

1. All bank accounts, brokerage accounts, mutual fund accounts, and retirement and investment accounts that you have control of or use of or which are in your name. This includes, without limitation, cancelled checks, monthly statemetns, deposit slips, passbooks, safety deposit box records, and buy/sell slips.

2. Expense or disbursement journals or records for expenses reimbursed by the Bud Shuster for Congress Committee.

3. Diaries, appointment calendars, and other records of meetings and trips.

4. Telephone, address and rolodex.

United States District Court

DISTRICT OF MASSACHUSETTS

TO:
Hon. E.G. "Bud" Shuster

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
☐ PERSON ☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
United States Attorney's Office 1003 J.W. McCormack Post Office and Courthouse Devonshire & Milk Streets Boston, MA 02109	Grand Jury 13th Floor
	DATE AND TIME January 15, 1998 10:00 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

See attachment hereto.

Witness travel and reimbursement instructions are attached. Call Witness Coordinator Maryann Casoli at (617) 223-4057 if you have any questions. For after business hour emergencies, call (617) 223-9400.

☐ *Please see additional information on reverse*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
TONY ANASTAS	January 5, 1998
(BY) DEPUTY CLERK JEANN ROBICHEAU	

This subpoena is issued on application of the United States of America.

DONALD K. STERN
United States Attorney

NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY
ALEXANDRA LEAKE (617) 223-9430
Assistant U.S. Attorney
1003 J.W. McCormack Post Office & Courthouse
Boston, MA 02109

ATTACHMENT TO GRAND JURY SUBPOENA TO HON. E.G. "BUD" SHUSTER

Bring:

This subpoena calls for the production of all records, tangible objects and nonidentical copies of records from 1988 to present, which constitute, evidence, or refer to any of the following.

1. All bank accounts, brokerage accounts, mutual fund accounts, loan accounts, retirement and investment accounts which are in your name or with respect to which you are listed as a borrower, guarantor, or signatory. The requested records include, without limitation:

   canceled checks, monthly statements, deposit slips and deposit items, passbooks, safety deposit box records, receipts, loan applications, and financial statements.

2. Expenses of yours which expenses were reimbursed, in whole or in part, by the Bud Shuster for Congress Committee.

3. All portions of diaries and appointment calendars reflecting the dates, times, and places of meetings and appointments, as well as the identity of person(s) involved in such meetings and appointments.

4. All portions of address and telephone books and Rolodex cards listing any of the following:

   Vernon A. Clark
   Nicholas J. Contos
   Ralph T. Eppard, Jr.
   Denise Fazio
   Richard T. Goldberg
   Patricia McNally
   Louis Nickinello
   Elizabeth Palumbo
   Ralph's Dodge of Prince Frederick
   David R. "Rod" Wolf

NOTE:

1. **Please produce the original records where possible.**

2. **You do not need to produce any classified information or information clearly implicating the national security of the United States. Please be advised, however, that in a**

hearing before United States District Judge Joseph L. Tauro on December 30, 1997, the Court advised that if you withheld documents from production on grounds of the national security, your response "should be by way of affidavit."

Rev. 12/93) Subpoena to Testify Before Grand Jury

United States District Court

DISTRICT OF MASSACHUSETTS

TO:

Hon. E.G. "Bud" Shuster

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:

☐ PERSON ☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
United States Attorney's Office 1003 J.W. McCormack Post Office and Courthouse Devonshire & Milk Streets Boston, MA 02109	Grand Jury 13th Floor
	DATE AND TIME Thursday, March 19, 1998

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Bring:

(1) Written waiver(s) granted to you by the Committee on Standards of Official Conduct pursuant to clause 4(e)(1)(E) of rule X of the Rules of the House of Representatives.

(2) Application(s) to the Committee on Standards of Official Conduct for waivers pursuant to clause 4(e)(1)(E) of rule X of the Rules of the House of Representatives.

☐ Please see additional information on reverse

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
TONY ANASTAS	March 10, 1998
(BY) DEPUTY CLERK	
JEANN ROBICHEAU	

This subpoena is issued upon application of the United States of America.

DONALD K. STERN
United States Attorney

NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY

ALEXANDRA LEAKE (617) 223-9430
Assistant U.S. Attorney
1003 J.W. McCormack Post Office & Courthouse
Boston, MA 02109

Form **4506** (Rev. May 1997)
Department of the Treasury Internal Revenue Service

Request for Copy or Transcript of Tax Form

▶ Read instructions before completing this form.
▶ Type or print clearly. Request may be rejected if the form is incomplete or illegible.

OMB No. 1545-0429

Note: *Do not use this form to get tax account information. Instead, see instructions below.*

1a Name shown on tax form. If a joint return, enter the name shown first.	1b First social security number on tax form or employer identification number (see instructions)
E. G. Bud Shuster	
2a If a joint return, spouse's name shown on tax form	**2b** Second social security number on tax form
Patricia R. Shuster	

3 Current name, address (including apt., room, or suite no.), city, state, and ZIP code

RR 3, Box 234C, Everett, PA 15537

4 Address, (including apt., room, or suite no.), city, state, and ZIP code shown on the last return filed if different from line 3

5 If copy of form or a tax return transcript is to be mailed to someone else, enter the third party's name and address

Committee on Standards of Official Conduct - U.S. House of Representatives
U.S. Capitol, Suite HT-2, Washington, D.C. 20515

6 If we cannot find a record of your tax form and you want the payment refunded to the third party, check here . . . . . ▶ ☐

7 If name in third party's records differs from line 1a above, enter that name here (see instructions) ▶

8 Check only one box to show what you want. There is no charge for items 8a, b, and c:

a ☐ Tax return transcript of Form 1040 series filed during the current calendar year and the 3 prior calendar years (see instructions).
b ☐ Verification of nonfiling.
c ☐ Form(s) W-2 information (see instructions).
d ☒ Copy of tax form and all attachments (including Form(s) W-2, schedules, or other forms). **The charge is $23 for each period requested.**
Note: *If these copies must be certified for court or administrative proceedings, see instructions and check here* . . . . ▶ ☐

9 If this request is to meet a requirement of one of the following, check all boxes that apply.
☐ Small Business Administration ☐ Department of Education ☐ Department of Veterans Affairs ☐ Financial institution

10 Tax form number (Form 1040, 1040A, 941, etc.)

1040

11 Tax period(s) (year or period ended date). If more than four, see instructions.

1994	1995	1996	

12 Complete only if **line 8d** is checked. Amount due:

a Cost for each period	$ 23.00
b Number of tax periods requested on line 11	3
c Total cost. Multiply line 12a by line 12b	$ 69.00

Full payment must accompany your request. Make check or money order payable to "Internal Revenue Service."

Caution: *Before signing, make sure all items are complete and the form is dated.*

I declare that I am either the taxpayer whose name is shown on line 1a or 2a, or a person authorized to obtain the tax information requested. I am aware that based upon this form, the IRS will release the tax information requested to any party shown on line 5. The IRS has no control over what that party does with the information.

Please Sign Here

E G Bud Shuster — 03/10/98
Signature. See instructions. If other than taxpayer, attach authorization document. — Date

Title (if line 1a above is a corporation, partnership, estate, or trust)

Spouse's signature — Date

Telephone number of requester
(202) 225-2431

Best time to call
Reg. Business Hrs

TRY A TAX RETURN TRANSCRIPT (see line 8a instructions)

Instructions

Section references are to the Internal Revenue Code.

TIP: If you had your tax form filled in by a paid preparer, check first to see if you can get a copy from the preparer. This may save you both time and money.

Purpose of Form.—Use Form 4506 to get a tax return transcript, verification that you did not file a Federal tax return, Form W-2 information, or a copy of a tax form. Allow 6 weeks after you file a tax form before you request a copy of it or a transcript. For W-2 information, wait 13 months after the end of the year in which the wages were earned. For example, wait until Feb. 1999 to request W-2 information for wages earned in 1997.

Do not use this form to request Forms 1099 or tax account information. See this page for details on how to get these items.

Note: *Form 4506 must be received by the IRS within 60 calendar days after the date you signed and dated the request.*

How Long Will It Take?—You can get a tax return transcript or verification of nonfiling within 7 to 10 workdays after the IRS receives your request. It can take up to 60 calendar days to get a copy of a tax form or W-2 information. To avoid any delay, be sure to furnish all the information asked for on Form 4506.

Forms 1099.—If you need a copy of a Form 1099, contact the payer. If the payer cannot help you, call or visit the IRS to get Form 1099 information.

Tax Account Information.—If you need a statement of your tax account showing any later changes that you or the IRS made to the original return, request tax account information. Tax account information lists

(Continued on back)

certain items from your return, including any later changes.

To request tax account information, write or visit an IRS office or call the IRS at the number listed in your telephone directory.

If you want your tax account information sent to a third party, complete Form 8821, Tax Information Authorization. You may get this form by phone (call 1-800-829-3676) or on the Internet (at http://www.irs.ustreas.gov).

Line 1b.—Enter your employer identification number (EIN) only if you are requesting a copy of a business tax form. Otherwise, enter the first social security number (SSN) shown on the tax form.

Line 2b.—If requesting a copy or transcript of a joint tax form, enter the second SSN shown on the tax form.

***Note:** If you do not complete line 1b and, if applicable, line 2b, there may be a delay in processing your request.*

Line 5.—If you want someone else to receive the tax form or tax return transcript (such as a CPA, an enrolled agent, a scholarship board, or a mortgage lender), enter the name and address of the individual. If we cannot find a record of your tax form, we will notify the third party directly that we cannot fill the request.

Line 7.—Enter the name of the client, student, or applicant if it is different from the name shown on line 1a. For example, the name on line 1a may be the parent of a student applying for financial aid. In this case, you would enter the student's name on line 7 so the scholarship board can associate the tax form or tax return transcript with their file.

Line 8a.—If you want a tax return transcript, check this box. Also, on line 10 enter the tax form number and on line 11 enter the tax period for which you want the transcript.

A tax return transcript is available only for returns in the 1040 series (Form 1040, Form 1040A, 1040EZ, etc.). It shows most line items from the original return, including accompanying forms and schedules. In many cases, a transcript will meet the requirement of any lending institution such as a financial institution, the Department of Education, or the Small Business Administration. It may also be used to verify that you did not claim any itemized deductions for a residence.

***Note:** A tax return transcript does not reflect any changes you or the IRS made to the original return. If you want a statement of your tax account with the changes, see Tax Account Information on page 1.*

Line 8b.—Check this box only if you want proof from the IRS that you did not file a return for the year. Also, on line 11 enter the tax period for which you want verification of nonfiling.

Line 8c.—If you want only Form(s) W-2 information, check this box. Also, on line 10 enter "Form(s) W-2 only" and on line 11 enter the tax period for which you want the information.

You may receive a copy of your actual Form W-2 or a transcript of the information, depending on how your employer filed the form. However, state withholding information is not shown on a transcript. If you have filed your tax return for the year the wages were earned, you can get a copy of the actual Form W-2 by requesting a complete copy of your return and paying the required fee.

Contact your employer if you have lost your current year's Form W-2 or have not received it by the time you are ready to prepare your tax return.

***Note:** If you are requesting information about your spouse's Form W-2, your spouse must sign Form 4506.*

Line 8d.—If you want a certified copy of a tax form for court or administrative proceedings, check the box to the right of line 8d. It will take at least 60 days to process your request.

Line 11.—Enter the year(s) of the tax form or tax return transcript you want. For fiscal-year filers or requests for quarterly tax forms, enter the date the period ended; for example, 3/31/96, 6/30/96, etc. If you need more than four different tax periods, use additional Forms 4506. Tax forms filed 6 or more years ago may not be available for making copies. However, tax account information is generally still available for these periods.

Line 12c.—Write your SSN or EIN and "Form 4506 Request" on your check or money order. If we cannot fill your request, we will refund your payment.

Signature.—Requests for copies of tax forms or tax return transcripts to be sent to a third party must be signed by the person whose name is shown on line 1a or by a person authorized to receive the requested information.

Copies of tax forms or tax return transcripts for a jointly filed return may be furnished to either the husband or the wife. Only one signature is required. However, see the line 8c instructions. Sign Form 4506 exactly as your name appeared on the original tax form. If you changed your name, also sign your current name.

For a corporation, the signature of the president of the corporation, or any principal officer and the secretary, or the principal officer and another officer are generally required. For more details on who may obtain tax information on corporations, partnerships, estates, and trusts, see section 6103.

If you are not the taxpayer shown on line 1a, you must attach your authorization to receive a copy of the requested tax form or tax return transcript. You may attach a copy of the authorization document if the original has already been filed with the IRS. This will generally be a power of attorney (Form 2848), or other authorization, such as Form 8821, or evidence of entitlement (for Title 11 Bankruptcy or Receivership Proceedings). If the taxpayer is deceased, you must send Letters Testamentary or other evidence to establish that you are authorized to act for the taxpayer's estate.

Where To File.—Mail Form 4506 with the correct total payment attached, if required, to the Internal Revenue Service Center for the place where you lived when the requested tax form was filed.

***Note:** You must use a separate form for each service center from which you are requesting a copy of your tax form or tax return transcript.*

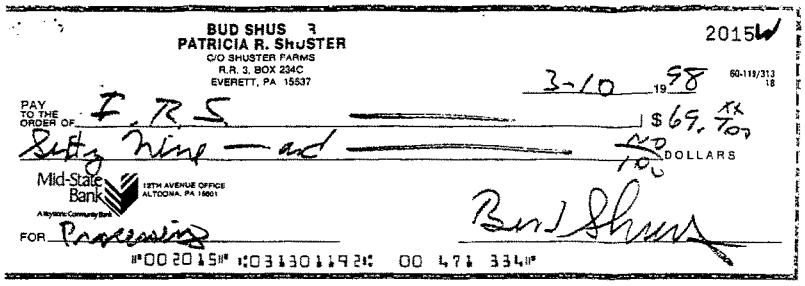
If you lived in:	Use this address:
New Jersey, New York (New York City and counties of Nassau, Rockland, Suffolk, and Westchester)	1040 Waverly Ave. Photocopy Unit Stop 532 Holtsville, NY 11742
New York (all other counties), Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont	310 Lowell St. Photocopy Unit Stop 679 Andover, MA 01810
Florida, Georgia, South Carolina	4800 Buford Hwy. Photocopy Unit Stop 91 Doraville, GA 30362
Indiana, Kentucky, Michigan, Ohio, West Virginia	P.O. Box 145500 Photocopy Unit Stop 82H Cincinnati, OH 45250
Kansas, New Mexico, Oklahoma, Texas	3651 South Interregional Hwy. Photocopy Unit Stop 6716 Austin, TX 73301
Alaska, Arizona, California (counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba), Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	P.O. Box 9941 Photocopy Unit Stop 6734 Ogden, UT 84409
California (all other counties), Hawaii	5045 E. Butler Avenue Photocopy Unit Stop 52150 Fresno, CA 93888
Illinois, Iowa, Minnesota, Missouri, Wisconsin	2306 E. Bannister Road Photocopy Unit Stop 6700, Annex 1 Kansas City, MO 64999
Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee	P.O. Box 30309 Photocopy Unit Stop 46 Memphis, TN 38130
Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, a foreign country, or A.P.O. or F.P.O address	11601 Roosevelt Blvd. Photocopy Unit DP 536 Philadelphia, PA 19255

Privacy Act and Paperwork Reduction Act Notice.—We ask for the information on this form to establish your right to gain access to your tax form or transcript under the Internal Revenue Code, including sections 6103 and 6109. We need it to gain access to your tax form or transcript in our files and properly respond to your request. If you do not furnish the information, we will not be able to fill your request. We may give the information to the Department of Justice or other appropriate law enforcement official, as provided by law.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: Recordkeeping, 13 min.; Learning about the law or the form, 7 min.; Preparing the form, 26 min.; and Copying, assembling, and sending the form to the IRS, 17 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. DO NOT send the form to this address. Instead, see **Where To File** on this page.



BUD SHUS 3
PATRICIA R. SHUSTER
C/O SHUSTER FARMS
R.R. 3, BOX 234C
EVERETT, PA 15537

2015

3-10 1998

60-119/313
18

PAY TO THE ORDER OF I.R.S. $69.xx/100

Sixty Nine — and — 00/100 DOLLARS

Mid-State Bank
12TH AVENUE OFFICE
ALTOONA, PA 16601
A Keystone Community Bank

FOR Processing

Bud Shuster

⑈002015⑈ ⑆031301192⑆ 00 471 334⑈

EXHIBIT 72

JAMES V. HANSEN, UTAH
CHAIRMAN
LAMAR SMITH, TEXAS
JOEL HEFLEY, COLORADO
BOB GOODLATTE, VIRGINIA
JOE ENGLENBERG, MICHIGAN

HOWARD L. BERMAN, CALIFORNIA
RANKING DEMOCRATIC MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA
SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515–6328

March 20, 1998

The Honorable Bud Shuster
U. S. House of Representatives
2188 Rayburn House Office Building
Washington, D.C. 20515

Transmitted Via Facsimile

Re: In the Matter of Representative Bud Shuster

Dear Colleague:

The Investigative Subcommittee and full Committee have considered your request to stay all proceedings in the above-captioned matter, received in this office on March 13, 1998, and deny the request for the reasons given below. We have also considered the issues identified in subsequent correspondence received from your attorneys, dated March 13 and March 19, addressed to Committee counsel.

1. Request for Stay

You indicated that you and/or former members of your staff "are more than witnesses and likely are the focus" of a Grand Jury investigation in the District of Massachusetts that may involve considerable overlap with respect to areas that are the subject of the Subcommittee's investigation. You stated that the continuation of the Subcommittee's investigation at this time will impair your ability to protect your interests before the Boston Grand Jury, and that the production of documents or taking of testimony in this matter will compromise your effective representation in the criminal investigation.

The Committee's obligation and legal authority to pursue an investigation is independent of any other investigation that might be conducted by another branch of the federal government. Although the Committee has the discretion to defer action on a complaint against a Member when it has reason to believe that the same conduct "is being reviewed by appropriate law enforcement or regulatory authorities" or when the Committee otherwise determines that it would be appropriate to have the conduct reviewed by other parties, it is not obligated to defer its action. Committee Rule 16(f).

You cite several precedents of the House in support of your suggestion that granting your request would be consistent with the manner in which the Committee has acted in other similar instances. Although the Committee frequently exercises its discretion to defer its activities where the Respondent has been indicted and a criminal proceeding is ongoing, it is not obligated to defer, and has not commonly done so where a Respondent is the subject of a Grand Jury investigation but has not been indicted. *See, e.g., In The Matter of Representative Barbara-Rose Collins, Summary of Activities, One Hundred Fourth Congress*, H.R. Rept. No. 104-886, 104th Cong., 2d Sess. (1997). On occasion, the Committee has elected to proceed with investigations or hearings even in instances where a criminal trial or appeal is ongoing. *See, e.g., In The Matter of Representative Daniel J. Flood*, H.R. Rept. No. 96-856, 96th Cong., 2d Sess. (1980). In *Flood*, the Committee proceeded with a disciplinary hearing notwithstanding the motion of the Respondent to defer pending completion of his criminal trial. In reaching this decision, the Committee noted that "this Committee will require a strong showing by a respondent to support a motion to defer Committee action on the ground that judicial proceedings are pending." Id. The Committee further noted that "[w]hen this Committee defers its disciplinary activities pending completion of judicial proceedings, Congress's interests may suffer. The Committee is committed to maintaining and improving public confidence in the integrity of the Congress, and believes that its proceedings ought not to be delayed except for compelling reasons." Id. In your case, you have provided no compelling reasons other than a general explanation that you find yourself in the position of "having to deal with parallel proceedings."

You have also cited *In The Matter of Representative Andrew J. Hinshaw*, H.R.Rept. No. 94-1477, 94th Cong., 2d Sess. (1976) to support your request to stay proceedings. In *Hinshaw*, the Respondent was convicted of bribery and an appeal was pending. The House referred a Resolution to Expel to the Committee and the Committee recommended that the resolution not be agreed to. In reaching its decision, the Committee limited its decision to the particular facts before it, and noted that the Member was involved in "an active, nondilitory criminal proceeding." In reaching this result, the Committee stated that it desired "to express clearly, however, that in this case its conclusion is based entirely on the instant set of facts and in no way implies that different circumstances may not call for a different conclusion."

The Committee elected to defer its investigation of Representative Rostenkowski only after it received a formal request from the United States Attorney to do so. *Summary of Activities, One Hundred Third Congress*, H.R. Rept. No. 103-873, 103d Cong., 2d Sess. (1994). Based on the matters discussed with the United States Attorney during a meeting conducted in Executive Session, the Committee concluded that there were compelling reasons to defer its investigation in that instance, though it expressly noted that its decision to defer was entirely voluntary and limited to the narrow facts presented in that case.

Our review of the subpoenas you have received in connection with the Grand Jury investigation confirms that while there are similarities in both investigations, they are not identical. Many of the allegations the Subcommittee is investigating relate exclusively to the Rules of the House, an area that is beyond the jurisdiction of the Department of Justice. Since you have not been indicted, it does not appear that your involvement with the criminal investigation in Boston, and any trial that might result from that investigation, are likely to be resolved soon. The Committee is not willing to delay its investigation under these circumstances and, indeed, would be remiss in its obligations to the House if it did so. Therefore, your request to stay this investigation pending the resolution of the Grand Jury investigation in Boston is hereby denied.

2. Subpoena Directed to You

Your attorneys have raised a number of objections with respect to the subpoena duces tecum directed to you. For example, they suggest that the Fifth Amendment prohibits the compelled production of your "personal papers," including correspondence and documents related to appointments. because the contents of these papers might tend to incriminate you. Letter of 3-12-98 from B. L. Ginsberg and M. L. Berger at 2.

We must reject this suggestion. At the outset, we note that it is doubtful that the Fifth Amendment ever protects the contents of voluntarily created documents, no matter how private. *See* United States v. Doe, 465 U.S. 605, 618 (1984) ("[T]he Fifth Amendment provides absolutely no protection for the contents of private papers of any kind.") (O'Connor, J., concurring); In re Grand Jury Proceedings, 759 F.2d 1418, 1419 (9th Cir. 1985).

The decision in Senate Select Committee on Ethics v. Packwood, 845 F. Supp. 17 (D.D. C. 1994), stay denied, 510 U.S. 1319 (1994), is highly instructive in this regard. In that case Senator Packwood, relying (as have your attorneys) on Boyd v. United States, 116 U.S. 616 (1886), argued that "the Constitution prohibits the compelled disclosure of private papers such as his diaries which contain potentially incriminating entries or statements." 845 F. Supp. at 23. The court, however, concluded that subsequent Supreme Court decisions have largely repudiated Boyd and held that Senator Packwood could not assert a Fifth Amendment right with respect to the contents of his personal

diaries because these documents, though no doubt highly personal and private, were created voluntarily. Id.

Even if the Fifth Amendment did protect the contents of private papers, however, this would be of no moment here. The documents you are withholding are *official* documents, created and maintained at public expense.[2] Numerous rules and regulations establish that such documents must be for the conduct of official and representational duties only, not for personal or private business.[3] As the Supreme Court stated long ago, official documents are not protected by the Fifth Amendment. Wilson v. United States, 221 U.S. 361, 380 (1911) ("Thus, in the case of public records and official documents, made or kept in the administration of public office, the fact of actual possession or lawful custody would not justify the officer in resisting inspection, even though the record was made by himself and would supply the evidence of his criminal dereliction.").

Your attorneys assert that the records in question "belong[]" to you. Letter of 3-13-98 from B. L. Ginsberg and M. R. Berger at 2. While this may be true in a limited sense, it is not dispositive of the nature of the documents for Fifth Amendment purposes. *See* In re Sealed Case (Government Records), 950 F.2d 736, 740 (D.C. Cir. 1991) ("The proper characterization [for Fifth Amendment purposes] turns less on the ownership of

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[2] It may be that some of the documents you are withholding are documents which do not relate to your official capacity, and which were not created, received or maintained by your congressional office. The Committee recognizes that you may be entitled to assert a right to withhold these documents on the ground that the act of producing them (rather than their contents) may tend to incriminate you. To the extent that you wish to assert such a claim of privilege for those documents, the Subcommittee will institute appropriate procedures to consider and rule upon the privilege claim.

[3] By statute and House Rule, franked mail may be used only for official, not personal, purposes. 39 U.S.C. § 3210 et seq.; House Rule 46; *see also* Common Cause v. Bolger, 574 F. Supp. 672 (D.D.C. 1982), aff'd, 461 U.S. 911 (1983) ("The clear purpose of the franking privilege is to facilitate the carrying on of official business.") Similarly, this Committee has made it clear that official resources must be used exclusively for official purposes. *See* HOUSE ETHICS MANUAL, COMM. ON STANDARDS OF OFFICIAL CONDUCT at 213, 102d Cong. 2d Sess. (1992). The Committee on House Oversight has also issued regulations specifying that the Member's Representational Allowance "may only be used to support the conduct of official and representational duties to the district from which elected. The MRA may **not** be used to pay for any personal, political, campaign, or committee expenses." COMM. ON HOUSE OVERSIGHT, MEMBER'S CONGRESSIONAL HANDBOOK (1985) (emphasis in original).

the [document] than on its use.") Whether a document is a government or official record for Fifth Amendment purposes depends on its "nature, purpose and use." Id. at 332. In the present case, where the documents in question were created and/or maintained at taxpayer expense by federal employees in the course of performing official duties, there can be no question that they are government or official records. *See* United States v. Dean, 989 F.2d 1205, 1206 (D.C. Cir. 1993) (appointment calendars, a handwritten "to do" list and a typed document "resembling a diary" created by federal employee in the course of her official duties were government records).

Furthermore, even if a Member's office were most appropriately characterized as his or her personal business, rather than as a government office, the contents of the office's documents would still be entitled to no Fifth Amendment protection. In United States v. Doe, 465 U.S. 605, 610-12 (1984), the Court held that the contents of the records of a sole proprietorship were not protected by the Fifth Amendment, noting that there was no contention that the records were created involuntarily. The Court held that the only Fifth Amendment protection in this situation related to the act of producing, not to the contents of, the documents. Id. at 612-14. Since it cannot be suggested that the records in a Member's congressional office are somehow more personal or private than the records of a sole proprietorship, it is clear that the contents of the documents maintained in your congressional office are not protected.

Your attorneys have also indicated that the act of producing the documents in response to the Committee's subpoena would violate the Fifth Amendment because it would require you to make discretionary judgments regarding various categories of documents described in the subpoena. Letter of 3-12-98 from B. L. Ginsberg and M. R. Berger at 2. We disagree for several reasons. First, as already noted, the documents sought are official records, and therefore not subject to any Fifth Amendment objection, including an objection based upon the act of production. Second, we do not believe that producing documents in response to the subpoena would require you to make the kind of discretionary or subjective judgments that could be considered testimonial and incriminatory in nature. For example, the production of calendars and correspondence reflecting specified data from specific dates can be achieved by an entirely objective review of these documents.

Finally, your objection in this regard is particularly misplaced given that your Administrative Assistant, Timothy Hugo, and your attorneys advised Committee counsel that you had recused yourself from gathering documents responsive to your subpoena and that you had instructed Mr. Hugo to coordinate that effort. During a conversation with Mr. Hugo on February 25, 1998, Committee counsel confirmed that the documents Mr. Hugo and your scheduler, Tracy Mosebey, had identified as responsive to subpoenas served on each of them and on you were being preserved in your office in the Rayburn

House Office Building as of that date.[4] Under these circumstances, it is difficult to see how production of the documents could be construed as a testimonial act by you. Any conceivable problem could be obviated simply by designating, as Committee counsel have already suggested, a member of your staff to act as custodian of the documents and instructing that employee to produce the responsive documents. This is a procedure that courts often compel as a means of avoiding any act of production issue. *See , e.g.*, SEC v. First Jersey Secs., Inc., 843 F.2d 74 (2d Cir. 1988).

3. Subpoenas Directed to Your Congressional Employees

Your attorneys have also raised several objections to the subpoenas duces tecum directed to Mr. Hugo and Ms. Mosebey. First, they have suggested that the subpoenas are somehow improper because they call for the production of documents which are not their personal records, but are official files under your legal control. Letter of 3-12-98 from B. L. Ginsberg & M. R. Berger at 2 n.1; Letter of 3-13-98 from B. L. Ginsberg and M. R. Berger at 2.

However, contrary to the repeated assertions of your attorneys, the Committee has never maintained that the documents sought by the subpoenas are the "personal property" of the employees subpoenaed.[5] Nothing turns on the characterization of these documents as the "personal property" of the employees or you. Like judicial subpoenas, congressional subpoenas compel the production of all documents in the possession, custody or control of the subpoenaed individual, regardless of who owns the documents. *See* Mattie T. v. Johnston, 74 F.R.D. 498, 502 (N.D. Miss. 1976) ("A person seeking access to records through the issuance of a subpoena often has the subpoena served on the individual who has possession of the documents and the court has found no requirement that the subpoena be served on the person who owns the documents.") In United States v. IBM, 71 F.R.D. 88 (S.D.N.Y. 1976), the court held that a corporate officer was required by a subpoena to produce documents which were in his possession,

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[4] During a subsequent conversation with your attorneys on March 4, 1998, Committee counsel advised your attorneys that the Committee expected those documents to be preserved in your congressional office, and that the efforts of any party to remove those documents from your congressional office would raise additional issues that might be far more serious than those identified in the complaint previously filed against you.

[5] Committee counsel have been advised that at least one of the employees has responsive documents which the employee believes may be personal, rather than official, but the employee has nonetheless been instructed to withhold it by your attorneys on the ground that it should be considered official. Because we do not believe that this dispute is material to the Committee's right to obtain all documents responsive to the subpoenas, we see no need to resolve it at this time.

custody or control, even though the documents belonged to the corporation and even though a resolution of the Board of Directors specifically directed the officer not to produce the documents.

The Committee's power to compel the production of documents by the employees is greater than that of a court. House Rule 43 provides that "[a] Member, officer, or employee of the House of Representatives shall adhere to the spirit and the letter of the Rules of the House of Representatives and to the rules of duly constituted committees thereof." For employees to refuse to comply with duly authorized subpoenas of this Committee (or for you to instruct them not to comply) is completely inconsistent with House Rule 43.

The fact of an asserted Fifth Amendment objection does not change this analysis. Courts have repeatedly held that the Fifth Amendment does not prohibit compelled production of documents from an employee or other third party agent, even though the documents belong to and may incriminate the employer. *See, e.g.*, Couch v. United States, 409 U.S. 322, 333-35 (1973) (documents subpoenaed from an accountant); In re Grand Jury Investigation U.S. Attorney Matter No. 89-4-8881-J, 921 F.2d 1184 (11th Cir. 1991) (documents subpoenaed from a legal secretary); In re Grand Jury Subpoena Duces Tecum Dated May 29, 1987, 834 F.2d 1128 (2d Cir. 1987) (documents subpoenaed from administrative assistant).

The only exception to this rule is a very narrow one, which applies only where the employer entrusts documents to an employee for safekeeping only (or, at most, for a very limited purpose). In re Grand Jury Investigation, 921 F.2d at 1187-89. This exception could not possibly apply here. In the first place, the employees in a Member's congressional office are not the Member's personal employees; they are employees of the House who are paid for performing official duties, not personal, duties. See generally HOUSE ETHICS MANUAL, COMM. ON STANDARDS OF OFFICIAL CONDUCT 183; United States v. Diggs, 613 F.2d 988, 997 (D.C. Cir. 1979). As employees of the House, they have independent obligations to comply with House rules and to cooperate with investigations of this Committee. Therefore, no Member has a reasonable expectation that employees will withhold information relevant to this Committee's investigation. *See* Couch, 409 U.S. at 335-36 (noting that taxpayer had no reasonable expectation that accountant would not disclose information as required by law).

Moreover, your attorneys have not asserted, and we see no reason to believe, that documents in the possession, custody or control of Mr. Hugo or Ms. Mosebey were entrusted to them simply for safekeeping. Clearly these employees themselves create, receive or work with many documents that are in their possession, custody and control. (For example, we assume Ms. Mosebey routinely works with documents related to your appointments.) Thus, there could be no conceivable justification for withholding such documents to the extent they are responsive to the subpoena.

The "authority" cited by your attorneys for the contrary position consists of a page from the House Employee Handbook which states that "the Office reserves the right to inspect and search all areas and property in the Office at any time."[6] This presumably is intended to show that the employees do not have exclusive possession or control over the subpoenaed documents. Even if true, this is irrelevant. So long as the employees have sufficient control over the documents to qualify as substitute custodians, it makes no difference that the employer also has access to or control over the documents. *See* In re Grand Jury Investigations, 921 F.2d at 1189 (documents could be subpoenaed from legal secretary even though employing attorney exercised some control over them as well).

Accordingly, we see no merit to the objections with respect to the subpoenas directed to Mr. Hugo and Ms. Mosebey.

4. Mechanics of Production

Your attorneys have indicated that you maintained a personal calendar or calendars reflecting numerous entries that you would like to redact. You assert that many entries in these personal calendars relate to matters of national security, matters protected by the attorney-client privilege, or other matters of a personal nature. We instruct you to produce a copy of each such calendar to the Subcommittee immediately. Although we are not obligated under House precedent to do so, we recognize your assertion of the attorney-client privilege to the extent we will authorize redaction of any entries that reflect the substance of your communications with your attorneys. *Proceedings Against Ralph Bernstein and Joseph Bernstein,* H.R. Rept. No. 99-462, 99th Cong., 2d Sess. at 33 (1986). Entries that reflect the dates and locations of any such meetings, however, may not be redacted. We will not authorize redaction of any entries relating to matters of national security or those of a "personal nature" absent a specific request from you demonstrating compelling reasons to do so for each such entry, and even then we will instruct your attorneys to show an unredacted copy to Committee counsel to verify that their actions in this regard have been consistent with our instructions.

With respect to any other correspondence or other documents that are truly "personal," you must produce such documents unless they are protected by a judicially recognized privilege or legitimate constitutional right. Packwood, supra. Under the Rules of the House, you may not withhold evidence merely on the grounds that it "may tend to

[6] We note that this sentence is completely consistent with our view that the documents are official records (available to the "Office") and thus beyond the scope of any Fifth Amendment protection.

defame, degrade, or incriminate" you. House Rule XI(k)(5). You should provide the Subcommittee with a privilege log reflecting a list of all such documents for which you assert a privilege. This log should include a general description of each document, the identity of the author and the recipient (if applicable), the date it was created, and a description of the general subject matter. For each document, you should demonstrate a *prima facie* basis for asserting an identified privilege. We expect you or your attorneys to submit a completed privilege log to the Committee no later than Friday, March 27.

We would note that we have discussed the constitutional issues you have raised in extensive discussions with the Office of the General Counsel and the legal views expressed by the Committee are consistent with the guidance we have received from that office.

5. Conclusion

We instruct you to produce your personal calendar(s), redacted in accordance with the instructions set forth above, to the Committee offices by 5:00 p.m. on March 27, 1998.[7] We will also expect a comprehensive privilege log for any other responsive documents that you decline to produce. We are confident that we can expect your full cooperation in instructing your attorneys, as well as Ms. Mosebey and Mr. Hugo, to

[7] By use of the term "personal calendar," we are referencing the document or documents described by your attorneys in their meetings with Committee counsel. Your attorneys have advised Committee counsel that you maintain or maintained small "pocket calendars" in which you recorded notes of meetings and other data that might be responsive to the subpoena issued by the Committee. We do not consider the office calendars that were prepared and maintained in your office with the assistance of your staff to be "personal" and expect immediate production of unredacted copies of same. It is our understanding that your staff retrieved at least some of these office calendars from your office archives.

deliver all other documents identified in these subpoenas to the Committee offices immediately. If you do not comply with these instructions, however, we must advise you that the Committee may resolve this matter by offering a Privileged Resolution for consideration by the House of Representatives on or after March 30, 1998.

Sincerely,

James V. Hansen
Chairman

Howard L. Berman
Ranking Democratic Member

JVH/HLB:vhj

cc: Benjamin L. Ginsberg, Esq.
Mitchell R. Berger, Esq.

EXHIBIT 73

Subpoena Duces Tecum

By Authority of the House of Representatives of Congress of the United States of America

---

To: Representative Bud Shuster, U.S. House of Representatives, 2188 Rayburn House Office Building, Washington, D.C. 20515

You are hereby commanded to produce before the Investigative Subcommittee of the Committee on Standards of Official Conduct of the House of Representatives of the United States, of which the Honorable Joel Hefley is chairman, in Suite HT-2 of the Capitol, in the city of Washington, by no later than 5:00 p.m. on February 23, 1998, the things identified on the attached schedule concerning matters of inquiry committed to said Subcommittee.

Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 27 day of January, 1998.

The Honorable James V. Hansen
Chairman
Committee on Standards of Official Conduct

The Honorable Howard Berman
Ranking Minority Member
Committee on Standards of Official Conduct

Attest:

Robin H. Carle
Clerk of the House

Subpoena for Representative Bud Shuster, U.S. House of Representatives, 2188 Rayburn House Office Building, Washington, D.C. 20515, to produce the things identified on the attached schedule before the Investigative Subcommittee of the Committee on Standards of Official Conduct.

Served on Benjamin L. Ginsberg per agreement with Paul Lewis, Committee Counsel, on 1/27/98 @ 4:55 p.m.

Virginia A. Dunn, Counsel
Committee on Standards of Official Conduct
House of Representatives

ATTACHMENT TO SUBPOENA
CUSTODIAN OF RECORDS

DEFINITIONS:

1. As used in this attachment, the term "documents" means all records and other tangible forms of expression in your possession, custody, or control, whether drafts or unfinished versions, originals, copies or annotated copies, however created, produced or stored (manually, mechanically, electronically or otherwise), including but not limited to books, papers, files, notes, reports, correspondence, ledger sheets, telegrams, telexes, telephone logs, notes or records of conversations or meetings, minutes of meetings, contracts, agreements, calendars, datebooks, bank statements, worksheets, summaries, invoices, bills, records of billings, checks, wire transfers, drafts for money, records of payments, magnetic tape, tape recordings, disks, diskettes, and other electronic media, microfilm, microfiche, electronic mail, computer hard drives and any other storage devices.

2. As used in this attachment, "Ann Eppard Associates" means "Ann Eppard Associates, Ltd." and/or all predecessor entities, affiliates, subsidiaries or divisions.

Produce copies of the following:

All records, correspondence, memoranda, papers, and documents for calendar years 1991 to the present, including electronic mail and other computerized records, in the Washington, D.C. or district offices of Rep. Bud Shuster, and in your personal possession, custody or control, pertaining to:

(1) Correspondence or other communication between Maurice Lawruk and/or Lawruk Builders, Inc., and (a) Rep. Bud Shuster, (b) the congressional offices of Rep. Bud Shuster, (c) Robert Shuster, (d) William Shuster, (e) Ann Eppard, (f) the Bud Shuster for Congress

Committee, or (g) the Bob Shuster for Congress Committee from January 1, 1988, to the present.

(2) Records and documents relating to the development and construction of the Penn Alto Hotel, as well as correspondence or other communications between Maurice Lawruk and/or Lawruk Builders, Inc., and (a) Rep. Bud Shuster, (b) the congressional offices of Rep. Bud Shuster, (c) Senator John Heinz, (d) the U.S. Department of Housing and Urban Development, or (e) the U.S. Department of Labor, including but not limited to items related to the Penn Alto Hotel, H.R. 4352 (amendment to the McKinney Homeless Assistance Act), and any other matters concerning Maurice Lawruk and/or Lawruk Builders, Inc., pending before the U.S. Department of Housing and Urban Development and the U.S. Department of Labor.

(3) Records and documents relating to the development and construction of Shuster Chrysler, including the relocation of Shuster Chrysler to East Freedom, Pennsylvania, as well as records, documents, correspondence or other communications between Maurice Lawruk and/or Lawruk Builders, Inc., and (a) the Small Building Administration, (b) William Shuster, (c) Robert Shuster, (d) Rep. Bud Shuster, (e) the congressional offices of Rep. Bud Shuster, or (f) Ann Eppard.

(4) Correspondence, meetings and/or appointments between Rep. Shuster and/or Ann Eppard and (a) Maurice Lawruk or (b) representatives of Lawruk Builders, Inc.;

(5) Correspondence, meetings and/or appointments between Rep. Shuster and (a) Ann Eppard, (b) representatives of Ann Eppard Associates, Ltd., (c) representatives of Federal Express, (d) representatives of Sea-Land Services and the Ocean Common Carriers Coalition, (e) representatives of American Bakers Association, (f) representatives of Conrail, (g) representatives of American Insurance Association, (h) representatives of Frito-Lay, (i) representatives of Amtrak, and (j) representatives of the Outdoor Advertising Association of America from November 9, 1994, to November 10, 1995;

(6) All meetings and/or appointments of Rep. Shuster from January 1, 1995, to the present.

(7) A list of specific dates on which Rep. Shuster sought lodging in the Washington, D.C., metropolitan area from January 1, 1991, to the present, including documentation reflecting the dates Rep. Shuster stayed overnight in the following locations:

(a) any and all personal residences owned by Ann Eppard;

(b) any and all personal residences owned by Rep. Shuster in the Washington, D.C., metropolitan area;

(c) any and all personal residences owned by Rep. Shuster in Pennsylvania;

(d) Rep. Shuster's office in the House Office Building of the U. S. House of Representatives; and

(e) any and all other locations where Rep. Shuster stayed overnight in the Washington, D.C. metropolitan area.

(8) Documents and records reflecting ownership by Rep. Shuster of any and all personal residences in the Washington, D.C., metropolitan area from January 1, 1991, to the present, including those documents and records reflecting dates any such personal residences were occupied by members of Rep. Shuster's family and/or tenants.

(9) Documents and records reflecting proof of payment of rental and/or lodging expenses paid by Rep. Shuster and/or members of his family in the Washington, D.C., metropolitan area from January 1, 1991, to the present.

(10) Federal tax returns and all relevant schedules and attachments thereto for calendar years 1994, 1995, and 1996.

Attachment to Subpoena
Page 4

(11) Personal, official and campaign telephone records from 1991 to the present.

EXHIBIT 74

JAMES V. HANSEN, UTAH
CHAIRMAN
LAMAR SMITH, TEXAS
JOEL HEFLEY, COLORADO
BOB GOODLATTE, VIRGINIA
JOE KNOLLENBERG, MICHIGAN

HOWARD L. BERMAN, CALIFORNIA
RANKING DEMOCRATIC MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA
SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515–6328

February 26, 1998

Benjamin L. Ginsberg, Esq.
Mitchell R. Berger, Esq.
Patton Boggs, L.L.P.
2550 M Street, N.W.
Washington, D.C. 20037

Transmitted by Facsimile

Re: In the Matter of Representative Bud Shuster

Dear Mr. Ginsberg and Mr. Berger:

It has come to our attention that on Thursday, February 19, Mr. Ginsberg advised our staff in a voice message that in the course of gathering documents described in the subpoena issued to Representative Shuster by this Subcommittee, you had contacted employees in Representative Shuster's personal office for reasons of administrative convenience to comply in a coordinated fashion. Two of the employees whom you contacted have received subpoenas in this matter that demanded documents that may have been maintained in your client's congressional offices.

You stated to Committee counsel that these employees would turn over any responsive personal documents on Friday, February 20, and that all documents that came from the office files would be delivered to the Subcommittee on Monday, February 23, pursuant to Representative Shuster's subpoena. On Friday, February 20, Mr. Berger contacted Committee counsel to request a meeting on Monday, February 23.

We understand that notwithstanding your previous agreement with Committee counsel, during your meeting on Monday, February 23, you failed to deliver the documents you described in your telephone message of February 19. You indicated that it came to your attention only on February 19 or February 20 that there may be greater overlap than you previously realized regarding the matters under investigation by this Subcommittee and the U.S. Attorney's Office in Boston. For that reason, you requested an extension of one week (*i.e.*, March 2) to produce the documents described in the subpoena issued to Representative Shuster.

It has subsequently become evident to Committee counsel that you may define "personal documents" in a manner that is inconsistent with the Committee's definition of this term, and that your view may have been conveyed to other individuals who have independent obligations to respond to subpoenas issued by this Committee. We understand that your representation in this matter extends only to Representative Shuster and that you are not representing any other persons in connection with this matter.

Our counsel have advised you during subsequent telephone conversations on February 23 and February 25 that you may be withholding certain documents that the Committee considers "personal" to other witnesses. Our counsel have also endeavored to ascertain the nature of the documents you are withholding in order to clarify this ambiguity but thus far you have declined to provide our counsel with additional information.

The Subcommittee expects you to deliver to the Committee offices all documents described in the subpoena issued to Representative Shuster by no later than 5:00 p.m. on Monday, March 2, 1998. The subcommittee also expects you to turn over to Committee counsel all documents you have obtained from other employees in Representative Shuster's offices at that time.

Sincerely,

Joel Hefley
Chairman
Investigative Subcommittee

Zoe Lofgren
Ranking Democratic Member
Investigative Subcommittee

cc: Rep. Bud Shuster

EXHIBIT 75

JAMES V. HANSEN, UTAH
CHAIRMAN
LAMAR SMITH, TEXAS
JOEL HEFLEY, COLORADO
BOB GOODLATTE, VIRGINIA
JOE KNOLLENBERG, MICHIGAN

HOWARD L. BERMAN, CALIFORNIA
RANKING DEMOCRATIC MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA
SUITE H7-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Washington, DC 20515–6328

March 5, 1998

The Honorable Bud Shuster
U. S. House of Representatives
2188 Rayburn House Office Building
Washington, D.C. 20515

Re: In the Matter of Representative Bud Shuster

Dear Colleague:

We have been advised that at their request, your attorneys Benjamin Ginsberg and Mitchell Berger met with Committee counsel yesterday. During that meeting, your attorneys indicated that you plan to submit a formal request to the Subcommittee to defer its investigation in this matter pending the resolution of a separate matter that is pending in the Boston area.

The Subcommittee anticipates that it will receive a written submission from you no later than Thursday, March 12, 1998, in which you will set forth your reasons for requesting this action in greater detail. In considering your request, we believe it would be helpful to review the subpoenas you have received in connection with the other pending matter. As such, we request that you provide us with copies of those documents as part of your written submission to the Subcommittee.

Your attorneys have raised concerns about producing to the Subcommittee many of the documents identified in the subpoena we served upon you in connection with this investigation. Among the concerns identified by your attorneys is that producing documents to the Subcommittee that have not been produced in the other pending action could raise certain Fifth Amendment issues. The Subcommittee requests that you address those concerns in your written submission next week. However, the Subcommittee expects that by no later than March 12, 1998, you will produce copies of any documents responsive to the subpoena we authorized that have already been submitted to other parties in connection with the matter pending in the Boston area.

It is our understanding that you are unable to provide us with copies of the federal tax returns we identified in the subpoena since you have not retained copies of these documents. We request that you complete and file Form 4506 with the Internal Revenue Service ("I.R.S.") immediately and request copies of your tax returns for calendar years

1994, 1995, and 1996, with all attachments thereto. Please provide us with a signed copy of the completed form(s) you submit to the I.R.S. along with a written certification reflecting the date upon which you submitted the form(s) to the I.R.S.

Please contact Committee counsel Virginia Johnson or Paul Lewis at (202) 225-7103 if you have any questions regarding this matter.

Sincerely,

Joel Hefley
Chairman
Investigative Subcommittee

Zoe Lofgren
Ranking Democratic Member
Investigative Subcommittee

cc: Benjamin L. Ginsberg, Esq.
Mitchell R. Berger, Esq.

EXHIBIT 76

JAMES V. HANSEN, UTAH
CHAIRMAN
LAMAR SMITH, TEXAS
JOEL HEFLEY, COLORADO
BOB GOODLATTE, VIRGINIA
JOE KNOLLENBERG, MICHIGAN

HOWARD L. BERMAN, California
RANKING DEMOCRATIC MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA
SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515–6328

March 12, 1998

Benjamin L. Ginsberg, Esq.
Patton Boggs, L.L.P.
2550 M Street, N.W.
Washington, D.C. 20037

Transmitted by Facsimile

Re: In the Matter of Representative Bud Shuster

Dear Ben:

This will confirm that I received the voice mail message you left last night requesting an extension of the March 12 due date specified in the Subcommittee's letter to Representative Shuster of March 5. As I indicated in my voice mail message to you last night, your client has been granted an extension until 9:00 a.m. on Friday, March 13, 1998. Please deliver all documents described in the Subcommittee's letter of March 5 to Suite HT-2 in the U.S. Capitol at that time.

Sincerely,

Virginia H. Johnson
Counsel

JAMES V. HANSEN, UTAH
CHAIRMAN
LAMAR SMITH, TEXAS
JOEL HEFLEY, COLORADO
BOB GOODLATTE, VIRGINIA
JOE KNOLLENBERG, MICHIGAN

HOWARD L. BERMAN, CALIFORNIA
RANKING DEMOCRATIC MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA
SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Washington, DC 20515–6328

March 13, 1998

Benjamin L. Ginsberg, Esq.
Mitchell R. Berger, Esq.
Patton Boggs, L.L.P.
2550 M Street, N.W.
Washington, D.C. 20037

Transmitted by Facsimile

Re: In the Matter of Representative Bud Shuster

Dear Mr. Ginsberg and Mr. Berger:

The Subcommittee hereby acknowledges receipt of the submission you delivered this morning on behalf of Representative Shuster.

This is to advise you that your client has not fully complied with the terms of the subpoena served on him by the Subcommittee. On numerous occasions as you discussed this issue with Paul Lewis and myself, you indicated that many documents specified in the Subcommittee's subpoena to Representative Shuster, including his appointment book and calendars, had been produced to the United States Attorney in connection with the Boston matter, although you did indicate that they may have been sanitized. We have repeatedly asked you to clarify how those documents were sanitized. It was our clear understanding that those documents and others, including but not limited to Representative Shuster's telephone records and official correspondence, would be produced today.

While we acknowledge Representative Shuster's assertion of certain constitutional privileges as set forth in your submission, the Subcommittee intends to enforce compliance with all subpoenas it has issued in connection with this matter.

Sincerely,

Virginia H. Johnson
Counsel

PATTON BOGGS, L.L.P.
2550 M STREET, N.W.
WASHINGTON, D.C. 20037-1350
(202) 457-6000
FACSIMILE (202) 457-6315

WRITER'S DIRECT DIAL
(202) 457-6405
(202) 457-5601

March 13, 1998

BY FACSIMILE

Virginia H. Johnson, Esq.
Counsel
Committee on Standards of Official Conduct
U.S. House of Representatives
Suite HT-2
The Capitol
Washington, DC 20515-6328

Re: In the Matter of Representative Bud Shuster

Dear Ms. Johnson:

We are responding to your letter to us of earlier today, and want also to comment on the letters from Mr. Hefley and Ms. Lofgren delivered today to Mr. Tim Hugo and Ms. Tracy Mosebey of Representative Shuster's staff. We have also discussed these matters with you today by telephone.

Both your letter to us and the Members' letters to Mr. Hugo and Ms. Mosebey appear to emanate from a misunderstanding concerning the scope of documents produced to you on behalf of Mr. Shuster with our submission dated March 12, 1998, which was filed with the Committee this morning at 8:20 a.m.

Our understanding of the agreement previously communicated by you and Mr. Paul Lewis, as confirmed in the third paragraph of Mr. Hefley and Ms. Lofgren's March 5, 1998 letter to Mr. Shuster, was that Mr. Shuster was to deliver by March 12, 1998 (subsequently extended to 9:00 a.m. on March 13, 1998) "copies of any documents responsive to the [Committee's] subpoena . . . that have already been submitted to other parties in connection with the matter pending in the Boston area." On behalf of Mr. Shuster, we fully complied with that directive. As our letter of March 12, 1998 clearly stated, document production in response to grand jury subpoenas is ongoing and we are in a position to produce to the Committee only those documents that to date have been produced to the grand jury, to the extent that they are also responsive to the Committee's subpoena. After receiving your letter of this morning, we

confirmed with Mr. Shuster's counsel in the Boston grand jury matter that no telephone records have yet been produced to the Boston grand jury. Additionally, redacted appointment books and/or records have been produced to the grand jury only for periods of time before January 1, 1995. Those records, thus, are not within the scope of paragraph 6 of the Committee's subpoena calling for records of meetings and/or appointments of Representative Shuster from January 1, 1995 to the present. Rather, appointment books and the like relating to post-January 1, 1995 meetings and appointments of Representative Shuster are still in the process of review and redaction for submission to the grand jury by Mr. Shuster's Boston counsel. Consistent with the representation made in our letter to the Investigative Subcommittee dated yesterday, when such responsive records are submitted to the grand jury, they will in turn be produced to the Investigative Subcommittee. Consequently, the statement in your letter to us of earlier today that Mr. Shuster has not fully complied with the terms of the subpoena served on him by the Subcommittee, as modified by the Subcommittee's March 5, 1998 letter, is incorrect.

We assume that this misunderstanding over Mr. Shuster's full compliance with the Investigative Subcommittee's subpoena also prompted the unfortunate letters to Mr. Hugo and Ms. Mosebey from the Investigative Subcommittee of earlier today, demanding compliance with subpoenas issued to them by 5:00 p.m. today. Consequently, now that this misunderstanding has been corrected, we believe it would be appropriate for the Investigative Subcommittee to rescind those letters, at least until after a decision on Mr. Shuster's request for a stay of these proceedings. If there was some other motivation behind those letters, then we must reiterate what we stated in our letter of yesterday (at page 2) that subpoenas issued to Mr. Shuster's staff for documents relating to their official functions are effectively subpoenas to Mr. Shuster himself, given that House staff members do not maintain their official files on their own behalf, but rather on behalf of the Member. We would be surprised if, contrary to the authority we cited in our letter, the Investigative Subcommittee believes that the official files maintained by Mr. Shuster's staff are the staff's own personal records rather than records belonging to Mr. Shuster. If so, however, then Mr. Shuster is committed to finding, in cooperation with the Subcommittee, a mechanism by which that legal issue can be resolved by competent authority without first having to place either himself or his staff in non-compliance with the subpoenas, and without Mr. Shuster having to risk an unnecessary confrontation with the Investigative Subcommittee by directing his staffers not to produce official files without his consent. We understand that you may want to discuss aspects of this proposal with counsel representing Mr. Hugo and Ms. Mosebey. As we discussed this afternoon, we understand that Mr. Hugo and Ms. Mosebey are hoping to retain counsel to discuss this issue with you so that they do not place themselves in non-compliance with the Subcommittee's subpoenas to them.

Given Mr. Shuster's efforts to comply fully with the Subcommittee's directives while still preserving his position in the midst of conflicting demands placed on him by the overlapping

nature of the proceedings in which he is involved, we believe it is unfortunate that there has been an apparent misunderstanding that could have been avoided through communications between us before letters were written.

As always, we are interested in keeping open lines of communication to avoid any further misunderstanding on these matters, and we hope in the future to be able to achieve that goal.

Very truly yours,

Benjamin L. Ginsberg
Mitchell R. Berger

BGC/jst

cc: The Honorable Joel Hefley
The Honorable Zoe Lofgren
The Honorable Bud Shuster

317090

JAMES V. HANSEN, UTAH
CHAIRMAN
LAMAR SMITH, TEXAS
JOEL HEFLEY, COLORADO
BOB GOODLATTE, VIRGINIA
JOE KNOLLENBERG, MICHIGAN

HOWARD L. BERMAN, CALIFORNIA
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CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA
SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Washington, DC 20515-6328

March 13, 1998

Benjamin L. Ginsberg, Esq.
Mitchell R. Berger, Esq.
Patton Boggs, L.L.P.
2550 M Street, N.W.
Washington, D.C. 20037

Transmitted by Facsimile

Re: In the Matter of Representative Bud Shuster

Dear Mr. Ginsberg and Mr. Berger:

This will confirm that I have received the letter you sent me following our telephone conversation earlier today. Based on our previous conversations, it was our clear understanding that portions of Representative Shuster's calendars and other documents identified in the Subcommittee's subpoena had been produced to the grand jury in Boston. You have clarified in our conversation today and in your letter that these documents have not, in fact, been produced to the grand jury to date but that you will forward them to the Subcommittee after they have been produced in connection with the other matter. Thank you for clarifying this matter.

Based on the foregoing, it would appear that your client has complied with the terms of the Subcommittee's letter of March 5, 1998. As I indicated in our conversation, we have forwarded your client's submission to the Subcommittee for its consideration.

Sincerely,

Virginia H. Johnson
Counsel

EXHIBIT 77

BUD SHUSTER
9TH DISTRICT, PENNSYLVANIA

Congress of the United States
House of Representatives

March 27, 1998

The Honorable James V. Hansen
Chairman
Committee on Standards of Official Conduct
United States House of Representatives
Washington, D.C. 20515

The Honorable Howard Berman
Ranking Minority Member
Committee on Standards of Official Conduct
United States House of Representatives
Washington, D.C. 20515

Re: In the Matter Regarding Representative Bud Shuster - Response to subpoenas.

Dear Sirs:

In compliance with Committee Rule 18(b), I have reviewed the enclosed response prepared by counsel and I agree with the factual assertions made therein.

Sincerely,

Bud Shuster
Member of Congress

WASHINGTON OFFICE:
2188 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-3809
PHONE: (202) 225-2431

DISTRICT OFFICE:
RD 2, BOX 711
ALTOONA, PA 16601
PHONE: (814) 946-1653

DISTRICT OFFICE:
178 E. QUEEN ST.
CHAMBERSBURG, PA 17201
PHONE: (717) 264-8308

DISTRICT OFFICE:
1214 OLDTOWN ROAD, SUITE #4
CLEARFIELD, PA 16830
PHONE: (814) 765-9106

PATTON BOGGS, L.L.P.
2550 M STREET, N.W.
WASHINGTON, D.C. 20037-1350
FACSIMILE (202) 457-6315

WRITER'S DIRECT DIAL
(202) 457-6405
(202) 457-5601

March 27, 1998

The Honorable James V. Hansen, Chairman
The Honorable Howard L. Berman, Ranking Democratic Member
Committee on Standards of Official Conduct
U.S. House of Representatives
Suite HT-2
The Capitol
Washington, D.C. 20515-6328

Re: In the Matter of Representative Bud Shuster

Gentlemen:

As counsel in this matter for Representative Shuster, we have reviewed with him your letter dated March 20, 1998 ("the Committee Letter") and he has asked us to provide this response.

Mr. Shuster is disappointed that his request for a stay of this matter pending resolution of the grand jury proceedings was not granted. The Committee has consequently forced him into the dilemma of choosing between either protecting his rights as regards the grand jury investigation, or providing evidence responsive to this Committee's requests that could end up in the hands of the grand jury or impair his privileges before the grand jury. A stay of these proceedings would not have forced Mr. Shuster to make such a Hobson's choice since a stay would have allowed him to comply fully with the Committee's requests for information once the grand jury proceedings had been resolved.

As a senior Member of the House who deeply respects the rights and prerogatives of the institution, however, Mr. Shuster wishes no confrontation with the Committee. As such, Mr. Shuster intends to comply as fully as he can with the Committee's subpoenas and its subsequent, although sometimes conflicting, directives for production of documents. Accompanying this letter therefore are copies of the remaining documents in his possession (not previously produced with our letter of March 12, 1998) that respond to categories 1-5, 6 (except for portions of some of Mr. Shuster's personal pocket calendars, discussed below) and 7-11 of the Committee's January 27, 1998 subpoena to Mr. Shuster. These documents are labeled EGS

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000308 - 001347 for identification. Additionally, because Mr. Shuster believes that -- just like every other Member of the House -- he has legal "control" over the files maintained by staff in his offices, he is also producing copies of documents responsive to separate Committee subpoenas served upon his Chief of Staff, Timothy Hugo, and his scheduler, Tracy Mosebey, as well as copies of documents that were compiled by these two individuals as possibly responsive to Mr. Shuster's subpoena. These documents, compiled by either Mr. Hugo or Ms. Mosebey, are labeled for identification EGS-H 000001 - 000011, and EGS-M 000001 - 001651, respectively.

While Mr. Shuster is complying with the Committee's request, there should be no question that the grand jury sees substantial areas of overlap between its investigation and the Committee investigation. *E.g.*, Roll Call, March 26, 1998, p. 1 (copy attached as Tab A). The grand jury has subpoenaed both this Committee and Mr. Shuster, and is apparently undeterred by the fact that some matters are exclusively within the Committee's, and the House's, jurisdiction.

The Committee Letter (at pages 1-3) acknowledges that the Committee had the discretion to stay these proceedings, and that a stay would have been consistent with House precedents. Similarly, Federal courts have recognized that a party facing potential criminal allegations should not be forced, by the denial of a stay of proceedings, to choose between his Fifth Amendment right not to give evidence that others could seek to use against him, and his Fifth Amendment right to due process in the form of a full and fair hearing in parallel civil proceedings. *Wehling v. CBS*, 608 F.2d 1084, 1087-1089 (5th Cir. 1979). But the denial of a stay forces just such a choice on Mr. Shuster.

Mr. Shuster has asked us to reiterate to you that he respects both the independent obligations and authority of the House and of this Committee to pursue its investigation. He believes, however, that unduly narrow consideration has been given to his own constitutional rights of due process and testimonial privilege. For example, the Committee's Letter (at pages 9-10) suggests that the Rules of the House -- particularly House Rule XI(k)(5) -- dilute his constitutional testimonial privilege. This must be a miscommunication because House Rule XI(k)(5) says no such thing. That Rule, of course, deals only with whether potentially incriminating evidence given at any investigatory hearing held by any House committee should be received in open or executive session. And, Congress would not have established its own authority in 18 U.S.C. § 6002 to grant testimonial immunity to witnesses in House proceedings if Congress did not fully respect and recognize the reach of the Fifth Amendment. Mr. Shuster not unreasonably asked that due consideration be given to his constitutional rights by allowing him to postpone evidentiary proceedings in this matter until the grand jury proceedings are over.

With his request for a stay denied, Mr. Shuster wishes with this letter to make a clear record, not susceptible of miscommunication or mischaracterization, about how he must now deal with the situation in which he finds himself.

Contrary to the apparent misunderstanding recorded in the Committee Letter (at page 6 note 5), Mr. Shuster never has instructed members of his staff not to comply with Committee subpoenas. Rather, Mr. Shuster always has understood that files maintained in his office are generated in connection with his responsibilities as a Member of the House. Consequently, his position always has been that he has legal "control" of all such files, meaning that he must produce responsive records from all such files when a subpoena is directed at him. He has never tried to evade his responsibility to produce office records by claiming that his staff, not he, holds those files. Instead, he has always stated that separate subpoenas to his staff for his office files are unnecessary because he recognizes that office files are under his control.[1]

Mr. Shuster's position in that regard apparently was misunderstood. All that Mr. Shuster ever requested was that document production from his offices' files -- whether in response to the subpoena to him, or in response to the subpoenas to his staff -- be held in abeyance until after the Committee decided on his request for a stay. Unfortunately, the misunderstanding of his request resulted in a completely needless confrontation between Committee counsel and Mr. Shuster's staff. That confrontation caused his staff sufficient concern that they now have had to engage counsel on their behalf and are following the advice of their counsel. Because Mr. Shuster is producing with this letter all documents responsive to the subpoenas to his staff, however, Committee counsel can abandon this confrontation.[2]

The incident involving the subpoenas to Mr. Shuster's staff exemplifies the climate of misunderstanding that has been an unfortunate feature of these proceedings over the last month or so.[3] These misunderstandings have resulted in our letters to the Committee and the Committee's responses being ships passing in the night. For example, Mr. Shuster did not raise "a number of objections" to the Committee subpoena as the Committee Letter (at page 3) states. To the contrary, the thrust of our March 12, 1998 letter was that Mr. Shuster wanted to avoid being put in the position of having to decide whether to raise any Fifth Amendment objections to

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[1] Directing a staff member to search the files in a Member's office for responsive documents does not, and cannot, waive that Member's control of the files. Rather, it confirms such control.

[2] Mr. Shuster's staff, if consistent with the advice of their counsel, can proceed to make what would be duplicative production of those same documents in response to the subpoenas to them, if the Committee wishes.

[3] Another example relates to the misunderstanding of our communication with the House's Office of General Counsel, to which we responded with Mr. Berger's letter of March 24, 1998.

the Committee subpoena. We cited to Fifth Amendment judicial precedent only to illustrate the "significant constitutional concerns for Mr. Shuster" that compliance with the Committee subpoena could raise, if a stay was denied. *(See* our letter of March 12, 1998 at page 2). We sought to avoid any necessity to thrash out such Fifth Amendment issues by having the Committee stay compliance with its subpoenas until closure of the grand jury proceedings would clarify whether there was any reason to raise a constitutional privilege. (*See* our letter of March 12, 1998 at pages 3-4). For unknown reasons, this effort to find a middle ground -- between assertion of privilege on the one hand, and abandonment of Mr. Shuster's potential privilege claims on the other hand -- was translated into a series of strawman "objections" that the Committee Letter sets up and then knocks down.

Similarly, when Mr. Shuster asked that document production by his staff be held in abeyance pending a decision on his stay request, this was mistranslated into some effort to instruct his staff not to comply. Due to these mischaracterizations, the vast majority of the law analyzed in the Committee Letter is irrelevant because it seeks to refute positions that Mr. Shuster never asserted.

After we first advised Committee counsel that we would request a stay of these proceedings, Mr. Shuster received a March 5, 1998 letter from the Members of the Investigative Subcommittee providing him with detailed direction on further steps he would need to take to remain in compliance with the Committee subpoena. With our letter dated March 12, 1998, Mr. Shuster sought to comply in full with those directions. Almost immediately, on March 13, 1998 Committee counsel responded with a letter charging that Mr. Shuster had "not fully complied" with the Subcommittee's directions. We responded that same day with a detailed letter to Committee counsel that explained why the charge of non-compliance was unfounded. We then received a grudging acknowledgment from Committee counsel that Mr. Shuster, after all, was fully in compliance with the Investigative Subcommittee directives. We do not know why these misunderstandings occurred, but as that incident reveals, such misunderstandings led to unneeded saber rattling.

As noted above, the only open item now regarding the Committee subpoena is the request for Mr. Shuster's personal pocket calendars for the years 1995 and after. This letter produces to the Committee all other documents in his possession or in his office's files that relate to Mr. Shuster's meetings or appointments from 1995 forward (responsive to ¶6 of the Committee subpoena). These documents include his office calendar and scheduling records. Mr. Shuster's personal pocket calendars have a different status, as the Committee Letter (at pages 8-9) recognizes. We had initially understood from the Investigative Subcommittee's letter of March 5, 1998 that it would be sufficient to submit copies of those personal pocket calendars in the

same form, with redactions, that they had been submitted to the grand jury in Boston. Accompanying this letter, therefore, in further response to ¶6 of the Committee subpoena, is a copy of Mr. Shuster's personal pocket calendars for the years 1995 and 1996 in the redacted form that they were provided to the grand jury in Boston. To the extent that the Committee Letter now requires submission of an unredacted or a less redacted version of those personal pocket calendars, there are at least two issues that we need to bring to the Committee's attention and request further consideration.

The first issue is set out in more detail in an accompanying letter dated March 24, 1998 to us from Mr. Shuster's counsel in the Boston grand jury proceedings. (See Tab B). That letter explains the background of the court order that permitted the redaction of Mr. Shuster's personal pocket calendars before they were submitted to the grand jury. It further explains that, if a less redacted version of those personal pocket calendars is furnished to this Committee, then it is highly likely that the grand jury would seek to obtain that less redacted version through subpoenas either to Mr. Shuster or to this Committee. This would create a situation where the grand jury could try to obtain in a back door fashion, from Mr. Shuster or from the Committee, material that was expressly exempted from the scope of the grand jury's original subpoenas to Mr. Shuster. The risk of such a back door effort to obtain the redacted portions of Mr. Shuster's personal pocket calendars is very real. Already, the grand jury has subpoenaed Mr. Shuster for records relating to certain of his communications with the Committee, and the grand jury has also served a subpoena of undetermined scope on this Committee itself.

The second and related issue is that, by a sealed order dated July 9, 1997 entered by the court in the Boston grand jury proceedings, Mr. Shuster has a grant of immunity for his act of producing grand jury-subpoenaed records. The benefit of that immunity would be eliminated, however, if the grand jury could obtain documents from this Committee that it cannot obtain directly from Mr. Shuster. Specifically, the grand jury would thereby obtain an unimmunized authentication of Mr. Shuster's documents -- a testimonial act -- that the court's order intended to immunize.

Because of these concerns, Mr. Shuster requests that the Committee accept his personal pocket calendars redacted to the same extent that they are redacted for submission to the grand jury.[4] Moreover, as the Committee Letter anticipates (at page 4 note 2), and to be consistent

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[4] We also respectfully submit that Committee counsel should under no circumstances be entitled to view the redactions. *See* Committee Letter at page 8. Under Committee Rule 24(n), the burden of proof in any adjudicatory proceeding would rest on Committee counsel, *i.e.*, they serve as prosecuting counsel. Once adverse counsel have seen material properly redacted from Mr. Shuster's documents, it is impossible to "unring the bell" and dispel the knowledge of those redactions as they pursue their investigation.

with the grand jury proceedings, we request that this Committee provide Mr. Shuster with act of production immunity for his document production in response to the Committee subpoena that is coextensive with the immunity that exists for his act of production of documents to the Boston grand jury.

To the extent that the Committee has any concerns or questions about Mr. Shuster's position, we request an opportunity to discuss those points with the Committee, the Investigative Subcommittee and/or Committee counsel before any effort is made to pursue any Privileged Resolution for consideration by the House as suggested in the Committee Letter.

Respectfully submitted,

Benjamin L. Ginsberg
Mitchell R. Berger

BLB/MRB/aod

Enclosures

320211

ROLL CALL
THE NEWSPAPER OF CAPITOL HILL SINCE
VOL. 43, NO. 68 THURSDAY, MARCH 26, 1998

Ethics Resists Shuster Subpoena

By Damon Chappie

The House ethics committee is battling a subpoena issued by a Massachusetts grand jury investigating the activities of House Transportation and Infrastructure Chairman Bud Shuster (R-Pa), sources said.

The subpoena for documents held by the ethics committee came earlier this month and was another indication that the long-running probe by federal prosecutors into allegations of corruption by Shuster and several of his close associates has intensified. The Shuster investigation stems from a wide ranging probe of corruption associated with the $10 billion "Big Dig" tunnel construction project in Boston.

The FBI, US Attorney's Office, and the Internal Revenue Service in Boston have been investigating possible violations of gratuities, tax, and campaign finance laws in connec-

Continued on page 32



Photos by Maureen Keating

House Transportation Chairman Bud Shuster, subject of an ethics probe.

Dems Blast C Over Expansion Of Clinton Probe

By Jim VandeHei

Charging that Congressional Republicans have already spent at least $11 million investigating President Clinton and his allies, House Democratic leaders are fuming over the GOP's plans to expand a possible impeachment probe beyond charges of perjury and obstruction of justice.

"I have never heard of this kind of coordinated campaign to undermine the President," said Rep. Steny Hoyer (D-Md), who reacted angrily to Roll Call's report that Republicans plan to add a database of evidence from at least seven Congressional investigations to their impeachment probe (Roll Call, March 23).

"This is the greatest assault ever on a President, even [Richard] Nixon," said Hoyer. "Republicans are trying to embarrass, investigate, and undermine [Clinton]...for totally partisan purposes."

Starting with a floor speech Tuesday night by Judiciary ranking member John Conyers (Mich), House

Continued on page 32

Disabled Ex-Senate Postmaster Sues After Firing

By Amy Keller

Former Senate Postmaster Janet gender, disability, and request for medical leave."

and Medical Leave Act when he dis-

replaced in the $85,000-per-year

"endured great mental suffering" as

House Ethics Blocks Shuster Subpoena

Continued from page 1

tion with Shuster and his associates. Earlier this month, the Massachusetts grand jury indicted on charges of tax evasion a longtime Shuster friend, Vern Clark, who has lobbied for many years on behalf of the billboard industry, which has generated a large portion of Shuster's campaign funds since he was elected in 1972.

The Boston prosecutors have subpoenaed files from the Transportation Committee and House administrative offices as well as records kept by Shuster's campaign consultant and retail stores where his campaign reported large expenses for liquor and meals.

Shuster is also the subject of a probe by an investigative subcommittee of the ethics committee looking into the complex ties between Shuster and transportation lobbyist Ann Eppard. Shuster has acknowledged that he often stayed at Eppard's pricey waterfront townhouse after she became a lobbyist in 1994.

"No prosecutor or anybody else has ever gotten ahold of our documents pursuant to a subpoena," said Ted Van Der Meid, the chief counsel for the Committee on Standards of Official Conduct. "The committee has never handed over a document subject to a subpoena."

The House general counsel's office, which will resist the subpoena in court, will argue that the documents are protected under the Constitution's speech or debate clause as well as the theory of separation of powers because the Constitution provides for each chamber of Congress to discipline its own members.

"What we do is not discoverable from another agency," Van Der Meid said.

But while the ethics committee has historically resisted Justice Department subpoenas, that trend was broken last year when the House refused to fight a subpoena issued to James Cole, the former outside ethics committee counsel hired to investigate House Speaker Newt Gingrich (R-Ga).

Cole was subpoenaed to testify before a grand jury in the investigation of the alleged leak of a cellular phone conversation between Gingrich, his lawyer, and other Republicans that captured a strategy session in the aftermath of a negotiated agreement for the Speaker to admit that he misled the committee. Republicans have accused Rep. Jim McDermott (D-Wash) of leaking the tape to Roll Call, the Atlanta Journal-Constitution, and the New York Times.

In the cellular phone case, Van Der Meid turned over the tape to the Justice Department without a subpoena even being issued, and Republicans have said that the privileges of speech or debate should not be used to prevent criminal prosecutions in the McDermott case.

The ethics committee was also directed by the full House to provide documents it collected as part of its investigation of Gingrich to the Internal Revenue Service. The House also provided documents to the Justice Department in the bank scandal earlier this decade.

Stanley Brand, the former House general counsel under a Democratic majority, argued that the committee should resist the subpoena. "I believe that the committee and its deliberations — the evidence it seeks, the dispositions it makes — is all protected under the speech and debate clause. And I asserted that many times when US attorneys sought material from that committee."

Brand was critical of the decision not to resist Cole's subpoena, and he predicted that it would come back to haunt the ethics panel. "It shows they are not always consistent. It embarrasses them politically," he said.

Van Der Meid also said that the ethics panel has to move to quash subpoenas "because if we didn't do that, no one would ever cooperate with us if they assume that whatever they testify to would be handed over to a grand jury."

But the decision to fight the subpoena also comes amid the aggressive use of subpoenas by independent counsel Kenneth Starr in his probe of the Clinton Administration, and those moves have been cheered by many Republicans. In a larger context, though, the move comes as the courts continue to whittle away many of the privileges and defenses that once protected public officials and have eroded the primacy of the Congressional ethics process.

Boston prosecutors may try to rely on a 1994 decision by a panel of the US Court of Appeals for the First Circuit involving former Rep. Charlie Rose (D-NC), who was prosecuted based on testimony he gave to the ethics panel.

With backing from the House leadership, Rose had claimed that he was improperly being prosecuted for his 1987 testimony before the House ethics committee about his failure to disclose $138,000 in loans. He claimed that use of the ethics testimony by prosecutors was improper under the speech or debate clause, which prohibits prosecution of Members for official acts.

The appeals court upheld the district court rejection of this defense, citing several cases in which the Supreme Court has held that speech or debate clause immunity extends only to acts that are "legislative in nature" or related directly to "the legislative process."

Rose's testimony "was not addressed to a pending bill or to any other legislative matter; it was, instead, the Congressman's defense of his handling of various personal financial transactions," wrote Judge James Buckley for himself and Judges Raymond Randolph and Levin Campbell. "In short, Congressman Rose was acting as a witness to facts relevant to a congressional investigation of his private conduct; he was not acting in a legislative capacity."

Buckley also noted that the act of filing a financial disclosure form has been found in other cases not to be a legislative act protected under the speech or debate clause. "It is but a short step from those rulings to hold that testimony by a Member of Congress about the filing of a financial disclosure report under the Ethics Act is not protected," the court said.

Senate Governmental Affairs Chairman Fred Thompson (R-Tenn), Hoyer said. Thompson's year-long probe of campaign finance illegalities in 1996 cost more than $3 million.

But Gingrich believes several pieces of Burton's probe can be woven into an impeachment investigation, GOP sources said, and Burton most likely will get a spot on the Republican team that will review Starr's findings.

Burton, who asked Gingrich for $2.5 million a few months ago, wants to amalgamate his investigation of campaign finance law violations with the impeachment probe, the sources added.

Burton has argued privately that his investigators, led by David Bossie, could beef up their massive database of Clinton scandal items and step up their probe of Clinton's fundraising transgressions so the material could be used for an impeachment investigation, the sources added.

Democrats charge that the reserve fund — which was created in spring of 1997 by House Oversight to bankroll "unanticipated expenses of committees" — has been used by GOP leaders to finance partisan investigations from the get-go.

Rep. Peter Hoekstra (R-Mich), chairman of the Education subcommittee on oversight and investigations, was the first Republican to dip into the fund, netting $1.4 million last spring to ostensibly investigate labor laws and practices in the workplace.

At the time, however, several GOP leadership sources admitted that Hoekstra would use the investigation to examine ways to punish the AFL-CIO and other labor unions that teamed with Democrats in 1996 to beat up on GOP candidates.

Eventually, Hoekstra used some of that $1.4 million to hire staff for his Teamsters investigation.

"It's hard to know" what they are doing with that money, said one Democrat, because "it looks like they are commingling the funds" with other investigations on the committee. GOP sources confirmed that some of that money has been steered to Hoekstra's probe of the invalidated Teamsters election in 1996.

ECKERT SEAMANS CHERIN & MELLOTT, LLC
ATTORNEYS AT LAW

One International Place 18th Floor
Boston, MA 02110
Telephone 617/342-6800
Facsimile 617/342-6899

March 24, 1998

VIA FEDERAL EXPRESS

Benjamin L. Ginsberg, Esq.
Mitchell R. Berger, Esq.
PATTON BOGGS, L.L.P.
2550 M Street, N.W.
Washington, DC 20037

Re: In the Matter of Representative Bud Shuster

Gentlemen:

As you know, I am counsel to Representative Shuster in connection with Federal grand jury proceedings ongoing in the District of Massachusetts. In that connection, I have reviewed a copy of the March 20, 1998 letter to Representative Shuster from the House Committee on Standards of Official Conduct. I am writing to provide you with information that relates to the Committee's request for copies of Mr. Shuster's personal appointment calendars for years 1995 forward, which also are responsive to a subpoena to Mr. Shuster issued by the grand jury in Boston.

On December 30, 1997 in a closed proceeding, the transcript of which is sealed, Chief Judge Tauro of the United States District Court in Boston authorized the redaction of both personal and national security information from Mr. Shuster's personal appointment calendars before they were submitted to the grand jury. By "personal" information, Chief Judge Tauro explained that he meant information relating to the subject matter of meetings, and information containing reflections that went to Mr. Shuster's state of mind. Chief Judge Tauro's order resulted in the quashing of the grand jury subpoena dated November 25, 1997 and the issuance in its place of the grand jury subpoena dated January 5, 1998. I understand that you have provided the Committee on Standards with a copy of both such subpoenas. On behalf of Mr. Shuster, we have been actively engaged in the redaction of his personal appointment calendars responsive to those subpoenas and have been producing them on a rolling basis to the grand jury since that time. My understanding has been that the Committee on Standards was content to receive copies of Mr. Shuster's personal appointment calendars responsive to the Committee's subpoena in the same form that they were furnished to the grand jury. To the extent that the Committee may now be taking a different view, there are several concerns affecting Mr. Shuster's interests before the grand jury that I need to bring to your attention.

Boston
Pittsburgh
Harrisburg
Allentown
Philadelphia
Fort Lauderdale
Boca Raton
Miami
Tallahassee
Washington, D.C.

STEPHEN R. DELINSKY
617/ 342-6825

ECKERT SEAMANS CHERIN & MELLOTT, LLC
ATTORNEYS AT LAW

March 24, 1998

As you know, and as I understand the Committee knows, the grand jury issued a subpoena dated March 10, 1998 to Mr. Shuster seeking a variety of information pertaining to waivers sought by him from, or granted to him by, the Committee on Standards. Further, the grand jury, through the Assistant United States Attorneys conducting those proceedings, is aware of the Committee's investigation into the complaint concerning Mr. Shuster. I therefore consider it highly likely that the grand jury will subpoena from Mr. Shuster copies of any and all documents provided by him to the Committee on Standards in connection with the Committee's investigation. If Mr. Shuster is required to provide to the Committee copies of his personal appointment calendars that are less redacted than those furnished to the grand jury in accordance with Chief Judge Tauro's order, and if the Court does not quash a subpoena to Mr. Shuster for such materials, then the grand jury will have obtained in a back door fashion materials that were expressly protected by Chief Judge Tauro's order. Additionally, I am aware from published reports that the grand jury also has served a subpoena of undetermined scope on the Committee on Standards, which apparently seeks records relating to Mr. Shuster. Although I have also read that the Committee apparently intends to resist this subpoena, if that resistance is unsuccessful, and the Committee is then obliged to provide documents submitted to it by Mr. Shuster, the protections of Chief Judge Tauro's order could be defeated in this fashion as well.

While I recognize your legitimate need to provide a copy of this letter to the Committee on Standards, nonetheless I am very concerned that the letter may be provided by the Committee to the United States Attorney's Office in Boston. This would constitute a great injustice to Congressman Shuster. Consequently, you are authorized to furnish a copy of this letter to the Committee on Standards as part of your submission on behalf of Mr. Shuster so long as you feel comfortable that the Committee will not disseminate it to the United States Attorney's Office in Boston or to the Department of Justice.

Very truly yours,

Stephen R. Delinsky

SRD/ecd
Enclosures

SENT BY: 2-20-98 :11:07AM : 202 225 7392:# 1/ 2



BUD SHUSTER
9TH DISTRICT, PENNSYLVANIA

Congress of the United States
House of Representatives

FAX TRANSMISSION

To: Virginia Johnson
57392

From: Tracy G. Mosebey
Congressman Bud Shuster
2188 Rayburn House Office Building
Washington, DC 20515
(202) 225-2431

NOTES:

This transmission is 2 pages including this cover sheet. If you have any problems with transmission please call me immediately at the number above.

Here is the letter I mentioned to you on the phone this morning. If possible I'd like some kind of written confirmation that it has been received. The original is in Inside Mail. Thanks for your patience in this matter.

Tracy

WASHINGTON DC OFFICE:
2188 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-3609

DISTRICT OFFICE:
RD 2, ROOM 711
ALTOONA, PA 16601

DISTRICT OFFICE:
570 E. CHERRY ST.
CHAMBERSBURG, PA 17201

DISTRICT OFFICE:
1314 OLETOWN ROAD, SUITE 9A
DUNCANSVILLE, PA 16635

February 20, 1998

The Honorable James V. Hansen
Chairman
Committee on Standards of Official Conduct

The Honorable Howard Berman
Ranking Minority Member
Committee on Standards of Official Conduct

Dear Sirs:

In response to your Subpoena Duces Tecum dated January 27, 1998, I do not have any responsive personal records , correspondence, memoranda, papers or documents for calendar years 1994 to present, including electronic mail and other computerized records, in my personal possession, custody, or control.

Any responsive documents maintained in the congressional offices of Representative Bud Shuster will be produced by the congressional offices of Representative Bud Shuster on Monday, February 23, 1998.

Thank you for you attention to this matter.

Sincerely,

Tracy G. Mosebey

BUD SHUSTER
9TH DISTRICT, PENNSYLVANIA

Congress of the United States
House of Representatives

February 23, 1998

TO: Virginia Johnson and Paul Lewis
Committee on Standards of Official Conduct

From: Tracy G. Mosebey
Congressman Bud Shuster

This fax is 2 pages long.

I

WASHINGTON OFFICE:
2188 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-3909
PHONE: (202) 225-2431

DISTRICT OFFICE:
P.O. BOX 711
ALTOONA, PA 16601
PHONE: (814) 946-1653

DISTRICT OFFICE:
[illegible]
CHAMBERSBURG, PA 17201
PHONE: (717) [illegible]

DISTRICT OFFICE:
1214 OLDTOWN ROAD, SUITE #4
CLEARFIELD, PA 16830
PHONE: (814) 765-9166

BUD SHUSTER
9TH DISTRICT, PENNSYLVANIA

Congress of the United States
House of Representatives

February 23, 1998

The Honorable James V. Hansen, Chairman
Committee on Standards of Official Conduct
HT - 2 The Capitol
Washington, DC 20515-6328

The Honorable Howard L .Berman, Ranking Member
Committee on Standards of Official
HT-2 The Capitol
Washington, DC 20515-6328

Dear Sirs:

The purpose of this letter is to formally respond to the subpoena issued to me on January 27, 1998 by the Investigative Subcommittee of the Committee on Standards of Official Conduct.

At your direction, I have conducted a thorough search and review of my personal files in pursuit of requested documents. After considerable review I respectfully inform you that I do not believe that the responsive documents in my possession are my personal documents. Rather, I hold such documents on behalf of Congressman Shuster in connection with my official responsibilities as a member of his staff.

It is my understanding that production of all documents belonging to Congressman Shuster is being held in abeyance for one week pending further discussions between his counsel and counsel for Investigative Subcommittee.

Sincerely,

Tracy G. Mosebey

WASHINGTON OFFICE:
2188 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-3809
PHONE: (202) 225-2431

DISTRICT OFFICE:
RD 2, BOX 711
ALTOONA, PA 16601
PHONE: (814) 946-1653

DISTRICT OFFICE:
179 E. QUEEN ST.
CHAMBERSBURG, PA 17201
PHONE: (717) 264-8308

DISTRICT OFFICE:
1214 OLDTOWN ROAD, SUITE #4
CLEARFIELD, PA 16830
PHONE: (814) 765-9106

BUD SHUSTER
9TH DISTRICT, PENNSYLVANIA

Congress of the United States
House of Representatives

February 23, 1998

RECEIVED
98 FEB 23 PM 3:40
COMMITTEE ON STANDARDS

The Honorable James V. Hansen
Chairman
Committee on Standards of Official Conduct
United States House of Representatives
Washington, D.C. 20515

The Honorable Howard Berman
Ranking Minority Member
Committee on Standards of Official Conduct
United States House of Representatives
Washington, D.C. 20515

Dear Sirs:

The purpose of this letter is to formally respond to the subpoena issued to me on January 27, 1998 by the Investigative Subcommittee of the Committee on the Standards of Official Conduct.

At your direction, I have conducted a thorough search and review of my personal files in pursuit of requested documents. After considerable review of any documents which might be responsive to the subpoena, I respectfully inform you that I do not believe that the responsive documents in my possession are my personal documents. Rather, I hold such documents on behalf of Congressman Shuster in connection with my official responsibilities as a member of his staff.

It is my understanding that production of all documents belonging to Congressman Shuster is being held in abeyance for one week pending further discussions between his counsel and counsel for the Investigative Subcommittee.

Sincerely,

Timothy D. Hugo

WASHINGTON OFFICE:
2188 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-3809
PHONE: (202) 225-2431

DISTRICT OFFICE:
RD 2, BOX 711
ALTOONA, PA 16601
PHONE: (814) 946-1653

DISTRICT OFFICE:
179 E. QUEEN ST.
CHAMBERSBURG, PA 17201
PHONE: (717) 264-8308

DISTRICT OFFICE:
1214 OLOTOWN ROAD, SUITE #4
CLEARFIELD, PA 16830
PHONE: (814) 765-9108

JAMES V. HANSEN, UTAH
CHAIRMAN
LAMAR SMITH, TEXAS
JOEL HEFLEY, COLORADO
BOB GOODLATTE, VIRGINIA
JOE KNOLLENBERG, MICHIGAN

HOWARD L. BERMAN, CALIFORNIA
RANKING DEMOCRATIC MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA
SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515–6328

March 13, 1998

Ms. Tracy Mosebey
c/o The Honorable Bud Shuster
2188 Rayburn House Office Building
Washington, D.C. 20515

Delivered By Hand

Re: Subpoena issued by the Committee on Standards of Official Conduct dated January 27, 1998

Dear Ms. Mosebey:

On January 28, 1998, you accepted service of a subpoena issued to you by the Committee. The Subcommittee hereby instructs you to deliver all documents responsive to that subpoena to its offices in Suite HT-2, U.S. Capitol, no later than 5:00 p.m. today.

Sincerely,

Joel Hefley
Chairman
Investigative Subcommittee

Zoe Lofgren
Ranking Democratic Member
Investigative Subcommittee

JAMES V. HANSEN, UTAH
CHAIRMAN
LAMAR SMITH, TEXAS
JOEL HEFLEY, COLORADO
BOB GOODLATTE, VIRGINIA
JOE KNOLLENBERG, MICHIGAN

HOWARD L. BERMAN, CALIFORNIA
RANKING DEMOCRATIC MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA
SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515–6328

March 13, 1998

Mr. Timothy D. Hugo
c/o The Honorable Bud Shuster
2188 Rayburn House Office Building
Washington, D.C. 20515

Delivered By Hand

Re: Subpoena issued by Committee on Standards of Official Conduct dated January 27, 1998

Dear Mr. Hugo:

On January 28, 1998, you accepted service of a subpoena issued to you by the Committee. The Subcommittee hereby instructs you to deliver all documents responsive to that subpoena to its offices in Suite HT-2, U.S. Capitol, no later than 5:00 p.m. today.

Sincerely,

Joel Hefley
Chairman
Investigative Subcommittee

Zoe Lofgren
Ranking Democratic Member
Investigative Subcommittee

PETER R. GINSBERG
ATTORNEY AT LAW
1615 L STREET, N.W.
SUITE 850
WASHINGTON, D.C. 20036

TELEPHONE 202-775-0600
FACSIMILE 202-857-0140

March 13, 1998

Virginia H. Johnson, Esq.
Counsel
Committee on Standards of Official Conduct
U.S. House of Representatives
Suite HT-2
The Capitol
Washington, D.C. 20515-6328

Re: In the Matter of Representative Bud Shuster

Dear Ms. Johnson:

I have received your recent voicemail message. As you requested, I am writing to confirm that I have been retained by Tim Hugo and Tracy Mosebey to represent them in, inter alia, the above-referenced matter. With regard to your request that I inform you that I have discussed potential conflict issues with my clients, I assure you that I have satisfied my ethical obligations in this and in all other matters.

I look forward to speaking with you.

Very truly yours,

Peter R. Ginsberg

cc: Mr. Tim Hugo
Ms. Tracy Mosebey

LIB_WASH /0034249.01

PETER R. GINSBERG
ATTORNEY AT LAW
1615 L STREET, N.W.
SUITE 850
WASHINGTON, D.C. 20036

TELEPHONE 202-775-0600
FACSIMILE 202-857-0140

March 13, 1998

The Honorable Joel Hefley
The Honorable Zoe Lofgren

c/o Virginia H. Johnson, Esq.
Counsel
Committee on Standards of Official Conduct
U.S. House of Representatives
Suite HT-2
The Capitol
Washington, D.C. 20515-6328

Re: In the Matter of Representative Bud Shuster

Dear Representative Hefley and Representative Lofgren:

As I have informed Virginia Johnson, I was retained this afternoon to represent Tim Hugo and Tracy Mosebey in matters pending before your Committee. I have not yet had an opportunity to review the subpoenas which were received by my clients nor have I had an opportunity to meet to discuss this matter with my clients. I have therefore requested your Committee to adjourn today's deadline for responding to the outstanding subpoenas.

With regard to the length of the adjournment of the subpoenas, I understand that your Committee is anxious to resolve issues relating to compliance. I will be out of town next week. While I am away, however, I have arranged to receive copies of relevant documents which should expedite our ability to respond to the subpoenas upon my return. I have also requested Ms. Johnson to provide me with any support for the position that a Member's staff has standing to produce, pursuant to a subpoena, official documents and other papers which are the property of the Member. I also requested Mr. Johnson to meet with me tomorrow, Saturday, before I depart Washington, but I understand that her inability to reach Committee Members today made such a meeting less productive than meeting at a future date will be.

I will be able to meet with my clients upon my return on March 23. Ms. Johnson apparently will be out of town from March 24 through March 27, but I can meet with Ms. Johnson on March 23 if that is convenient. We hope to present our official

position regarding the subpoenas, or to comply with the subpoenas, by early April, with the Committee's permission.

I appreciate the Committee's understanding of my schedule and our need to consider carefully the various legal options which are available to my clients.

Respectfully submitted,

Peter R. Ginsberg

cc: Mr. Tim Hugo
Ms. Tracy Mosebey

Very truly yours,

Peter R. Ginsberg

cc: Mr. Tim Hugo
Ms. Tracy Mosebey

JAMES V. HANSEN, Utah
CHAIRMAN
LAMAR SMITH, TEXAS
JOEL HEFLEY, COLORADO
BOB GOODLATTE, VIRGINIA
JOE KNOLLENBERG, MICHIGAN

HOWARD L. BERMAN, California
RANKING DEMOCRATIC MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA
SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515-6328

March 13, 1998

Peter R. Ginsberg, Esq.
1615 L Street, N.W.
Suite 850
Washington, D.C. 20036

Transmitted by Facsimile

Re: In the Matter of Representative Bud Shuster

Dear Mr. Ginsberg:

This will confirm that the Subcommittee has received your letter reflecting that you are entering an appearance on behalf of Timothy Hugo and Tracy Mosebey. During our subsequent telephone conversation, you indicated that you have instructed your clients to refrain from complying with the instructions set forth in the letters addressed to them from Reps. Hefley and Lofgren and that you would provide the Subcommittee with a letter setting forth your legal basis for that instruction. Pursuant to your request, we are mailing to you copies of the subpoenas the Subcommittee served on Mr. Hugo and Ms. Mosebey as well as a copy of the Rules of the Committee on Standards of Official Conduct.

You have indicated that you will be out of town next week on vacation. I advised you during our conversation today that the circumstance of your clients' failure to comply with the Subcommittee's instructions today and the steps the Subcommittee may take in connection with that decision may be the subject of Subcommittee action as early as the first of next week. In view of your indication that you will be out of town and possibly unavailable, we recommend that you provide us with instructions regarding how we should contact you while you are out of town or, alternatively, the name and telephone number of a colleague who is able and authorized to handle this matter in your absence.

Please be assured that all of your correspondence will be promptly forwarded to the Subcommittee for their consideration.

Sincerely,

Virginia H. Johnson
Counsel

Enclosures

cc: Mr. Timothy Hugo
Ms. Tracy Mosebey

PETER R. GINSBERG
ATTORNEY AT LAW
1615 L STREET, N.W.
SUITE 850
WASHINGTON, D.C. 20036

TELEPHONE 202-775-0800
FACSIMILE 202-857-0140

March 14, 1998

By Telefax

Virginia H. Johnson, Esq.
Counsel
Committee on Standards of Official Conduct
U.S. House of Representatives
Suite HT-2
The Capitol
Washington, D.C. 20515-6328

Re: In the Matter of Representative Bud Shuster

Dear Ms. Johnson:

I am in receipt of your letter from yesterday evening. As you know, I had hoped to meet with you this morning in an effort to identify the issues which we need to address, but you felt that such a meeting now would not be productive. I will be away from Washington until Monday, March 23. On March 16, 18 and 20, I can be reached at (413) 528-0119. Please leave a message if I am not at that location.

As you know, I am a solo practitioner, and thus do not have a colleague available who can handle this matter in my absence. I look forward to meeting with you upon my return. Thank you for your ongoing consideration.

Very truly yours,

Peter R. Ginsberg

cc: Mr. Tim Hugo
Ms. Tracy Mosebey

LIB_WASH /0034256.01

PATTON BOGGS, L.L.P.
2550 M STREET, N.W.
WASHINGTON, D.C. 20037-1350
(202) 457-6000
FACSIMILE: (202) 457-6315

RECEIVED
98 MAR 24 PM 12: 54
COMMITTEE

WRITER'S DIRECT DIAL
(202) 457-6[illegible]5
(202) 457-5601

March 19, 1998

BY FACSIMILE

Virginia H. Johnson, Esq.
Counsel
Committee on Standards of Official Conduct
U.S. House of Representatives
Suite HT-2
The Capitol
Washington, DC 20515-6328

Re: In the Matter of Representative Bud Shuster

Dear Ms. Johnson:

Our letters to you of March 12 and 13, 1998, as well as our previous conversations with you and Paul Lewis, have addressed the status of files maintained in a House Member's office by the Member's staff relating to the staff's official duties in support of the Member. Our letter of March 12, 1998 cited the House Employee Handbook as authority for our position that such files are office property that belong to the Member, not personal files belonging to the staff in their individual capacities. Because this issue appears to be a continuing point of contention with the Investigative Subcommittee as regards Representative Shuster's staff, we are renewing our repeated prior request that you promptly provide us any authority of which the Investigative Subcommittee or Committee staff are aware that addresses the status of such files generally or Mr. Shuster's files specifically.

Very truly yours,

Benjamin L. Ginsberg
Mitchell R. Berger

BGC/alo

cc: The Honorable Bud Shuster

JAMES V. HANSEN, Utah
CHAIRMAN
LAMAR SMITH, TEXAS
JOEL HEFLEY, COLORADO
BOB GOODLATTE, VIRGINIA
JOE KNOLLENBERG, MICHIGAN

HOWARD L. BERMAN, California
RANKING DEMOCRATIC MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA
SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515–6328

March 20, 1998

Mr. Timothy D. Hugo
c/o The Honorable Bud Shuster
2188 Rayburn House Office Building
Washington, D.C. 20515

Delivered By Hand

Re: Subpoena issued by the Committee on Standards of Official Conduct dated January 27, 1998

Dear Mr. Hugo:

At approximately 10:00 a.m. on March 13, 1998, the Subcommittee hand-delivered to you a letter instructing you to produce documents to the office of the Committee on Standards of Official Conduct by no later than 5:00 p.m. to comply with the subpoena for which you personally accepted service on January 28, 1998. The original due date on the subpoena was February 16, 1998. Pursuant to your request, we granted you an extension to February 20, but you failed to meet that deadline as well. On February 23, you sent the Committee a letter in which you asserted that the responsive documents you had identified were not your "personal" documents but that you "[held] such documents on behalf of Congressman Shuster in connection with [your] official responsibilities as a member of his staff." You provided no legal authority to support your decision to decline to produce responsive documents. At approximately 3:45 p.m. on March 13, attorney Peter Ginsberg contacted Committee counsel and entered an appearance on your behalf in these proceedings.

On March 13, Mr. Ginsberg advised Committee counsel that he had not had an opportunity to review your subpoena or the Rules of the Committee. He stated that he would be out of town after March 14 and would not be available until March 23. He also stated that he had instructed you to ignore the deadline contained in our letter of March 13 and requested an extension of time in order to acquaint himself with the issues presented in this matter. Committee counsel advised Mr. Ginsberg that she was not authorized to grant an extension of the Subcommittee's 5:00 p.m. deadline and would not

be able to convey his request to the Subcommittee prior to Monday, March 16. She recommended that Mr.Ginsberg provide the Subcommittee with the legal authority he was relying upon in instructing you to ignore the deadline contained in our letter and advised him that your failure to comply with the Subcommittee's instruction could be the subject of full Committee action this week. She further stated that Mr. Ginsberg could submit a request for a reasonable extension of time to acquaint himself with the issues presented in this matter and that any such request would be conveyed to the Subcommittee for its consideration this week.

Mr. Ginsberg sent us a letter on March 13 in which he asked the Subcommittee to "adjourn [the March 13] deadline for responding to the outstanding subpoenas." Both you or your attorney may request a reasonable extension at any time throughout these proceedings but you should not unilaterally assume that any such request has been granted in full or in part until the Subcommittee has had an opportunity to consider your request and has responded to you directly or through our counsel.

Although you have been on notice since February 23 that the Subcommittee disagrees with the position you asserted in refusing to comply with the terms of the subpoena and that this matter has not been resolved, you elected to refrain from retaining counsel prior to March 13, and then elected to retain an attorney whose departure for a one-week vacation was imminent. You are entitled to retain Mr. Ginsberg or any other attorney of your choosing, but we would like the record to reflect that your attorney's request to meet with Committee counsel on the morning of Saturday, March 14, to accommodate his vacation schedule, was not a reasonable one. The Subcommittee will cooperate with you and Mr. Ginsberg and consider any reasonable requests you submit, but it will not delay its investigation due to unavailability of your counsel under these particular circumstances. Your "Motion to Adjourn" is hereby denied.

We must advise you of your immediate obligation to produce these documents. Your failure to comply with the timetable previously approved by Committee counsel could subject you to disciplinary action by the full Committee.

Sincerely,

Joel Hefley
Chairman
Investigative Subcommittee

Zoe Lofgren
Ranking Democratic Member
Investigative Subcommittee

cc: Peter R. Ginsberg, Esq.

JAMES V. HANSEN, Utah
CHAIRMAN,
LAMAR SMITH, TEXAS
JOEL HEFLEY, COLORADO
BOB GOODLATTE, VIRGINIA
JOE KNOLLENBERG, MICHIGAN

HOWARD L. BERMAN, California
RANKING DEMOCRATIC MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA
SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Washington, DC 20515-6328

March 20, 1998

Ms. Tracy Mosebey
c/o The Honorable Bud Shuster
2188 Rayburn House Office Building
Washington, D.C. 20515

Delivered By Hand

Re: Subpoena issued by the Committee on Standards of Official Conduct dated January 27, 1998

Dear Ms. Mosebey:

At approximately 10:00 a.m. on March 13, 1998, the Subcommittee hand-delivered to you a letter instructing you to produce documents to the office of the Committee on Standards of Official Conduct by no later than 5:00 p.m. to comply with the subpoena for which you personally accepted service on January 28, 1998. The original due date on the subpoena was February 16, 1998. Pursuant to your request, we granted you an extension to February 20, but you failed to meet that deadline as well. On February 23, you sent the Committee a letter in which you asserted that the responsive documents you had identified were not your "personal" documents but that you "[held] such documents on behalf of Congressman Shuster in connection with [your] official responsibilities as a member of his staff." You provided no legal authority to support your decision to decline to produce responsive documents. At approximately 3:45 p.m. on March 13, attorney Peter Ginsberg contacted Committee counsel and entered an appearance on your behalf in these proceedings.

On March 13, Mr. Ginsberg advised Committee counsel that he had not had an opportunity to review your subpoena or the Rules of the Committee. He stated that he would be out of town after March 14 and would not be available until March 23. He also stated that he had instructed you to ignore the deadline contained in our letter of March 13 and requested an extension of time in order to acquaint himself with the issues presented in this matter. Committee counsel advised Mr. Ginsberg that she was not authorized to grant an extension of the Subcommittee's 5:00 p.m. deadline and would not

be able to convey his request to the Subcommittee prior to Monday, March 16. She recommended that Mr.Ginsberg provide the Subcommittee with the legal authority he was relying upon in instructing you to ignore the deadline contained in our letter and advised him that your failure to comply with the Subcommittee's instruction could be the subject of full Committee action this week. She further stated that Mr. Ginsberg could submit a request for a reasonable extension of time to acquaint himself with the issues presented in this matter and that any such request would be conveyed to the Subcommittee for its consideration this week.

Mr. Ginsberg sent us a letter on March 13 in which he asked the Subcommittee to "adjourn [the March 13] deadline for responding to the outstanding subpoenas." Both you or your attorney may request a reasonable extension at any time throughout these proceedings but you should not unilaterally assume that any such request has been granted in full or in part until the Subcommittee has had an opportunity to consider your request and has responded to you directly or through our counsel.

Although you have been on notice since February 23 that the Subcommittee disagrees with the position you asserted in refusing to comply with the terms of the subpoena and that this matter has not been resolved, you elected to refrain from retaining counsel prior to March 13, and then elected to retain an attorney whose departure for a one-week vacation was imminent. You are entitled to retain Mr. Ginsberg or any other attorney of your choosing, but we would like the record to reflect that your attorney's request to meet with Committee counsel on the morning of Saturday, March 14, to accommodate his vacation schedule, was not a reasonable one. The Subcommittee will cooperate with you and Mr. Ginsberg and consider any reasonable requests you submit, but it will not delay its investigation due to unavailability of your counsel under these particular circumstances. Your "Motion to Adjourn" is hereby denied.

We must advise you of your immediate obligation to produce these documents. Your failure to comply with the timetable previously approved by Committee counsel could subject you to disciplinary action by the full Committee.

Sincerely,

Joel Hefley
Chairman
Investigative Subcommittee

Zoe Lofgren
Ranking Democratic Member
Investigative Subcommittee

cc: Peter R. Ginsberg, Esq.

MAR-24-98 13:13 FROM: T-913 P.002/03 Job-780

PETER R. GINSBERG
ATTORNEY AT LAW
1615 L STREET, N.W.
SUITE 850
WASHINGTON, D.C. 20036

TELEPHONE 202-775-0800
FACSIMILE 202-857-0140

RECEIVED
98 MAR 24 PM 1:34
COMMITTEE ON STANDARDS

March 24, 1998

By Telefax

Virginia H. Johnson, Esq.
Counsel
committee on Standards of Official Conduct
U.S. House of Representatives
Suite HT-2
The Capitol
Washington, D.C. 20515-6328

Re: In the Matter of Representative Bud Shuster

Dear Ms. Johnson:

In response to the Committee's March 20 letters to my clients Timothy Hugo and Tracy Mosebey, I respectfully propose the following. From my review of correspondence between the Committee and representatives of The Honorable Bud Shuster, it appears that the real parties in interest may be able to resolve the underlying dispute by Friday, March 27. Such a resolution would obviate the need to engage in an adversarial proceeding to determine whether a Representative's staff members are legally able to gain possession, custody and control, and ultimately to transfer and produce, documents belonging to the Representative without authorization from the Representative. Indeed, the subpoenas directed to my clients call for documents which also appear to be called for by the subpoena directed to Congressman Shuster, and thus production by Congressman Shuster would satisfy the Committee's effort to obtain the documents from my clients.

In the hope that you are able to resolve the dispute with Congressman Shuster, we suggest that enforcement of the Committee's subpoenas issued to Mr. Hugo and Ms. Mosebey be

stayed until at least Tuesday, March 30, 1998. By that time, it will be clear whether we need to litigate the issue set forth above.

Thank you for your attention to this request. I look forward to hearing from you.

Very truly yours,

Peter R. Ginsberg

cc: Mr. Timothy Hugo
Ms. Tracy Mosebey

PETER R. GINSBERG
ATTORNEY AT LAW
1615 L STREET, N.W.
SUITE 850
WASHINGTON, D.C. 20036

TELEPHONE 202-775-0600
FACSIMILE 202-857-0140

March 31, 1998

By Telefax

Virginia H. Johnson, Esq.
Counsel
Committee on Standards of Official Conduct
U.S. House of Representatives
Suite HT-2
The Capitol
Washington, D.C. 20515-6328

Re: In the Matter of Representative Bud Shuster

Dear Ms. Johnson:

I understand that the Committee on Standards of Official Conduct has now received production of, inter alia, the documents identified in the subpoenas served upon my clients Timothy Hugo and Tracy Mosebey. I assume that the production satisfies any ongoing obligations which the Committee believes my clients have with regard to the subpoenas. If that is not accurate, please contact me immediately.

Thank you for your attention to this matter.

Very truly yours,

Peter R. Ginsberg

cc: Mr. Timothy Hugo
Ms. Tracy Mosebey

LIB_WASH /0034450.01

BUD SHUSTER
9TH DISTRICT, PENNSYLVANIA

Congress of the United States
House of Representatives

RECEIVED
98 APR -3 PM 3:48
COMMITTEE ON STANDARDS

April 3, 1998

The Honorable James V. Hansen
Chairman
Committee on Standards of Official Conduct
United States House of Representatives
Washington, D.C. 20515

The Honorable Howard Berman
Ranking Minority Member
Committee on Standards of Official Conduct
United States House of Representatives
Washington, D.C. 20515

RE: ***In the Matter of Representative Bud Shuster***

Dear Sirs:

I am writing to confirm that the documents recently produced by counsel for Representative Bud Shuster, labeled EGS-H 000001 through EGS-H 000011 for identification, were compiled by me and would have been supplied by me pursuant to the subpoena issued to me dated January 27, 1998.

Thank you for your attention to this matter.

Sincerely,

Timothy D. Hugo

WASHINGTON OFFICE:
2188 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-3809
PHONE: (202) 225-2431

DISTRICT OFFICE:
RD 2, BOX 711
ALTOONA, PA 16601
PHONE: (814) 946-1653

DISTRICT OFFICE:
179 E. QUEEN ST.
CHAMBERSBURG, PA 17201
PHONE: (717) 264-8308

DISTRICT OFFICE:
1214 OLDTOWN ROAD, SUITE #4
CLEARFIELD, PA 16830
PHONE: (814) 765-9108

BUD SHUSTER
9TH DISTRICT, PENNSYLVANIA

Congress of the United States
House of Representatives

RECEIVED
98 APR -3 PM 3:48
COMMITTEE ON STANDARDS

April 3, 1998

The Honorable James V. Hansen, Chairman
The Honoable Howard Berman, Ranking Democratic Member
Committee of Standards of Official Conduct
U. S. House of Representatives
Suite HT-2
The Capitol
Washington, DC 20515-6328

Re: In the matter of Representative Bud Shuster

Gentleman:

I am writing to confirm that the documents recently produced by counsel for Representative Bud Shuster, labeled EGS-M 000001 through EGS-M 001651 for indentification, were compiled by me and would have been supplied by me pursuant to the subpoena issued to me dated January 27, 1998.

Thank you for your attentionto this matter.

Respectfully submitted,

Tracy Mosebey

WASHINGTON OFFICE:
2188 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-3909
PHONE: (202) 225-2431

DISTRICT OFFICE:
RD 2, BOX 711
ALTOONA, PA 16601
PHONE: (814) 946-1653

DISTRICT OFFICE:
179 E. QUEEN ST.
CHAMBERSBURG, PA 17201
PHONE: (717) 264-8308

DISTRICT OFFICE:
1214 OLDTOWN ROAD, SUITE #4
CLEARFIELD, PA 16830
PHONE: (814) 765-5100

EXHIBIT 78

JAMES V. HANSEN, UTAH
CHAIRMAN
LAMAR SMITH, TEXAS
JOEL HEFLEY, COLORADO
BOB GOODLATTE, VIRGINIA
JOE KNOLLENBERG, MICHIGAN

HOWARD L. BERMAN, CALIFORNIA
RANKING DEMOCRATIC MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA
SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515-6328

April 1, 1998

The Honorable Bud Shuster
U. S. House of Representatives
2188 Rayburn House Office Building
Washington, D.C. 20515

Re: In the Matter of Representative Bud Shuster

Dear Colleague:

This will confirm that the Committee has received – and transmitted to the Subcommittee – your letter of March 27, 1998, the documents you submitted with your letter, and the documents you subsequently submitted on March 30, 1998.

The Subcommittee will take under advisement your request for act of production immunity for your document production in response to the Committee subpoena as well as your request that we accept your personal pocket calendars redacted to the same extent they are redacted for submission to the grand jury. The Subcommittee recognizes the concerns you have identified in your letter and assures you that it will give these matters its thorough and fair consideration.

Sincerely,

Joel Hefley
Chairman
Investigative Subcommittee

Zoe Lofgren
Ranking Democratic Member
Investigative Subcommittee

cc: Benjamin L. Ginsberg, Esq.
Mitchell R. Berger, Esq.

EXHIBIT 79

JAMES V. HANSEN, UTAH
CHAIRMAN
LAMAR SMITH, TEXAS
JOEL HEFLEY, COLORADO
BOB GOODLATTE, VIRGINIA
JOE KNOLLENBERG, MICHIGAN
THEODORE J. VAN DER MEID,
CHIEF COUNSEL/STAFF DIRECTOR
BARI L. SCHWARTZ
COUNSEL TO THE RANKING
MINORITY MEMBER

HOWARD L. BERMAN, CALIFORNIA
RANKING MINORITY MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA
SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515–6328

June 10, 1998

The Honorable Bud Shuster
U. S. House of Representatives
2188 Rayburn House Office Building
Washington, D.C. 20515

Re: In the Matter of Representative Bud Shuster

Dear Colleague:

At the request of the U. S. Department of Justice, the Committee on Standards of Official Conduct has agreed to refrain at this time from conducting interviews and deposing witnesses in connection with the above-referenced investigation. The Department of Justice has indicated that its ongoing criminal investigation may relate to matters similar to those under investigation by the Committee. This action will not affect the Committee's ability to issue and enforce subpoenas for documents in connection with the investigation.

In response to the request contained in your letter of March 27, 1998, the Committee has been advised by the Office of the General Counsel that it lacks legal authority to grant act of production immunity to you retroactively in connection with documents you have previously produced. The Committee will take under advisement any legal authority in support of your request that your attorneys provide for its consideration.

Sincerely,

James V. Hansen
Chairman

Howard L. Berman
Ranking Democratic Member

cc: Benjamin L. Ginsberg, Esq.
Mitchell R. Berger, Esq.

EXHIBIT 80

Subpoena Duces Tecum

By Authority of the House of Representatives of Congress of the United States of America

---

To: Ann M. Eppard, President, Ann Eppard Associates, Ltd., 211 North Union Street, Suite 100, Alexandria, Virginia 22314

You are hereby commanded to produce before the Investigative Subcommittee of the Committee on Standards of Official Conduct of the House of Representatives of the United States, of which the Honorable Joel Hefley is chairman, in Suite HT-2 of the Capitol, in the city of Washington, by no later than 5:00 p.m. on February 16, 1998, the things identified on the attached schedule concerning matters of inquiry committed to said Subcommittee.

Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 27 day of January, 1998.

The Honorable James V. Hansen
Chairman
Committee on Standards of Official Conduct

The Honorable Howard Berman
Ranking Minority Member
Committee on Standards of Official Conduct

Attest:

Robin H. Carle
Clerk of the House

Subpoena for Ann M. Eppard, President, Ann Eppard Associates, Ltd., 211 North Union Street, Suite 100, Alexandria, Virginia 22314, to produce the things identified on the attached schedule before the Investigative Subcommittee of the Committee on Standards of Official Conduct.

Served on Richard J. Leon per agreement with Paul Lewis and Virginia Johnson, Committee Counsel, on 1/28/98 @ 4:00 p.m.

Virginia Johnson, Counsel
Committee on Standards House of Representatives

ATTACHMENT TO SUBPOENA
CUSTODIAN OF RECORDS

DEFINITIONS:

1. As used in this attachment, the term "documents" means all records and other tangible forms of expression in your possession, custody, or control, whether drafts or unfinished versions, originals, copies or annotated copies, however created, produced or stored (manually, mechanically, electronically or otherwise), including but not limited to books, papers, files, notes, reports, correspondence, ledger sheets, telegrams, telexes, telephone logs, notes or records of conversations or meetings, minutes of meetings, contracts, agreements, calendars, datebooks, bank statements, worksheets, summaries, invoices, bills, records of billings, checks, wire transfers, drafts for money, records of payments, magnetic tape, tape recordings, disks, diskettes, and other electronic media, microfilm, microfiche, electronic mail, computer hard drives and any other storage devices.

2. As used in this attachment, "Ann Eppard Associates" means "Ann Eppard Associates, Ltd." and/or all predecessor entities, affiliates, subsidiaries or divisions.

Produce copies of the following:

All records, correspondence, memoranda, papers, and documents for calendar years 1994 to the present, including electronic mail and other computerized records, and in the personal possession, custody or control, of Ann Eppard Associates, Ltd., pertaining to:

(1) Correspondence or other communication between Maurice Lawruk and/or Lawruk Builders, Inc., and (a) Rep. Bud Shuster, (b) the congressional offices of Rep. Bud Shuster, (c) Robert Shuster, (d) William Shuster, (e) Ann Eppard, (f) the Bud Shuster for Congress

Committee, or (g) the Bob Shuster for Congress Committee from November 9, 1994, to the present.

(2) Records and documents relating to the development and construction of Shuster Chrysler, including the relocation of Shuster Chrysler to East Freedom, Pennsylvania, as well as records, documents, correspondence or other communications between Maurice Lawruk and/or Lawruk Builders, Inc., and (a) the Small Building Administration, (b) William Shuster, (c) Robert Shuster, (d) Rep. Bud Shuster, (e) the congressional offices of Rep. Bud Shuster, or (f) Ann Eppard.

(3) Correspondence, meetings and/or appointments between Rep. Shuster and/or Ann Eppard and (a) Maurice Lawruk or (b) representatives of Lawruk Builders, Inc.

(4) Correspondence, meetings and/or appointments between Rep. Shuster and (a) Ann Eppard, (b) representatives of Ann Eppard Associates, Ltd., (c) representatives of Federal Express, (d) representatives of Sea-Land Services and/or the Ocean Common Carriers Coalition, (e) representatives of American Bakers Association, (f) representatives of Conrail, (g) representatives of American Insurance Association, (h) representatives of Frito-Lay, (i) representatives of Amtrak, and (j) representatives of the Outdoor Advertising Association of America from November 9, 1994, to November 10, 1995.

(5) From November 9, 1994, to the present: correspondence, meetings and/or appointments between Ann Eppard and/or representatives of Ann Eppard Associates, Ltd., and current or former Members of the Committee on Transportation and Infrastructure, including all subcommittees thereof, as well as current or former employees of the Committee or subcommittees, with all or any of the following, or regarding any of the following clients of Ann Eppard Associates, Ltd.: (a) representatives of Federal Express, (b) representatives of Sea-Land Services and/or the Ocean Common Carriers Coalition, (c) representatives of American Bakers Association, (d) representatives of Conrail, (e) representatives of American Insurance Association, (f) representatives of Frito-Lay, (g) representatives of Amtrak, and/or (h) representatives of the Outdoor Advertising Association of America.

(6) From November 9, 1994, to the present: correspondence, meetings and/or appointments between Ann Eppard and/or representatives of Ann Eppard Associates, Ltd., and current or former employees of Rep. Bud Shuster in his Washington, D.C., and district offices, with all or any of the following, or regarding any of the following clients of Ann Eppard Associates, Ltd.: (a) representatives of Federal Express, (b) representatives of Sea-Land Services and/or the Ocean Common Carriers Coalition, (c) representatives of American Bakers Association, (d) representatives of Conrail, (e) representatives of American Insurance Association, (f) representatives of Frito-Lay, (g) representatives of Amtrak, and/or (h) representatives of the Outdoor Advertising Association of America.

(7) Meetings and/or appointments between Ann Eppard and/or employees of Ann Eppard Associates, Ltd., with Rep. Shuster or employees of Rep. Shuster's personal office or the Transportation Committee from November 9, 1994, to the present.

(8) Copies of all records and documents reflecting deposits or withdrawals on bank accounts maintained by Ann Eppard Associates, Ltd., from November 9, 1994, to the present.

(9) Copies of all records and documents reflecting Ann Eppard's transportation of Rep. Shuster to or from his Washington, D.C., or district offices, his home, his campaign office, official events, campaign events or any other meetings or activities from November 9, 1994, to the present.

(10) Local and long distance telephone records from November 9, 1994, to the present.

(11) Documents and records reflecting proof of payment of rental and/or lodging expenses paid by Rep. Bud Shuster and/or members of his family to Ann Eppard and/or Ann Eppard Associates, Ltd., from November 9, 1994, to the present.

(12) Documents, receipts, credit card statements and any other records reflecting payments and expenditures made by Ann Eppard Associates, Ltd., on behalf of Rep. Bud Shuster and/or members of his family, including but not limited to expenditures for meals, transportation, and other items of value.

Subpoena Duces Tecum

By Authority of the House of Representatives of Congress of the United States of America

---

To: Ann M. Eppard, 211 North Union Street, Suite 100, Alexandria, Virginia 22314

You are hereby commanded to produce before the Investigative Subcommittee of the Committee on Standards of Official Conduct of the House of Representatives of the United States, of which the Honorable Joel Hefley is chairman, in Suite HT-2 of the Capitol, in the city of Washington, by no later than 5:00 p.m. on February 16, 1998, the things identified on the attached schedule concerning matters of inquiry committed to said Subcommittee.

Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 27..... day of January, 1998.

The Honorable James V. Hansen
Chairman
Committee on Standards of Official Conduct

The Honorable Howard Berman
Ranking Minority Member
Committee on Standards of Official Conduct

Attest:

Robin H. Carle
Clerk of the House

Subpoena for Ann M. Eppard, 211 North Union Street, Suite 100, Alexandria, Virginia 22314, to produce the things identified on the attached schedule before the Investigative Subcommittee of the Committee on Standards of Official Conduct.

Served on Richard J. Leon per agreement with Paul Lewis and Virginia Johnson, Committee Counsel, on 1/28/98 @ 4:00 p.m.

Virginia Johnson, Counsel
Committee House of Representatives
on Standards

ATTACHMENT TO SUBPOENA
CUSTODIAN OF RECORDS

DEFINITIONS:

1. As used in this attachment, the term "documents" means all records and other tangible forms of expression in your possession, custody, or control, whether drafts or unfinished versions, originals, copies or annotated copies, however created, produced or stored (manually, mechanically, electronically or otherwise), including but not limited to books, papers, files, notes, reports, correspondence, ledger sheets, telegrams, telexes, telephone logs, notes or records of conversations or meetings, minutes of meetings, contracts, agreements, calendars, datebooks, bank statements, worksheets, summaries, invoices, bills, records of billings, checks, wire transfers, drafts for money, records of payments, magnetic tape, tape recordings, disks, diskettes, and other electronic media, microfilm, microfiche, electronic mail, computer hard drives and any other storage devices.

2. As used in this attachment, "Ann Eppard Associates" means "Ann Eppard Associates, Ltd." and/or all predecessor entities, affiliates, subsidiaries or divisions.

Produce copies of the following:

All records, correspondence, memoranda, papers, and documents for calendar years 1991 to the present, including electronic mail and other computerized records, in the Washington, D.C. or district offices of Rep. Bud Shuster, and in your personal possession, custody or control, pertaining to:

(1) Correspondence or other communication between Maurice Lawruk and/or Lawruk Builders, Inc., and (a) Rep. Bud Shuster, (b) the congressional offices of Rep. Bud Shuster, (c) Robert Shuster, (d) William Shuster, (e) Ann Eppard, (f) the Bud Shuster for Congress

Committee, or (g) the Bob Shuster for Congress Committee from January 1, 1988, to the present.

(2) Records and documents relating to the development and construction of the Penn Alto Hotel, as well as correspondence or other communications between Maurice Lawruk and/or Lawruk Builders, Inc., and (a) Rep. Bud Shuster, (b) the congressional offices of Rep. Bud Shuster, (c) Senator John Heinz, (d) the U.S. Department of Housing and Urban Development, or (e) the U.S. Department of Labor, including but not limited to items related to the Penn Alto Hotel, H.R. 4352 (amendment to the McKinney Homeless Assistance Act), and any other matters concerning Maurice Lawruk and/or Lawruk Builders, Inc., pending before the U.S. Department of Housing and Urban Development and the U.S. Department of Labor.

(3) Records and documents relating to the development and construction of Shuster Chrysler, including the relocation of Shuster Chrysler to East Freedom, Pennsylvania, as well as records, documents, correspondence or other communications between Maurice Lawruk and/or Lawruk Builders, Inc., and (a) the Small Building Administration, (b) William Shuster, (c) Robert Shuster, (d) Rep. Bud Shuster, (e) the congressional offices of Rep. Bud Shuster, or (f) Ann Eppard.

(4) Correspondence, meetings and/or appointments between Rep. Shuster and/or Ann Eppard and (a) Maurice Lawruk or (b) representatives of Lawruk Builders, Inc.

(5) Correspondence, meetings and/or appointments between Rep. Shuster and (a) Ann Eppard, (b) representatives of Ann Eppard Associates, Ltd., (c) representatives of Federal Express, (d) representatives of Sea-Land Services and/or the Ocean Common Carriers Coalition, (e) representatives of American Bakers Association, (f) representatives of Conrail, (g) representatives of American Insurance Association, (h) representatives of Frito-Lay, (i) representatives of Amtrak, and/or (j) representatives of the Outdoor Advertising Association of America from November 9, 1994, to November 10, 1995.

(6) From November 9, 1994, to the present: correspondence, meetings and/or appointments between Ann Eppard and/or representatives of Ann Eppard Associates, Ltd., and current or former Members of the Committee

offices, his home, his campaign office, official events, campaign events or any other meetings or activities from November 9, 1994, to the present.

(12) Local and long distance records for personal and business telephone accounts from 1991 to the present.

(13) Documents and records reflecting proof of payment of rental and/or lodging expenses paid by Rep. Bud Shuster and/or members of his family to Ann Eppard from January 1, 1991, to the present.

offices, his home, his campaign office, official events, campaign events or any other meetings or activities from November 9, 1994, to the present.

(12) Local and long distance records for personal and business telephone accounts from 1991 to the present.

(13) Documents and records reflecting proof of payment of rental and/or lodging expenses paid by Rep. Bud Shuster and/or members of his family to Ann Eppard from January 1, 1991, to the present.

EXHIBIT 81

JAMES V. HANSEN, UTAH
CHAIRMAN
LAMAR SMITH, TEXAS
JOEL HEFLEY, COLORADO
BOB GOODLATTE, VIRGINIA
JOE KNOLLENBERG, MICHIGAN

HOWARD L. BERMAN, CALIFORNIA
RANKING DEMOCRATIC MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA
SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515–6328

March 11, 1998

Ms. Ann E. Eppard
211 North Union Street
Suite 100
Alexandria, VA 22314

Transmitted via facsimile

Re: Subpoenas issued to Ann Eppard and Ann Eppard Associates, Ltd.

Dear Ms. Eppard:

The Subcommittee is in receipt of both of your letters dated March 10, 1998.

With respect to the documents identified in the subpoena served on you in your individual capacity, we have taken your request to receive "act of production" immunity under advisement and will contact you through counsel once we have determined whether we will honor your request.

The Subcommittee hereby denies your request for a "stay" with respect to the documents identified in the subpoena issued to Ann Eppard Associates, Ltd. The due date on the subpoenas issued to you by the Committee on January 27, 1998, was February 16, 1998. The Subcommittee has granted numerous requests for extensions of time in accordance with production schedules proposed by your attorney, Richard J. Leon. Based on representations of Mr. Leon, the Subcommittee expected to receive the third installment of your documents last week and the final installment this week. As you know, the Subcommittee has further cooperated with you by limiting the scope of documents required for production at this time from those originally identified in the subpoena issued to you. We have expressly reserved the right to demand production of those additional documents as we see fit. Last week, counsel for the Subcommittee contacted Mr. Leon to coordinate delivery of the third installment. At that time, Mr. Leon indicated that you might request a stay for the reasons stated in your letter. Committee counsel advised Mr. Leon in unambiguous terms last week that the Subcommittee expects you to fully comply with the subpoena and the production schedule which we have previously approved.

The Subcommittee expects you to produce the third installment of the documents which you have not produced to date as identified in the subpoena issued to Ann Eppard Associates, Ltd., no later than 6:00 p.m. today. The Subcommittee further expects you to produce the fourth and final installment of all such documents no later than 6:00 p.m. on Friday, March 13. The Subcommittee will not entertain further requests for extension of time.

Sincerely,

Joel Hefley
Chairman
Investigative Subcommittee

Zoe Lofgren
Ranking Democratic Member
Investigative Subcommittee

cc: Richard J. Leon, Esq.

EXHIBIT 82

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT United States House of Representatives Washington, D.C. 20515 Applicant.	Misc. No. 98-150 (154)

FILED
APR 15 1998
NANCY MAYER-WHITTINGTON, CLERK
U.S. DISTRICT COURT

UNDER SEAL

ORDER

UPON CONSIDERATION of the Application of the Committee on Standards of Official Conduct of the U.S. House of Representatives (the "Committee") for an Order Immunizing the Act of Production by Ann Eppard, and the Memorandum of Points and Authorities in Support thereof, and having determined that the requirements of 18 U.S.C. § 6005 have been satisfied, it is by the Court this 15th day of April, 1998, ORDERED

That Ann Eppard may not refuse to produce records responsive to the subpoena previously served upon her in proceedings before or ancillary to the Committee on the basis of her constitutional privilege against self-incrimination, and it is FURTHER ORDERED

That no act of production compelled under this Order (or any information directly or indirectly derived from such act of production) may be used against Ann Eppard in any criminal proceeding, except prosecutions for perjury, giving a false statement, or otherwise failing to comply with this Order, and it is FURTHER ORDERED

That the immunity provided under this Order shall extend only to the act of production and shall not extend to the contents of any documents produced (or to any information directly or indirectly derived from the contents of such documents).

Norma Holloway Johnson
U.S. District Judge

United States District Court
for the District of Columbia
A TRUE COPY
NANCY MAYER-WHITTINGTON, Clerk
By _____
Deputy Clerk

EXHIBIT 83

Subpoena Duces Tecum

By Authority of the House of Representatives of Congress of the United States of America

---

To: Ann M. Eppard, 211 North Union Street, Suite 100, Alexandria, Virginia 22314

You are hereby commanded to produce before the Investigative Subcommittee of the Committee on Standards of Official Conduct of the House of Representatives of the United States, of which the Honorable Joel Hefley is chairman, in Suite HT-2 of the Capitol, in the city of Washington, by no later than 5:00 p.m. on May 15, 1998, the things identified on the attached schedule concerning matters of inquiry committed to said Subcommittee.

Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 7th day of May, 1998.

The Honorable James V. Hansen
Chairman
Committee on Standards of Official Conduct

The Honorable Howard Berman
Ranking Minority Member
Committee on Standards of Official Conduct

Attest:

Robin H. Carle
Clerk of the House

Subpoena for Ann M. Eppard, 211 North Union Street, Suite 100, Alexandria, Virginia 22314, to produce the things identified on the attached schedule before the Investigative Subcommittee of the Committee on Standards of Official Conduct.

Served on Richard J. Leon, Esq., per agreement with Virginia H. Johnson, Committee Counsel, on May 7, 1998, at 2:55 p.m.

Virginia H. Johnson, Counsel
Committee on Standards, House of Representatives

ATTACHMENT TO SUBPOENA
CUSTODIAN OF RECORDS

DEFINITIONS:

1. As used in this attachment, the term "documents" means all records and other tangible forms of expression in your possession, custody, or control, whether drafts or unfinished versions, originals, copies or annotated copies, however created, produced or stored (manually, mechanically, electronically or otherwise), including but not limited to books, papers, files, notes, reports, correspondence, ledger sheets, telegrams, telexes, telephone logs, notes or records of conversations or meetings, minutes of meetings, contracts, agreements, calendars, datebooks, bank statements, worksheets, summaries, invoices, bills, records of billings, checks, wire transfers, drafts for money, records of payments, magnetic tape, tape recordings, disks, diskettes, and other electronic media, microfilm, microfiche, electronic mail, computer hard drives and any other storage devices.

2. As used in this attachment, "Ann Eppard Associates" means "Ann Eppard Associates, Ltd." and/or all predecessor entities, affiliates, subsidiaries or divisions.

Produce copies of the following:

All records, correspondence, memoranda, papers, and documents for calendar years 1991 to the present, including electronic mail and other computerized records, in your personal possession, custody or control, pertaining to:

(1) Complete and unredacted copies of any and all calendars, schedules, or other documents reflecting appointments, maintained by Ann M. Eppard and/or Ann Eppard Associates, Ltd., from January 1, 1994, to the present.

(2) Unredacted federal tax returns and all relevant schedules and attachments thereto for Ann M. Eppard for calendar years 1991 through 1997.

(3) Documents, receipts, credit card statements and any other records reflecting payments and expenditures made by Ann M. Eppard from 1991 to the present.

(4) Copies of all records and documents reflecting deposits or withdrawals on bank accounts maintained by Ann M. Eppard from 1991 to the present.

Subpoena Duces Tecum

By Authority of the House of Representatives of Congress of the United States of America

---

To: Ann M. Eppard, President, Ann Eppard Associates, Ltd., 211 North Union Street, Suite 100, Alexandria, Virginia 22314

You are hereby commanded to produce before the Investigative Subcommittee of the Committee on Standards of Official Conduct of the House of Representatives of the United States, of which the Honorable Joel Hefley is chairman, in Suite HT-2 of the Capitol, in the city of Washington, by no later than 5:00 p.m. on May 15, 1998, the things identified on the attached schedule concerning matters of inquiry committed to said Subcommittee.

Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 7th day of May, 1998.

The Honorable James V. Hansen
Chairman
Committee on Standards of Official Conduct

The Honorable Howard Berman
Ranking Minority Member
Committee on Standards of Official Conduct

Attest:

Robin H. Carle
Clerk of the House

Subpoena for Ann M. Eppard, President, Ann Eppard Associates, Ltd., 211 North Union Street, Suite 100, Alexandria, Virginia 22314, to produce the things identified on the attached schedule before the Investigative Subcommittee of the Committee on Standards of Official Conduct.

Served on Richard J. Leon, Esq., per agreement with Virginia H. Johnson, Committee Counsel, on May 7, 1998, at 2:55 p.m.

Virginia A. Dunn, Counsel
Committee House of Representatives
on Standards

ATTACHMENT TO SUBPOENA
CUSTODIAN OF RECORDS

DEFINITIONS:

1. As used in this attachment, the term "documents" means all records and other tangible forms of expression in your possession, custody, or control, whether drafts or unfinished versions, originals, copies or annotated copies, however created, produced or stored (manually, mechanically, electronically or otherwise), including but not limited to books, papers, files, notes, reports, correspondence, ledger sheets, telegrams, telexes, telephone logs, notes or records of conversations or meetings, minutes of meetings, contracts, agreements, calendars, datebooks, bank statements, worksheets, summaries, invoices, bills, records of billings, checks, wire transfers, drafts for money, records of payments, magnetic tape, tape recordings, disks, diskettes, and other electronic media, microfilm, microfiche, electronic mail, computer hard drives and any other storage devices.

2. As used in this attachment, "Ann Eppard Associates" means "Ann Eppard Associates, Ltd." and/or all predecessor entities, affiliates, subsidiaries or divisions.

Produce copies of the following:

All records, correspondence, memoranda, papers, and documents for calendar years 1994 to the present, including electronic mail and other computerized records, and in the personal possession, custody or control, of Ann Eppard Associates, Ltd., pertaining to:

(1) Complete and unredacted copies of any and all calendars, schedules, or other documents reflecting appointments, maintained by Ann M. Eppard and/or employees of Ann Eppard Associates, Ltd., from November 9, 1994, to the present.

(2) Unredacted federal tax returns and all relevant schedules and attachments thereto for Ann Eppard Associates, Ltd., for calendar years 1994 to the present.

(3) Complete and unredacted documents, receipts, credit card statements and any other records reflecting payments and expenditures made by Ann Eppard Associates, Ltd., from 1994 to the present.

EXHIBIT 84

BAKER
&
HOSTETLER LLP
COUNSELLORS AT LAW

WASHINGTON SQUARE, SUITE 1100 • 1050 CONNECTICUT AVENUE, N.W. • WASHINGTON, D.C. 20036-5304 • (202) 861-1500
FAX (202) 861-1783
WRITER'S DIRECT DIAL NUMBER
(202) 861-1684

May 15, 1998

VIA HAND-DELIVERY

The Honorable Joel Hefley
Chairman
Investigative Subcommittee
Committee on Standards of
Official Conduct
2230 Rayburn H.O.B.
U.S. House of Representatives
Washington, DC 20515

The Honorable Zoe Lofgren
Ranking Member
Investigative Subcommittee
Committee on Standards of
Official Conduct
318 Cannon H.O.B.
U.S. House of Representatives
Washington, DC 20515

RECEIVED
98 MAY 15 PM 6:04
COMMITTEE ON STANDARDS

Re: Motion to Revise and Limit the Scope of Subpoenas Issued to Ann M. Eppard and Ann Eppard Associates, Ltd.

Dear Chairman Hefley and Ranking Member Lofgren:

We are writing on behalf of our clients, Ann M. Eppard ("Ms. Eppard") and Ann Eppard Associates, Ltd. ("AEA"), regarding the investigation being conducted by your subcommittee of the House Committee on Standards of Official Conduct (the "Ethics Committee") based upon the complaint filed by the Congressional Accountability Project (the "Complaint") against Representative

E.G. "Bud" Shuster ("Chairman Shuster").

To date, Ms. Eppard and AEA have fully cooperated with your subcommittee's investigation. They have produced various documents, including: calendars, bank records, invoice ledgers, telephone records, tax returns, and credit card statements. They do not believe it fair and proper, however, to have to comply in full with your subcommittee's latest subpoenas dated May 7, 1998.

The latest subpoenas demand from Ms. Eppard and AEA, without specific particularity, the production of records that are beyond the scope of the Ethics Committee's investigation. Furthermore, in some instances, they call for the production of documents which may significantly endanger, or diminish, Ms. Eppard's defense to the indictment she is now facing. We, therefore, request that you revise and limit the scope of these new subpoenas by deleting paragraphs 1 and 2 from each subpoena and revising paragraphs 3 and 4 of the personal subpoena and paragraph 3 of the corporate subpoena so as to demand only the production of documents that are within the scope of the subcommittee's investigation and have been previously produced to the government in the criminal investigation in Boston.

I. Factual Background

On January 27, 1998, the Ethics Committee issued subpoenas to Ms. Eppard and AEA, respectively. After negotiation with counsel to the subcommittee, the scope of the subpoenas was narrowed. In response to the specifically delineated requests on the initial personal subpoena, Ms. Eppard produced: 1) a redacted calendar for 1995 containing numerous references to specific meetings and appointments; 2) redacted tax returns for 1995 and 1996 containing specific references to funds received from Chairman Shuster; and 3) all bank deposit slips relating to funds received from Chairman Shuster. AEA produced: 1) telephone records for 1995 and 1996; 2) bank statements for 1995; 3) redacted credit card statements and receipts for 1995 - 1997; 4) redacted 1995, 1996 and 1997 calendars; and 5) redacted invoice ledgers for 1996 and 1997.

The production of these documents represented full compliance by Ms. Eppard and AEA, as both Ms. Eppard and AEA provided all documents that were responsive to the specific requests in the respective subpoenas. Considerable time was spent by Ms. Eppard, AEA staff and legal counsel reviewing these documents to ensure that the redactions of non-responsive documents and items were accurate. The two subpoenas issued last

week, however, seek without any particularity, all of the redacted items and previously non-responsive documents which were not produced. Because there is no apparent, or known, factual connection between these records and the matters under investigation by the subcommittee, we are hereby requesting, for the reasons set forth below, that the demand in paragraphs 1 and 2 of each subpoena be deleted.

In addition, for the reasons set forth below, we are requesting that the new requests for documents contained in paragraphs 3 and 4 of the personal subpoena and paragraph 3 of the corporate subpoena be modified to request only those bank records, credit card statements and receipts, and documents that relate directly to the issues raised in the Complaint under investigation and which have been previously produced to the government in the grand jury investigation in Boston.

II. An Ethics Committee Subpoena That Demands the Production of Records Outside the Scope of the Investigation is Inherently Invalid

The scope of the subcommittee's investigation in this case was limited by the Ethics Committee to the Complaint filed

against Chairman Shuster.[1] The Complaint essentially demands an investigation into four substantive issues: 1) whether Chairman Shuster violated the House gift rule either prior to or after its amendment in 1995; 2) whether Chairman Shuster provided any significant and improper legislative benefits to any of Ms. Eppard's clients; (3) whether Chairman Shuster violated any criminal laws prohibiting the solicitation and acceptance of illegal gratuities; and (4) whether Chairman Shuster improperly intervened with any federal agencies on behalf of Maurice Lawruk. Therefore, the documents being compelled by the subcommittee's subpoenas to Ms. Eppard, or AEA, must directly relate to the investigation of one or more of these allegations in order to be within the scope of the investigation and thereby be validly authorized. If not, then the subpoena is a demand for material beyond the scope of the Ethics Committee's mandate and lacks sufficient authorization until the subcommittee and full committee vote to expand the scope of the investigation under subsection (c) of Rule 20 of the Ethics Committee's Rules. A subpoena that seeks documents outside the scope of the

[1] Since Ms. Eppard is no longer an employee of the House, she can not be the subject of an Ethics committee complaint and investigation. See Rule 2(b), Rule 2(c), and Rule 2(h). Rules of Committee on Standards of Official Conduct (1997).

investigation is a de facto expansion of the scope of the Ethics Committee's investigation in violation of Rule 20(c). Thus, subpoenas must be limited to demanding documents within the scope of the investigation.

The May 7 subpoenas issued by the investigative subcommittee are improper as presently constituted because they seek the production of documents beyond the scope of the Ethics Committee's investigation. For example, the demand for unredacted copies of all documents reflecting all entries contained in the 1995 personal calendar of Ms. Eppard would yield voluminous information wholly unrelated to the four issues under investigation (e.g. schedules of meetings with members of Congress and Senators unrelated to her transportation clients, social and personal meetings unrelated to her business etc.). Moreover, producing unredacted federal tax returns with accompanying schedules for Ms. Eppard from 1991 through 1997 would similarly constitute, in essence, a fishing expedition into her most highly sensitive, financial information. The subpoena issued to AEA demanding production of complete and unredacted copies of all entries entered in AEA's appointment calendar from November 9, 1994 to the present and unredacted credit card statements for AEA for 1994 to the present would similarly yield

voluminous information wholly unrelated to this subcommittee's investigation.

The items redacted from the calendars and credit card statements of Ms. Eppard and AEA are collateral, irrelevant, non-responsive material outside the scope of the Ethics Committee's investigation. Redactions of such material are typically permitted in both civil and criminal litigation, and disputes over the extent and propriety of redactions are the province of the courts. United States v. Poindexter, 727 F.Supp. 1501, 1506 (D.D.C. 1989) (court considers which substantive redactions may be effected in subpoenas issued to President Reagan). See also Lampshire v. The Proctor & Gamble Co., 94 F.R.D. 58, 61 (N.D. Ga. 1982) (court grants protective order to allow for personal identifying information of participants in a study to be redacted from all documents); Agresta v. W. Wilson Goode, et al., 1993 U.S. Dist. LEXIS 1858, *11 n.3 (E.D. Pa. 1993) (court allows City Solicitor's Office to redact references to certain litigation decisions).

Similarly, the entries that were redacted from Ms. Eppard's 1995 and 1996 tax returns do not directly, or indirectly, relate to the allegations made in the Complaint. To the contrary, they

represent collateral, non-relevant and highly personal information regarding Ms. Eppard, who neither is, nor can be, the subject of an Ethics Committee investigation. The redaction of such material is clearly permissible. See e.g., Poindexter, 727 F.Supp. at 1506; Lampshire, 94 F.R.D. at 61; Agresta, 1993 U.S. Dist. LEXIS at 1858, *11 n.3. Moreover, the production of her 1991 - 1994 federal tax returns, which have no entries relating to any payments from Chairman Shuster, or his family, to Ms. Eppard for lodging or transportation, is a highly invasive demand from a mere witness that bears no relationship to the allegations in question and is, therefore, per se invalid.

Finally, with respect to those documents being subpoenaed from both Ms. Eppard and AEA for the first time, those requests are also unrelated in any known, or apparent, way to the four areas under investigation. For example, the wholesale demand for Ms. Eppard's personal bank records for 1991 to present, without any factual tie to the issues under review (e.g. deposits of funds received from Chairman Shuster), also appears to be little more than a fishing expedition. Similarly, the demands for the production of complete and unredacted corporate tax returns of AEA from 1994 to the present, without any apparent factual connection to the allegations in the Complaint, is improper

because it exceeds the scope of the investigation. Because the subcommittee's investigation is not a tax fraud investigation of either Ms. Eppard or her company, demanding the production of such sensitive, financial information should, and must, be premised upon a direct factual link to the matters under investigation as defined by the Complaint. Indeed, the integrity of the subcommittee's process should require nothing less.

III. It is Unfairly Prejudicial to Use a Congressional Subpoena to Compel Previously Unproduced Documents From An Indicted Person Prior to Her Trial.

It is well established that prosecutors are not entitled to use the grand jury to obtain further discovery in a criminal case after the return of an indictment. In the Matter of Michael Feldberg, 862 F.2d 622, 625 (7th Cir. 1988); United States v. Moss, 756 F.2d 329, 332 (4th Cir. 1985); United States v. Beasley, 550 F.2d 261, 266 (5th Cir. 1977). Ms. Eppard was indicted by the United States Attorneys' Office in Boston, Massachusetts on April 9, 1998. By virtue of the indictment, the prosecutors in Boston are barred from using grand jury proceedings as a discovery tool to attempt to further build their case against Ms. Eppard. Feldberg, 862 F.2d at 625; Moss, 756 F.2d at 332; Beasley, 550 F.2d at 266. Were Ms. Eppard to

produce documents pursuant to this Committee's May 7 subpoena that have not been previously provided to the U.S. Attorneys' Office, those documents could be subpoenaed by the United States Attorneys' office prior to her trial and used against her.

This risk to Ms. Eppard's ability to defend herself is an unconscionable and unfair consequence to compliance with the May 7 subpoenas that places the government at an unfair advantage over Ms. Eppard. Since we are aware of dialogue in the past between the subcommittee's counsel and the Boston U.S. Attorneys' Office regarding, at a minimum, act-of-production immunity, we believe there is a substantial risk of a trial subpoena being issued by the Boston office to this subcommittee in the future. While the Ethics Committee clearly has interests separate and apart from the Executive Branch that it is obligated to pursue, it should be no more willing to harm a respondent's, or witness', ability to present her defense against an indictment than it is to refrain from harming the government's ability to successfully prosecute a case.

Prudence and fair play dictate, especially in light of the substantial risk of a future trial subpoena, that this subcommittee refrain from subpoenaing any further documents from

Ms. Eppard that she has not previously provided to the grand jury in Boston, so as to avoid unfairly positioning the government to obtain through a trial subpoena those documents which it can no longer obtain on its own. Accordingly, paragraphs 3 and 4 of the personal subpoena and paragraph 3 of the corporate subpoena should be amended to require only the production of documents within the scope of the Complaint that have been previously produced to the government during its grand jury investigation in Boston.

IV. Conclusion

Compliance with paragraphs 1 and 2 of the May 7 subpoenas issued to Ms. Eppard and AEA relating to the unredacted production of calendars, tax returns, and credit card statements is unreasonable and oppressive. The subpoena does not define with sufficient particularity those items within the redacted calendars, credit card statements and tax returns of Ms. Eppard and AEA that are relevant to the factual issues under investigation. Moreover, by demanding post-indictment the production of previously unproduced documents, the Committee is unfairly prejudicing Ms. Eppard's ability to present her legal defense and unfairly placing the government in a position to obtain evidence against Ms. Eppard which it could not otherwise

obtain. We, therefore, respectfully request that the Committee delete paragraphs 1 and 2 from both subpoenas and narrow the remaining paragraphs so as to require the production of only those documents directly within the scope of the Complaint and which have been previously provided to the grand jury in Boston.

Sincerely,

Richard J. Leon
Suvarna U. Rajguru

cc: Virginia H. Johnson, Esq.
Paul M. Lewis, Esq.

EXHIBIT 85

JAMES V. HANSEN, UTAH
CHAIRMAN
LAMAR SMITH, TEXAS
JOEL HEFLEY, COLORADO
BOB GOODLATTE, VIRGINIA
JOE KNOLLENBERG, MICHIGAN
THEODORE J. VAN DER MEID,
CHIEF COUNSEL/STAFF DIRECTOR
BARI L. SCHWARTZ
COUNSEL TO THE RANKING
MINORITY MEMBER

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT
Washington, DC 20515–6328

HOWARD L. BERMAN, CALIFORNIA
RANKING MINORITY MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA
SUITE H7–2, THE CAPITOL
(202) 225–7103

May 20, 1998

Ms. Ann M. Eppard
211 North Union Street
Suite 100
Alexandria, VA 22314

Transmitted via facsimile

Re: Subpoenas issued to Ann M. Eppard and Ann Eppard Associates, Ltd.

Dear Ms. Eppard:

The Subcommittee is in receipt of the letter submitted by your counsel on May 15, 1998.

The Subcommittee hereby denies your Motion to Revise and Limit the Scope of Subpoenas issued to Ann M. Eppard and Ann Eppard Associates, Ltd., on May 7, 1998. The Subcommittee expects you to produce the documents demanded in both subpoenas no later than May 21, or such other date as may be mutually agreed upon by our counsel and your attorney, Richard J. Leon.

Sincerely,

Joel Hefley
Chairman
Investigative Subcommittee

Zoe Lofgren
Ranking Democratic Member
Investigative Subcommittee

cc: Richard J. Leon, Esq.

EXHIBIT 86

Richard M. Egbert
Attorney at Law

Mary Ellen Kelleher
Admitted to practice in
Massachusetts & New Hampshire

99 Summer Street
Suite 1620
Boston, Massachusetts 02110
Telephone (617) 737-8222
Telecopier (617) 737-8223

September 24, 1998

Virginia H. Johnson
Counsel
Committee on Standards of Official Conduct
U.S. House of Representatives
U.S. Capitol, Suite HT-2
Washington, D.C. 20515

RECEIVED
98 SEP 30 PM 1:19
COMMITTEE ON STANDARDS

Re: Ann M. Eppard/ Ann Eppard Associates, Ltd.

Dear Ms. Johnson:

As you are now aware, I will be representing the above-described parties for all purposes having to do with subpoenas issued by your office, and any ancillary proceedings.

I understand that all current subpoenas have been fully complied with and there are presently no matters outstanding. If you are of a different mind, kindly let me know.

All future communication should be made through this office.

Very truly yours,

Richard M. Egbert

cc: Ann M. Eppard

Richard Leon, Esq.

JAMES V. HANSEN, UTAH
CHAIRMAN
LAMAR SMITH, TEXAS
JOEL HEFLEY, COLORADO
BOB GOODLATTE, VIRGINIA
JOE KNOLLENBERG, MICHIGAN
THEODORE J. VAN DER MEID,
CHIEF COUNSEL/STAFF DIRECTOR
SARI L. SCHWARTZ
COUNSEL TO THE RANKING
MINORITY MEMBER

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT
Washington, DC 20515–6328

HOWARD L. BERMAN, CALIFORNIA
RANKING MINORITY MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA
SUITE HT-2, THE CAPITOL
(202) 225-7103

October 2, 1998

Richard M. Egbert, Esq.
99 Summer Street, Suite 1620
Boston, MA 02110

Re: Ann M. Eppard/Ann Eppard Associates, Ltd.

Dear Mr. Egbert:

This will confirm receipt of your letter dated September 24, 1998 (received in this office on September 30, 1998) in connection with the above-referenced matter.

I contacted you on September 23, 1998, to advise you that I had received a voice mail message from Karen Schecter of Ann Eppard Associates earlier that day. Ms. Schecter indicated in her message that she required instructions for delivering documents responsive to the outstanding subpoenas to the Committee's office. Earlier that day, Ms. Eppard's former attorney, Richard Leon, advised me that he was no longer representing Ms. Eppard in these proceedings and directed me to forward further communication to your office.

You agreed that it would be appropriate for me to contact Ms. Schecter for the limited purpose of discussing a ministerial matter of this nature. You further advised me that Ms. Eppard had not filed her personal tax return for 1997 with the IRS but expected to do so no later than October 15, 1998. Later that day, your client delivered a parcel to the Committee containing much of the outstanding material.

Subsequent to my initial conversation with you, Ms. Eppard left me a voice mail message in which she indicated that her submission of September 23 was not complete and requested the Committee's patience for a delay she attributed to difficulties associated with obtaining documents from her accountant, Thomas Hoyne, and the confusion of changing attorneys. She indicated that Mr. Hoyne had not provided her with a complete set of Forms 1099 for 1994. She further indicated that she would provide the Committee with corrected information the next day. I immediately brought this matter to your attention in a subsequent telephone call to your office.

Thus, in response to your letter, it would appear that the subpoenas may not have been fully complied with as of this date. We have not received the corrected information prepared by Mr. Hoyne as referenced in Ms. Eppard's message. In addition, the Committee anticipates that Ms. Eppard will produce copies of the documents she

files with the IRS no later than October 15, 1998. Finally, I should note that Committee counsel have had a number of discussions with Mr. Leon in which we agreed to limit temporarily the scope of initial production of documents identified in subpoenas served on Ms. Eppard and Ann Eppard Associates. In so doing, however, the Committee has expressly reserved its right to demand production of *all* documents described in the schedules accompanying each subpoena at any time pending the resolution of this matter.

Please contact me at (202) 225-7103 to discuss arrangements for producing these outstanding documents to the Committee. Thank you for your continued cooperation.

Sincerely,

Virginia H. Johnson
Counsel

EXHIBIT 87

BAKER
&
HOSTETLER LLP
COUNSELLORS AT LAW

WASHINGTON SQUARE, SUITE 1100 • 1050 CONNECTICUT AVENUE, N.W. • WASHINGTON, D.C. 20036-5304 • (202) 861-1500
FAX (202) 861-1783
WRITER'S DIRECT DIAL NUMBER
(202) 861-1684

May 21, 1998

VIA HAND-DELIVERY

Virginia H. Johnson, Esq.
Counsel
House Ethics Committee
HT-2 Capitol Building
Washington, D.C. 20515-6328

Dear Ms. Johnson:

Pursuant to our discussion today and Chairman Hefley's alternative proposal regarding the production of documents pursuant to the May 7 subpoenas to Ann M. Eppard ("Ms. Eppard") and Ann Eppard Associates, Ltd. ("AEA"), I am enclosing herewith complete and unredacted corporate tax returns for AEA for 1994 - 1996 (Bates numbered AEA 5000 through AEA 5135), and complete and unredacted personal tax returns for Ms. Eppard for 1991 - 1996 (Bates numbered AME 1028 through AME 1112). To date, the 1997 returns have not been filed for either.

Furthermore, pursuant to our agreement today, any responsive personal bank or personal credit card records of Ms. Eppard will be produced by Friday, May 29, 1998. In addition, I look forward to continue working out with you the terms and conditions for the in camera inspection of Ms. Eppard's and AEA's calendars, which we have tentatively scheduled for next Wednesday at 2:00 p.m.

Thank you for your attention to this mater, and please do not hesitate to contact me if you have any questions. Until then, I remain,

Sincerely yours,

Richard J. Leon

Enclosures

EXHIBIT 88

JAMES V. HANSEN, UTAH
CHAIRMAN
LAMAR SMITH, TEXAS
JOEL HEFLEY, COLORADO
BOB GOODLATTE, VIRGINIA
JOE KNOLLENBERG, MICHIGAN
THEODORE J. VAN DER MEID,
CHIEF COUNSEL/STAFF DIRECTOR
BARI L. SCHWARTZ
COUNSEL TO THE RANKING
MINORITY MEMBER

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515–6328

HOWARD L. BERMAN, CALIFORNIA
RANKING MINORITY MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA

SUITE HT–2, THE CAPITOL
(202) 225–7103

June 9, 1998

Richard J. Leon, Esq.
Baker & Hostetler LLP
Washington Square
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036

Re: Subpoenas issued to Ann M. Eppard and Ann Eppard Associates, Inc.

Dear Mr. Leon:

This will confirm that the subcommittee received two packages from you last week containing documents responsive to subpoenas issued by the subcommittee to your client, Ann M. Eppard. On Wednesday, June 3, we received items Bates numbered AEA 6000 through AEA 6627 and AME 2000 through AME 2053. On Thursday, June 4, we received items Bates numbered AEA 6700 through AEA 6832 and AEA 7001 through AEA 7184. Your letter indicates that Bates numbers AEA 6833 through AEA 7000 were not used. Please confirm that Bates numbers AEA 6628 through AEA 6699 were similarly omitted from your production.

Although your client had previously produced copies of calendars for 1995, 1996 and 1997 to the subcommittee, a review of these documents revealed that numerous entries had been redacted. Your client redacted these entries without providing the subcommittee with a privilege log reflecting her legal basis for doing so. In reviewing the originals of these documents, committee counsel has confirmed that numerous entries your client redacted were, in fact, responsive to the subcommittee's subpoena and should not have been redacted.

It is our understanding that the copies you provided the subcommittee last week have not been redacted. Please convey to your client our assurances that should the subcommittee find it necessary to release in its public final report of these proceedings all or any portion of the calendars she produced, it will release only those portions that are relevant to the issues under investigation.

Sincerely,

Joel Hefley
Chairman
Investigative Subcommittee

Zoe Lofgren
Ranking Democratic Member
Investigative Subcommittee

BAKER
&
HOSTETLER LLP
COUNSELLORS AT LAW

WASHINGTON SQUARE, SUITE 1100 • 1050 CONNECTICUT AVENUE, N.W. • WASHINGTON, D.C. 20036-5304 • (202) 861-1500
FAX (202) 861-1783
WRITER'S DIRECT DIAL NUMBER
(202) 861-1684

June 3, 1998

VIA HAND-DELIVERY

Ms. Virginia Johnson
Counsel
House Ethics Committee
HT-2 Capitol Building
Washington, D.C. 20515-6328

Dear Ms. Johnson:

Pursuant to our discussion and agreement yesterday, enclosed are complete and unredacted business and personal calendars in the possession of Ann Eppard Associates, Ltd. ("AEA") or Ann Eppard for 1994 - 1996 (Bates numbered AEA 6000 through AEA 6627 and AME 2000 through AME 2053, respectively). Pursuant to our agreement with you, the 1997 business calendar will be produced tomorrow morning. We are producing these unredacted calendars with the understanding, which will be confirmed in writing by the Subcommittee, that only those specific portions of the calendars that are relevant to the Committee's investigation will be published or used in any subcommittee or full committee hearing or report.

Regarding the subpoenas dated May 20, 1998, a review of AEA records has not yielded any responsive documents, other than those already in the Committee's possession. If any such documents are located in the future, they will be produced to the Committee immediately.

Please do not hesitate to contact me or my colleague, Suvarna Rajguru, if you have any questions regarding this production.

Sincerely,

Richard J. Leon/SR

Richard J. Leon

Enclosures

cc: Ann M. Eppard

BAKER
&
HOSTETLER LLP
COUNSELLORS AT LAW

WASHINGTON SQUARE, SUITE 1100 • 1050 CONNECTICUT AVENUE, N.W. • WASHINGTON, D.C. 20036-5304 • (202) 861-1500
FAX (202) 861-1783
WRITER'S DIRECT DIAL NUMBER
(202) 861-1684

June 4, 1998

VIA HAND-DELIVERY

Ms. Virginia Johnson
Counsel
House Ethics Committee
HT-2 Capitol Building
Washington, D.C. 20515-6328

Dear Ms. Johnson:

Pursuant to our agreement, enclosed is a photocopy of the 1997 business calendar of Ann Eppard Associates, Ltd. These documents have been Bates numbered AEA 6700 - 6832 (January 1 - June 1) and AEA 7001 - 7184 (June 2 - December 31). The Bates numbers AEA 6833 through AEA 7000 were inadvertently not used.

Please do not hesitate to contact me or my associate, Suvarna Rajguru, if you have any questions or comments regarding this production.

Sincerely,

Richard Leon (mw)
Richard J. Leon

Enclosures

BAKER
&
HOSTETLER LLP
COUNSELLORS AT LAW

WASHINGTON SQUARE, SUITE 1100 • 1050 CONNECTICUT AVENUE, N.W. • WASHINGTON, D.C. 20036-5304 • (202) 861-1500
FAX (202) 861-1783
WRITER'S DIRECT DIAL NUMBER
(202) 861-1684

July 9, 1998

VIA HAND-DELIVERY

Ms. Virginia Johnson
Counsel
House Ethics Committee
HT-2 Capitol Building
Washington, D.C. 20515-6328

Dear Ms. Johnson:

Pursuant to your request, enclosed are more legible copies of the Ann Eppard Associates' 1996 and 1997 calendar pages. As you will note, we have attached the more legible copy of each calendar page to the appropriate Bates numbered page produced to the Committee previously. We have also affixed to the top of each Bates numbered page previously produced the applicable date which was not legible. Please also note, in response to your inquiry, that there was no entry underneath the "post-it" note on AEA 6410, and no redactions were made to AEA 6362.

Please do not hesitate to contact me or Suvarna Rajguru if you have any questions regarding this production.

Sincerely,

Richard J. Leon

Enclosures

BAKER
&
HOSTETLER LLP
COUNSELLORS AT LAW

WASHINGTON SQUARE, SUITE 1100 • 1050 CONNECTICUT AVENUE, N.W. • WASHINGTON, D.C. 20036-5304 • (202) 861-1500
FAX (202) 861-1783
WRITER'S DIRECT DIAL NUMBER
(202) 861-1684

July 10, 1998

VIA HAND-DELIVERY

Ms. Virginia Johnson
Counsel
House Ethics Committee
HT-2 Capitol Building
Washington, D.C. 20515-6328

Dear Ms. Johnson:

Pursuant to your request, enclosed are copies of the June 28, 1996 through July 10, 1996 entries from Ann Eppard Associates' 1996 calendar pages, Bates numbered AEA 6468 through AEA 6478 which were previously produced to the Committee. As you will note, we have labeled each page with the date at the top for ease of review.

Please do not hesitate to contact me or Suvarna Rajguru if you have any questions regarding production of these pages.

Sincerely,

Richard J. Leon/SR

Richard J. Leon

Enclosures

EXHIBIT 89

BUD SHUSTER
9TH DISTRICT, PENNSYLVANIA

Congress of the United States
House of Representatives

RECEIVED
98 OCT 20 PM 5:03
COMMITTEE ON STANDARDS

October 20, 1998

The Honorable James Hansen, Chairman
The Honorable Howard Berman, Ranking Member
House Committee on Standards of Official Conduct
HT 2, The Capitol
U.S. House of Representatives
Washington, D.C. 20515

Re: Motion to Dismiss Complaint

Dear Gentlemen:

I respectfully request that the complaint against me, filed by the Congressional Accountability Project more than two years ago, be dismissed. The Rules of this Committee require that a complaint "shall" set forth "in simple, concise and direct statements the facts alleged to give rise to the violation. The complaint shall not contain innuendo, speculative assertions, or conclusory statements." Committee on Standards of Official Conduct Rule 16(a)(4). Given that the complaint is based solely on newspaper articles, it contains nothing but "innuendo, speculative assertions, or conclusory statements." Such a complaint does not satisfy Rule 16's procedural predicates. Accordingly, it ought to be dismissed.

Also, we have recently been advised that the Committee has now, after voting to delay its investigation due to a related criminal investigation, reversed itself, and has decided not only to renew its investigation, but to expand the subject matter. I respectfully object to the expansion of the probe into areas which were not contained in the original complaint itself, but instead in a proposed amendment. "A complaint may not be amended without leave of the Committee." Committee on Standards of Official Conduct Rule 16(g). As the Committee has not, to my knowledge, granted leave regarding the amendment, its subject matter is not properly before the Committee.

Further, the reasons offered in support of my request to stay the investigation, expressed in prior correspondence of March 12, 1998, still exist. Thus, I renew my request to stay the investigation should my motion to dismiss be denied.

Finally, pursuant to Rule 26, I respectfully request that any exculpatory information in possession of the Committee be provided to my attorneys. Thank you for your attention to this matter.

Sincerely,

Bud Shuster

WASHINGTON OFFICE:
2188 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-3909
PHONE: (202) 225-2431

[redacted]

PHONE: (814) 946-1653

DISTRICT OFFICE:
179 E. QUEEN ST.
CHAMBERSBURG, PA 17201
PHONE: (717) 264-8308

DISTRICT OFFICE:
1214 OLDTOWN ROAD, SUITE #4
CLEARFIELD, PA 16830
PHONE: (814) 765-9109

EXHIBIT 90

JAMES V. HANSEN, UTAH
CHAIRMAN
LAMAR SMITH, TEXAS
JOEL HEFLEY, COLORADO
BOB GOODLATTE, VIRGINIA
JOE KNOLLENBERG, MICHIGAN
THEODORE J. VAN DER MEID,
CHIEF COUNSEL/STAFF DIRECTOR
SARI L. SCHWARTZ
COUNSEL TO THE RANKING
MINORITY MEMBER

HOWARD L. BERMAN, CALIFORNIA
RANKING MINORITY MEMBER
MARTIN OLAV SABO, MINNESOT
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA
SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515–6328

November 19, 1998

Honorable Bud Shuster
U.S. House of Representatives
Washington, D.C. 20515

Dear Colleague:

The Committee has met to consider the motions in your October 20, 1998 letter to the Committee.

Your request that the complaint be dismissed has been denied by a unanimous vote. The Committee in the 104th Congress determined that the complaint was properly filed at the time and the present Committee voted to carry the complaint forward following the expiration of the moratorium.

The Committee has affirmed by a unanimous vote that its expansion of the investigation was proper. Your letter indicates a belief that the investigation was expanded based on an amendment filed to the complaint. That is not the case. The expansion was recommended by the Investigative Subcommittee and approved by the full Committee. The expansion was in compliance with Committee rules (Committee Rule 20(c)).

The Committee by a unanimous vote has denied your request for a stay of proceedings.

Your request for exculpatory information is under the jurisdiction of the Investigative Subcommittee and has been forwarded to them.

Sincerely,

James V. Hansen
Chairman

Howard L. Berman
Ranking Minority Member

EXHIBIT 91

Subpoena Duces Tecum

By Authority of the House of Representatives of Congress of the United States of America

---

To: Ann M. Eppard
211 North Union Street, Suite 100
Alexandria, VA 22314

You are hereby commanded to produce before the Investigative Subcommittee of the Committee on Standards of Official Conduct of the House of Representatives of the United States, of which the Honorable Joel Hefley is chairman, in Suite HT-2 of the Capitol, in the city of Washington, by no later than 5:00 p.m. on October 23, 1998, the things identified on the attached schedule concerning matters of inquiry committed to said Subcommittee.

Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 15 day of October, 1998.

The Honorable James V. Hansen
Chairman
Committee on Standards of Official Conduct

The Honorable Howard L. Berman
Ranking Minority Member
Committee on Standards of Official Conduct

Attest:

Robin H. Carle
Clerk of the House

Subpoena Duces Tecum

By Authority of the House of Representatives of Congress of the United States of America

---

To: Custodian of Records
Ann Eppard Associates, Ltd.
211 North Union Street, Suite 100
Alexandria, VA 22314

You are hereby commanded to produce before the Investigative Subcommittee of the Committee on Standards of Official Conduct of the House of Representatives of the United States, of which the Honorable Joel Hefley is chairman, in Suite HT-2 of the Capitol, in the city of Washington, by no later than 5:00 p.m. on October 23, 1998, the things identified on the attached schedule concerning matters of inquiry committed to said Subcommittee.

Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 15 day of October, 1998.

The Honorable James V. Hansen
Chairman
Committee on Standards of Official Conduct

The Honorable Howard L. Berman
Ranking Minority Member
Committee on Standards of Official Conduct

Attest:

Robin H. Carle
Clerk of the House

ATTACHMENT TO SUBPOENA
CUSTODIAN OF RECORDS

DEFINITIONS:

1. As used in this attachment, the term "documents" means all records and other tangible forms of expression in your possession, custody, or control, whether drafts or unfinished versions, originals, copies or annotated copies, however created, produced or stored (manually, mechanically, electronically or otherwise), including but not limited to books, papers, files, notes, reports, correspondence, ledger sheets, telegrams, telexes, telephone logs, notes or records of conversations or meetings, minutes of meetings, contracts, agreements, calendars, datebooks, bank statements, worksheets, summaries, invoices, bills, records of billings, checks, wire transfers, drafts for money, records of payments, magnetic tape, tape recordings, disks, diskettes, and other electronic media, microfilm, microfiche, electronic mail, computer hard drives and any other storage devices.

2. As used in this attachment, "Ann Eppard Associates" means "Ann Eppard Associates, Ltd." and/or all predecessor entities, affiliates, subsidiaries or divisions.

Produce copies of the following:

All records, correspondence, memoranda, papers, and documents for calendar years 1991 to the present, including electronic mail and other computerized records, in your personal possession, custody or control, pertaining to:

(1) Unredacted federal tax return and all relevant schedules and attachments thereto for Ann M. Eppard for calendar year 1997.

Attachment to Subpoena
Page 2

(2) Correspondence, written agreements, personnel records, meetings, payments, disbursements, contributions, solicitations, receipts, and/or appointments pertaining to (1) the Bud Shuster for Congress Committee, and (2) the Bob Shuster for Congress Committee.

Attachment to Subpoena

ATTACHMENT TO SUBPOENA
CUSTODIAN OF RECORDS

DEFINITIONS:

1. As used in this attachment, the term "documents" means all records and other tangible forms of expression in your possession, custody, or control, whether drafts or unfinished versions, originals, copies or annotated copies, however created, produced or stored (manually, mechanically, electronically or otherwise), including but not limited to books, papers, files, notes, reports, correspondence, ledger sheets, telegrams, telexes, telephone logs, notes or records of conversations or meetings, minutes of meetings, contracts, agreements, calendars, datebooks, bank statements, worksheets, summaries, invoices, bills, records of billings, checks, wire transfers, drafts for money, records of payments, magnetic tape, tape recordings, disks, diskettes, and other electronic media, microfilm, microfiche, electronic mail, computer hard drives and any other storage devices.

2. As used in this attachment, "Ann Eppard Associates" means "Ann Eppard Associates, Ltd." and/or all predecessor entities, affiliates, subsidiaries or divisions.

Produce copies of the following:

All records, correspondence, memoranda, papers, and documents for calendar years 1991 to the present, including electronic mail and other computerized records, in the possession, custody or control of Ann Eppard Associates, Ltd., including its employees, representatives or agents, pertaining to correspondence, written agreements, personnel records, meetings, payments, disbursements, contributions, solicitations, receipts, and/or appointments pertaining to (1) the Bud Shuster for Congress Committee, and (2) the Bob Shuster for Congress Committee.

Subpoena for Ann M. Eppard, 211 North Union Street, Suite 100, Alexandria, Virginia 22314, to produce the things identified on the attached schedule before the Investigative Subcommittee of the Committee on Standards of Official Conduct.

Served on Richard Egbert
per agreement with Paul
McLennan, counsel, via fax
10/20/98

Paul M L
10/20/98 House of Representatives

Rcvd 11/10

Richard M. Egbert

Attorney at Law

Maryellen Kelleher
Admitted to practice in
Massachusetts & New Hampshire

Sonya L. Hurst
Legal Assistant

99 Summer Street
Suite 1620
Boston, Massachusetts 02110
Telephone (617) 737-8222
Facsimile (617) 737-8223

November 9, 1998

VIA FACSIMILE

Mr. Paul Lewis, Esq.
Counsel
Committee on Standards of
Official Conduct
U.S. House of Representatives
HT - 2 Capitol
Washington, DC 20510

Re: October 15, 1998 Subpoena Production

Dear Mr. Lewis:

I am writing in response to our conversation of this afternoon. Immediately following that conversation I spoke with an employee of our client's office. I was assured that our client was in the process of collecting documents thought to be responsive to the October 15, 1998 subpoena. Once a thorough search has been completed, the documents will be sent to this office for review. Those documents deemed responsive will then be produced to the committee. I am unable at this time to provide you with a approximate date by which production will be made but will contact you in the next few days when an accurate estimation can be made. If you have any questions, please do not hesitate to contact me at your earliest convenience.

Very truly yours,

Steven R. Schuh

JAMES V. HANSEN, UTAH
CHAIRMAN
LAMAR SMITH, TEXAS
JOEL HEFLEY, COLORADO
BOB GOODLATTE, VIRGINIA
JOE KNOLLENBERG, MICHIGAN

THEODORE J. VAN DER MEID,
CHIEF COUNSEL/STAFF DIRECTOR
BARI L. SCHWARTZ
COUNSEL TO THE RANKING
MINORITY MEMBER

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515–6328

HOWARD L. BERMAN, CALIFORNIA
RANKING MINORITY MEMBER
MARTIN CLAY SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA

SUITE HT-2, THE CAPITOL
(202) 225-7103

November 10, 1998

BY FACSIMILE
Steven Schuh, Esq.
Richard M. Egbert, Attorney at Law
99 Summer Street
Suite 1620
Boston, Massachusetts 02110

Re: In the Matter of Representative Bud Shuster

Dear Mr. Schuh:

This is in response to your facsimile received today regarding production in response to the Committee's subpoena of October 15, 1998. Based on the facsimile and our conversations of yesterday and today, I understand that you are not able to provide a date by which complete production will be made. However, we expect production of the documents you have received from your client by November 20, 1998. When this partial production is completed, I am sure a reasonable date for complete production can be agreed upon.

Thank you for your cooperation in this matter. If you have any questions, please do not hesitate to contact me or my co-counsel, Virginia H. Johnson, at (202) 225-7103.

Sincerely,

Paul M. L—

Paul M. Lewis
Counsel

EXHIBIT 92

BB V. HANSEN, UTAH
AIRMAN
AR SMITH, TEXAS
HEFLEY, COLORADO
GOODLATTE, VIRGINIA
CNOLLENBERG, MICHIGAN
DORE J. VAN DER MEID,
IEF COUNSEL/STAFF DIRECTOR
L. SCHWARTZ
UNSEL TO THE RANKING
MINORITY MEMBER

HOWARD L. BERMAN, CALIFORNIA
RANKING MINORITY MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA
SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515–6328

January 20, 1999

PRESS STATEMENT

In the Matter of Representative Bud Shuster

The Committee has voted to carryover the pending Shuster complaint from the 105th Congress.

EXHIBIT 93

JAMES V. HANSEN, UTAH
CHAIRMAN
LAMAR SMITH, TEXAS
JOEL HEFLEY, COLORADO
BOB GOODLATTE, VIRGINIA
JOE KNOLLENBERG, MICHIGAN

THEODORE J. VAN DER MEID,
CHIEF COUNSEL/STAFF DIRECTOR
BARI L. SCHWARTZ
COUNSEL TO THE RANKING
MINORITY MEMBER

HOWARD L. BERMAN, CALIFORNIA
RANKING MINORITY MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA

SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515–6328

February 4, 1999

The Hon. Bud Shuster
U. S. House of Representatives
2188 Rayburn House Office Building
Washington, D.C. 20515

Re: In the Matter of Representative Bud Shuster

Dear Colleague:

This will acknowledge receipt of your letter to us dated February 2, 1999.

Enclosed you will find a copy of a letter former Chairman James Hansen sent you on October 30, 1998, in which he advised you that since the Committee has created an Investigative Subcommittee, your contact with the Committee should be directed to the Subcommittee. We are also enclosing a copy of a letter dated November 20, 1998, in which Subcommittee Chairman Joel Hefley and Ranking Member Zoe Lofgren requested that you provide them with a written submission to discuss the irregularities you referenced in your letter of November 12, 1998. They indicated in their letter that they would advise you of the appropriateness of a meeting with the Subcommittee after they had an opportunity to review any such submission.

It is our understanding that you have not tendered any such submission to the Subcommittee as of this date. We reiterate that any concerns you have should be directed to Reps. Hefley and Lofgren.

Sincerely,

Lamar Smith
Chairman

Howard L. Berman
Ranking Minority Member

Enclosures

cc: Benjamin L. Ginsberg, Esq.
Mitchell R. Berger, Esq.

JAMES V. HANSEN, UTAH
CHAIRMAN
LAMAR SMITH, TEXAS
JOEL HEFLEY, COLORADO
BOB GOODLATTE, VIRGINIA
JOE KNOLLENBERG, MICHIGAN

THEODORE J. VAN DER MEID,
CHIEF COUNSEL/STAFF DIRECTOR
BARI L. SCHWARTZ
COUNSEL TO THE RANKING
MINORITY MEMBER

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT
Washington, DC 20515–6328

HOWARD L. BERMAN, CALIFORNIA
RANKING MINORITY MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA

SUITE HT–2, THE CAPITOL
(202) 225–7103

October 30, 1998

Honorable Bud Shuster
2188 Rayburn Building
Washington, D.C. 20515

Dear Bud:

This is in response to your letters of October 16th and 20th.

Even though I did not return to Washington and, therefore, was unavailable for a meeting, a meeting between you, Howard Berman and me would be inappropriate at this time. Since we have created an Investigative Subcommittee your contact with the Committee is more appropriately through counsel and directed to the Subcommittee.

I will put your motion to dismiss the complaint before the full Committee when it meets in November. As to the expansion of the investigation, the expansion is not an amendment to the complaint but rather an expansion per Committee Rule 20(c).

Sincerely,

James V. Hansen

James V. Hansen
Chairman

JAMES V. HANSEN, Utah
CHAIRMAN
LAMAR SMITH, TEXAS
JOEL HEFLEY, COLORADO
BOB GOODLATTE, VIRGINIA
JOE KNOLLENBERG, MICHIGAN

THEODORE J. VAN DER MEID,
CHIEF COUNSEL/STAFF DIRECTOR
SARI L. SCHWARTZ,
COUNSEL TO THE RANKING
MINORITY MEMBER

HOWARD L. BERMAN, California
RANKING MINORITY MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA

SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Washington, DC 20515–6328

November 20, 1998

The Honorable Bud Shuster
U.S. House of Representatives
2188 Rayburn House Office Building
Washington, D.C. 20515

In re: The Matter of Representative Bud Shuster

Dear Colleague:

We have reviewed your counsel's letter of November 12, 1998, in which you requested a meeting with us to discuss "both the inappropriate manner and insupportedly broad scope of the investigation."

We understand your strong feelings on this matter, but it is not our policy to hold such a meeting at this stage of the proceedings. We therefore request that you provide us with a written submission in which you identify in greater detail the specific irregularities you referenced in your letter. After we have had an opportunity to review any subsequent submission you choose to present, we will advise you regarding the appropriateness of a meeting at this time.

Please contact our Investigative Subcommittee counsel Paul Lewis or Virginia Johnson at 225-7103 should you have any questions regarding this matter. Our Subcommittee staff is available to meet with your counsel at any mutually convenient time to discuss this or any other matter.

Sincerely,

Joel Hefley
Chairman

Zoe Lofgren
Ranking Member

cc: Benjamin L. Ginsberg, Esq.
Mitchell R. Berger, Esq.

PATTON BOGGS LLP
ATTORNEYS AT LAW

November 12, 1998

Benjamin L. Ginsberg
202-457-6405
bginsberg@pattonboggs.com

VIA COURIER

Theodore J. Van Der Meid, Esquire
Staff Director and Chief Counsel
Committee on Standards of Official Conduct
HT-2, The Capitol
Washington, DC 20515-6328

Dear Ted:

Regrettably I have not heard back from you in response to my almost daily phone messages over the past week concerning Mr. Shuster's request for a meeting with Mr. Hefley and Ms. Lofgren to discuss the investigation being conducted by your committee. I had wanted to tell you that, although there is a pending motion to dismiss, Mr. Shuster believes such a face-to-face meeting with his colleagues is necessary now to discuss both the inappropriate manner and insupportedly broad scope of the investigation.

Please let me know as soon as possible when Mr. Hefley and Ms. Lofgren will be in Washington so that we may have this meeting.

Thank you for your attention.

Sincerely,

Benjamin L. Ginsberg

cc: The Honorable James V. Hansen
The Honorable Howard L. Berman
The Honorable Joel Hefley
The Honorable Zoe Lofgren

EXHIBIT 94

LAMAR SMITH, TEXAS
CHAIRMAN

JOEL HEFLEY, COLORADO
JOE KNOLLENBERG, MICHIGAN
DAVE CAMP, MICHIGAN
ROB PORTMAN, OHIO

ROBERT L. WALKER,
CHIEF COUNSEL/STAFF DIRECTOR

JOHN W. LAMPMANN,
ASSISTANT TO THE CHAIRMAN

BARI L. SCHWARTZ,
COUNSEL TO THE RANKING
MINORITY MEMBER

HOWARD L. BERMAN, CALIFORNIA
RANKING MINORITY MEMBER

MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA

SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED SIXTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515–6328

March 10, 1999

The Hon. Bud Shuster
U. S. House of Representatives
2188 Rayburn House Office Building
Washington, D.C. 20515

Re: In the Matter of Representative Bud Shuster

Dear Colleague:

The Subcommittee has considered the issues you raised in your correspondence of February 2, 1999. Many of the issues you raised in your letter have been carefully considered and previously disposed of by the full Committee. Any new issues you raised in your letter have been brought to the attention of the full Committee and the Subcommittee. Based on the information you have provided us, we do not believe a meeting would be appropriate or productive at this time.

We will continue to process the complaint filed against you in accordance with the Rules of the Committee on Standards of Official Conduct. We appreciate your concern that this matter remains unresolved and are committed to concluding our work in the most expeditious but thorough possible manner. In order to assist us in achieving that objective, we request your cooperation as well as the full cooperation of your staff and attorneys.

As to your request regarding Department of Justice materials, and without confirming or denying the Investigative Subcommittee's receipt of any such materials, any and all material we have obtained in the course of the investigation and to which you are entitled pursuant to Committee Rules will be provided to you at the appropriate stage of these proceedings consistent with those Rules.

Sincerely,

Joel Hefley
Chairman

Zoe Lofgren
Ranking Minority Member

cc: Benjamin L. Ginsberg, Esq.
Mitchell R. Berger, Esq.

EXHIBIT 95

UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

ITED STATES OF AMERICA	)	
	)	
V.	)	CRIMINAL NO. 98-10114-JLT
	)	
ANN M. EPPARD,	)	VIOLATIONS:
VERNON A. CLARK,	)	
	)	18 U.S.C. §203
Defendants	)	(Compensation Other Than as Authorized by Law)

SUPERSEDING INFORMATION

COUNT ONE: (18 U.S.C. §203 - COMPENSATION OTHER THAN AS AUTHORIZED BY LAW)

The United States Attorney charges that:

1. From 1972 to in or about November, 1994, defendant ANN M. EPPARD was the chief of staff in a Congressional office.

2. Defendant VERNON A. CLARK was a lobbyist registered pursuant to the Federal Regulation of Lobbying Act. Defendant VERNON A. CLARK did business as Vern Clark & Associates, an incorporated subchapter-S corporation.

3. As described more fully below, at various dates, in the District of Massachusetts, and elsewhere,

(a) the defendant VERNON A. CLARK, otherwise than as provided by law for the proper discharge of duties, did knowingly give compensation, namely (i) money, (ii) an interest-free loan; and (iii) payment of certain transportation, food, lodging and/or entertainment expenses, directly or indirectly, to

defendant ANN M. EPPARD, for services rendered and to be rendered by defendant ANN M. EPPARD in relation to matters in which the United States had a direct and substantial interest; and

(b) the defendant ANN M. EPPARD, otherwise than as provided by law for the proper discharge of duties, did knowingly receive and accept compensation, namely (i) money, (ii) an interest-free loan (iii) payment of certain transportation, food, lodging and/or entertainment expenses, directly or indirectly, from defendant VERNON A. CLARK, for services rendered and to be rendered by defendant ANN M. EPPARD in relation to matters in which the United States had a direct and substantial interest.

4. At times, defendant ANN M. EPPARD used a close family member (the "Relative") to receive the illegal compensation (hereafter "compensation") on her behalf, either directly where the Relative served simply as a conduit or "straw" for such compensation, or indirectly where the Relative himself retained the monies and other forms of compensation.

5. The compensation received, directly or indirectly, by defendant ANN M. EPPARD included the following from defendant VERNON A. CLARK:

	Date	Amount
(1)	9/15/89	$5,000 paid to Relative
(2)	10/12/89	$5,000 paid to Relative

(3)	2/28/91	$5,000 paid to Relative
(4)	3/29/93	$30,000 loan to defendant ANN M. EPPARD, using the Relative as a conduit, on terms and conditions not otherwise available to either of them

6. As additional compensation, on various dates, in Massachusetts and elsewhere, defendant ANN M. EPPARD accepted and received payment of certain transportation, food, lodging and/or entertainment expenses from defendant VERNON A. CLARK.

7. Defendant ANN M. EPPARD accepted compensation from defendant VERNON A. CLARK for services relating to eminent domain proceedings involving clients of defendant VERNON A. CLARK, and arising out of a project known as the Central Artery/Third Harbor Tunnel Project ("CA/THT") in Boston, Massachusetts. On various occasions during the period from 1989 through November, 1994, in the District of Massachusetts and elsewhere, defendant ANN M. EPPARD: (a) regularly met with defendant VERNON A. CLARK and his clients; and (b) acted on behalf of defendant VERNON A. CLARK's clients by contacting and meeting with agency representatives and third parties in connection with the CA/THT.

All in violation of Title 18, United States Code, Sections 203(a)(1) and (a)(2) and Section 216(a)(1).

Respectfully submitted,

DONALD K. STERN
United States Attorney

By: JOHN M. GRIFFIN
BEN T. CLEMENTS
Assistant U.S. Attorneys

Dated: October 27, 1999

U.S. Department of Justice

United States Attorney
District of Massachusetts

United States Courthouse, Suite 9200
1 Courthouse Way
Boston, Massachusetts 02210
Direct Line: 617/748-3139
Fax: 617/748-3951

November 1, 1999

PRESS RELEASE

EPPARD AND CLARK PLEAD GUILTY TO CORRUPTION CHARGE

Boston, MA... Two Washington, D.C. lobbyists, **ANN M. EPPARD** and **VERNON A. CLARK**, pled guilty today to a federal charge that **CLARK** gave illegal compensation to **EPPARD** while she was employed as a Congressional staffer.

United States Attorney Donald K. Stern; Special Agent in Charge of the Federal Bureau of Investigation, Barry Mawn; and Acting Chief of the Criminal Investigation Division of the Internal Revenue Service for the New England District, Michael Lahey, announced that **ANN M. EPPARD**, 56, of 15 Wolfe Street, Alexandria, Virginia, and **VERNON A. CLARK**, 69, of 171 Myron Drive, Stateline, Nevada, pled guilty today before U.S. District Court Judge Joseph L. Tauro to a one-count information charging that **CLARK** gave and **EPPARD** accepted compensation otherwise than as provided by law for the proper discharge of duties.

According to the evidence summarized at today's hearing, from 1972 to 1994, **EPPARD** served as the chief of staff in a Congressional office. **CLARK** was a lobbyist registered pursuant to the Federal Regulation of Lobbying Act and did business as Vern Clark & Associates.

EPPARD, while she was chief of staff, received from **CLARK**: a) three $5,000 payments in 1989 and 1991 made to a close relative, who acted as a "straw" or conduit for **EPPARD**; b) an interest-free $30,000 loan in 1993, again with the close relative acting as a "straw" or conduit; and c) payment of transportation, food, lodging and entertainment expenses.

EPPARD accepted the compensation from **CLARK** for services relating to eminent domain proceedings which affected property interests of **CLARK's** clients arising out of the Central Artery/Third Harbor Tunnel Project. **EPPARD** regularly met with **CLARK** and his clients, and acted on behalf of **CLARK's** clients by contacting and meeting with agency representatives and others in connection with the Central Artery Project.

U.S. Attorney Stern said: "Eppard, while a key Congressional staffer, took money and other benefits from a lobbyist with clients who sought government action in connection with the

11/01/99 MON 17:03 FAX

While there is no evidence of a direct *quid pro quo*, these payments are nonetheless illegal. The machinery of government is corrupted by under the table payments designed to smooth the way for lobbyists."

After accepting their guilty pleas, Judge Tauro sentenced **EPPARD** and **CLARK** each to a fine of $5,000. As part of a plea agreement, the government dismissed an earlier indictment against **EPPARD** and **CLARK** charging violations of the federal gratuities statute, which the Supreme Court recently construed narrowly in United States v. Sun-Diamond, a case arising out of a Special Prosecutor's investigation of former Agriculture Secretary Michael Espy.

CLARK also pled guilty to a separate tax offense charging that he caused $20,000 owed to his lobbying business to be paid to another individual and that, as a result, he caused false tax documents to be submitted to the IRS. The Court sentenced **CLARK** to an additional fine of $5,000 for this violation.

The cases were investigated by the Federal Bureau of Investigation and the Criminal Investigation Division of the U.S. Internal Revenue Service. They were prosecuted by Assistant U.S. Attorneys John M. Griffin and Ben T. Clements of Stern's Public Corruption and Special Prosecutions Unit, and by Special Assistant U.S. Attorney Alexandra Leake, formerly of Stern's Public Corruption and Special Prosecutions Unit.

Press Contact: Samantha Martin, (617) 748-3139

EXHIBIT 96

Lobbyists Plead Guilty, Ending Inquiry Into a Lawmaker

The New York Times
11/2/99

By DAVID STOUT

WASHINGTON, Nov. 1 — Two lobbyists pleaded guilty today in Boston to relatively minor charges arising from a huge construction project in Boston, thereby ending an investigation that had seemed to threaten the chairman of the House transportation committee.

The lobbyists, Ann M. Eppard of Alexandria, Va., and Vernon A. Clark of Stateline, Nev., pleaded guilty in Federal District Court to misdemeanor charges that Ms. Eppard took illegal compensation from Mr. Clark while she was chief of staff to Representative Bud Shuster, the Pennsylvania Republican who heads the House Committee on Transportation and Infrastructure.

Judge Joseph L. Tauro fined each defendant $5,000. He fined Mr. Clark an additional $5,000 on a separate guilty plea to filing false tax documents related to his lobbying business.

"This ends the case against Ann Eppard and Vernon Clark, and it ends the investigation," the United States Attorney in Boston, Donald K. Stern, said in a telephone interview.

Mr. Stern said his office had decided to drop an earlier indictment containing far more serious charges because a recent Supreme Court decision made it more difficult to prosecute cases involving government officials who accept favors.

The original indictment, returned in April 1998, accused the defendants of several felonies involving illegal gratuities and influence-wielding that could have led to more than 30 years in prison for each defendant. The indictment was handed down a year before the Supreme Court case cited by Mr. Stern, who asserted that the earlier charges were appropriate at the time.

Today's action apparently ended any legal problems for Mr. Shuster. It had been widely reported for months that a federal grand jury in Boston was looking into whether he had used his influence to help two campaign contributors in disputes regarding the multibillion-dollar construction project in the case, a highway and tunnel project through downtown Boston and under the city's harbor.

The House ethics committee agreed last June to delay an inquiry into Mr. Shuster's activities pending the outcome of the Boston investigation. It was not apparent this evening what effect, if any, the end of the Boston case would have on the committee's course.

The 1998 indictment asserted that Ms. Eppard had received more than $200,000 from 1989 to 1995 by taking advantage of her position as chief of staff to Mr. Shuster to gain favorable settlements for two businessmen whose property was in the path of the construction project. Both businessmen were represented by Mr. Clark.

Ms. Eppard worked for Mr. Shuster from 1972, when he was elected to Congress, until just after the election of 1994, when the Republicans took over the House, and Mr. Shuster gained the chairmanship of the transportation panel.

She then left Mr. Shuster's office to form a lobbying firm, which has prospered by representing transportation interests. She also continued to raise money for Mr. Shuster's campaigns, partly by soliciting contributions from those interests.

Mr. Shuster's critics saw his friendship with Ms. Eppard, her instant success as a lobbyist and her fund-raising on his behalf as conflict of interest. But the chairman has consistently denied any wrongdoing, and tonight he issued a statement expressing pleasure that the most serious charges against Ms. Eppard were dropped.

"Our trust and respect for Ann remain intact," Mr. Shuster said.

Mr. Shuster's lawyer, Stephen Delinsky of Boston, said that the case against Ms. Eppard and Mr. Clark was weak from the start and that the result was "a huge victory for Ann Eppard and Vernon Clark."

Mr. Clark's lawyer, Barry Simon of Washington, could not be reached for comment.

Ms. Eppard's lawyer, Richard Egbert of Boston, called his client "a dedicated person and a very decent human being." The misdemeanor to which she pleaded involved technical violations — accepting meals, lodging and entertainment from Mr. Clark, Mr. Egbert said.

"She stands vindicated of any willful or intentional violation of the law," he said.

Mr. Stern disagreed. He said his office had been hobbled by a Supreme Court ruling last April that simply giving gifts to an official, without a demonstrated link between the gifts and an official's actions, did not constitute illegal gratuities.

The ruling involved an investigation into the actions of former Agriculture Secretary Mike Espy, who had been accused of taking illegal gifts from a California agricultural cooperative. The Supreme Court agreed with a federal appeals court, which had overturned a verdict against the cooperative.

In a wider investigation, Mr. Espy was cleared of all charges.

EXHIBIT 97

LAMAR SMITH, TEXAS
CHAIRMAN
JOEL HEFLEY, COLORADO
JOE KNOLLENBERG, MICHIGAN
DAVE CAMP, MICHIGAN
ROB PORTMAN, OHIO

ROBERT L. WALKER,
CHIEF COUNSEL/STAFF DIRECTOR
JOHN W. LAMPMANN,
ASSISTANT TO THE CHAIRMAN
BARI L. SCHWARTZ,
COUNSEL TO THE RANKING
MINORITY MEMBER

ONE HUNDRED SIXTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515–6328

HOWARD L. BERMAN, CALIFORNIA
RANKING MINORITY MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA

SUITE HT-2, THE CAPITOL
(202) 225-7103

February 8, 2000

Confidential
Mr. Donald K. Stern
U.S. Department of Justice
United States Attorney
District of Massachusetts
United States Courthouse, Suite 9200
1 Courthouse Way
Boston, Massachusetts 02210

Re: United States v. Ann M. Eppard and Vernon A. Clark
Criminal No. 98-10114-JLT (D. Mass.)
United States v. Vernon A. Clark
Criminal No. 98 10069- JLT (D. Mass.)

Dear Mr. Stern:

We are writing to request your office's assistance regarding a matter now before the Committee on Standards of Official Conduct of the U.S. House of Representatives ("the Committee").

The House of Representatives has a constitutionally mandated responsibility for reviewing the conduct of its Members.[1] Under Rule XI, clause 3(a)(2) of the Rules of the House of Representatives, the Committee is authorized to "investigate...an alleged violation, by a Member, Delegate, Resident Commissioner, officer or employee of the House of the Code of Official Conduct or of a law, rule, regulation, or other standard of conduct applicable to the conduct of such Member, Delegate, Resident Commissioner, officer or employee in the performance of his duties or the discharge of his responsibilities...." As you know, pursuant to Rule XI, clause 3, the Committee has been investigating certain matters concerning Representative Bud Shuster.

On November 1, 1999 your office informed the Committee that Ann M. Eppard and Vernon Clark had pleaded guilty to a one count superseding information charging that Clark

[1] U.S. CONST. Art. 1, § 5, cl. 2.

gave and Eppard accepted compensation otherwise than as provided by law for the proper discharge of duties in violation of 18 U.S.C. § 203. You also stated to Committee counsel that your office's investigation of Representative Shuster had been concluded.

We formally request the cooperation of your office in providing the Committee with certain information, as specified below, obtained by your office during its investigation of Ann M. Eppard, Vernon A. Clark and Representative Bud Shuster, provided that such transfer of information would not violate the integrity or secrecy of the grand jury process, compromise any ongoing Department of Justice investigation or otherwise violate any applicable law, rule or regulation. This request is consistent with previous agreements by the Department of Justice regarding production of records to the Committee at the conclusion of an investigation by the Department of Justice.[2]

In making this request, the Committee understands that Federal Rule of Criminal Procedure 6(e)(2) provides a general rule against disclosure of "matters occurring before the grand jury" unless a specific exception to the rule applies. However, Rule 6(e) does not prohibit disclosure of all information which has been presented to a grand jury.[3]

---

[2] H.R. Rep. No. 102-713 (Investigation of the Office of the Postmaster, Pursuant to House Resolution 340), 81-2, Ex. 6, Letter from John C. Keeney to the Hon. Charles Rose and the Hon. William Thomas, March 27, 1992, "[O]nce the Department has completed its criminal investigation and any resulting prosecutions, it will make available to the House Administration Committee or the House Committee on Standards of Official Conduct, as appropriate, as many records as it can, consistent with its constitutional and statutory responsibilities."

[3] The Committee notes case law stating that Rule 6(e) "is intended only to protect against disclosure of what is said or takes place in the grand jury room...[I]t is not the purpose of the Rule to foreclose from all future revelation to proper authorities the same information or documents which were presented to the grand jury," United States v. Dynavac Inc., 6 F.3d 1407, 1411 (9th Cir. 1993). In Church of Scientology International v. U.S. Department of Justice, 30 F.3d 224, 236 (1994), the First Circuit stated, "[I]t cannot be that exposure to the grand jury immunizes information from future disclosure, regardless of its impact on the interest underlying Rule 6(e)" citing Senate of Puerto Rico v. U.S. Department of Justice, 823 F.2d 574, 582 (D.C. Cir. 1987)("There is no per se rule against disclosure of any and all information which has reached the grand jury chambers....")."

In addition, the Committee notes that Rule 6(e) may not apply to documents that had an independent existence prior to the grand jury and FBI reports of witness interviews. In Dynavac the Ninth Circuit stated that "if a document is sought for its own sake rather than to learn what took place before the grand jury, and its disclosure will not compromise the integrity of the grand jury process, Rule 6(e) does not prohibit its release." The court also indicated that the concern that disclosure might compromise the integrity of the grand jury process is reduced "when the grand jury investigation is already terminated...." Id. at 1411-12. In Church of Scientology, 30 F.3d at 235, the First Circuit quoted Dynavac with approval, "[W]e distinguish such materials from business records or similar documents 'created for purposes independent of grand jury investigations, which have legitimate uses unrelated to the substance of the grand jury proceedings.'"

Specifically, we request production of the following information to the Committee consistent with the restrictions set forth above.

1. Copies of information, including records or documents in your possession, the production of which would not violate Rule 6(e), relating to the Eppard and Clark cases and the investigation of Representative Shuster, including FBI reports of witness interviews and records or documents, obtained by the grand jury or by your investigators, which had an independent existence prior to the grand jury, concerning the following issues:

a. The business and professional relationship between Representative Shuster and Ann M. Eppard between November 9, 1994 and December 31, 1998, including possible violations of 18 U.S.C. § 207.

b. Possible violations of the House Gift Rule involving Representative Shuster's lodging at residences owned by Ann M. Eppard.

c. Possible improper legislative benefits received by clients of Ann Eppard Associates, Ltd. These clients include Amtrak, Frito-Lay, FedEx and the Outdoor Advertising Association of America.

d. Possible violations of 18 U.S.C. § 201(c) after November 9, 1994, committed by Representative Shuster or Ann Eppard regarding legislation concerning Ann Eppard's clients.

e. Possible impropriety or conflict of interest involving Representative Shuster's communications with federal agencies on behalf of his constituent, Maurice A. Lawruk.

f. Possible violations of House Rules and/or federal law by Representative Shuster's 1994, 1996 and 1998 campaigns for the U.S. House of Representatives.

2. Copies of all publicly available pleadings filed with the U.S. District Court for the District of Massachusetts in connection with these matters, including indictments, pre-trial motions and relevant responses.

3. Please indicate if your office has received any original records or original documents from the Bud Shuster for Congress Committee regarding campaign disbursements for calendar year 1995. If you are in possession of these documents, please produce them to the Committee if production would not violate Rule 6(e) or other applicable standards, as set forth above.

As with all previous correspondence concerning this matter, we ask that you maintain the confidentiality of this request.

Sincerely,

Lamar Smith
Chairman

Howard L. Berman
Ranking Minority Member

cc: Robert Raben
Assistant Attorney General
Office of Legislative Affairs

EXHIBIT 98

Subpoena Ad Testificandum

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES OF THE CONGRESS OF THE UNITED STATES

To: Ann M. Eppard, 14 Wolfe Street, Alexandria, VA 22314

You are hereby commanded to appear before the Investigative Subcommittee of the Committee on Standards of Official Conduct of the House of Representatives of the United States, of which the Honorable Joel Hefley is chairman, in Suite HT-2 of the Capitol, in the city of Washington, at 9:30 a.m. on January 25, 2000, to answer questions concerning matters of inquiry committed to said Subcommittee.

Witness my hand and the seal of the House of Representatives of the United States, at the city of Washington, this 2nd day of November, 1999.

Lamar Smith
The Honorable Lamar Smith
Chairman
Committee on Standards of Official Conduct

Howard L. Berman
The Honorable Howard L. Berman
Ranking Minority Member
Committee on Standards of Official Conduct

Attest: Jeff Trandahl
Jeff Trandahl
Clerk of the House

Subpoena for Ann M. Eppard, 14 Wolfe Street, Alexandria, Virginia 22314, to appear before the Investigative Subcommittee of the Committee on Standards of Official Conduct, U.S. House of Representatives.

Served Anne Eppard at
14 Wolfe St., Alexandria, VA
on 11-17-99.
[signature]
DUSM E/VA

House of Representatives

EXHIBIT 99

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

United States House of Representatives
Washington, D.C. 20515

Applicant.

Misc. No. 00-110

FILED

FEB 17 2000

NANCY MAYER WHITTINGTON, CLERK
U.S. DISTRICT COURT

ORDER

UPON CONSIDERATION of the Application of the Committee on Standards of Official Conduct of the U.S. House of Representatives (the "Committee") for an Order Immunizing the Testimony of, and Other Information Provided by, Ann Eppard, and the Memorandum of Points and Authorities in Support thereof, and having determined that the requirements of 18 U.S.C. § 6005 have been satisfied, it is by the Court this 17th day of February 2000, ORDERED

That Ann Eppard may not refuse to testify, and may not refuse to provide other information, at proceedings before or ancillary to the Committee or its Subcommittees on the basis of her constitutional privilege against self-incrimination, and it is FURTHER ORDERED

That no testimony or other information compelled under this Order (or any information directly or indirectly derived from such testimony or other information) may be used against Ann Eppard in any criminal proceeding, except prosecutions for perjury, giving a false statement, or otherwise failing to comply with this Order.

Norma Holloway Johnson
Norma Holloway Johnson
U.S. District Judge

United States District Court
For the District of Columbia

NANCY MAYER WHITTINGTON, Clerk

By Derek A. Mullen
Deputy Clerk

EXHIBIT 100

LAMAR SMITH, TEXAS
CHAIRMAN
JOEL HEFLEY, COLORADO
JOE KNOLLENBERG, MICHIGAN
DAVE CAMP, MICHIGAN
ROB PORTMAN, OHIO

ROBERT L. WALKER,
CHIEF COUNSEL/STAFF DIRECTOR
JOHN W. LAMPMANN,
ASSISTANT TO THE CHAIRMAN
BARI L. SCHWARTZ,
COUNSEL TO THE RANKING
MINORITY MEMBER

HOWARD L. BERMAN, CALIFORNIA
RANKING MINORITY MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA

SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED SIXTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515–6328

November 3, 1999

Benjamin L. Ginsberg, Esq.
Mitchell R. Berger, Esq.
Patton Boggs, L.L.P.
2550 M Street, N.W.
Washington, D.C. 20037-1350

Re: In the Matter of Representative Bud Shuster

Dear Mr. Ginsberg and Mr. Berger:

The Investigative Subcommittee has previously directed Representative Shuster to produce unredacted copies of his personal calendars for 1995 and 1996. In view of recent developments in the U.S. District Court for the District of Massachusetts, it would appear that the concerns previously expressed regarding production of these calendars are now moot. As such, we direct Representative Shuster to deliver copies of these documents to the Committee office no later than November 9, 1999. In addition, please make the originals of these documents available to Subcommittee counsel for their inspection.

The Subcommittee has also asked Representative Shuster to make available the original copies of his office calendars for 1995 and 1996. Please make the originals of these documents also available to Subcommittee counsel for their inspection.

Sincerely,

Joel Hefley
Chairman

Zoe Lofgren
Ranking Minority Member

cc: Representative Bud Shuster

EXHIBIT 101

PATTON BOGGS LLP
ATTORNEYS AT LAW

2550 M Street, NW
Washington, DC 20037-1350
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Facsimile 202-457-6315

RECEIVED
99 NOV -9 PM 4:06
COMMITTEE ON STANDARDS

November 9, 1999

Confidential

VIA HAND-DELIVERY

The Honorable Joel Hefley
The Honorable Zoe Lofgren
Committee on Standards of Official Conduct
HT-2 Capitol Building
Washington, DC 20515-6328

Re: In the Matter of Representative Bud Shuster

Dear Representatives Hefley and Lofgren:

On behalf of Representative Shuster, we are responding to your letter of November 3, 1999, in which the Investigative Subcommittee directs Mr. Shuster to deliver not later than November 9, 1999, both the original and unredacted copies of Mr. Shuster's personal appointment calendars for the years 1995 and 1996, as well as the originals of his office calendars for those years.

As you know, on behalf of Mr. Shuster in March 1998 we delivered to the Investigative Subcommittee redacted copies of his personal appointment calendars for the years 1995 and 1996 that were identical to the redacted copies subpoenaed from Mr. Shuster by the federal grand jury in Boston. In a letter to the full Committee dated March 27, 1998, we explained our concerns about providing the Investigative Subcommittee with a less redacted version of the personal appointment calendars than had been provided to the grand jury. (Tab 1, at pages 5-6.) At the same time, we supplied the Committee with a letter from Mr. Shuster's counsel in the grand jury matter explaining that the redactions to the personal appointment calendars had been authorized by the federal district judge overseeing the grand jury. (Tab 2, at page 1.) We discussed these same issues with counsel for the Investigative Subcommittee in September of this year.

We received no further request for submission of Mr. Shuster's unredacted personal appointment calendars until after our October 29, 1999 letter to the Investigative Subcommittee asking for immediate disclosure to Mr. Shuster of exculpatory evidence relating to the Complaint that is under consideration by the Subcommittee. Notably, the Investigative Subcommittee's letter demanding disclosure of Mr. Shuster's unredacted personal appointment calendars was

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ATTORNEYS AT LAW

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delivered on the same day as the Investigative Subcommittee's letter refusing Mr. Shuster's request for immediate disclosure of exculpatory evidence. Under the circumstances, Mr. Shuster cannot help but wonder if rules of fair play are being observed. His concerns about fair play are heightened by the recent and extensive press reports on the status of the Subcommittee's investigation that have appeared with regularity in Roll Call, and which inevitably suggest that the press is getting information from the Subcommittee or its staff contrary to the plain spirit, if not the literal language, of Committee Rule 11. Indeed, we were surprised that Representative Hefley would allow himself to be quoted during a report aired yesterday on National Public Radio about the Investigative Subcommittee's political dilemma in handling these proceedings.

Passing that, the stated basis for the Investigative Subcommittee's letter of November 3, 1999, is that as a result of "recent developments in the U.S. District Court for the District of Massachusetts, it would appear that the concerns previously expressed regarding production of these calendars are now moot." Your November 3 letter does not explain the "recent developments" you had in mind, nor does it disclose whether the Investigative Subcommittee had received any formal communication from either the grand jury in Boston, or from those supervising its proceedings, concerning Mr. Shuster. We must conclude, therefore, that the Investigative Subcommittee wrote in response to media reports about the misdemeanor pleas entered by Ann Eppard and Vernon Clark, which resolved felony indictments that had been returned against them previously. We were not aware of any statements made formally at that time by the grand jury, or by those supervising its proceedings, that clarified the status of Mr. Shuster. Of course, it was the status of Mr. Shuster in connection with the grand jury proceedings that had prompted the concerns expressed in our March 27, 1998 letter and our September 1999 conversations with counsel for the Investigative Subcommittee.

As you will recall, on June 8, 1998, the Acting Assistant Attorney General, Office of Legislative Affairs, wrote to the Chairman and Ranking Minority Member of the full Committee to ask that the Investigative Subcommittee suspend its inquiries in light of then-pending indictments of Ms. Eppard and Mr. Clark "as well as the ongoing criminal investigation." (Tab 3, at page 1.) At no time before your letter of November 3, 1999, did we receive any formal communication from the Department of Justice or from any United States Attorney stating that any "ongoing criminal investigation" potentially affecting Mr. Shuster had been terminated. In order for us to conclude that "the concerns previously expressed" regarding production of the unredacted personal appointment calendars "are now moot," we naturally would need to know that there is no longer any such "ongoing criminal investigation."

In an effort to be as responsive as he can be to the Investigative Subcommittee's November 3 letter, Mr. Shuster directed that his counsel take all appropriate measures to

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Washington, DC 20037-1350
202-457-6000

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determine if there is any longer any "ongoing criminal investigation" potentially affecting him. The first such step in that process has now been completed. By letter of November 4, 1999 to the United States Attorney for the District of Massachusetts (Tab 4), Mr. Shuster's counsel in the Boston grand jury matter asked for formal confirmation as to whether "Congressman Shuster is the subject or target (as those terms are defined in the United States Attorneys Manual) of any investigation being conducted or supervised by your office." Late yesterday afternoon, the United States Attorney for the District of Massachusetts provided a troubling response. (Tab 5). On the one hand, he stated that "at this time, Congressman Shuster is neither a subject nor a target (as those terms are defined in the United States Attorneys Manual) of any investigation being conducted or supervised by this office." Yet, he continued: "Consistent with the United States Attorneys Manual, this office is not precluded from instituting an investigation without notification to Congressman Shuster, or his attorneys, if, in the opinion of the grand jury or this office, circumstances warrant such an investigation."

Congressman Shuster and we find this a troubling response, particularly in light of the following circumstances. It has been publicly reported (for example, in yesterday's Roll Call) that the Investigative Subcommittee is under pressure to seek all of the materials pertaining to Mr. Shuster that were developed by the grand jury. We further are aware that, under Committee Rule 29 and House Rule XI, the Committee may make referrals to federal authorities of what it believes to be violations of federal law. We must assume, therefore, that the Investigative Subcommittee has the ability to provide to a federal grand jury or to a United States Attorney (in Boston or elsewhere) materials and information it obtains from Mr. Shuster if it believes that they meet that standard. And, we already have been told by the United States Attorney in Boston that he cannot or will not foreclose the possibility of instituting an investigation involving Mr. Shuster if he feels he has some new information. Under these circumstances, we believe that there is a reasonably grounded concern that information Mr. Shuster provides to the Investigative Subcommittee will end up in the hands of, at the very least, the United States Attorney in Boston who has evidenced his interest in not letting go of an investigation potentially affecting Mr. Shuster. We believe that it would be particularly inappropriate for the United States Attorney in Boston to have the opportunity to obtain from the Investigative Subcommittee the redacted portions of the personal appointment calendars that a federal district judge in Boston already has ruled off limits.

Coupled with that concern is the fact that the original communication to the Committee disclosing the existence of an "ongoing criminal investigation" came not from the United States Attorney in Boston but from the Office of Legislative Affairs of the Department of Justice. In light of the response received late yesterday from the United States Attorney in Boston, we have today written to the Acting Assistant Attorney General, Office of Legislative Affairs, to ask for a

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Washington, DC 20037-1350
202-457-6000

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confirmation that neither the Department of Justice nor any other United States Attorney has an "ongoing criminal investigation" of which Mr. Shuster might be a subject or target. (Tab 6.)

Under these circumstances, on behalf of Mr. Shuster, we have no choice but to ask that the Investigative Subcommittee defer, pursuant to Committee Rule 16(f), its request for delivery of the unredacted personal appointment calendars for 1995 and 1996, at least until we can get a clearer picture of both the activities of the Department of Justice, and the inclinations of the Committee or the Investigative Subcommittee to provide the Department of Justice with materials obtained from Mr. Shuster. Because Rule 16(f) may require that the full Committee act on this request for deferral, we are delivering a copy of this letter to the Chairman and Ranking Minority Member of the Committee as well. Once we receive a response from the Acting Assistant Attorney General, Office of Legislative Affairs, we also can determine if it will be necessary to request, in the alternative, that the Investigative Subcommittee provide Mr. Shuster with act of production immunity for any delivery of the unredacted personal appointment calendars, as has been the subject of prior correspondence.

With respect to the remainder of your letter of November 3, Mr. Shuster is today delivering to the Investigative Subcommittee his original office calendars for 1995 and 1996, copies of which were previously delivered.

We respectfully submit that Mr. Shuster has no real choice but to proceed in this fashion. Mr. Shuster has asked that we, as his counsel, work with counsel for the Investigative Subcommittee to discuss this matter further to explore the possibility of an accommodation that can serve the interests of all.

Very truly yours,

Mitchell R. Berger

Benjamin L. Ginsberg

Enclosures

cc: The Honorable Lamar Smith, Chairman
The Honorable Howard L. Berman, Ranking Minority Member
The Honorable Bud Shuster

PATTON BOGGS LLP
ATTORNEYS AT LAW

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November 9, 1999

Confidential

VIA HAND DELIVERY

The Honorable Lamar Smith
The Honorable Howard L. Berman
Committee on Standards of Official Conduct
HT-2 Capitol Building
Washington, DC 20515-6328

Re: In the Matter of Representative Bud Shuster

Dear Chairman Smith and Representative Berman:

Enclosed is a copy of our letter dated November 9, 1999, to Representatives Hefley and Lofgren, as Chairman and Ranking Minority Member of the Investigative Subcommittee in this matter, which responds to their letter of November 3, 1999 (copy enclosed). The Investigative Subcommittee's November 3 letter issues a direction to Representative Shuster to deliver the original and unredacted copies of his 1995 and 1996 personal appointment calendars to the Investigative Subcommittee not later than today. Among other things, for the reasons explained therein, our November 9 letter makes a formal request under Committee Rule 16(f) that the Investigative Subcommittee defer its demand for the two unredacted personal appointment calendars. It appears that Committee Rule 16(f) may require the full Committee to act on a request for deferral. Consequently, we are providing you with a copy of our November 9, 1999 letter to the Investigative Subcommittee for consideration by the full Committee.

Very truly yours,

Mitchell R. Berger

Benjamin L. Ginsberg

Enclosures

cc: The Honorable Joel Hefley
The Honorable Zoe Lofgren
The Honorable Bud Shuster

ECKERT SEAMANS CHERIN & MELLOTT, LLC

One International Place
18th Floor
Boston, MA 02110
Telephone: 617.342.6800
Facsimile: 617.342.6899
www.eschm.com

Boston
Pittsburgh
Allentown
Fort Lauderdale
Harrisburg
Miami
Philadelphia
Westmont, NJ
Washington, D.C.

November 4, 1999

VIA HAND DELIVERY

Donald K. Stern, Esquire
United States Attorney
United States Attorney's Office
One Courthouse Way, 9th Flr.
Boston, Massachusetts 02201

Dear Don:

As you know, we represent the Honorable Bud Shuster (R. Pa.) in connection with an investigation being conducted in part by your office.

Events of this week have generated considerable media attention both in Boston and elsewhere. During the course of that media coverage various statements were attributed to you to the effect that this investigation has concluded. For example, the wire service of Roll Call" in the "New Scoop section" on November 2, 1999 written by Damon Chappie stated, "U.S. Attorney for Massachusetts, Donald Stern told Roll Call in a telephone interview that the investigation of Shuster by his office 'is completed everything is over.'" In the Tuesday, November 2, 1999 New York Times David Stout wrote, "'This ends the case against Ann Eppard and Vernon Clark, 'and it ends the investigation' the United States Attorney in Boston, Donald K. Stern, said in a telephone interview."

Consequently, we are writing to determine whether Congressman Shuster is the subject or target (as those terms are defined by the United States Attorneys Manual) of any investigation being conducted or supervised by your office.

Your prompt attention to this request is most appreciated.

Very truly yours,

Stephen R. Delinsky

K. John Pappalardo

ECKERT SEAMANS
ATTORNEYS AT LAW

(K0200854.1)

Stephen R. Delinsky
617.342.6825
srd@eschm.com

U.S. Department of Justice

United States Attorney
District of Massachusetts

Main Reception: (617) 748-3100

United States Courthouse, Suite 9200
1 Courthouse Way
Boston, Massachusetts 02210

CONFIDENTIAL

November 8, 1999

By Fax (617-342-6899) and
By Mail

Stephen R. Delinsky, Esquire
A. John Pappalardo, Esquire
Eckert, Seamans, Cherin & Mellott, LLC
One International Place, 18th Floor
Boston, MA 02110

Dear Counsel:

I am writing in response to your letter dated November 4, 1999. Contrary to the suggestion in the newspaper articles identified in your letter, I never acknowledged Congressman Bud Shuster's name in connection with the investigation being completed following the guilty pleas of Ann Eppard and Vernon Clark. I simply stated that "the investigation" was over. As you are aware, this office never publicly identified Congressman Shuster as a subject or target of any investigation.

However, I will state that, at this time, Congressman Shuster is neither a subject nor a target (as those terms are defined in the United States Attorneys Manual) of any investigation being conducted or supervised by this office. Consistent with the United States Attorneys Manual, this office is not precluded from instituting an investigation without notification to Congressman Shuster, or his attorneys, if, in the opinion of the grand jury or this office, circumstances warrant such an investigation.

Very truly yours,

Donald K. Stern

Donald K. Stern
United States Attorney

PATTON BOGGS LLP
ATTORNEYS AT LAW

2550 M Street, NW
Washington, DC 20037-1350
202-457-6000

Facsimile 202-457-6315

November 9, 1999

VIA HAND DELIVERY

The Honorable Dennis K. Burke
Acting Assistant Attorney General
Office of Legislative Affairs
Department of Justice
Room 1537
Tenth and Constitution Avenue, N.W.
Washington, DC 20530

Re: In the Matter of Representative Bud Shuster

Dear Mr. Burke:

We are counsel to Representative Bud Shuster in connection with an investigation being conducted by the Committee on Standards of Official Conduct of the U.S. House of Representatives. Previously, by letter of June 8, 1998, Acting Assistant Attorney General L. Anthony Sutin advised the Committee that its investigation of Mr. Shuster "may relate to similar matters" as were at issue in certain indictments then pending in the District of Massachusetts "as well as the ongoing criminal investigation." The purpose of this letter is to ask you to confirm whether any Office (including any Office of United States Attorney) or Division of the United States Department of Justice currently has ongoing any investigation of which Congressman Shuster is the subject or target (as those terms are defined in the United States Attorneys Manual). For your background, following recent proceedings in the District of Massachusetts and related press reports, Boston counsel for Mr. Shuster on November 4, 1999 wrote to the United States Attorney for the District of Massachusetts (copy enclosed as Tab 1) to ask whether Mr. Shuster was the subject or target of any investigation being conducted or supervised by that Office. By letter dated November 8, 1999, Donald Stern, the United States Attorney for the District of Massachusetts, responded to that inquiry on behalf of his Office. (Tab 2). Mr. Stern's response does not address – and perhaps cannot address – Mr. Shuster's status with respect to

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any investigation being conducted or supervised in other Districts, or by any other Office or Division of the Department.

Your prompt attention to this request would be appreciated.

Very truly yours,

Mitchell R. Berger

Benjamin L. Ginsberg

Enclosures

cc: The Honorable Lamar Smith, Chairman
The Honorable Howard L. Berman, Ranking Minority Member
The Honorable Joel Hefley
The Honorable Zoe Lofgren
The Honorable Bud Shuster

EXHIBIT 102

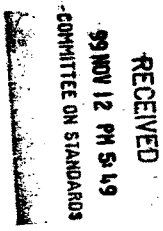
PATTON BOGGS LLP
ATTORNEYS AT LAW

2550 M Street, NW
Washington, DC 20037-1350
202-457-6000

Facsimile 202-457-6315

November 12, 1999

VIA HAND DELIVERY



The Honorable Robert Raben
Assistant Attorney General
Office of Legislative Affairs
Department of Justice
Room 1537
Tenth and Constitution Avenue, N.W.
Washington, DC 20530

Re: In the Matter of Representative Bud Shuster

Dear Mr. Raben:

We are counsel to Representative Bud Shuster in connection with an investigation being conducted by the Committee on Standards of Official Conduct of the U.S. House of Representatives. Previously, by letter of June 8, 1998, Acting Assistant Attorney General L. Anthony Sutin advised the Committee that its investigation of Mr. Shuster "may relate to similar matters" as were at issue in certain indictments then pending in the District of Massachusetts "as well as the ongoing criminal investigation." The purpose of this letter is to ask you to confirm whether any Office (including any Office of United States Attorney) or Division of the United States Department of Justice currently has ongoing any investigation of which Congressman Shuster is the subject or target (as those terms are defined in the United States Attorneys Manual). For your background, following recent proceedings in the District of Massachusetts and related press reports, Boston counsel for Mr. Shuster on November 4, 1999 wrote to the United States Attorney for the District of Massachusetts (copy enclosed as Tab 1) to ask whether Mr. Shuster was the subject or target of any investigation being conducted or supervised by that Office. By letter dated November 8, 1999, Donald Stern, the United States Attorney for the District of Massachusetts, responded to that inquiry on behalf of his Office. (Tab 2). Mr. Stern's response does not address – and perhaps cannot address – Mr. Shuster's status with respect to

any investigation being conducted or supervised in other Districts, or by any other Office or Division of the Department.

Please note that we sent a November 9, 1999 letter (Tab 3) making an identical inquiry to Dennis K. Burke, as the Acting Assistant Attorney General, but that our letter was returned today by messenger with an indication that Mr. Burke had left the Department of Justice.

Your prompt attention to this request would be appreciated.

Very truly yours,

Mitchell R. Berger

Benjamin L. Ginsberg

Enclosures

cc: The Honorable Lamar Smith, Chairman
The Honorable Howard L. Berman, Ranking Minority Member
The Honorable Joel Hefley
The Honorable Zoe Lofgren
The Honorable Bud Shuster

EXHIBIT 103

LAMAR SMITH, TEXAS
CHAIRMAN
JOEL HEFLEY, COLORADO
JOE KNOLLENBERG, MICHIGAN
DAVE CAMP, MICHIGAN
ROB PORTMAN, OHIO

ROBERT L. WALKER,
CHIEF COUNSEL/STAFF DIRECTOR
JOHN W. LAMPMANN,
ASSISTANT TO THE CHAIRMAN
BARI L. SCHWARTZ,
COUNSEL TO THE RANKING
MINORITY MEMBER

ONE HUNDRED SIXTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515–6328

HOWARD L. BERMAN, CALIFORNIA
RANKING MINORITY MEMBER
MARTIN OLAV SABO, MINNESOTA
ED PASTOR, ARIZONA
CHAKA FATTAH, PENNSYLVANIA
ZOE LOFGREN, CALIFORNIA

SUITE HT-2, THE CAPITOL
(202) 225-7103

February 17, 2000

Benjamin L. Ginsberg, Esq.
Mitchell R. Berger, Esq.
Patton Boggs, L.L.P.
2550 M Street, N.W.
Washington, D.C. 20037-1350

Via Facsimile Transmission

Re: In the Matter of Representative Bud Shuster

Dear Mr. Ginsberg and Mr. Berger:

In your previous correspondence to the Investigative Subcommittee and subsequent communications with our counsel, you requested that the Subcommittee defer its demand for delivery of Representative Shuster's unredacted personal appointment calendars for 1995 and 1996 until you received a response to your inquiries to the Department of Justice ("the Department") for "confirmation that neither the Department of Justice nor any other United States Attorney has an 'ongoing criminal investigation' of which Mr. Shuster might be a subject or target." It is our understanding that the Department has not provided you with a response.

The Subcommittee served Representative Shuster with a subpoena for these documents more than two years ago. In response to Representative Shuster's assertion that the production of the unredacted portions of the calendars could jeopardize his status with respect to the court proceeding in the U.S. District Court in Boston, the Subcommittee agreed to defer its enforcement pending the resolution of those proceedings. On November 3, 1999, the Subcommittee renewed its demand for production of these documents. In response to another request from you on November 9, 1999, the Subcommittee once again agreed to defer its demand for production to provide you a reasonable amount of time to clarify Representative Shuster's status in unspecified "ongoing criminal investigations." To date, you have not provided the Subcommittee with compelling evidence or argument to support your assertion that Representative Shuster's production of these documents could jeopardize his standing in any other, possibly speculative, criminal investigation. The Subcommittee, therefore, will not delay its proceedings further.

REDACTED

In recent conversations with counsel for the Investigative Subcommittee you have indicated that act of production immunity remains an important issue for Representative Shuster. If it is still Representative Shuster's intent to request an act of production immunity order regarding production of the unredacted portions of his personal calendars to the Subcommittee, please inform the Subcommittee in writing of this request no later than February 23, 2000. In addition, please state why you believe an act of production immunity order for the redacted portions of Representative Shuster's personal calendars is necessary at this time, in light of Representative Shuster's previous production of copies of these same documents, excluding the redacted portions, without an act of production immunity order. The Investigative Subcommittee reminds you that it is unable to obtain an order for retroactive act of production immunity for the redacted calendars that were produced previously. We emphasize that an act of production immunity order would apply only to criminal proceedings and not to the proceedings of the Investigative Subcommittee or, if any, of the Committee.

Assuming that Representative Shuster does intend to request act of production immunity, it is unclear whether a decision by the Committee to obtain an order for act of production immunity for Representative Shuster would obviate the concerns he has previously advanced for redacting all or certain portions of the material that has been redacted in his calendars. If the Committee were to obtain an order granting act of production immunity to Representative Shuster, please advise us whether this would in fact obviate his concerns. If this would not obviate his concerns, upon notification to you by the Subcommittee that it has obtained an order granting act of production immunity, the Subcommittee will require Representative Shuster to produce the documents subject to the terms described below.

The Committee advised Representative Shuster in its correspondence of March 20, 1998, that it is not obligated under House precedent to recognize his assertion of attorney-client privilege. As it stated at that time, however, the Committee may recognize his assertion of the attorney-client privilege to the extent that we may authorize redaction of any entries that reflect Representative Shuster's specific communications with his attorneys in the course of their representation of him. Entries, or portions of entries, reflecting dates, locations, or the mere occurrence of any such communications and/or meetings, however, may not be redacted. Should Representative Shuster wish to assert the attorney-client privilege, the Subcommittee will require him to provide a detailed

privilege log listing each occasion on each date for which he asserts the privilege. For each entry that remains redacted, explain his basis for asserting attorney-client privilege as to each such entry.

Your assertion that Representative Shuster has redacted other entries that reflect matters of national security does not preclude the Members of the Subcommittee from reviewing that material since all House Members have access to any such material that might be protected on that basis. We request that you contact our counsel to make arrangements to transfer this material to the Subcommittee in an appropriate fashion.

You have also asserted that portions of the calendars have been redacted to protect material that is personal in nature. As we stated in our previous correspondence, the Rules of the House do not permit one to withhold evidence merely on the grounds that it "may tend to defame, degrade, or incriminate." House Rule XI(k)(5). Although it is not obligated to do so, in the interest of fairness, the Subcommittee is willing to consider any further information Representative Shuster may wish to produce that demonstrates his basis for requesting permission to redact an entry due to its "personal" nature. The Subcommittee will require this "personal log" to include specific identification of each entry as to date and time, a description of the general subject matter of the entry, and the specific rationale for requesting redaction of the entry. The Subcommittee stresses that although it will consider any such reasons Representative Shuster may wish to provide for its consideration, the Subcommittee hereby intends no indication as to whether or not it will recognize these reasons as grounds for modifying its duly authorized demand for full disclosure of these entries.

Consistent with the discussion above regarding the question of the Committee's decision to obtain an act of production immunity order, the Subcommittee directs Representative Shuster to produce the items previously redacted on the grounds that they relate to national security no later than March 6, 2000. Similarly, with respect to material that has previously been redacted on the grounds that it is protected by attorney-client privilege or is personal in nature, the Subcommittee directs Representative Shuster to produce unredacted entries, and a privilege and personal log for those items that remain redacted, no later than March 6. In instances where Representative Shuster has previously redacted entries that relate to national security, attorney-client privilege, or those that are personal in nature, it is unclear whether he has also redacted any or all other entries, on the dates of the redacted entries, that would not otherwise have been subject to redaction. To the extent any entries were not previously produced because that date was redacted to shield another entry (or entries) for which your client claimed a privilege or protection, the entry or entries for which no protection or protection was claimed, must be disclosed to the Subcommittee no later than March 6.

Please contact our counsel Virginia Johnson or Paul Lewis at 225-7103 should you have any questions regarding the foregoing.

Sincerely,

Joel Hefley/VHJ

Joel Hefley
Chairman

Zoe Lofgren/lw

Zoe Lofgren
Ranking Minority Member

cc: Representative Bud Shuster

EXHIBIT 104

PATTON BOGGS LLP
ATTORNEYS AT LAW

2550 M Street, NW
Washington, DC 20037-1350
202-457-6000

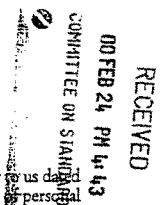
Facsimile 202-457-6315
www.pattonboggs.com

February 24, 2000

Confidential

VIA HAND-DELIVERY

The Honorable Joel Hefley
The Honorable Zoe Lofgren
Committee on Standards of Official Conduct
HT-2 Capitol Building
Washington, DC 20515-6328



Re: In the Matter of Representative Bud Shuster

Dear Representatives Hefley and Lofgren:

On behalf of Representative Shuster, we are responding to your letter to us dated February 17, 2000 demanding (and establishing requirements for) production of personal appointment books that were maintained by Mr. Shuster for the years 1995 and 1996. As previously explained by us, and as previously acknowledged by the Subcommittee, these personal appointment books – also commonly called pocket calendars – were not official records of Mr. Shuster's congressional office, but were maintained by and for him personally. Based on our conversations with Subcommittee counsel, we understand that the Subcommittee has granted us an additional day, until February 24, 2000, to submit this letter.

As you are well aware from our prior correspondence, Mr. Shuster has consistently asked that the Subcommittee allow him to furnish copies of his pocket calendars under the same terms that applied when Mr. Shuster furnished copies of those same pocket calendars to the grand jury in Boston. Those terms are quite simple, and consist of just two provisions. First, Mr. Shuster would receive "act of production immunity" in providing the pocket calendars to the Subcommittee.

Second, Mr. Shuster would be allowed to redact from his pocket calendars those matters deemed personal, as well as those matters that related to national security (because of Mr. Shuster's service on the Intelligence Committee) or that were subject to attorney-client privilege (Again, in the grand jury investigation, the issue of redactions was not controversial, and the Justice Department acknowledged, and the District Judge enforced, Mr. Shuster's right to make such redactions.)

In short, Mr. Shuster has consistently – and simply – asked that the Subcommittee provide protections for his pocket calendars that are coextensive with the protections for those calendars in the Boston proceedings. The reasoning behind his request for coextensive

protection is also quite straightforward and has been explained previously to the Subcommittee. The Boston investigation – as the Justice Department itself acknowledged – focused on matters that unquestionably overlapped with areas of the Subcommittee's investigation. Despite our requests that the Boston investigation be kept entirely separate from this Subcommittee's investigation, the Subcommittee refused to commit that it would not provide the Justice Department with materials it obtains from Mr. Shuster. Consequently, to ensure that the Justice Department could not gain an improper advantage – by obtaining access, through use of the Subcommittee's subpoena process, to materials from Mr. Shuster that the Justice Department could not obtain directly from Mr. Shuster under a grand jury subpoena – it was important that the pocket calendars be produced to both the Justice Department and the Subcommittee under identical conditions.

The need for coextensive protection continues as long as there is any ongoing or threatened criminal investigation focused on issues overlapping with the Subcommittee's investigation. Therefore, as you know, since November 1999, with the termination of the Boston proceedings, we have asked the Justice Department in Washington, and the U.S. Attorney in Boston, to state that there is no such ongoing or threatened investigation. We have kept the Subcommittee's counsel informed of our efforts in this regard. To date, the Justice Department in Washington has refused to rule out the existence of such an investigation, and the U.S. Attorney in Boston has expressly left himself the option to reopen his investigation if new information comes into his possession. The circumstances therefore do not allow Mr. Shuster to proceed as he might if there were unquestionably no ongoing or threatened parallel criminal investigation, or if the Subcommittee provided assurances that it did not intend to provide anyone else with materials obtained from Mr. Shuster.

Against that backdrop, we have advised Mr. Shuster that act of production immunity must be a predicate to production of the 1995 and 1996 pocket calendars. Mr. Shuster has asked us to make clear that, once act of production immunity is granted, he will proceed with production of those calendars under the terms for redaction of personal and attorney-client information (with attendant logs of redacted information) as stated in the Subcommittee's February 17 letter.

As noted above, the request for act of production immunity is a longstanding one, and was also made in connection with the production of the redacted pocket calendars in March 1998. As explained in our letter of April 9, 1998, the redacted pocket calendars were furnished to the Subcommittee contemporaneously with our request for act of production immunity because the Subcommittee's deadline for compliance did not allow the immunity issue to be resolved in advance, and Mr. Shuster did not wish a confrontation with the Subcommittee over allegations of non-compliance. Indeed, as the Subcommittee's letter of April 1, 1998 evidences, it was

PATTON BOGGS LLP
ATTORNEYS AT LAW

common ground between the Subcommittee and Mr. Shuster at the time he produced those redacted pocket calendars that the immunity request was timely. Only thereafter, by letter of June 10, 1998, did the Subcommittee take the position that immunity should have been resolved in advance.

Naturally, this history obliges us to caution Mr. Shuster not to proceed with production of the unredacted pocket calendars (even with the redaction terms of the February 17 letter) until there is a formal and verifiable grant of act of production immunity. In prior correspondence with the Subcommittee, we have reviewed our understanding of the law governing act of production immunity. There is, in any event, no need to address that law in detail as regards the pocket calendars.

(Additionally, as you know, the legal standards for act of production immunity are currently under review by the Supreme Court, in the Webster Hubbell case argued February 22, 2000.)

As you also know, Mr. Shuster sought to avoid having to request coextensive protection for the pocket calendars by instead asking the Subcommittee to stay its proceedings until after the conclusion of federal criminal proceedings in Boston and possibly elsewhere. The Committee denied Mr. Shuster's request in March 1998, although just three months later, in June 1998, the Committee did agree to defer its proceedings at the request of the Justice Department itself. After the Committee chose to resume – and to expand – its investigation in October 1998, the Committee for a second time refused Mr. Shuster's request for a stay of the Subcommittee proceedings. Thus, it is incorrect for the February 17 letter to suggest that these proceedings have ever been deferred out of regard for Mr. Shuster.

We look forward to a prompt and positive response from the Subcommittee on act of production immunity so that Mr. Shuster may comply with the remainder of the directives contained in the Subcommittee's February 17 letter.

Very truly yours,

Mitchell R. Berger

Benjamin L. Ginsberg

cc: The Honorable Bud Shuster

Doc. 391747

EXHIBIT 105

U.S. Department of Justice

Criminal Division

Office of the Assistant Attorney General *Washington, DC 20530-0001*

MAR - 2 2000

Mr. Robert L. Walker
Chief Counsel
Committee on Standards of Official Conduct
U.S. House of Representatives
Suite HT-2, The Capitol
Washington, DC 20515-6328

Dear Mr. Walker:

This refers to your notice dated March 1, 2000, advising the Attorney General that the Committee on Standards of Official Conduct of the United States House of Representatives will seek an order to compel the production of records from Representative E.G. "Bud" Shuster.

As you may know, the Supreme Court is reviewing issues relevant to act of production immunity in the case of U.S. v. Hubbell, No. 99-166. However, the Department of Justice has no objection to the proposed order to produce records from Representative E.G. "Bud" Shuster and hereby waives the provisions of 18 U.S.C. § 6005(b)(3) and (c).

Sincerely,

James K. Robinson
Assistant Attorney General

John C. Keeney
Deputy Assistant Attorney General

EXHIBIT 106

RECEIVED
U.S. DISTRICT COURT
DISTRICT OF COLUMBIA
2000 MAR 17 PM 1:55
NANCY M.
MAYER-WHITTINGTON
CLERK

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT United States House of Representatives Washington, D.C. 20515 Applicant.	)	Misc. No. 00-161

APPLICATION OF THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT OF THE U.S. HOUSE OF REPRESENTATIVES FOR AN ORDER IMMUNIZING THE ACT OF PRODUCTION OF RECORDS BY E.G. "BUD" SHUSTER

Pursuant to 18 U.S.C. §§ 6002 and 6005, the Committee on Standards of Official Conduct of the U.S. House of Representatives (the "Committee") respectfully applies for an order immunizing from use the act of production of documents by E.G. "Bud" Shuster in response to a subpoena duces tecum issued to E.G. "Bud" Shuster at proceedings before or ancillary to the Committee, its Investigatory Subcommittee, or its Adjudicatory Subcommittee.

1. Rule X of the Rules of the House of Representatives (106th Cong.) establishes the Committee and Rule XI vests it with, among other things, authorization to "investigate . . . an alleged violation, by a Member . . . of the House, of the Code of Official Conduct or of a law, rule, regulation, or other standard of conduct applicable to the conduct of such Member . . . in the performance of his duties or the discharge of his responsibilities." Rule X(1)(p), XI(3)(a)(2). House Rule XI further authorizes the Committee to conduct investigations, hold hearings and require the attendance of witnesses and the production of documents in connection with matters within its jurisdiction.

2. The Committee is currently conducting proceedings to receive testimony and other information pursuant to its investigatory authority under Rules X and XI of the House of Representatives.

3. Pursuant to its investigative authority under Rules X(1)(p) and XI(3)(a)(2), and as provided by Committee Rules 20 and 24, the Committee has created an Investigative Subcommittee, and may also create an Adjudicatory Subcommittee, to assist it in conducting these proceedings (hereinafter "Subcommittees").

4. The Committee has previously issued a subpoena duces tecum to E.G. "Bud" Shuster and received, in response, redacted copies of his personal calendars for the years 1995 and 1996. The Committee has been informed by Representative Shuster's counsel that he refuses to produce the unredacted copies of these documents based on his constitutional privilege against self-incrimination.

5. On March 1, 2000, Chief Counsel for the Committee, Robert L. Walker, acting on behalf of the Committee, notified the Attorney General of the Committee's intent to request an order compelling production of documents under act of production immunity for Representative Shuster. A copy of the March 1, 2000 letter is attached as Exhibit A.

6. On March 2, 2000, the Attorney General, through Assistant Attorney General James K. Robinson and Deputy Assistant Attorney General John C. Keeney, notified the Committee that the Department of Justice has no objection to the proposed immunity order; waives its authority to file a deferral application under 18 U.S.C. § 6005(c); and waives the requirement of 18 U.S.C. § 6005(b)(3) that the Committee provide the Attorney General with 10 days advance notice of its intention to seek an immunity order with respect to Representative Shuster. A copy

of the March 2, 2000 letter is attached as Exhibit B.

4. On March 15, 2000, by a vote of eight to zero in favor (which is more than two-thirds of the Committee's eight Members), and in preparation for its proceedings to receive evidence and other information pursuant to its investigatory authority under House Rules X and XI, the Committee adopted a resolution directing the House Office of General Counsel to apply for an order immunizing from use in prosecutions the act of production of documents by E.G. "Bud" Shuster at proceedings before or ancillary to the Committee. A copy of the Committee's resolution is attached as Exhibit C.

Accordingly, the Committee respectfully requests that the Court issue the attached order immunizing from use in prosecutions the act of production by E.G. "Bud" Shuster at proceedings before or ancillary to the Committee.

Respectfully submitted,



GERALDINE R. GENNET
General Counsel

KERRY W. KIRCHER
Deputy General Counsel

MICHAEL L. STERN
Senior Counsel

CAROLYN BETZ
Assistant Counsel

Office of the General Counsel
U.S. House of Representatives

219 Cannon House Office Bldg.
Washington, D.C. 20515
202/225-9700

Attorneys for the Committee on
Standards of Official Conduct,
U.S. House of Representatives

March 17, 2000

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT United States House of Representatives Washington, D.C. 20515 Applicant.	Misc. No._____

MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF THE APPLICATION OF THE COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT OF THE U.S. HOUSE OF REPRESENTATIVES FOR AN ORDER IMMUNIZING THE ACT OF PRODUCTION OF RECORDS BY E.G. "BUD" SHUSTER

The Committee on Standards of Official Conduct of the U.S. House of Representatives ("Committee") has applied to this Court for an immunity order, pursuant to 18 U.S.C. §§ 6002[1] and 6005. Section 6005 provides, in pertinent part that:

> (a) In the case of any individual who has been or may be called to testify or provide other information at any proceeding before or ancillary to any committee . . . of either House [of Congress] . . . a United States district court shall issue, in accordance with subsection (b) of this section, upon the request of a duly authorized representative of the . . . committee concerned, an order requiring such individual to give testimony or provide other information which he refuses to give or provide on the basis of his privilege against self-incrimination, such order to become effective as provided in section 6002 of this title.
>
> (b) Before issuing an order under subsection (a) of this section, a United States district court shall find that --

[1] Section 6002 permits the House and its committees, courts, grand juries and executive branch agencies to obtain orders of immunity for persons seeking to invoke the privilege against self-incrimination in a proceeding before any such body.

> (2) in the case of a proceeding before or ancillary to a committee . . . of either House of Congress . . . the request for such an order has been approved by an affirmative vote of two-thirds of the members of the full committee; and
>
> (3) ten days or more prior to the day on which the request for such an order was made, the Attorney General was served with notice of an intention to request the order.

This statute provides the mechanism by which congressional committees may obtain an immunity order from a United States District Court, under § 6002, compelling a witness to answer questions or produce documents. The Supreme Court has held that an order compelling production of documents, and providing immunity solely for the act of production, may be issued under § 6002. *United States v. Doe*, 465 U.S. 605, 617 n. 17 (1984). *See also, In re J.W.O.*, 940 F.2d 1165 (8th Cir. 1991) (pursuant to § 6002 court granted immunity to mail fraud suspect but limited immunity to testimonial aspects of producing documents but not their contents); *United States v. Silkman*, 543 F.2d 1218 (8th Cir. 1976), *cert. denied*, 431 U.S. 919 (1977) (§ 6002 grant immunity for act of production of tax records). Such immunity applies only to the testimonial aspects of the act of production itself, namely the extent to which the act of production acknowledges the existence, authenticity or possession of the documents, or that the documents are responsive to the subpoena, not to the contents of the documents. *Doe*, 465 U.S. at 612-13.[2]

---

[2] The D.C. Circuit's recent decision in *United States v. Hubbell*, 167 F.3d 552 (D.C. Cir. 1999), *cert. granted*, 120 S. Ct. 320, No. 99-166 (argued Feb. 22, 2000), holds that where the existence, possession and authenticity of subpoenaed documents is not known with "reasonable particularity" before the subpoena is complied with, the government may be foreclosed from using evidence derived from the testimonial aspects of production, including the contents of the documents, in a subsequent prosecution. The Committee has proceeded with this immunity application in the firm belief that since redacted copies of the 1995 and 1996 personal calendars have previously been produced (both to the Committee and to the government) the existence,

Because the Court's inquiry on an application for an immunity order is narrow and its tests are mechanical, the application may be decided *ex parte* without a hearing. *Ryan v. Commissioner of Internal Revenue*, 568 F.2d 531, 540 (7th Cir. 1977), *cert. denied*, 439 U.S. 820 (1978).

Section 6005 sets out the two requirements for an immunity order, both of which have been satisfied here. First, "the request for such an order has been approved by an affirmative vote of two-thirds of the members of the full committee." 18 U.S.C. § 6005(b)(2). The Committee's March 18, 1998, resolution satisfies this requirement. Exhibit C to the Application.

Second, "ten days or more prior to the day on which the request for such an order was made, the Attorney General was served with notice of an intention to request the order." 18 U.S.C. § 6005(b)(3). This requirement may be waived by the Attorney General. *In re Application of United States Senate Permanent Subcommittee on Investigations (Cammisano)*, 655 F.2d 1232, 1236 (D.C. Cir.), *cert. denied*, 454 U.S. 1084 (1981). Here, the Attorney General has waived this requirement. Exhibit B to the Application.[3]

Accordingly, it is appropriate for the Court to issue an order immunizing from use in prosecutions the act of production of documents by E.G. "Bud" Shuster at proceedings before or

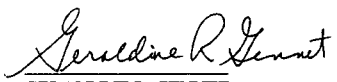
---

possession and authenticity of these documents are known with reasonable particularity, and thus the government would not be foreclosed from using the contents of such documents in a subsequent prosecution. However, the Committee recognizes that the issue of what evidence the government may be foreclosed from using as a result of *Hubbell* is one that cannot be definitively resolved except in the context of a subsequent prosecution.

[3] The Attorney General may apply to the court for deferral of the issuance of an immunity order for a period of no more than 20 days from the date of a committee's request for an order. 18 U.S.C. § 6005(c). Here, the Department of Justice has informed the Committee that it does not intend to seek deferral of issuance of the order. Exhibit B to the Application.

ancillary to the Committee.

Respectfully submitted,



GERALDINE R. GENNET
(DC Bar 213439)
General Counsel

KERRY W. KIRCHER
(DC Bar 386816)
Deputy General Counsel

MICHAEL L. STERN
(DC Bar 417501)
Senior Counsel

CAROLYN BETZ
Assistant Counsel

Office of the General Counsel
U.S. House of Representatives
219 Cannon House Office Bldg.
Washington, D.C. 20515
202/225-9700

Attorneys for the Committee on
Standards of Official Conduct,
U.S. House of Representatives

March 17, 2000

EXHIBIT 107

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT United States House of Representatives Washington, D.C. 20515 Applicant.	UNDER SEAL Misc. No. 00-161 FILED MAR 17 2000 NANCY MAYER WHITTINGTON, CLERK U.S. DISTRICT COURT

ORDER

UPON CONSIDERATION of the Application of the Committee on Standards of Official Conduct of the U.S. House of Representatives (the "Committee") for an Order Immunizing the Act of Production by E.G. "Bud" Shuster, and the Memorandum of Points and Authorities in Support thereof, and having determined that the requirements of 18 U.S.C. § 6005 have been satisfied, it is by the Court this 17th day of March, 2000, ORDERED

That E.G. "Bud" Shuster may not refuse to produce the unredacted copies of his personal calendars for the years 1995 and 1996 in response to the subpoena previously served upon him in proceedings before or ancillary to the Committee, the Investigative Subcommittee or the Adjudicatory Subcommittee on the basis of his constitutional privilege against self-incrimination, and it is FURTHER ORDERED

That no act of production compelled under this Order (or any information directly or indirectly derived from such act of production) may be used against E.G. "Bud" Shuster in any criminal proceeding, except prosecutions for perjury, giving a false statement, or otherwise failing to comply with this Order, and it is FURTHER ORDERED

That the immunity provided under this Order shall extend only to the act of production and shall not extend to the contents of any documents produced (or to any information directly or indirectly derived from the contents of such documents), except to the extent required by the Fifth Amendment to the United States Constitution.

Norma Holloway Johnson
U.S. District Judge

A TRUE COPY
NANCY MAYER-WHITTINGTON, Clerk
By _____
Deputy Clerk

EXHIBIT 108

PATTON BOGGS LLP
ATTORNEYS AT LAW

2550 M Street, NW
Washington, DC 20037-1350
202-457-6000

Facsimile 202-457-6315

March 20, 2000

Confidential

VIA HAND-DELIVERY

The Honorable Joel Hefley
The Honorable Zoe Lofgren
Committee on Standards of Official Conduct
HT-2 Capitol Building
Washington, DC 20515-6328

RECEIVED
00 MAR 20 PM 5:00
COMMITTEE ON STANDARDS

Re: In the Matter of Representative Bud Shuster

Dear Representatives Hefley and Lofgren:

Produced with this letter, in response to your February 17, 2000 letter, and pursuant to the March 17, 2000 Order of the United States District Court for the District of Columbia in Misc. No. 00-161 regarding act of production immunity, is one copy each of pocket calendars for the years 1995 and 1996 maintained by Representative Shuster. For convenience, they have been identified with the production numbers EGS-C 000001-EGS-C 000113. Redacted versions of these same calendars were produced to the Subcommittee in March 1998.

Please note that there have been no redactions of any kind made from the entries in these calendars. The redactions made from the previously produced versions dealt for the most part with unquestionably personal information: birth and wedding dates of Rep. Shuster's children and grandchildren; details regarding the management of his farm, and the start of deer hunting season; the carat, cut, color and clarity of the diamond he helped his son purchase as an engagement ring; his cholesterol level; dates and details of his wife's surgery; football, basketball and baseball schedules for the Steelers, Penn State, and the Pirates; and so on.

Under the orders of the United States District Court in Massachusetts, Rep. Shuster was entitled to shield the details of his personal life from dragnet examination by the grand jury, and he chose to insist on some respect for his privacy. Rep. Shuster still could insist on respect for his privacy before this Subcommittee but, out of his own respect for the House of Representatives, he invites the Members of the Subcommittee to view the formerly redacted entries to see that there is nothing questionable – indeed, nothing but mundane facts of daily life – in them. Consequently, having redacted nothing from these pocket calendars, Rep. Shuster has prepared no logs of redacted information.

PATTON BOGGS LLP
ATTORNEYS AT LAW

Also produced with this letter, and marked as EGS-H 000001-000014, are copies of all materials in Rep. Shuster's possession, custody or control, relating to his conversations with Edward Hosken, former counsel to the Committee, as requested in your letter of March 9, 2000 (and in keeping with the date for production subsequently agreed with the Subcommittee's counsel). In an effort to be fully inclusive, we have included notes of communications with Mr. Hosken (and with other staff and Members of the Committee) outside the 1994-1995 time-frame requested in your March 9 letter. (On pages EGS-H 000002 and EGS-H 000004 entries that are not responsive have been redacted.)

As we understand it, this production ends any outstanding debate over full compliance by Mr. Shuster with the Subcommittee's subpoenas to him.

We look forward to a productive discussion with Subcommittee counsel on March 23, 2000.

Very truly yours,

Mitchell R. Berger

Benjamin L. Ginsberg

Enclosure

cc: The Honorable Bud Shuster
Virginia H. Johnson, Esq.
Paul Lewis, Esq.

Doc. 391747

EXHIBIT 109

FILED
JUN 13 1995
BY:

ARTICLES OF INCORPORATION

OF

BUD SHUSTER PORTRAIT COMMITTEE, INC.

We, the undersigned natural persons of the age of twenty-one years or more, acting as incorporators of the corporation under the NON PROFIT CORPORATION ACT (D.C. Code, 1981 edition, Title 29, Chapter 5) adopt the following Articles of Incorporation:

FIRST: **Name.** The name of the Corporation is the Bud Shuster Portrait Committee, Inc.

SECOND: **Duration.** The period of its duration is perpetual.

THIRD: **Purposes.** The Corporation is formed for the following purposes:

(a) To solicit and receive non-taxable contributions to finance the portrait of Bud Shuster (public official) as a gift to the U.S. government; and

(b) To carry on any lawful purpose or purposes whatsoever for which nonprofit corporations may be organized under the District of Columbia Nonprofit Corporation Act.

FOURTH: **Members.** The corporation will have no members.

FIFTH: **Directors.** The election or appointment of directors shall be as provided in the corporation's by-laws.

SIXTH: **Internal Affairs.** The provisions for the regulation of the internal affairs of the corporation shall be set forth in the By-Laws. The provisions for the distribution of assets upon dissolution shall be pursuant to the D.C. Nonprofit Act.

SEVENTH: **Registered Office and Agent.** The address of the initial registered office in the District of Columbia is 801 Pennsylvania Avenue, N.W., Suite 800, Washington, D.C. 20004, and the name of the initial registered agent at such address, who is a resident of the District of Columbia, is Charles B. Mathias.

EIGHTH: **Initial Board of Directors:** The number of directors constitutuing the initial board of directors is three (3) and the names and addresses of the persons who are to serve as the initial directors until their successors be elected and qualified are:

Name	Address
Ann E. Eppard, Chairman	19 Wilkes Street Alexandria, Virginia 22101
Edward R. Hamberger	801 Pennsylvania Avenue N.W. Washington, D.C. 20004
Robert J. Sullivan	1507 LaBurnum Street McLean, Virginia 22101

NINTH: **Incorporators:** The names and addressess of the incorporators are:

Name	Address
Edward R. Hamberger	801 Pennsylvania Ave., N.W. Suite 800 Washington, D.C. 20004
Charles B. Mathias	801 Pennsylvania Ave., N.W. Suite 809 Washington, D.C. 20004
William K. Coulter	801 Pennsylvania Ave., N.W. Suite 800 Washington, D.C. 20004

Edward R. Hamberger
Date: June 12, 1995

Charles B. Mathias
Date June 12, 1995

William K. Coulter
Date: June 12, 1995

DISTRICT OF COLUMBIA:

I, Linda S. Butcher, a Notary Public, hereby certify that on the 12th day of June, 1995, Edward R. Hamberger, Charles B. Mathias and William K. Coulter appeared before me and signed the foregoing document as incorporators, and have averred that the statements therein contained are true.

Linda S. Butcher
My Commission Expires: 4-14-99

W SMC14280 V1

EXHIBIT 110

ERH

LAW OFFICES
BAKER, DONELSON, BEARMAN & CALDWELL
A PROFESSIONAL CORPORATION
MARKET SQUARE
801 PENNSYLVANIA AVE., NW
SUITE 800
WASHINGTON, DC 20004
(202) 508-3400
FACSIMILE
(202) 508-3402

CHATTANOOGA, TENNESSEE
HUNTSVILLE, TENNESSEE
JOHNSON CITY, TENNESSEE
KNOXVILLE, TENNESSEE
MEMPHIS, TENNESSEE
NASHVILLE, TENNESSEE

November 27, 1995

Internal Revenue Service
Associate Chief Council (Domestic)
Attn: CC:DOM:CORP:T
P.O. Box 7604
Ben Franklin Station
Washington, D.C. 20044

Re: Bud Shuster Portrait Committee

Dear Sir or Madam:

A ruling is respectfully requested concerning whether contributions to the Bud Shuster Portrait Committee, Inc. (the "Committee") are deductible under Section 170 of the Internal Revenue Code (the "Code").

A. STATEMENT OF FACTS

Bud Shuster is an 11-term Republican Congressman from the 9th District of Pennsylvania. As a result of the Republican majority in the House of Representatives, Representative Shuster became the Chairman of the Committee on Transportation and Infrastructure effective January, 1995. It has been the custom to have a portrait of the Chairman of this committee painted and hung in the main hearing room of the committee, 2167 Rayburn House Office Building. In fact, portraits of Chairmen extending back to the early 1900's currently hang in this committee room. The

Committee has been established for the sole purpose of locating a portrait painter and collecting contributions from individuals and corporate donors to defray the cost of such a painting, the cost of a suitable unveiling ceremony in the committee room and any administrative costs, including the expenses in connection with obtaining this ruling. The portrait will become the permanent property of the United States government. Any funds collected in excess of the cost of the portrait, the unveiling ceremony and related expenses will be contributed to a charitable organization described in Section 170(c) of the Code.

B. RULING REQUESTED

A ruling is respectfully requested that contributions to the Committee are deductible in the manner and to the extent provided under Section 170 of the Code for the tax year of the contribution.

C. STATEMENT OF LAW

Section 170(a)(1) of the Code allows as a deduction any charitable contribution made during the tax year.

Section 170(c)(1) of the Code defines a charitable contribution as a contribution or gift to or for the use of a state, a possession of the United States, any political subdivision of a state or possession, the United States, or the District of Columbia, but only if the contribution or gift is made for exclusively for public purposes.

D. ANALYSIS

Rev. Rul. 81-219, 1981-2 C.B. 77, considers circumstances similar to this ruling request and concludes that contributions to a fund formed solely to acquire a portrait of a judge for display in the courthouse of a political subdivision are deductible under Section 170 of the Code. Because the portrait became the property of a political subdivision and was to be hung in the courthouse on public display, contributions to the fund were held to be made for exclusively public purposes.

In the present case, contributions to the Committee are solely to acquire the portrait of Chairman Shuster for display in the U.S. Congress. The portrait will become the property of the United States and therefore contributions to the fund should be deemed to be made for exclusively public purposes. The IRS has ruled in more than twenty instances in similar situations that contributions in connection with portraits of public officials are deductible under Section 170 of the Code. See, PLR 8913045 (Jan. 3, 1989);

PLR 8733007 (May 11, 1987); PLR 8540063 (July 9, 1985); PLR 7922091 (March 1, 1979).*/

E. CONCLUSION

The Committee therefore requests that the Internal Revenue Service rule that the contributions to the portrait Committee described above are deductible by the contributor under Section 170 of the Internal Revenue Code when made.

F. USER FEES

Pursuant to Revenue Procedure 94-8, enclosed is a check for $500.00, representing the required user fee.

G. PROCEDURAL STATEMENTS

With respect to each of the issues that are involved in this ruling request, it is represented to the best of the knowledge of the Committee that the identical issue (1) is not under examination by a District Director in a return of the Committee, or a related taxpayer, within the meaning of Section 267 of the Code, or a member of an affiliated group of which the Committee is a member within the meaning of Section 1504 of the Code; (2) has not been examined by a District Director for a year for which the statutory period of limitation on assessment or refund of taxes has expired, nor has a closing agreement been entered into by a District Director; (3) is not under consideration by an Appeals Office in connection with a return of the Committee for a prior period, nor has such an issue been considered by an Appeals Office, and the statutory period of limitation on assessment or return of tax has not expired nor has a closing agreement been entered into by an Appeals Office; or (4) is not pending in litigation involving the Committee or a related taxpayer within the scope referred to in (1) above. In addition, to the best of the knowledge of the Committee in this matter, an identical or similar issue involved in this ruling request has not been (i) previously submitted to the Internal Revenue Service but withdrawn before a ruling was issued or (ii) ruled on by the Internal Revenue Service to the Committee or a predecessor to the Committee.

The undersigned is not aware of any precedential published authority which is directly contrary to the rulings requested herein.

---

*/ While the Committee recognizes that private letter rulings do not have precedential value, these are cited as an indication of the Internal Revenue Service's position in considering facts similar to this ruling request.

If it is contemplated that a favorable ruling will not be issued, the Committee requests a conference prior to the issuance of any adverse ruling.

Enclosed are the following: (i) a declaration under penalty of perjury; (ii) a Statement of Proposed Deletion under Section 6110 of the Internal Revenue Code; (iii) a Power of Attorney, IRS Form 2848, for the Committee; (iv) the checklist required by Appendix B of Rev. Proc. 95-1; (v) the reduced user fee certificate; and (vi) a check for $500.00 representing the reduced user fee.

If there should be any questions or if additional information is desired, please contact the Committee's representative, Thomas L. Howard.

Sincerely,

Thomas L. Howard

Enclosures:

- Declaration Under Penalty of Perjury
- Statement of Proposed Deletion Under Section 6110
- Form 2848
- Rev. Proc. 95-1 Checklist
- Reduced User Fee Certificate
- User Fee Check in the Amount of $500.00

DECLARATION UNDER PENALTIES OF PERJURY

I, Edward R. Hamberger, in my capacity as secretary-treasurer of the Bud Shuster Portrait Committee, Inc., under penalties of perjury, declare that I have examined the attached request, including accompanying documents, and to the best of my knowledge and belief, the facts presented in support of the requested ruling are true, correct and complete.

Date: Nov. 27, 1995

Edward R. Hamberger

EXHIBIT 111

LAW OFFICES
BAKER, DONELSON, BEARMAN & CALDWELL
A PROFESSIONAL CORPORATION
MARKET SQUARE
801 PENNSYLVANIA AVE., NW
SUITE 800
WASHINGTON, DC 20004
(202) 508-3400
FACSIMILE
(202) 508-3402

CHATTANOOGA, TENNESSEE
HUNTSVILLE, TENNESSEE
JOHNSON CITY, TENNESSEE
KNOXVILLE, TENNESSEE
MEMPHIS, TENNESSEE
NASHVILLE, TENNESSEE

July 28, 1995

Mr. Wiley N. Jones
Vice President, Governmental Relations
Southern Pacific Transportation Co.
816 Connecticut Avenue, N.W.
Suite 1100
Washington, D.C. 20006

Dear Wiley:

Per our conversation, enclosed please find an invoice for your $1,000.00 contribution to the Bud Shuster Portrait Committee. As we discussed, we have filed for tax exempt status with the Internal Revenue Service and are relatively confident it will be granted. Of course, if it is not, this contribution would not be tax deductible. I will, of course, advise you of the outcome as soon as we hear from the IRS.

On behalf of the Committee, thank you for your generous contribution.

With warm personal regards,

Sincerely,

Edward R. Hamberger

bcc: Ann Eppard

EXHIBIT 112

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Index No.: 170.00-00

Person to Contact:
Susan J. Kassell
Telephone Number:
(202) 622-4930
Refer Reply to:
CC:DOM:IT&A:3/TR-31-2730-95
Date:
MAR 27 1996

Thomas L. Howard, Esq.

Baker, Donelson, Bearman
& Caldwell
801 Pennsylvania Ave., NW
Washington, DC 20004

Portrait Committee = Bud Schuster Portrait Committee
Congressman = Congressman Bud Schuster
Congressional Committee = Committee on Transportation and Infrastructure
Congressional Building = Rayburn House Office Building

Dear Mr. Howard,

This is in response to your letter dated November 27, 1995, in which you requested a ruling on behalf of Portrait Committee that contributions to Portrait Committee are deductible under section 170 of the Internal Revenue Code.

Congressman is Chairman of Congressional Committee. Customarily, a portrait of the Chairperson of Congressional Committee is painted and displayed in Congressional Building. Portrait Committee has been established for the sole purpose of locating a portrait painter and collecting contributions from individuals and corporate donors to defray the cost of such a portrait, the cost of a suitable public unveiling ceremony in the Congressional Committee room, and administrative costs, including expenses incurred in connection with this ruling request.

The portrait will become the permanent property of the United States government. Any funds collected in excess of the cost of the portrait, the unveiling ceremony, and administrative costs will be contributed to a charitable organization described in section 170(c) of the Code.

Section 170 of the Code provides, subject to certain limitations, a deduction for contributions and gifts to or for the use of organizations described in section 170(c), payment of which is made within the taxable year.

Section 170(c)(1) of the Code defines a charitable contribution as a contribution or gift to or for the use of a state, a possession of the United States, any political subdivision of a state or possession, the United States, or the District of Columbia, but only if the contribution or gift is made for exclusively public purposes.

Rev. Rul. 91-219, 1981-2 C.B. 77, holds that contributions to a fund formed solely to acquire a portrait of a judge for display in the courthouse of a political subdivision are deductible under section 170 of the Code. Because the portrait became the property of a political subdivision and was to be hung in the courthouse on public display, contributions to the fund were for exclusively public purposes.

Based on the information submitted and the authorities stated above, we conclude that contributions to Portrait Committee will be charitable contributions within the meaning of section 170(c)(1) of the Code. Such gifts will be deductible as charitable contributions in the manner and to the extent provided by section 170 and the Income Tax Regulations thereunder.

No opinion is expressed as to the federal income tax consequences of the transaction described above under any other provision of the Code.

This ruling is directed only to the taxpayer on whose behalf it was requested. Section 6110(j)(3) of the Code provides that it may not be used or cited as precedent.

Assistant Chief Counsel
(Income Tax & Accounting)

By: Karin G. Gross
Karin G. Gross
Senior Technician Reviewer,
Branch 3

Enclosure
Copy for section 6110 purposes

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

Index No.: 170.00-00

Thomas L. Howard, Esq.

Baker, Donelson, Bearman
& Caldwell
801 Pennsylvania Ave., NW
Washington, DC 20004

Person to Contact:
Susan J. Kassell
Telephone Number:
(202) 622-4930
Refer Reply to:
CC:DOM:IT&A:3/TR-31-2730-95
Date:
MAR 27 1996

Portrait Committee = Bud Schuster Portrait Committee
Congressman = Congressman Bud Schuster
Congressional Committee = Committee on Transportation and Infrastructure
Congressional Building = Rayburn House Office Building

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Rev. Rul. 91-219, 1981-2 C.B. 77, holds that contributions to a fund formed solely to acquire a portrait of a judge for display in the courthouse of a political subdivision are deductible under section 170 of the Code. Because the portrait became the property of a political subdivision and was to be hung in the courthouse on public display, contributions to the fund were for exclusively public purposes.

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Assistant Chief Counsel
(Income Tax & Accounting)

By: Karin G. Grose
Karin G. Grose
Senior Technician Reviewer,
Branch 3

Enclosure
Copy for section 6110 purposes

EXHIBIT 113

Bud Shuster Portrait Committee
List of Contributors as of 09/03/96

Marilyn W. Lewis	$ 100.00
David R. Kraemer	500.00
Outdoor Systems, Inc.	1,000.00
Crown American Enterprises	5,000.00
Associated Builders and Contractors	1,000.00
Bowlins, Inc.	1,000.00
Federal Express	5,000.00
Matthew Outdoor Advertising, Inc.	1,000.00
Arthur and Mary Cameron	1,000.00
Vern Clark & Associates	1,000.00
Van Wagner Communications, Inc.	1,000.00
Outdoor Advertising Association of America	1,000.00
Lewis, Eckert, Robb & Co.	250.00
Air Transport Association of America	5,000.00
Union Pacific Corporation	5,000.00
The Associated General Contractors of America	2,500.00
American Trucking Associations, Inc.	5,000.00
American Public Transit Association	5,000.00
Eckert Seamans Cherin & Mellott	5,000.00
SKTV, INC.	1,000.00
Dolphin Cruise Line, Inc.	1,000.00
Celebrity Cruises, Inc.	1,000.00
Burlington Northern Railroad Company	500.00
International Council of Cruise Line	2,000.00
United Airlines	500.00
CSX Corporation	1,000.00
Aloha Airlines	300.00
Carnival	1,500.00
Conrail	2,000.00
Norfolk Southern Corp.	1,000.00
Atchison, Topeka ...	2,000.00
Delta Airlines	500.00
Southern Pacific Trans. Co.	1,000.00
American Bus Association	1,000.00
American Assn. of Airport Execs./1	500.00
Ann Eppard	1,500.00
Timothy D. Hugo	1,001.00
Edmund C. Graber	250.00
American Road & Transportation Bldrs. Assn.	5,000.00
Enron Corp.	1,000.00
TWA	500.00
Amer. Consulting Engrs. Council	500.00
USAir	500.00

(continued on next page)

Association of American Railroads	1,000.00
American Assn. of Aiport Execs./2	250.00
American President Lines, Ltd.	500.00
Randolph L. Delay	4,000.00
Greater Pittsburgh Chamber of Commerce	1,000.00
Ashland, Inc. (Ashland Oil Foundation)	1,000.00
Williams & Jensen, P.C.	500.00
Chambers, Conlon & Harwell (Mike Rock)	500.00
Rob Quartel	1,000.00
UPS of America, Inc.	2,000.00
ECC International (Rob Quartel)	500.00
TOTAL CONTRIBUTIONS TO DATE	$85,651.00

Bud Shuster Expenses Paid as of 09/03/96

7/5/95:	Everett Raymond Kinstler	$20,000.00
9/26/95:	Gordon Keller Music	495.00
10/13/95:	Everett Raymond Kinstler (expenses)	205.00
10/13/95:	Catering by Windows	4,597.44
10/13/95:	Watson-Guptill Publications	961.68
10/13/95:	Enchanted Florist	642.00
10/24/95:	Karen Schecter	378.30
11/21/95:	IRS (Ruling Request Fee)	500.00
1/17/95:	Gordon-Keller Music	495.00
1/24/96:	Ann Eppard Assoc.	1,839.72
1/24/96:	Enchanted Florist	1,481.57
2/6/96:	Amer. Marketing & Publishing	2,338.55
2/9/96:	Catering by Windows	12,916.01
2/21/96:	James Miller	83.86
2/26/96	Keith Jewell	386.00
3/4/96	BB&C Productions	250.00
3/12/96	House of H. Heydenryk, Jr. Inc.	2,104.00
3/12/96	Everett Raymond Kinstler	20,000.00
4/8/96	Tony Mysak	100.00
4/8/96	Capital Limousine, Inc.	1,424.95
4/8/96	Everett Raymond Kinstler	292.00
4/19/96	Catering by Windows	3,000.00
4/30/96	Everett Raymond Kinstler	2,500.00
4/30/96	Catering By Windows	3,000.00
5/7/96	D.C. Annual Report Filing Fee	25.00
5/28/96	Everett Raymond Kinstler	2,500.00
6/13/96	Catering by Windows	2,000.00
9/3/96	Catering by Windows (Final)	1,087.42
	TOTAL EXPENSES PAID TO DATE	$85,603.50

Bank Service Charges

6/30/95	0.00
7/31/95	6.00
8/31/95	3.37
9/29/95	5.43
10/31/95	1.05
11/30/95	1.05
12/29/95	.96
1/31/96	.97
2/29/96	0.00
3/29/96	0.00
4/30/96	0.00
5/31/96	7.00
6/28/96	0.00
7/31/96	0.00
Total	**25.83**

SUMMARY OF THE ACCOUNT

Beginning balance	$ 50.00
Less Check order	$ -41.02
Contributions	$ 85,651.00
Less Expenses	$ -85,603.50
Less Bank Charges	$ -25.83
ENDING BALANCE	**$ 30.65**

EXHIBIT 114

CATERING BY WINDOWS

Billing Date	1/21/96
Invoice No.	59385
Customer ID #	BSPC
PO Number	
Proposal No.	030379

Bill To:
BUD SCHUSTER POTRAIT COM
K SCHECTER
19 WILKES STREET

ALEXANDRIA, VA 22314

Event Information:
DINNER FOR 54 GUESTS
JANUARY 21 1996
ORDERED BY K SCHECTER
DELIVERY TO DC

Salesperson: STEVAN WERLINICH

Invoice

FOOD	3,847.50
PERSONNEL	1,840.00
BAR SET UPS	62.50
ICE	25.00
DC TAX ON CATERING SALES	577.50
EQUIPMENT	1,638.41
DC TAX ON EQUIPMENT USE	92.21
ALCOHOLIC BEVERAGES	979.30
DELIVERY	25.00
TOTAL	9,087.42
Deposit Recd	0.00
BALANCE DUE ===>	9,087.42

- 3,000.00 4/19
6,087.42
- 3,000.00 4/30
3,087.42
- 2,000.00 6/13
1,087.42
- 1,087.42 9/3
0

Thank you for your patronage!

Payment Terms: Invoices are payable upon receipt - a two percent late charge will be applied to unpaid balances monthly. Please include Windows invoice number on remittance copy.

1125 NORTH ROYAL STREET, ALEXANDRIA, VA. 22314 • (703) 519-3500 FAX: (703) 51

CATERING BY WINDOWS 1125 North Royal St • Alex., Va 22314 • 703-519-3500 PROLOG 30379

DAY Sunday DATE 4/1/96 DELIVERY TIME 3:30 PM SET-UP 3:30 PM SERVICE TIMES 6:00 PM

FILENAME TYPE Dinner GUESTS# 55 WCC REP. SW

NAME OF ORGANIZATION Ann Edward Lost Inc. CONTACT PERSON Karen PHONE

BILLING ADDRESS 19 Wilkes Street ATTN PHONE

Alexandria Virginia 22314

DELIVERY ADDRESS Kaybrand Other Building ATTN PHONE

Room 2161

	DISPOSABLE		CERAMIC PLATTERS	X	FRENCH SERVICE		PLATED		BUFFET

Hors D"oeuvres to be Passed

60 Potato Wafle with Smoked Tuna and Wasabi Mustard
60 Black Sesame Seed Encrusted Chicken with Pungent Chili Sauce
60 Tartlet of Grilled Shrimp, Roasted Pears and Watercrest

First Course
Grilled Portabelio Mushroom with Freied Spinach Drizzled
with Lemon, White Wine and Tarragon Sauce.
Garnished with Eatable Pansy 2 each plate.

Intermesso
A Champagne and Lobster Bisque Blend
Served from a Demi Cup

2-2½ oz Entree
Lightly Seasoned Veal Medallions, Sauteed with Lemon Butter
and Capers Accompanied with Angle Hair Pasta seasoned with Fresh Garlic and
Virgin Oil California Green Asparague Spear, and Timale of Ginger Carrot Souffles

Assorated Miniature Rolls and Whipped Butter 6 plastic Contains

Dessert
Poached Pear Stuffed with Dried Fruits served on a Bed of Raspberry Puree
Anglaise Sauce garnished with Berries in Season and Fresh Mint
Raspberries, Elder Berries, Strawberries

Demi Tass
Passed Chocolate Truffles

Children Menu — 7 Teen Agers
Chicken Fingers with Honey Mustard Sauce
Cheese Pizza
Apple Sauce
French Fries with Ketchup
Cookies and Brownies with out nuts
Sprite

Price per person 70.00
Food 2850.00
Disposables —
WCC Equipment —
PR Equipment 1650.00
Beverages 110.00
Ice 90.00
Labor 1200.00
Delivery 25
Sub Total 2230.00
Tax
Tax

Cocktail serve time 6:00 PM
Dinner serve time 7:15 PM
Buffet Plated (FS)
Number of buffet tables
Number of seating tables 1
Crosscore Stove

COPY

CATE
WIN

Ed -
Take a deep breath ... and then look at these bills.
your friend
Karen

Billing Date	1/22/96
Invoice No.	59386
Customer ID #	BSPC
PO Number	
Proposal No.	030385

Bill To:
BUD
K SC
19 W
ALEX

Event Information:
LUNCH FOR 200 GUESTS
JANUARY 22 1996
ORDERED BY K SCHECTER
DELIVERY TO DC

Salesperson: STEVAN WERLINICH

Invoice

FOOD	5,000.00
PERSONNEL	2,112.50
BAR SET UPS	375.00
ICE	25.00
DC TAX ON CATERING SALES	~~751.25~~
EQUIPMENT	4,647.50
DC TAX ON EQUIPMENT USE	267.23
ALCOHOLIC BEVERAGES	504.45
DELIVERY	50.00
TOTAL	13,732.93
Deposit Recd	0.00
BALANCE DUE ===>	13,732.93

~~- 800.~~
129 ~~32.73~~
16.01
PMD 2/9
#1015

000316

Thank you for your patronage!

Payment Terms: Invoices are payable upon receipt - a two percent late charge will be applied to unpaid balances monthly. Please include Windows invoice number on remittance copy.

1125 NORTH ROYAL STREET, ALEXANDRIA, VA. 22314 • (703) 519-3500 FAX: (703) 5

CATERING BY WINDOWS 1125 North Royal St • Alex., Va 22314 • 703-519-3500 PROLOG 30385

DAY Monday DATE 1/22/96 DELIVERY TIME 9:30 A.M. SET-UP 10:00 A.M. SERVICE TIMES 12:00 NOON

FILENAME _____ TYPE Buffet Lunch GUESTS# 200 WCC REP. [illegible]

NAME OF ORGANIZATION Ann Eppard CONTACT PERSON _____ PHONE _____

BILLING ADDRESS _____ ATTN _____ PHONE _____

DELIVERY ADDRESS Raybourn Office Building ATTN _____ PHONE _____

Bill from 2168

	DISPOSABLE		CERAMIC PLATTERS		FRENCH SERVICE		PLATED	X	BUFFET

Buffet Menu

Medallions of Chicken
Chicken Medallions with Herbed Polenta and Sun Dried Cherries with essence of Rosemary Pinot Nior Sauce

2 gal Hotel Pan chicken

Tortellini Seafood Pasta
Seafood Cheese Tortellini Cooked al Dente with Scallops, Chopped Shrimp, Sliced Cooked Mushrooms and Chopped Parsley Tossed with Light Cream Sauced and Condiments of Parmesan Cheese, Roasted Peppers, and Sliced Black Olives

2 gal Hotel Pans

1 gt

1 gt

Garden Green Salad
Fine Cuts of Romaine, Spinach, and Leaf Lettuce, Chopped Feta Cheese Chopped Tomato, Bacon, Avacado, and tossed with House Vinaigrette

Bibb

Bibb

250 Rolls Fine White Wheat Regular Miniature Assorated Rolls and Whipped Butter — 12 platter Container

Dessert Buffet
420 Confections to Include: Napoleons, Chocolate Eclairs, Cheesecake Squares, Cream Puffs, Raspberries, Lemon Bars, Truffles of Whitre and Dark Chocolates, Petit Fours, Plain and Iced Cookies etc.

Cheese for 25 guests

The Cheese Factory
An Assortment of Imported and Domestic Cheeses Including Saint Andre, Herbed Brie, Pepper Boursin, Fontina, Sage Berry, Windsor Red, Saga Blue, Cheddar, Chive Havsarti with Garniature of Berries and Seedless Grapes

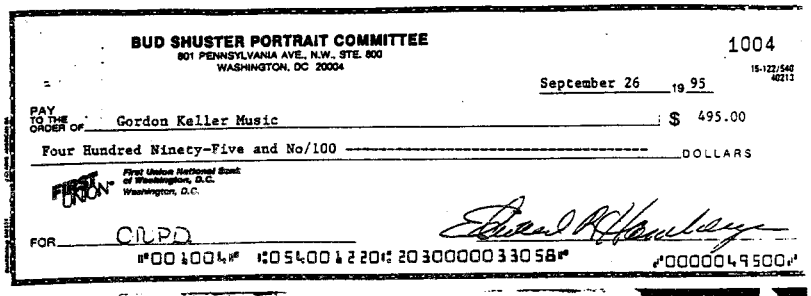
Cream platter

Assorated Crackers in Basket

Price per person 25.00
Food 5000.00
Disposables —
WCC Equipment —
PR Equipment —
Beverages 225.00
Ice 250.00
Labor —
Delivery 50.00
Sub-total

Cocktail serve time 12:00 NOON
Dinner serve time _____
Buffet Plated FS
Number of buffet tables 3
Number of seating tables _____
Cresscore Stove _____

COPY



BUD SHUSTER PORTRAIT COMMITTEE
801 PENNSYLVANIA AVE., N.W., STE. 800
WASHINGTON, DC 20004

1004

15-122/540
40213

September 26 19 95

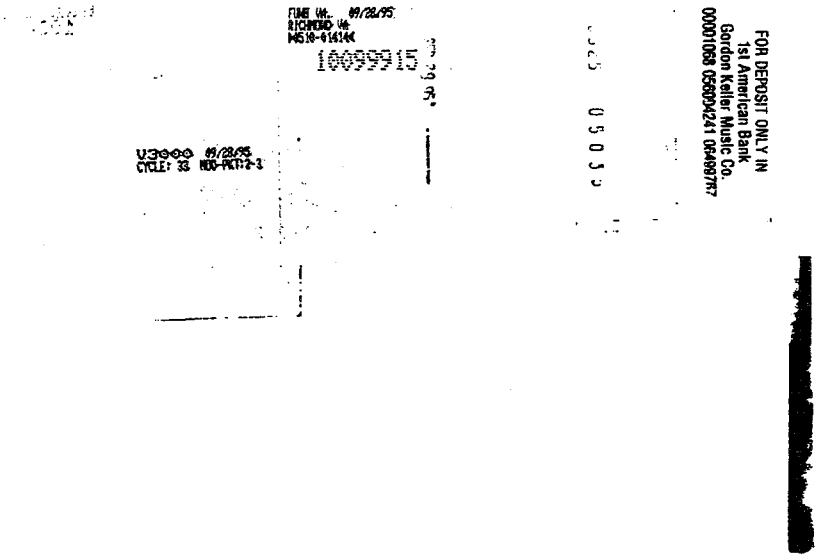
PAY TO THE ORDER OF Gordon Keller Music $ 495.00

Four Hundred Ninety-Five and No/100 ---------- DOLLARS

FIRST UNION First Union National Bank of Washington, D.C. Washington, D.C.

FOR CNPD

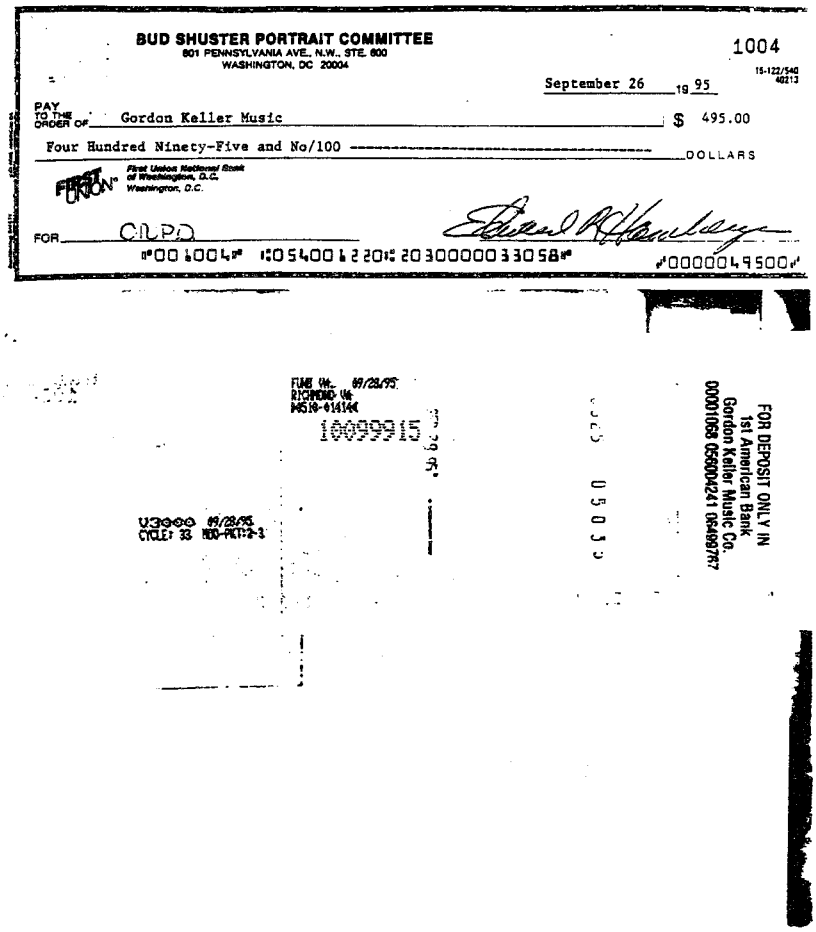
⑈001004⑈ ⑆054001220⑆ 2030000033058⑈ ⑈0000049500⑈



FOR DEPOSIT ONLY IN
1st American Bank
Gordon Keller Music Co.
00001068 056004241 064997R7

FUND VA. 09/28/95
RICHMOND VA
M510-614144
10099915

V3000 09/28/95
CYCLE: 33 MOD-PKT:2-3



BUD SHUSTER PORTRAIT COMMITTEE
801 PENNSYLVANIA AVE., N.W., STE. 600
WASHINGTON, DC 20004

1004

15-122/540
40213

September 26 19 95

PAY TO THE ORDER OF Gordon Keller Music $ 495.00

Four Hundred Ninety-Five and No/100 ---------- DOLLARS

FIRST UNION First Union National Bank of Washington, D.C. Washington, D.C.

FOR CRPD

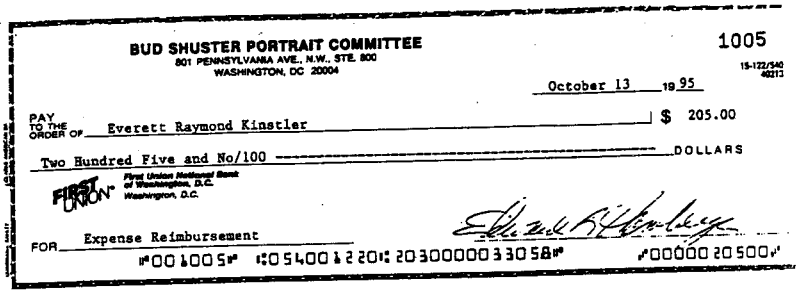
⑈001004⑈ ⑆054001220⑆ 2030000033058⑈ ⑈0000049500⑈

FUNB VA 09/28/95
RICHMOND VA
04510-014144

10099915

U3000 09/28/95
CYCLE: 33 NDO-PKT:2-3

FOR DEPOSIT ONLY IN
1st American Bank
Gordon Keller Music Co.
00001068 056004241 06499767



BUD SHUSTER PORTRAIT COMMITTEE
801 PENNSYLVANIA AVE., N.W., STE. 800
WASHINGTON, DC 20004

1005

15-122/540
40213

October 13 19 95

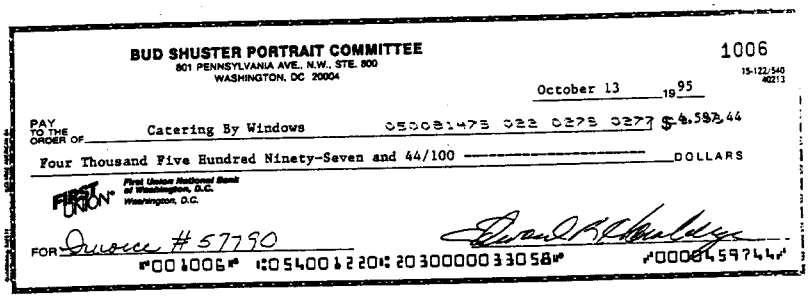
PAY TO THE ORDER OF Everett Raymond Kinstler $ 205.00

Two Hundred Five and No/100 DOLLARS

FIRST UNION First Union National Bank of Washington, D.C. Washington, D.C.

FOR Expense Reimbursement

⑈001005⑈ ⑆054001220⑆ 2030000033058⑈ ⑈00020500⑈



BUD SHUSTER PORTRAIT COMMITTEE
801 PENNSYLVANIA AVE., N.W., STE. 800
WASHINGTON, DC 20004

1006

15-122/540
40213

October 13 19 95

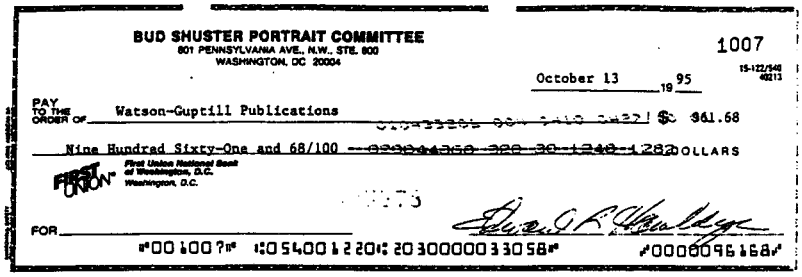
PAY TO THE ORDER OF Catering By Windows 050081473 022 0278 0277 $ 4,597.44

Four Thousand Five Hundred Ninety-Seven and 44/100 DOLLARS

FIRST UNION First Union National Bank of Washington, D.C. Washington, D.C.

FOR Invoice #57790

⑈001006⑈ ⑆054001220⑆ 2030000033058⑈ ⑈00459744⑈



BUD SHUSTER PORTRAIT COMMITTEE
801 PENNSYLVANIA AVE., N.W., STE. 800
WASHINGTON, DC 20004

1007

15-122/540
40213

October 13 19 95

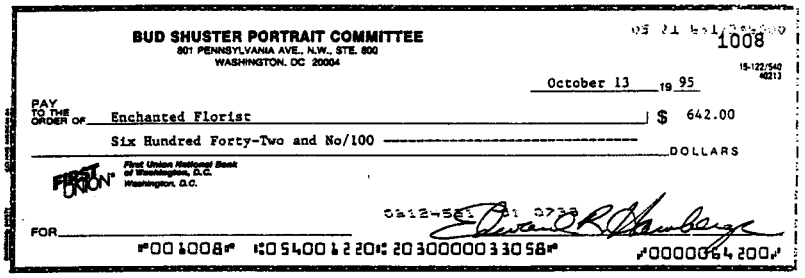
PAY TO THE ORDER OF Watson-Guptill Publications $ 961.68

Nine Hundred Sixty-One and 68/100 DOLLARS

FIRST UNION First Union National Bank of Washington, D.C. Washington, D.C.

FOR

⑈001007⑈ ⑆054001220⑆ 2030000033058⑈ ⑈0000096168⑈



BUD SHUSTER PORTRAIT COMMITTEE
801 PENNSYLVANIA AVE., N.W., STE. 800
WASHINGTON, DC 20004

1008

15-122/540
40213

October 13 19 95

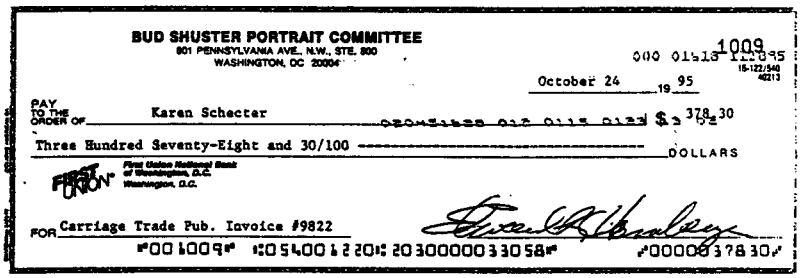
PAY TO THE ORDER OF Enchanted Florist $ 642.00

Six Hundred Forty-Two and No/100 DOLLARS

FIRST UNION First Union National Bank of Washington, D.C. Washington, D.C.

FOR

⑈001008⑈ ⑆054001220⑆ 2030000033058⑈ ⑈0000064200⑈



BUD SHUSTER PORTRAIT COMMITTEE
801 PENNSYLVANIA AVE., N.W., STE. 800
WASHINGTON, DC 20004

1009

15-122/540
40213

October 24 19 95

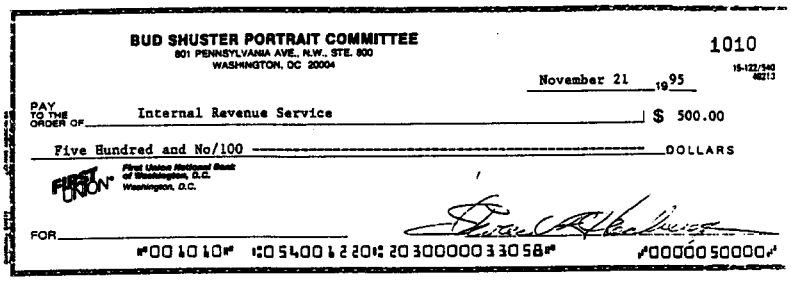
PAY TO THE ORDER OF Karen Schecter $ 378.30

Three Hundred Seventy-Eight and 30/100 DOLLARS

FIRST UNION First Union National Bank of Washington, D.C. Washington, D.C.

FOR Carriage Trade Pub. Invoice #9822

⑈001009⑈ ⑆054001220⑆ 2030000033058⑈ ⑈0000037830⑈



BUD SHUSTER PORTRAIT COMMITTEE
801 PENNSYLVANIA AVE., N.W., STE. 800
WASHINGTON, DC 20004

1010

15-122/540
40213

November 21 1995

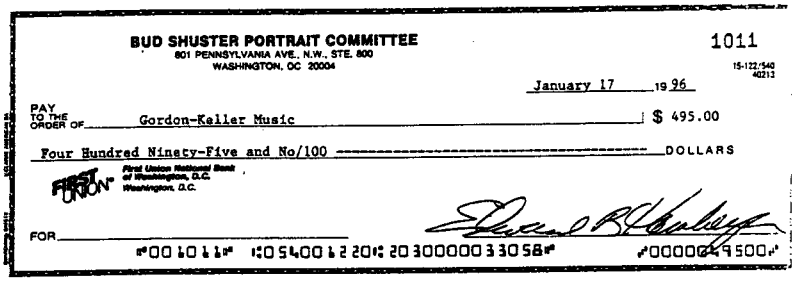
PAY TO THE ORDER OF Internal Revenue Service $ 500.00

Five Hundred and No/100 DOLLARS

FIRST UNION First Union National Bank of Washington, D.C. Washington, D.C.

FOR

⑈001010⑈ ⑆054001220⑆ 2030000033058⑈ ⑈0000050000⑈



BUD SHUSTER PORTRAIT COMMITTEE
801 PENNSYLVANIA AVE., N.W., STE. 800
WASHINGTON, DC 20004

1011

15-122/540
40213

January 17 1996

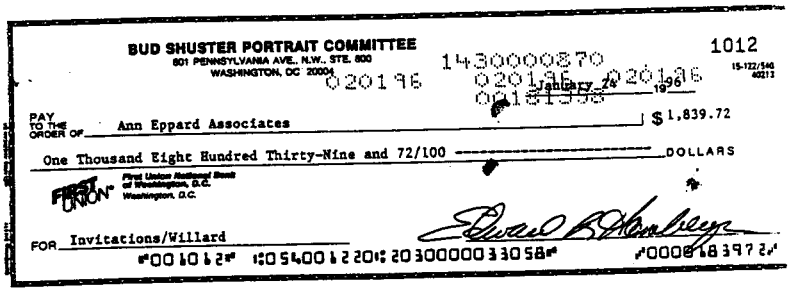
PAY TO THE ORDER OF Gordon-Keller Music $ 495.00

Four Hundred Ninety-Five and No/100 DOLLARS

FIRST UNION First Union National Bank of Washington, D.C. Washington, D.C.

FOR

⑈001011⑈ ⑆054001220⑆ 2030000033058⑈ ⑈0000049500⑈



BUD SHUSTER PORTRAIT COMMITTEE
801 PENNSYLVANIA AVE., N.W., STE. 800
WASHINGTON, DC 20004

1012

15-122/540
40213

1430000870
020196 020196 020196
00181358

January 24 1996

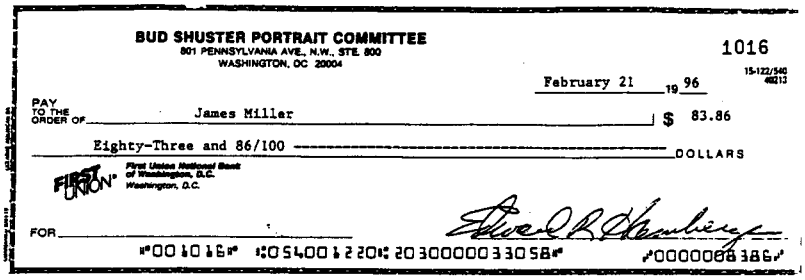
PAY TO THE ORDER OF Ann Eppard Associates $ 1,839.72

One Thousand Eight Hundred Thirty-Nine and 72/100 DOLLARS

FIRST UNION First Union National Bank of Washington, D.C. Washington, D.C.

FOR Invitations/Willard

⑈001012⑈ ⑆054001220⑆ 2030000033058⑈ ⑈0000183972⑈



BUD SHUSTER PORTRAIT COMMITTEE
801 PENNSYLVANIA AVE., N.W., STE. 800
WASHINGTON, DC 20004

1016

15-122/540
40213

February 21 19 96

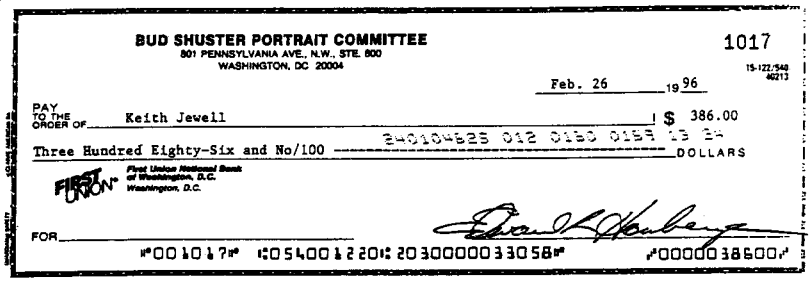
PAY TO THE ORDER OF James Miller $ 83.86

Eighty-Three and 86/100 DOLLARS

FIRST UNION First Union National Bank of Washington, D.C. Washington, D.C.

FOR

⑈001016⑈ ⑆054001220⑆ 2030000033058⑈ ⑈0000008386⑈



BUD SHUSTER PORTRAIT COMMITTEE
801 PENNSYLVANIA AVE., N.W., STE. 800
WASHINGTON, DC 20004

1017

15-122/540
40213

Feb. 26 19 96

PAY TO THE ORDER OF Keith Jewell $ 386.00

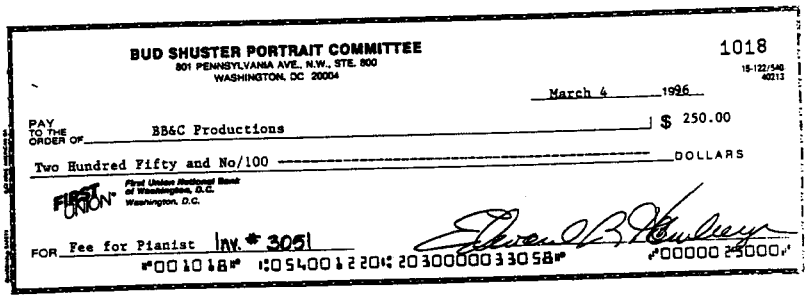
240104625 012 0150 0159 13 24

Three Hundred Eighty-Six and No/100 DOLLARS

FIRST UNION First Union National Bank of Washington, D.C. Washington, D.C.

FOR

⑈001017⑈ ⑆054001220⑆ 2030000033058⑈ ⑈0000038600⑈



BUD SHUSTER PORTRAIT COMMITTEE
801 PENNSYLVANIA AVE., N.W., STE. 800
WASHINGTON, DC 20004

1018

15-122/540
40213

March 4 1996

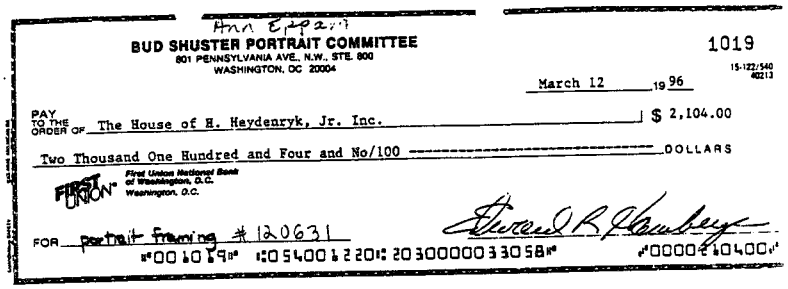
PAY TO THE ORDER OF BB&C Productions $ 250.00

Two Hundred Fifty and No/100 DOLLARS

FIRST UNION First Union National Bank of Washington, D.C. Washington, D.C.

FOR Fee for Pianist INV.# 3051

⑈001018⑈ ⑆054001220⑆ 2030000033058⑈ ⑈0000025000⑈



Ann Eppard

BUD SHUSTER PORTRAIT COMMITTEE
801 PENNSYLVANIA AVE., N.W., STE. 800
WASHINGTON, DC 20004

1019

15-122/540
40213

March 12 1996

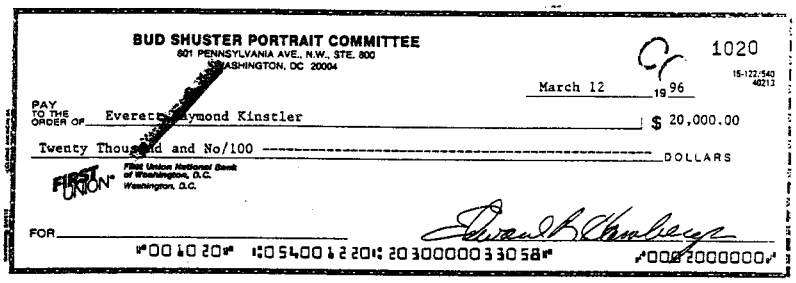
PAY TO THE ORDER OF The House of H. Heydenryk, Jr. Inc. $ 2,104.00

Two Thousand One Hundred and Four and No/100 DOLLARS

FIRST UNION® First Union National Bank of Washington, D.C. Washington, D.C.

FOR portrait framing #120631

⑈001019⑈ ⑆054001220⑆ 2030000033058⑈ ⑈0000210400⑈



BUD SHUSTER PORTRAIT COMMITTEE
801 PENNSYLVANIA AVE., N.W., STE. 800
WASHINGTON, DC 20004

1020

15-122/540
40213

March 12 1996

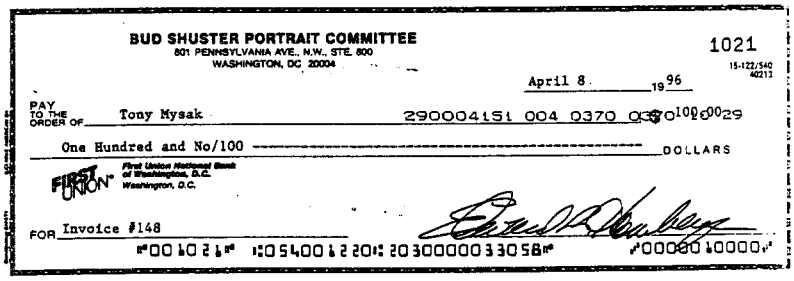
PAY TO THE ORDER OF Everett Raymond Kinstler $ 20,000.00

Twenty Thousand and No/100 DOLLARS

FIRST UNION® First Union National Bank of Washington, D.C. Washington, D.C.

FOR

⑈001020⑈ ⑆054001220⑆ 2030000033058⑈ ⑈0002000000⑈



BUD SHUSTER PORTRAIT COMMITTEE
801 PENNSYLVANIA AVE., N.W., STE. 800
WASHINGTON, DC 20004

1021

15-122/540
40213

April 8 1996

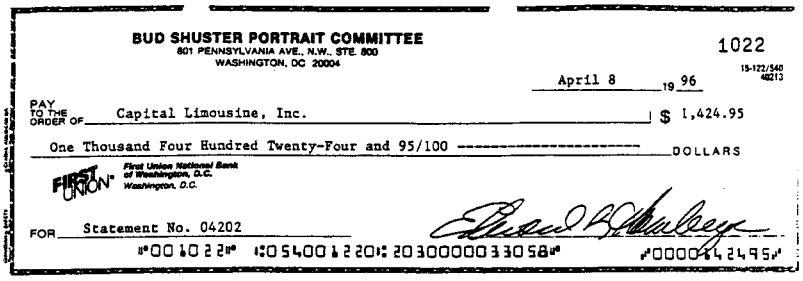
PAY TO THE ORDER OF Tony Mysak 290004151 004 0370 0370 $100.00

One Hundred and No/100 DOLLARS

FIRST UNION® First Union National Bank of Washington, D.C. Washington, D.C.

FOR Invoice #148

⑈001021⑈ ⑆054001220⑆ 2030000033058⑈ ⑈0000010000⑈



BUD SHUSTER PORTRAIT COMMITTEE
801 PENNSYLVANIA AVE., N.W., STE. 800
WASHINGTON, DC 20004

1022

15-122/540
40213

April 8 19 96

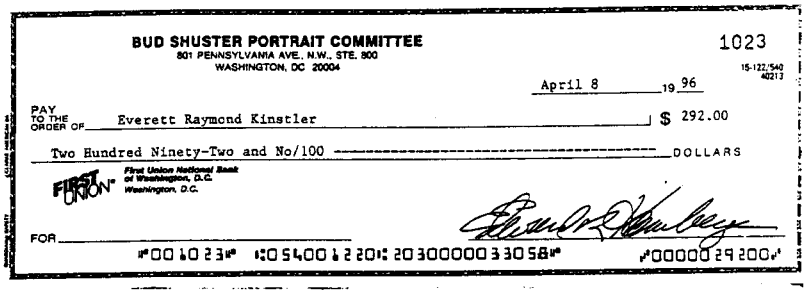
PAY TO THE ORDER OF Capital Limousine, Inc. $ 1,424.95

One Thousand Four Hundred Twenty-Four and 95/100 ---------- DOLLARS

First Union National Bank of Washington, D.C. Washington, D.C.

FOR Statement No. 04202

⑈00 10 22⑈ ⑆054001220⑆ 2030000033058⑈ ⑈000142495⑈



BUD SHUSTER PORTRAIT COMMITTEE
801 PENNSYLVANIA AVE., N.W., STE. 800
WASHINGTON, DC 20004

1023

15-122/540
40213

April 8 19 96

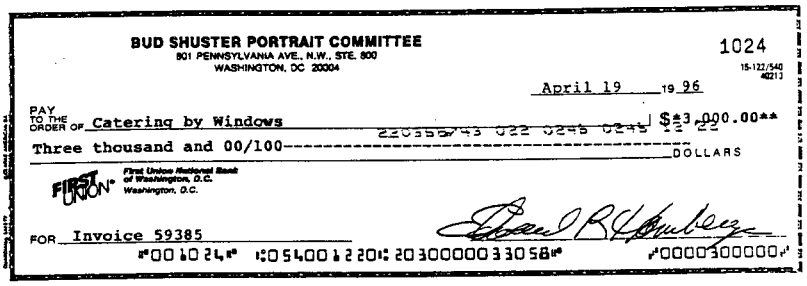
PAY TO THE ORDER OF Everett Raymond Kinstler $ 292.00

Two Hundred Ninety-Two and No/100 ---------- DOLLARS

First Union National Bank of Washington, D.C. Washington, D.C.

FOR

⑈00 10 23⑈ ⑆054001220⑆ 2030000033058⑈ ⑈000029200⑈



BUD SHUSTER PORTRAIT COMMITTEE
801 PENNSYLVANIA AVE., N.W., STE. 800
WASHINGTON, DC 20004

1024

15-122/540
40213

April 19 19 96

PAY TO THE ORDER OF Catering by Windows $ 3,000.00**

Three thousand and 00/100---------- DOLLARS

First Union National Bank of Washington, D.C. Washington, D.C.

FOR Invoice 59385

⑈00 10 24⑈ ⑆054001220⑆ 2030000033058⑈ ⑈000300000⑈

EXHIBIT 115

LAW OFFICES
BAKER, DONELSON, BEARMAN & CALDWELL
A PROFESSIONAL CORPORATION
MARKET SQUARE
801 PENNSYLVANIA AVE., NW
SUITE 800
WASHINGTON, DC 20004
(202) 508-3400
FACSIMILE
(202) 508-3402

CHATTANOOGA, TENNESSEE
HUNTSVILLE, TENNESSEE
JOHNSON CITY, TENNESSEE
KNOXVILLE, TENNESSEE
MEMPHIS, TENNESSEE
NASHVILLE, TENNESSEE

April 9, 1996

Mr. R. Barry Palmer
Executive Director
DINAMO
Three Gateway Center
Pittsburgh, PA 15222

Dear Barry:

It is my privilege to announce that the Committee on Transportation & Infrastructure is planning for the presentation of Chairman Bud Shuster's official portrait which will hang in the Committee Room in honor of his service as Chairman.

As you know, Congressman Shuster was elected Chairman of the Committee at the beginning of the 104th Congress, and his stewardship of this largest committee in the House of Representatives has been legendary. He has presided over sweeping changes and broad reforms of the work of the Committee. His success is in no small part due to his 22 years of prior service on the Committee, during two of which he was the Ranking member. When first elected to Congress in 1972, Congressman Shuster correctly assessed that the future of the Ninth Congressional District of Pennsylvania was largely dependent on an economic revitalization which could be brought about by much-needed new highways, roads and bridges which would connect rural Central Pennsylvania to interstate commerce. The rest is history. Congressman Shuster has worked tirelessly to achieve his goals for Pennsylvania ... and for the United States of America. His official portrait will serve as a fitting testament to this great legislator.

As Treasurer of the Bud Shuster Portrait Committee, Inc., I am calling on you for a contribution to help with the costs incurred for the portrait and its presentation ceremony. The Committee has received its tax-exempt status from the Internal Revenue Service.

Because you have been such a good friend and loyal supporter of Chairman Bud Shuster, we sincerely hope you can join us in paying tribute to him on this very important occasion. Your sponsorship of his portrait presentation would be deeply appreciated.

With warm personal regards,

Sincerely,

Edward R. Hamberger

Barry - If you could help with a $1000, it would be most appreciated! Thanks.

EH

EXHIBIT 116

LAW OFFICES
BAKER, DONELSON, BEARMAN & CALDWELL
A PROFESSIONAL CORPORATION
MARKET SQUARE
801 PENNSYLVANIA AVENUE, NW
SUITE 800
WASHINGTON, D.C. 20004
(202) 508-3400
FACSIMILE
(202) 508-3402

TENNESSEE
MEMPHIS
NASHVILLE
CHATTANOOGA
KNOXVILLE
JOHNSON CITY
HUNTSVILLE

MISSISSIPPI
JACKSON

WASHINGTON, D.C.

February 7, 1997

First Union National Bank
of Washington, D.C.
Market Square
801 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

Re: Non-profit Checking Account for the Bud Shuster Portrait Committee
Account Number: 2030000033058
Taxpayer ID Number: 52-1930764

Dear Sir or Madam:

The purpose of this letter is to instruct First Union to close out the above-referenced account effective immediately. Our records indicate that as of January 31, 1997 this account had a balance of $2.65. I would appreciate receiving written notification that this account has been closed as soon as possible. If there are any fees or additional charges, please notify me at your earliest convenience.

If you have any questions concerning the closing of this account or require anything further from me, please feel free to contact me at the above number.

Thank you for your assistance in this matter.

Sincerely,

Edward R. Hamberger

LAW OFFICES
BAKER, DONELSON, BEARMAN & CALDWELL
A PROFESSIONAL CORPORATION
MARKET SQUARE
801 PENNSYLVANIA AVENUE, NW
SUITE 600
WASHINGTON, D.C. 20004
(202) 508-3400
FACSIMILE
(202) 508-3402

TENNESSEE
MEMPHIS
NASHVILLE
CHATTANOOGA
KNOXVILLE
JOHNSON CITY
HUNTSVILLE

MISSISSIPPI
JACKSON

WASHINGTON, D.C.

March 14, 1997

American Red Cross
National Capital Chapter Headquarters
2025 E Street, N.W.
Washington, D.C. 20006

Re: Donation

Dear Sir or Madam:

Enclosed please find a check in the amount $2.65 which has been endorsed payable to the order of the American Red Cross. Please deposit this donation into such account as the Red Cross deems appropriate.

Thank you.

Sincerely,

Susan Campbell

Susan Campbell
Secretary to Mr. Howard

EXHIBIT 117

103d Congress, 2d Session - - - - - - - - - House Document No. 103-342

CONSTITUTION

JEFFERSON'S MANUAL

AND

RULES OF THE HOUSE OF REPRESENTATIVES

OF THE UNITED STATES
ONE HUNDRED FOURTH CONGRESS

CHARLES W. JOHNSON
PARLIAMENTARIAN



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Several provisions of the federal criminal code also address the conduct of Members, officers, and employees with respect to claims against the government (18 U.S.C. 203–207, 216).

RULE XLII.

GENERAL PROVISIONS.

§ 938. Relations of Jefferson's Manual and Legislative Reorganization Act of 1946 to the rules of the House.

The rules of parliamentary practice comprised in Jefferson's Manual and the provisions of the Legislative Reorganization Act of 1946, as amended, shall govern the House in all cases to which they are applicable, and in which they are not inconsistent with the standing rules and orders of the House and joint rules of the Senate and House of Representatives.

This rule was adopted in 1837 (V, 6757), and amended January 3, 1953, p. 24, when it was also renumbered. Joint rules have not been in force since the 43d Congress. Discussion of the importance of Jefferson's Manual as an authority in congressional procedure (VII, 1029, 1049; VIII, 2501, 2517, 2518, 3330).

RULE XLIII.

CODE OF OFFICIAL CONDUCT.

There is hereby established by and for the House of Representatives the following code of conduct, to be known as the "Code of Official Conduct":

§ 939. Official conduct of Members, officers, or employees of the House.

1. A Member, officer, or employee of the House of Representatives shall conduct himself at all times in a manner which shall reflect creditably on the House of Representatives.

2. A Member, officer, or employee of the House of Representatives shall adhere to the spirit and

the letter of the Rules of the House of Representatives and to the rules of duly constituted committees thereof.

3. A Member, officer, or employee of the House of Representatives shall receive no compensation nor shall he permit any compensation to accrue to his beneficial interest from any source, the receipt of which would occur by virtue of influence improperly exerted from his position in the Congress.

4. A Member, officer, or employee of the House of Representatives shall not accept gifts (other than the personal hospitality of an individual or with a fair market value of $100 or less, as adjusted under section 102(a)(2)(A) of the Ethics in Government Act of 1978) in any calendar year aggregating more than the minimal value as established by section 7342(a)(5) of title 5, United States Code, or $250, whichever is greater, directly or indirectly from any person (other than from a relative), except to the extent permitted by written waiver granted in exceptional circumstances by the Committee on Standards of Official Conduct pursuant to clause 4(e)(1)(E) of rule X.

5. A Member, officer, or employee of the House of Representatives shall accept no honorarium for a speech, writing for publication, or other similar activity.

6. A Member of the House of Representatives shall keep his campaign funds separate from his personal funds. A Member shall convert no campaign funds to personal use in excess of reim-

bursement for legitimate and verifiable campaign expenditures and shall expend no funds from his campaign account not attributable to bona fide campaign or political purposes.

7. A Member of the House of Representatives shall treat as campaign contributions all proceeds from testimonial dinners or other fund raising events.

8. A Member or officer of the House of Representatives shall retain no one under his payroll authority who does not perform official duties commensurate with the compensation received in the offices of the employing authority. In the case of committee employees who work under the direct supervision of a Member other than a chairman, the chairman may require that such Member affirm in writing that the employees have complied with the preceding sentence (subject to clause 6 of rule XI) as evidence of the chairman's compliance with this clause and with clause 6 of rule XI.

9. A Member, officer, or employee of the House of Representatives shall not discharge or refuse to hire any individual, or otherwise discriminate against any individual with respect to compensation, terms, conditions, or privileges of employment, because of such individual's race, color, religion, sex (including marital or parental status), handicap, age, or national origin, but may take into consideration the domicile or political affiliation of such individual.

10. A Member of the House of Representatives who has been convicted by a court of record for

the commission of a crime for which a sentence of two or more years' imprisonment may be imposed should refrain from participation in the business of each committee of which he is a member and should refrain from voting on any question at a meeting of the House, or of the Committee of the Whole House, unless or until judicial or executive proceedings result in reinstatement of the presumption of his innocence or until he is reelected to the House after the date of such conviction.

11. A Member of the House of Representatives shall not authorize or otherwise allow a non-House individual, group, or organization to use the words "Congress of the United States," "House of Representatives," or "Official Business," or any combination of words thereof, on any letterhead or envelope.

12. (a) Except as provided by paragraph (b), any employee of the House of Representatives who is required to file a report pursuant to rule XLIV shall refrain from participating personally and substantially as an employee of the House of Representatives in any contact with any agency of the executive or judicial branch of Government with respect to nonlegislative matters affecting any nongovernmental person in which the employee has a significant financial interest.

(b) Paragraph (a) shall not apply if an employee first advises his employing authority of his significant financial interest and obtains from his employing authority a written waiver stating that the participation of the employee is

necessary. A copy of each such waiver shall be filed with the Committee on Standards of Official Conduct.

13. Before any Member, officer, or employee of the House of Representatives may have access to classified information, the following oath (or affirmation) shall be executed:

> "I do solemnly swear (or affirm) that I will not disclose any classified information received in the course of my service with the House of Representatives, except as authorized by House of Representatives or in accordance with its Rules."

Copies of the executed oath shall be retained by the Clerk of the House as part of the records of the House.

As used in this Code of Official Conduct of the House of Representatives—(a) the terms "Member" and "Member of the House of Representatives" include the Resident Commissioner from Puerto Rico and each Delegate to the House; and (b) the term "officer or employee of the House of Representatives" means any individual whose compensation is disbursed by the Clerk of the House of Representatives.

For the purposes of clause 4 of this Code of Official Conduct, the term "relative" means, with respect to any Member, officer, or employee of the House of Representatives, an individual who is related as father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-

in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, or who is the grandfather or grandmother of the spouse of such Member, officer, or employee, and shall be deemed to include the fiance or fiancee of the Member, officer, or employee.

This rule was adopted in the 90th Congress (H. Res. 1099, Apr. 3, 1968, p. 8803). The jurisdiction of the Committee on Standards of Official Conduct was redefined in the same resolution. The rule was amended in the 92d Congress to bring the Delegates from the District of Columbia, Guam and the Virgin Islands within the definition of "Member" (H. Res. 5, Jan. 22, 1971, p. 144; H. Res. 1153, Oct. 13, 1972, pp. 36021–23). The rule was further amended in the 94th Congress by adding clause 9 (H. Res. 5, Jan. 14, 1975, p. 20). Clause 10 was adopted in the 94th Congress (H. Res. 46, Apr. 16, 1975, p. 10340). In the 95th Congress: (1) clause 4 was amended to change the prohibition against acceptance of gifts of "substantial value"; (2) clause 6 was amended to delete from the second sentence the exception "unless specifically provided by law," which had been added in the 94th Congress (H. Res. 5, Jan. 4, 1975, p. 20); (3) clause 7 was amended to eliminate an exception permitting sponsors to give notice of purpose; and (4) definitions for purposes of clause 4 were added (H. Res. 287, Mar. 2, 1977, pp. 5933–53). Clause 11 was adopted in the 96th Congress (H. Res. 5, Jan. 15, 1979, pp. 7–16). In the 100th Congress clause 4 was again amended in the 100th Congress to increase from $35 to $50 the value of personal hospitality of an individual that is not to be counted when computing the aggregate amount of gifts per calendar year, and clause 9 was amended to prohibit discrimination in employment based upon age (H. Res. 5, Jan. 6, 1987, p. 6). In the Ethics Reform Act of 1989: (1) clause 4 was again amended to revise the rules governing the acceptance of gifts, including value thresholds, waivers, and defined "relatives"; (2) clause 5 was amended to prohibit the acceptance of honoraria effective January 1, 1991; (3) clause 6 was amended to specify that campaign funds be used only for bona fide campaign or political purposes; (4) clause 8 was amended to broaden Members' accountability for the pay and performance of staff; (5) clause 9 was amended to conform existing staff anti-discrimination rules to the Fair Employment Practices resolution adopted in the 100th Congress (now rule LI; see §946a, *infra*); (6) clause 12 was added to proscribe certain contacts as involving conflicts of interest; and (7) the last undesignated paragraph was amended to make conforming changes in the definition of "relative" (P.L. 101–194, Nov. 30, 1989). The threshold and aggregate values in clause 4 were again adjusted by section

Rule LII [52]

GIFT RULE

1. (a) No Member, officer, or employee of the House of Representatives shall knowingly accept a gift except as provided in rule.

(b) (1) For the purpose of this rule, the term 'gift' means any gratuity, favor, discount, entertainment, hospitality, l forbearance, or other item having monetary value. The term includes gifts of services, training, transportation, lodging, and me whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.

(2) (A) A gift to a family member of a Member, officer, or employee, or a gift to any other individual based on individual's relationship with the Member, officer, or employee, shall be considered a gift to the Member, officer, or employe it is given with the knowledge and acquiescence of the Member, officer, or employee and the Member, officer, or employee reason to believe the gift was given because of the official position of the Member, officer, or employee.

(B) If food or refreshment is provided at the same time and place to both a Member, officer, or employee and the spc or dependent thereof, only the food or refreshment provided to the Member, officer, or employee shall be treated as a gift purposes of this rule.

(c) The restrictions in paragraph (a) shall not apply to the following:

(1) Anything for which the Member, officer, or employee pays the market value, or does not use and promptly return the donor.

(2) A contribution, as defined in section 301(8) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is lawfully made under that Act, a lawful contribution for election to a State or local government office, or attendance at a fundrais event sponsored by a political organization described in section 527(e) of the Internal Revenue Code of 1986.

(3) A gift from a relative as described in section 109(16) of title I of the Ethics in Government Act of 1978 (Public L 95-521).

(4) (A) Anything provided by an individual on the basis of a personal friendship unless the Member, officer, or emplo has reason to believe that, under the circumstances, the gift was provided because of the official position of the Member, offic or employee and not because of the personal friendship.

(B) In determining whether a gift is provided on the basis of personal friendship, the Member, officer, or employee sh consider the circumstances under which the gift was offered, such as:

(i) The history of the relationship between the individual giving the gift and the recipient of the gift, including a previous exchange of gifts between such individuals.

(ii) Whether to the actual knowledge of the Member, officer, or employee the individual who gave the gift persona paid for the gift or sought a tax deduction or business reimbursement for the gift.

(iii) Whether to the actual knowledge of the Member, officer, or employee the individual who gave the gift also at same time gave the same or similar gifts to other Members, officers, or employees.

(5) Except as provided in clause 3(c), a contribution or other payment to a legal expense fund established for the bene of a Member, officer, or employee that is otherwise lawfully made in accordance with the restrictions and disclosure requireme of the Committee on Standards of Official Conduct.

(6) Any gift from another Member, officer, or employee of the Senate or the House of Representatives.

(7) Food, refreshments, lodging, transportation, and other benefits--

(A) resulting from the outside business or employment activities (or other outside activities that are not connected the duties of the Member, officer, or employee as an officeholder) of the Member, officer, or employee, or the spouse of t Member, officer, or employee, if such benefits have not been offered or enhanced because of the official position of the Membe officer, or employee and are customarily provided to others in similar circumstances;

(B) customarily provided by a prospective employer in connection with bona fide employment discussions; or

(C) provided by a political organization described in section 527(e) of the Internal Revenue Code of 1986 in connecti with a fundraising or campaign event sponsored by such an organization.

(8) Pension and other benefits resulting from continued participation in an employee welfare and benefits plan maintain by a former employer.

(9) Informational materials that are sent to the office of the Member, officer, or employee in the form of books, article periodicals, other written materials, audiotapes, videotapes, or other forms of communication.

(10) Awards or prizes which are given to competitors in contests or events open to the public, including random drawing

(11) Honorary degrees (and associated travel, food, refreshments, and entertainment) and other bona fide, nonmonetar awards presented in recognition of public service (and associated food, refreshments, and entertainment provided in the presentatic of such degrees and awards).

(12) Training (including food and refreshments furnished to all attendees as an integral part of the training) provided to Member, officer, or employee, if such training is in the interest of the House of Representatives.

(13) Bequests, inheritances, and other transfers at death.

(14) Any item, the receipt of which is authorized by the Foreign Gifts and Decorations Act, the Mutual Educational an Cultural Exchange Act, or any other statute.

(15) Anything which is paid for by the Federal Government, by a State or local government, or secured by the Governme under a Government contract.

(16) A gift of personal hospitality (as defined in section 109(14) of the Ethics in Government Act) of an individual othe than a registered lobbyist or agent of a foreign principal.

(17) Free attendance at a widely attended event permitted pursuant to paragraph (d).

(18) Opportunities and benefits which are--

(A) available to the public or to a class consisting of all Federal employees, whether or not restricted on the basis c geographic consideration;

(B) offered to members of a group or class in which membership is unrelated to congressional employment;

(C) offered to members of an organization such as an employees' association or congressional credit union, in whic membership is related to congressional employment and similar opportunities are available to large segments of the public throug organizations of similar size;

(D) offered to any group or class that is not defined in a manner that specifically discriminates among Governmen employees on the basis of branch of Government or type of responsibility, or on a basis that favors those of higher rank or rate o pay;

(E) in the form of loans from banks and other financial institutions on terms generally available to the public; or

(F) in the form of reduced membership or other fees for participation in organization activities offered to all Governmen employees by professional organizations if the only restrictions on membership relate to professional qualifications.

(19) A plaque, trophy, or other item that is substantially commemorative in nature and which is intended for presentation

(20) Anything for which, in an unusual case, a waiver is granted by the Committee on Standards of Official Conduct.

(21) Food or refreshments of a nominal value offered other than as a part of a meal.

(22) Donations of products from the State that the Member represents that are intended primarily for promotional purposes such as display or free distribution, and are of minimal value to any individual recipient.

(23) An item of nominal value such as a greeting card, baseball cap, or a T-shirt.

(d) (1) A Member, officer, or employee may accept an offer of free attendance at a widely attended convention, conference, symposium, forum, panel discussion, dinner, viewing, reception, or similar event, provided by the sponsor of the event, if--

(A) the Member, officer, or employee participates in the event as a speaker or a panel participant, by presenting information related to Congress or matters before Congress, or by performing a ceremonial function appropriate to the Member's, officer's, or employee's official position; or

(B) attendance at the event is appropriate to the performance of the official duties or representative function of the Member, officer, or employee.

(2) A Member, officer, or employee who attends an event described in subparagraph (1) may accept a sponsor's unsolicited offer of free attendance at the event for an accompanying individual.

(3) A Member, officer, or employee, or the spouse or dependent thereof, may accept a sponsor's unsolicited offer of free attendance at a charity event, except that reimbursement for transportation and lodging may not be accepted in connection with the event.

(4) For purposes of this paragraph, the term 'free attendance' may include waiver of all or part of a conference or other fee, the provision of local transportation, or the provision of food, refreshments, entertainment, and instructional materials furnished to all attendees as an integral part of the event. The term does not include entertainment collateral to the event, nor does it include food or refreshments taken other than in a group setting with all or substantially all other attendees.

(e) No Member, officer, or employee may accept a gift the value of which exceeds $250 on the basis of the personal friendship exception in paragraph (c)(4) unless the Committee on Standards of Official Conduct issues a written determination that such exception applies. No determination under this paragraph is required for gifts given on the basis of the family relationship exception.

(f) When it is not practicable to return a tangible item because it is perishable, the item may, at the discretion of the recipient, be given to an appropriate charity or destroyed.

2. (a) (1) A reimbursement (including payment in kind) to a Member, officer, or employee from a private source other than a registered lobbyist or agent of a foreign principal for necessary transportation, lodging and related expenses for travel to a meeting, speaking engagement, factfinding trip or similar event in connection with the duties of the Member, officer, or employee as an officeholder shall be deemed to be a reimbursement to the House of Representatives and not a gift prohibited by this rule, if the Member, officer, or employee--

(A) in the case of an employee, receives advance authorization, from the Member or officer under whose direct supervision the employee works, to accept reimbursement, and

(B) discloses the expenses reimbursed or to be reimbursed and the authorization to the Clerk of the House of Representatives within 30 days after the travel is completed.

(2) For purposes of paragraph (a)(1), events, the activities of which are substantially recreational in nature, shall not be considered to be in connection with the duties of a Member, officer, or employee as an officeholder.

(b) Each advance authorization to accept reimbursement shall be signed by the Member or officer under whose direct supervision the employee works and shall include--

(1) the name of the employee:

(2) the name of the person who will make the reimbursement;

(3) the time, place, and purpose of the travel; and

(4) a determination that the travel is in connection with the duties of the employee as an officeholder and would not crea the appearance that the employee is using public office for private gain.

(c) Each disclosure made under paragraph (a)(1) of expenses reimbursed or to be reimbursed shall be signed by the Memb or officer (in the case of travel by that Member or officer) or by the Member or officer under whose direct supervision the employe works (in the case of travel by an employee) and shall include--

(1) a good faith estimate of total transportation expenses reimbursed or to be reimbursed;

(2) a good faith estimate of total lodging expenses reimbursed or to be reimbursed;

(3) a good faith estimate of total meal expenses reimbursed or to be reimbursed;

(4) a good faith estimate of the total of other expenses reimbursed or to be reimbursed;

(5) a determination that all such expenses are necessary transportation, lodging, and related expenses as defined in paragrap (d); and

(6) in the case of a reimbursement to a Member or officer, a determination that the travel was in connection with the dutie of the Member or officer as an officeholder and would not create the appearance that the Member or officer is using public offic for private gain.

(d) For the purposes of this clause, the term 'necessary transportation, lodging, and related expenses'--

(1) includes reasonable expenses that are necessary for travel for a period not exceeding 4 days within the United State or 7 days exclusive of travel time outside of the United States unless approved in advance by the Committee on Standards of Offici Conduct;

(2) is limited to reasonable expenditures for transportation, lodging, conference fees and materials, and food an refreshments, including reimbursement for necessary transportation, whether or not such transportation occurs within the period described in subparagraph (1);

(3) does not include expenditures for recreational activities, nor does it include entertainment other than that provided t all attendees as all integral part of the event, except for activities or entertainment otherwise permissible under this rule; and

(4) may include travel expenses incurred on behalf of either the spouse or a child of the Member, officer, or employee.

(e) The Clerk of the House of Representatives shall make available to the public all advance authorizations and disclosure o reimbursement filed pursuant to paragraph (a) as soon as possible after they are received.

3. A gift prohibited by clause 1(a) includes the following:

(a) Anything provided by a registered lobbyist or an agent of a foreign principal to an entity that is maintained or controlle by a Member, officer, or employee.

(b) A charitable contribution (as defined in section 170(c) of the Internal Revenue Code of 1980) made by a registered lobbyis or an agent of a foreign principal on the basis of a designation, recommendation, or other specification of a Member, officer, or employee (not including a mass mailing or other solicitation directed to a broad category of persons or entities), other than a charitable contribution permitted by clause 4.

(c) A contribution or other payment by a registered lobbyist or an agent of a foreign principal to a legal expense fund established for the benefit of a Member, officer, or employee.

(d) A financial contribution or expenditure made by a registered lobbyist or an agent of a foreign principal relating to a conference, retreat, or similar event, sponsored by or affiliated with an official congressional organization, for or on behalf of Members, officers, or employees.

4. (a) A charitable contribution (as defined in section 170(c) of the Internal Revenue Code of 1986) made by a registered lobbyis or an agent of a foreign principal in lieu of an honorarium to a Member, officer, or employee shall not be considered a gift under this rule if it is reported as provided in paragraph (b).

(b) A Member, officer, or employee who designates or recommends a contribution to a charitable organization in lieu of honoraria described in paragraph (a) shall report within 30 days after such designation or recommendation to the Clerk of the House of Representatives--

(1) the name and address of the registered lobbyist who is making the contribution in lieu of honoraria;

(2) the date and amount of the contribution; and

(3) the name and address of the charitable organization designated or recommended by the Member. The Clerk of the House of Representatives shall make public information received pursuant to this paragraph as soon as possible after it is received.

5. For purposes of this rule --

(a) the term 'registered lobbyist' means a lobbyist registered under the Federal Regulation of Lobbying Act or any successor statute; and

(b) the term 'agent of a foreign principal' means an agent of a foreign principal registered under the Foreign Agents Registration Act.

6. All the provisions of this rule shall be interpreted and enforced solely by the Committee on Standards of Official Conduct. The Committee on Standards of Official Conduct is authorized to issue guidance on any matter contained in this rule.

EXHIBIT 118

Bill Summary & Status for the 104th Congress

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H.R.1788 (Major Legislation)
SPONSOR: Rep Molinari (introduced 06/08/95)

Jump to: Titles, Status, Committees, Amendments, Cosponsors, Summary

TITLE(S):

- SHORT TITLE(S) AS INTRODUCED:
  Amtrak Reform and Privatization Act of 1995
- SHORT TITLE(S) AS PASSED HOUSE:
  Amtrak Reform and Privatization Act of 1995
- OFFICIAL TITLE AS INTRODUCED:
  A bill to reform the statutes relating to Amtrak, to authorize appropriations for Amtrak, and for other purposes.

STATUS: Floor Actions
12/04/95 Placed on calendar in Senate (CR S17923)
11/30/95 Measure passed House, amended, roll call #832 (406-4) (CR H13841)
11/30/95 Measure considered in House (CR H13816-13841)
11/30/95 Measure called up by special rule in House (CR H13816)
10/30/95 Reported to House from the Committee on Transportation and Infrastructure, amended, H. Rept. 104-299 (CR H11441)

STATUS: Detailed Legislative Status

House Actions

Jun 8, 95:
Referred to the House Committee on Transportation and Infrastructure. Reform and Oversight, National Security, and Veterans' Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

Feb 7, 95:
Hearings Held by the Subcommittee on Railroads Prior to Introduction and Referral.

May 25, 95:
Subcommittee Consideration and Mark-up Session Held and Forwarded to Full Committee by the Subcommittee on Railroads Prior to Introduction and Referral (May 25, 95).

Jun 14, 95:
Committee Consideration and Mark-up Session Held.

Sep 21, 95:
Ordered to be Reported (Amended) by Voice Vote.

Oct 30, 95:
Reported to House (Amended) by House Committee on Transportation. H. Rept. 104-299.

Oct 30, 95:
Placed on the Union Calendar, Calendar No. 155.

Nov 29, 95:
Rules Committee Resolution H. Res. 284 Reported to House.

Nov 30, 95:

HA 913 Amendment Offered by Representative Collins, of IL.
HA 913 On agreeing to the Collins (IL) amendment (A004) Failed by recorded vote: 164 - 239 (Roll no. 830).
HA 914 Amendment Offered by Representative Nadler.
HA 912 Amendment Offered by Representative Traficant.
HA 914 On agreeing to the Nadler amendment (A005) Failed by recorded vote: 161 - 249 (Roll no. 831).
HA 915 Amendment Offered by Representative Reed.

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Nov 30, 95:
Rule H. Res. 284 passed House.
Called up by House under the provisions of rule H. Res. 284.
The House adopted the amendment in the nature of a substitute as agreed to by the Committee of the Whole House on the state of the Union.
Passed House (Amended) by Yea-Nay Vote: 406 - 4 (Roll no. 832).

Senate Actions

Dec 4, 95:
Received in the Senate. Read twice. Placed on Senate Legislative Calendar under General Orders. Calendar No. 255.

STATUS: Congressional Record Page References

11/28/95 Full text of Traficant amendment printed (CR H13731)
11/29/95 Full text of Clement amendment printed (CR H13804)
11/29/95 Full text of Nadler amendment printed (CR H13804-13805)
11/30/95 Full text of Schuster amendment printed (CR H13839)
11/30/95 Full text of Clement amendment as modified printed (CR H13827)
11/30/95 Full text of Cardiss, Collins amendment printed (CR H13830)
11/30/95 Full text of Nadler amendment printed (CR H13835)
11/30/95 Full text of Reed amendment printed (CR H13838)
11/30/95 Full text of Hefley amendment printed (CR H13839)

COMMITTEE(S):

- COMMITTEE(S) OF REFERRAL:
  House Transportation and Infrastructure
- COMMITTEE(S) REPORTING:
  House Transportation and Infrastructure

AMENDMENT(S):

H.AMDT.910 - H.AMDT.911 - H.AMDT.912 - H.AMDT.913 - H.AMDT.914 - H.AMDT.915 - H.AMDT.916 - H.AMDT.917

COSPONSORS(1):

Rep Shuster - 06/08/95

SUMMARY AS OF:

(REVISED AS OF 11/30/95 -- Passed House, amended)

TABLE OF CONTENTS:

- Title I: Procurement Reforms
- Title II: Operational Reforms
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- Title IV: Use of Railroad Facilities
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- Title VII: Authorization of Appropriations

Amtrak Reform and Privatization Act of 1995 - **Title I: Procurement Reforms** - Amends Federal transportation law to revise provisions regarding the National Railroad Passenger Corporation (Amtrak) to urge Amtrak to use other rail carriers for performing work whenever it contracts out work normally performed by an employee of a bargaining unit covered by a contract between it and a labor organization. (Currently, Amtrak may not contract out such work if it results in the layoff of a bargaining unit employee.) Prohibits Amtrak from entering into a contract for the operation of trains with any entity other than a State or State authority.

(Sec. 102) Prohibits Amtrak from submitting a bid for the performance of services under a contract for an amount less than the cost to it of performing such services (below-cost competition) with respect to any activity, except the provision of intercity rail passenger transportation, commuter rail passenger transportation, or mail or express transportation. Authorizes an aggrieved individual to commence a civil action in a U.S. district court for violations of such prohibition.

Repeals general Amtrak authority to maintain and rehabilitate rail passenger equipment, and the mandate to maintain a regional maintenance plan including specified components.

Authorizes Amtrak, with a specified exception, to enter into a contract with a motor carrier of passengers for the intercity transportation over regular routes only if certain requirements are met.

(Sec. 104) Directs Amtrak to establish an outreach program to increase the likelihood of U.S. track work manufacturers to be able to meet Amtrak's specifications for track work. Requires Amtrak to report annually to the Congress on progress made with such program, including a statement of the percentage of Amtrak's track work contracts awarded to U.S. manufacturers.

Title II: Operational Reforms - Repeals Amtrak's mandate: (1) to provide intercity rail passenger transportation within the basic system (unless such transportation is provided by specified others); and (2) to continue to carry out a specified plan to improve such transportation.

(Sec. 201) Requires Amtrak to give 180 days' notice (currently, 90 days) of its intention to discontinue rail service over a route to States, regional or local authorities, or other persons so that they will have an opportunity to agree to share or assume the cost of any part of the train, route, or service to be discontinued.

Repeals Amtrak's mandates for: (1) cost and performance reviews of Amtrak routes in the basic system; and (2) provision of special commuter transportation.

(Sec. 202) Repeals specified provisions regarding: (1) Amtrak's mandate to increase mail and express transportation revenues, and its authority to provide auto-ferry transportation; (2) route and service criteria with respect to route discontinuances and route additions; (3) additional qualifying routes; (4) certain requests to Amtrak by State, regional, or local authorities or other persons to provide rail passenger transportation or keep a train, route, or service that Amtrak intends to discontinue; and (5) authority for the Amtrak Commuter (thus abolishing it as an Amtrak subsidiary).

Declares that State and local laws that impair the provision of mail, express, and auto-ferry transportation shall not apply to Amtrak or a rail carrier providing such services.

(Sec. 206) Exempts from paying a tax or fee to the same extent that Amtrak is so exempt certain commuter authorities eligible to contract with Amtrak Commuter to provide commuter rail passenger transportation but which decided to provide its own beginning January 1, 1983.

(Sec. 207) Repeals the requirement that rail freight and commuter rail passenger transportation over certain acquired property be provided under compensatory agreements with the responsible carriers.

Requires Amtrak and other commuter rail carriers to an agreement for the provision of rail freight or commuter rail passenger transportation over certain rights-of-way and facilities on the Northeast Corridor to submit any disputes over terms of such agreement to binding arbitration.

Encourages Amtrak to make agreements with the private sector and undertake initiatives that promote the potential privatization of its operations.

(Sec. 208) Authorizes the Comptroller General to conduct financial audits of Amtrak activities. Declares that a State shall have access to Amtrak's records, accounts, and other necessary documents used to determine the amount of any State payment to Amtrak.

Title III: Collective Bargaining Reforms - Deems to be served and effective 90 days after enactment of this Act any required notices with respect to all issues relating to: (1) Amtrak employee protective arrangements and severance benefits (including all provisions of Appendix C-2 to the National Railroad Passenger Corporation Agreement, signed July 5, 1973); and (2) contracting out by Amtrak of work normally performed by an employee in a bargaining unit covered by a contract between Amtrak and a labor organization representing the employees.

(Sec. 301) Requires the National Mediation Board to complete all efforts with respect to such issues within 180 days after enactment of this Act. Authorizes parties to agree to submit such disputes to arbitration, and any resulting award shall be retroactive to 180 days after enactment of this Act.

(Sec. 302) Repeals certain requirements for fair and equitable employee protective arrangements in the event of a discontinuance of intercity rail passenger service.

Extinguishes any provision of a contract between Amtrak and a labor organization relating to: (1) Amtrak employee protective arrangements and severance benefits (including all provisions of Appendix C-2 to the National Railroad Passenger Corporation Agreement, signed July 5, 1973); and (2) contracting out by Amtrak of work normally performed by an employee in a bargaining unit covered by a contract between Amtrak and a labor organization representing the employees.

Amends the Northeast Rail Service Act of 1981 to authorize Conrail to furlough one train or engine service employee for each such employee who moves from Amtrak to Conrail in excess of the cumulative number of such employees who move from Conrail to Amtrak.

Title IV: Use of Railroad Facilities - Limits to $250,000, or three times the amount of economic damages, the amount of punitive damages that can be awarded in a claim for personal injury, death, or damage to property in connection with the provision of rail passenger transportation. Limits noneconomic damages to $250,000 in excess of a claimant's economic loss.

Title V: Financial Reforms - Urges Amtrak, in issuing stock, to include employee stock ownership plans.

(Sec. 501) Requires Amtrak to redeem all previously issued common stock at the fair market value.

Declares that Amtrak preferred stock held by the Secretary of Transportation shall confer no liquidation

preference or voting rights.

Repeals the Secretary's authority to obtain notes and mortgages from Amtrak in order to secure expenditures to acquire and improve designated Conrail rail property, and establish a Government mortgage lien on it, under the final system plan pursuant to the Regional Rail Reorganization Act of 1973. Relinquishes all U.S. rights in any such notes or mortgages entered into with Amtrak dated October 5, 1983. Declares that no amount shall be includible in Amtrak's gross income for Federal tax purposes as a result of the application of this section.

(Sec. 502) Repeals current requirements governing Federal payments to Amtrak and provides, instead, that appropriated Federal operating assistance funds shall be provided to Amtrak upon appropriation when requested by Amtrak.

(Sec. 503) Replaces the Board of Directors of Amtrak with the Emergency Reform Board.

(Sec. 506) Exempts Amtrak (and Amtrak subsidiary) passengers and customers from any fee, head charge, or other charge imposed by a State or local taxing authority directly or indirectly on any persons traveling in intercity rail passenger transportation or mail or express transportation provided by Amtrak or a rail carrier subsidiary of Amtrak, or on the carriage of such persons, mail, or express, or on the sale of any such transportation, or on the gross receipts derived from such activities, from any fee, head charge, or other charge imposed by a State or local taxing authority.

Title VI: Miscellaneous - Establishes a Temporary Rail Advisory Council to: (1) evaluate Amtrak's performance; and (2) suggest strategies for further cost containment and productivity improvements, including strategies for further reduction in Federal operating subsidies and eventual privatization of Amtrak operations.

(Sec. 604) Extends from October 15, 1996, to October 15, 2001, the deadline for retrofitting of certain intercity rail passenger cars with human waste disposal systems that provide for waste discharge at a servicing facility only.

(Sec. 605) Repeals the authority or mandate for: (1) assistance for upgrading rail facilities that pose a hazard; (2) the rail safety system program; (3) a plan for demonstrating new technology in rail passenger equipment; and (4) a program master plan for a Boston-New York main line.

(Sec. 609) Requires Amtrak to construct an electrification system between Boston, Massachusetts, and New Haven, Connecticut, to accommodate the installation of a third mainline track between Davisville and Central Falls, Rhode Island, to be used for double-stack freight service to and from the Port of Davisville.

(Sec. 610) Declares that Amtrak, and facilities it jointly uses with a commuter authority, shall not be subject to certain requirements under the Americans With Disabilities Act of 1990 until January 1, 1998.

(Sec. 612) Amends the Northeast Rail Service Act of 1981 to repeal the mandate for determination of a costing methodology with respect to certain Northeast Corridor cost disputes.

(Sec. 614) Amends the Conrail Privatization Act to repeal a specified provision regarding composition of the Board of Directors of the Consolidated Rail Corporation.

(Sec. 615) Grants congressional consent to States with an interest in a specific form, route, or corridor of intercity passenger rail service, including high speed rail service, to enter into interstate compacts to promote such service.

(Sec. 617) Directs the Secretary of Transportation to transfer title to certain magnetic levitation tract materials at the Transportation Technology Center near Pueblo, Colorado, to the State of Florida.

(Sec. 618) Amends the Railroad Revitalization and Regulatory Reform Act of 1976 to declare that it is

the purpose of the Congress to promote the revitalization of the railway system through, among other things, preservation of light density lines.

Revises interest rate, repayment, and prepayment penalty requirements with respect to guaranteed railroad improvement loans.

Title VII: Authorization of Appropriations - Amends Federal transportation law to authorize appropriations for Amtrak for: (1) capital expenditures, operating expenses, and certain mandatory payments; (2) construction expenses to convert the James A. Farley Post Office, New York City, into a train station and commercial center, and for the redevelopment of the Pennsylvania Station, New York City; and (3) guarantee of obligations to improve railroad facilities or equipment.

(Sec. 701) Amends the Railroad Revitalization and Regulatory Reform Act of 1976 to prohibit the Secretary from requiring, as a condition for guarantee of an obligation, that all preexisting secured obligations of an obligor be subordinated to the Secretary's rights in the event of a default.

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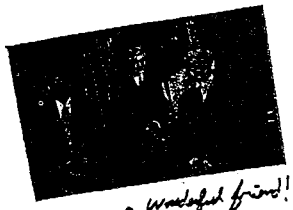
GOP Awaits Clinton Social Security Rescue Plan Page 3239

CQ Weekly
CONGRESSIONAL QUARTERLY

Index

Friends in Deed: The Story Of Congressman and Developer



Rep. Bud Shuster and Maurice Lawruk have been chums ever since Shuster was elected to Congress more than a quarter-century ago. A real estate developer, Lawruk has benefited from the Pennsylvania Republican's tireless quest for federal funds for his hometown. Shuster, meanwhile, can thank Lawruk for assisting three of his grown children in business ventures.

Story begins on page 3232

Special Report *Ethics*

Businessman aids careers of lawmaker's children and benefits from official actions

Shuster's Ties to Developer Raise Questions of Favoritism

By Jackie Koszczuk and Alan K. Ota

Quick Contents

Republican Rep. Bud Shuster argues that his relationship with Altoona, Pa., builder Maurice A. Lawruk is typical of that between many lawmakers and longtime supporters back home. But Shuster's ability to steer federal money as chairman of the House Transportation and Infrastructure Committee and the extensive financial ties between the Shuster and Lawruk families have brought this friendship a higher level of scrutiny.

ALTOONA, Pa. — At the end of the hard-fought Republican primary in Pennsylvania's 9th District 26 years ago, an ambitious young land developer named Maurice A. Lawruk discovered that he had backed the wrong candidate.

Election night returns showed the seat slipping away from Lawruk's candidate, GOP state Sen. D. Elmer Hawbaker, and going to a brash interloper named Bud Shuster, who had moved into the district to run.

Lawruk, proving every bit as deft at political expediency as the GOP's nominee, simply left Hawbaker's headquarters and strolled over to Shuster's victory party, where he promptly congratulated the winner.

Thus began a friendship that today remains mutually beneficial to both men and, in the eyes of some critics, presents a classic case of unseemly logrolling between a wealthy businessman and one of the House's most powerful members. Shuster's relationship with Lawruk is the subject of a complaint pending before the Committee on Standards of Official Conduct, or the House ethics committee.

Shuster, who as chairman of the Transportation and Infrastructure Committee controls the distribution of billions of dollars for roads, airports, sewers and federal buildings, strongly denies that his relationship with Lawruk is anything more than an ordinary personal friendship.

Since 1990, however, Lawruk has helped three of Shuster's five children in their careers. He employs the congressman's daughter as chief financial officer of an airport ground-service business he owns, and he helped bankroll a car dealership for Shuster's two sons. During the same period, Lawruk benefited from several official actions by Shuster, who supported or helped get federal funding for at least four projects in which Lawruk had a financial interest.

A months-long examination of the Shuster-Lawruk relationship by Congressional Quarterly, including dozens of interviews and an extensive review of federal, state and local records, shows that Shuster:

- Supported the transfer of a National Guard helicopter unit to a small airport near Philipsburg, Pa. — a move that subsequently gave Lawruk a $70,000-a-year contract for space in a new hangar and for ground services.
- Pledged to provide millions of dollars in roads and water and sewer improvements to a convention center site in Altoona, where Lawruk stands to make a large profit.
- Instigated a federal investigation of the Altoona housing authority after its director refused to move his offices to a building owned by Lawruk.
- Inserted a provision into law giving Lawruk federal housing money to renovate an old hotel, which has since become a crime-riddled eyesore in downtown Altoona.

Shuster denied taking official action to help his children or their employers. "My kids have never lobbied me," he said. "I have been meticulous to make sure I don't get involved in anything that relates to their business as it would relate to the government."

Ann Eppard, Shuster's former top aide, linked the friendship of the two men to a mutual interest in development. "It's the most wholesome relationship I know of," she said.

To be sure, the Shuster-Lawruk relationship is not unique. Many members of Congress have close friendships with business people back home, who can then benefit from the lawmaker's official efforts for his or her district. But these personal ties can become controversial whenever private and public interests are mingled.

The most notorious example was former House Speaker Jim Wright's friendship with Fort Worth real estate developer George Mallick. The Texas Democrat (1955-89) was forced from office amid a House ethics committee probe of allegations that Mallick had provided financial benefits to the Speaker's wife, Betty, in return for help with legislation. (*1989 Almanac, p. 36*)

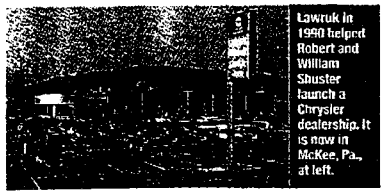
According to the current House ethics rules, which were clarified after the Wright case, a member cannot accept anything of value in exchange for assistance on legislation, and neither can his spouse or dependent children. But the rules are silent on fi-





Maurice A. Lawruk, at left in his office in Altoona, Pa., has personal and political ties with Rep. Bud Shuster that date to 1972. Lawruk insists the two are "strictly friends."
One Lawruk project that got federal subsidies is the historic Penn Alto Hotel, above, which houses low-income tenants.

CQ PHOTOS / SCOTT J. FERRELL



Lawruk in 1990 helped Robert and William Shuster launch a Chrysler dealership. It is now in McKee, Pa., at left.



In 1994, Lawruk tried to get the local housing authority to move offices into a vacant store, left. Shuster's attempt to help failed.

nancial assistance provided to adult children or other relatives.

Richard J. Phelan, a Chicago lawyer who was employed as outside counsel in the Wright case, said that even though ethics rules do not prohibit Lawruk from doing favors for Shuster's children, lawmakers should observe a higher standard. Business people such as Mallick and Lawruk, Phelan said, have a strong interest in cultivating relationships with members who can help steer future federal contracts.

"If I were a member of Congress, I wouldn't have dependent or independent children involved in business with persons with a direct interest in legislation," Phelan said.

Home-Grown Criticism

In Altoona, Shuster's critics say he often uses his political clout to control economic development in ways that create special advantages for friends, especially Lawruk.

"It seems like the same people are connected to many of these projects, and then there is a lot of waste associated with some of them as well," said John Eichelberger, chairman of the Blair County Board of Commissioners and a Republican critic of Shuster's.

Sandra Fry, a former Altoona city council member who is also a Republican, said: "What I saw as an elected official in the city of Altoona just turned my stomach. No one should use a congressional position the way he [Shuster] uses his. People just quake in fear of him. It's like his fiefdom."

For his part, Shuster attributes the criticism from members of his own party to "people with sour grapes — malicious, nameless people."

"I have political enemies. We all do," he said in an interview. "There are people who are green with jealousy, Republicans who I have opposed in primaries. The fact that I win 90 percent of Republicans and 92 percent of the Democratic vote just infuriates them."

Lawruk, 67, says he and Shuster, 66, are "strictly friends," and that they carefully avoid discussing his business interests or those of the congressman's children in order to avoid impropriety. "I've known his kids since they were little," Lawruk said. "I have helped his children. But that provides no direct benefit to Bud Shuster."

Shuster's actions on behalf of friends and political supporters are the target of both the House investigation and one by the Justice Department.

The House probe was triggered by a complaint from the Congressional Accountability Project, a watchdog group that questioned Shuster's ties to transportation lobbyist Ep-

pard, his former aide. The group also asked the panel to look into Lawruk's involvement in the Shuster sons' car dealership, and the congressman's help in securing federal financing for Lawruk's hotel rehabilitation project.

The House panel announced Dec. 4 it has revived its probe, which previously was put on hold at the request of Justice Department investigators who said it could interfere with their work. They are trying to determine whether Shuster and Eppard intervened improperly for Boston-area businesses fighting condemna[illegible]ir land to make way for a fe[illegible]project. Eppard was inc[illegible]pril on charges of collecting [illegible] in illegal payments from the businesses. (*CQ Weekly*, p. 944)

Although, as Fry suggests, Shuster is sometimes resented for a heavy-handed style and appearances of favoritism, he is also credited with doing well what a local congressman is so often expected to do. He brings home the money for works such as Interstate 99 in Pennsylvania, the last leg of which is unfinished but already credited with helping the local economy.

The history of Shuster's many ties to Lawruk is intriguing not simply because it involves a pending ethics case, but also because it demonstrates so clearly the natural tension that exists between a representative's duty to bring home the bacon and the prohibition against favoritism. While many members are known to face this dilemma now and then, few of them are in a position as powerful as Shuster's, from which they can so easily deliver lucrative benefits to friends and supporters.

Help for Shuster's Children

Maurice A. Lawruk is one of south-central Pennsylvania's most successful developers. He had an estimated net worth of $13 million in 1995, according to the most recent financial disclosure statement on file with Pennsylvania's State Ethics Commission. His building portfolio includes a range of projects from a Pennsylvania State University dormitory building to many smaller projects, including banks, restaurants and chain hotels.

Lawruk has used his business acumen to further the careers of three of Shuster's children.

In 1994, Lawruk and business partner Robert Theodore Brant formed a company called Transtech Holding Co. Inc. for their airport service business, which provides fuel, airplane maintenance and other ground services at small airports around the country. They made the congressman's daughter, Deborah Shuster King, a certified public accountant, the holding company's secretary-treasurer.

Lawruk referred questions about King's duties to Brant. In an interview, Brant said King supervised bookkeeping for the holding company and for a small ground-service operation they run at Mid-State Regional Airport near the borough of State College, home of Penn State University.

Transtech has no employees of its own. It consists of three officers — Lawruk, Brant and King. It operates out of a small suite of offices marked "Lawruk Brant Partnership" in downtown Altoona. On a weekday afternoon, when a CQ reporter visited the office, Brant was alone except for a receptionist. He said King occasionally used one of the half-dozen empty desks in the suite. He declined to say how much she earned, but said she had shifted from full-time to part-time work in July because the holding company had sold off part of its business, reducing the amount of bookkeeping required.

In contrast to Lawruk's successful building ventures, his airport services business has not fared well. According to state and federal records, Transtech's main enterprise, a ground-service outfit called Aero Services International Inc., is struggling. The Newtown, Pa.-based company provided ground services at 22 airports in the mid-1980s, but had fallen on hard times by the time Lawruk and Brant acquired it, with debts of more than $15 million. To improve cash flow, the businessmen sold off several of the company's ground operations and kept only one, at Midway Airport in Chicago.

They hoped to increase profits with new acquisitions, but the company continues to struggle, according to its most recent filings with the Securities and Exchange Commission. A 1997 auditor's report said, "The company's plan to return to profitability through key acquisitions did not result in improved operating results . . . [raising] substantial doubt about the entity's ability to continue as a going concern."

In 1990, Lawruk came to the aid of the congressman's two sons, William and Robert, when they wanted to open a car dealership.

Lawruk invested $30,000 in the business, according to his financial statement. And, with a far more extensive business and credit history than the Shuster sons had at the time, he agreed to act as guarantor of their five-year, $260,000 lease.

Today, William Shuster, 37, is president of Shuster Chrysler, and Robert, 33, is vice president. Lawruk's son Daniel, 36, is secretary-treasurer.

In 1995, the dealership moved to a choice location in East Freedom, Pa., alongside Interstate 99, a major [illegible]ne in the district built with federal funds secured by the congressman and known as the Bud Shuster Highway. About the same time, the Pennsylvania Department of Transportation undertook a road-widening proj[illegible] at a cost of more than $8 million that improved access to the dealership and to other businesses nearby. Shuster sponsored the project in the 1991 surface transportation reauthorization bill (PL 102-240).

The land for the new location was purchased by S & L Partnership, a collaboration of the Shuster and Lawruk families, for $145,000, county land records show.

The congressman said it is perfectly natural for a longtime family friend to be involved financially with his children, especially given the small size of Altoona, population 53,000.

"The families have known each other for 25 years," he said. "We're not talking about New York City here. We're talking about Altoona. Everybody knows everybody."

Services for the National Guard

During the years Lawruk was helping Shuster's children, the congressman gave him a helping hand in several of his business ventures.

In 1990, Lawruk won a $70,000-per-year federal contract to provide hangar space and ground services for a unit of Pennsylvania National Guard helicopters. Lawruk and his partner Brant borrowed and spent $584,000 to build a hangar. Lawruk then employed Deborah Shuster King to oversee accounting work for the airport operation.

Pennsylvania state Sen. J. Doyle Corman, a Republican who chairs the transportation committee, said he, Shuster, former Rep. William F. Clinger, R-Pa. (1979-97), and other local politicians supported the transfer of the helicopter unit to the airport. Corman said Shuster also assisted ef-

form to find a provider of ground services for the helicopters. Lawruk's company volunteered to build the hangar and got the contract.

The airport was in Clinger's district then, but redistricting in 1992 shifted boundaries so that it fell in Shuster's district.

In 1995, [illegible] asked the airport's successful [illegible] $335,000 Federal Aviation Administration grant to install runway lights. Lawruk's five-year contract with the airport expired a year later, and shortly afterward the guard moved the helicopters to another airport.

Lawruk said he tried to find another hangar tenant. But he said no other military or government tenants could be found. The hangar remains empty.

Convention Center Site

One of Shuster's biggest efforts on behalf of his district has been securing federal money for a new convention center. And one of the prime beneficiaries of the new facility is landowner Lawruk.

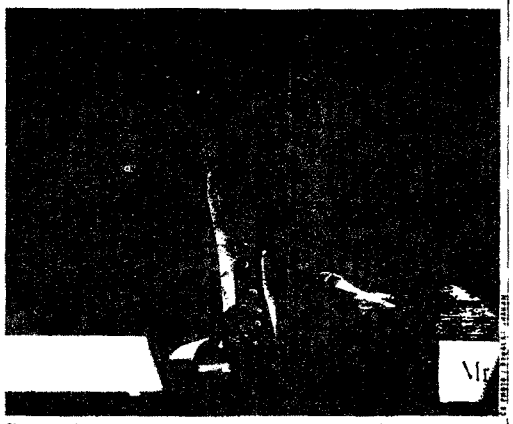
The Blair County Convention Center and Sports Facility Authority last year took an option to buy 30 acres of undeveloped land that is owned by Lawruk and two partners. The partners acquired the property as part of a larger parcel of land they bought in late 1971 for $150,000; the 30-acre site was appraised at $530,000 in 1996, according to county and court records. The option to buy the land is for nearly $1.5 million, so the three partners stand to make a significant profit from the sale.

Lawruk also would benefit as the co-developer of a Courtyard by Marriott motel on an adjacent site.

The convention center project had languished for years on the drawing board until the Lawruk site was chosen, say local officials. Then, Shuster pledged his intention to secure a total of $43 million in federal funds for the project, including a vital road to allow access to the site, which is behind a commercial strip.

The promise of such federal bounty prompted Pennsylvania GOP Gov. Tom Ridge to free up $17.5 million in state funds for the proposed 80,000-square-foot building, according to an account of the deal in the Altoona Mirror newspaper.

Critics, including a number of local business owners, complained that Shuster had influenced the site selection to help Lawruk. Before it settled on



Shuster, as chairman of the House Transportation and Infrastructure Committee, has the power to steer federal funding to highways, airports and other favored projects.

Lawruk's property, a county land-acquisition task force had been eyeing another site that had been recommended by a consultant's study. But the task force claimed it could not settle on a price with the recommended site's owner.

Shuster said Lawruk's involvement in the project was coincidental, and that he had nothing to do with the site selection. In a March 9 letter to the authority, he responded to his critics, saying he had "no preference on where the Convention Center should be constructed."

Local officials are split on the selection of the site. Some have questioned the wisdom of building a convention center some five miles from the city's downtown core on a site not easily accessible by the city's main road, Interstate 99.

"It [will have] no economic impact on the city of Altoona, the township or the school district," said state Rep. Richard A. Geist, a Republican who represents the area and chairs the Pennsylvania House transportation committee. "Will the taxpayers of Blair County eventually have to bail this out? Absolutely."

Housing Authority Probe

In 1994, Shuster took a strong interest in the internal affairs of the Altoona housing authority when it involved another of Lawruk's properties, a boarded-up, graffiti-strafed former furniture store that Lawruk had been trying to sell.

Authority Director Jack Wingard had decided to move the authority's offices from rented space in downtown Altoona to land the authority owned a couple of miles away. It was not a decision Wingard expected the local congressman would much care about.

But Wingard soon got a visit from Rod Wolf, a political consultant on Shuster's campaign payroll, who advised him to keep the authority in downtown Altoona. Wolf mentioned a couple of possible locations, including Lawruk's empty Penn Furniture building.

In addition to its rundown condition, the store was unsuitable for modern office space and had asbestos that would be costly to remove, Wingard said. He rejected it as a possible location, just as he had a few years earlier when Lawruk's partner, Brant, made a similar pitch to sell it to the authority for use as public housing.

When he rejected the building a second time, Wingard recalled in an interview, "all hell broke loose."

His tiny agency soon was the target of a fraud investigation by the Inspector general of the U.S. Department of Housing and Urban Development, a probe instigated by Shuster. And Wolf, [illegible] conservative Shuster consultant,

so operates local radio station WRTA took the authority to task on his talk show, invoking the inspector general's probe as evidence of likely mismanagement.

About the same time, Wolf's political consulting firm, Twelve-Forty Associates, was paid about $2,000 in consulting fees during the spring of 1994 by the Shuster re-election campaign. And in 1995, Wolf's firm did more work, collecting about $5,000 in fees from the [illegible] according to Federal Elec[illegible]ssion records.

"T[illegible] over me," Wingard said it [illegible]ew from Las Cruces, N.M., [illegible] took a job in 1996 running that [illegible]'s housing authority. "I didn't know they could do as much as they did to put both personal and professional pressure on me."

During a highly public campaign to change Wingard's mind, Wolf found an unusual ally. He teamed up with Lee Smith, a convicted murderer from the Miami area, who was a tenant of public housing in Altoona. Smith had a longstanding gripe against the authority for refusing to move him from an efficiency apartment to a one-bedroom unit, according to HUD records.

Smith appeared at city council meetings to complain that the authority was wasting money by building a grandiose new administration building outside of downtown. And Wolf had Smith on his radio talk show, depicting him as a retiree devoting his time to a civic cause. In truth, Smith had only a slim employment record since leaving a Florida prison cell, where he served nearly four years on a second-degree murder conviction for fatally shooting a Miami Beach chiropractor in 1983.

On Sept. 7, 1994, Shuster wrote to HUD Inspector General Susan Gaffney requesting an investigation of the Altoona housing authority, citing Smith's complaints but making no mention of his background.

Shuster characterized his letter as the perfunctory passing along of a constituent complaint to the proper agency: "I get lots of complaints every year. I take them and refer them to wherever they should be referred to. That's a standard rule around here."

But a copy of Shuster's letter to Gaffney conveys a different message. Shuster expounds at length on the authority's intended move out of the downtown area, describes the proposed new building in detail and suggests that an investigation be undertaken right away.

"Mr. Smith's evidence," Shuster wrote, "causes me great concern. I have been informed that the bids have been submitted for building the new structure and that a low bid has been selected. I respectfully request an investigation into these matters be completed before this project is allowed to go forward."

The inspector general moved quickly. The following month, on Oct. 26, 1994, it issued a report of its findings under the heading, "Congressional Inquiry, Altoona Housing Authority." The inspector general concluded that the new building was necessary to relieve staff overcrowding and was well within HUD's space and cost guidelines. "Our review disclosed no evidence of misuse of HUD funds in the construction of a new administrative office building," the report concluded.

Though Lawruk missed out on selling his building to the housing authority, he was finally able to sell it two years later, for $200,000, as part of a public program to promote tourism in south-central Pennsylvania, according to county land records. It is to become a "heritage discovery center," with the state providing $2.5 million for renovations.

Lawruk had the option of leasing back a section of the building for office space once renovations are complete, and his real estate broker said Lawruk had hoped to get a lease with a federal agency. But Lawruk said in an interview Dec. 3 that he does not intend to take part in the project.

Hotel Renovations

One of Lawruk's biggest downtown projects has been the renovation of the Penn Alto Hotel, but it also has been highly controversial. And so has Shuster's role in it.

The 77-year-old local landmark was in a state of advanced decline when Lawruk picked it up for $44,100 at a tax auction in the mid-1970s.

Like previous owners, Lawruk could not make the building profitable as a hotel, and finally hit on the idea of converting it to publicly subsidized housing for the elderly.

But when he applied for financial assistance under HUD's Section 8 program, he was turned down. Shuster and the late Sen. John Heinz, R-Pa. (1977-1991), helped out in a big way in 1988. They added a provision to the McKinney Homeless Assistance Act (PL 100-628) specifically directing HUD to assist the Penn Alto. As a result, Lawruk and partner Brant were entitled to $600,000 in subsidies annually for five years, federal records show.

Shuster said the legislation was Heinz's idea, although he was happy to support it. But at the time, Eppard, then Shuster's chief aide, told local reporters that Shuster was actively involved in adding the provision.

Shuster's role helping the developers with the Penn Alto was first reported by the Capitol Hill newspaper Roll Call and is also a focus of the now-suspended House ethics inquiry.

The congressman has reason to distance himself from the project now. It has not brought the housing renaissance to downtown that Lawruk had promised. Senior citizens, even those on waiting lists for assisted housing, shunned the building's small efficiency units in favor of better apartments in nicer locations. Then, under federal rules prohibiting discrimination against other public housing clients, the hotel began accepting recovering drug and alcohol addicts and the mentally ill. Crime shot up, and police regularly responded to complaints of public drunkenness, domestic fights and rape at the Penn Alto. In 1996, a police officer was shot in the face while trying to arrest a parole violator at the hotel.

"It has become a major problem," said GOP city council member Wayne Hippo.

The building is also now a money drain for owners Lawruk and Brant, who estimate they are losing $16,000 a month because occupancy remains below levels required for HUD reimbursements.

Last summer, the developers asked the Altoona City Council to help them get rid of the building, suggesting the city use another federal housing program, Community Development Block Grants, to buy it, according to Hippo.

All in all, the Penn Alto disaster, a string of local deals that smack of favoritism, a grand jury probe in Boston and the indictment of Eppard have made little more than a dent in voter support for Shuster, who won election without opposition to his 14th term last month.

As Hippo notes, for years Altoona was the largest city in America without interstate access. In the end, everything comes down to concrete and sewer pipes. ◆

EXHIBIT 120

BUD SHUSTER
9th District, Pennsylvania

Congress of the United States
House of Representatives

October 12, 1990

Honorable Jack Kemp
Secretary of Housing & Urban Development
Department of Housing & Urban Development
451 Seventh Street
Washington, DC 20410

Dear Secretary Kemp:

I am writing to you today on behalf of Maurice A. Lawruk Builders, Inc. who has submitted a Request for Reconsideration the Department of Labor relating to the construction project a: the Penn Alto Hotel in Altoona, Pennsylvania. This Request for Reconsideration was formally submitted on July 25th, and an amendment was filed in September.

Because Section 8 funding is involved, the Labor Departmer has requested a report from HUD on this matter. I fully suppor this Request for Reconsideration for the following reasons: (1 The building is privately owned. (2) The rehabilitation of the building was financed with private funds. (3) The renovation project began on March 16, 1989, and the Section 8 agreement wa not executed until April 28, 1989. Therefore, it is my belief that the Davis-Bacon Act does not apply to the Penn Alto Hotel project.

Since the builder has approximately $345,000 in escrow pending the outcome of this Request for Reconsideration, I woul urge you to review this matter as quickly as possible. In addition, I would appreciate your giving all possible consideration to this request from Maurice A. Lawruk Builders, Inc. Thank you for your assistance. I look forward to hearing from you at your earliest convenience.

With kindest regards, I remain

Sincerely,

BUD SHUSTER
MEMBER OF CONGRESS

EGS:cm

BUD SHUSTER
9TH DISTRICT, PENNSYLVANIA

Congress of the United States
House of Representatives

REC CONTROL: 91000543

March 21, 1991

OFFICIAL CORRESPONDENCE
PLEASE RETURN TO ROOM [illegible]

Honorable Lynn Martin
Secretary of Labor
Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

Dear Lynn:

I am writing to you today on behalf of Maurice A. Lawruk Builders, Inc. who has submitted a Request for Reconsideration to the Department of Labor relating to the construction project at the Penn Alto Hotel in Altoona, Pennsylvania. This Request for Reconsideration was formally submitted on July 25th, and an amendment was filed in September.

I fully support this Request for Reconsideration for the following reasons: (1) The building is privately owned. (2) The rehabilitation of the building was financed with private funds. (3) The renovation project began on March 16, 1989, and the Section 8 agreement was not executed until April 28, 1989. Therefore, it is my belief that the Davis-Bacon Act does not apply to the Penn Alto Hotel project.

Since the builder has approximately $345,000 in escrow pending the outcome of this Request for Reconsideration, I would urge you to review this matter as quickly as possible. In addition, I would appreciate your giving all possible consideration to this request from Maurice A. Lawruk Builders, Inc. Thank you for your assistance. I look forward to hearing from you at your earliest convenience.

With kindest regards, I remain

Sincerely,

Bud

BUD SHUSTER
MEMBER OF CONGRESS

EGS:cm

Please help!

EXHIBIT 121

May 11, 1999

MEMORANDUM FOR ALL MEMBERS, OFFICERS AND EMPLOYEES

FROM: Committee on Standards of Official Conduct
Lamar Smith, Chairman
Howard L. Berman, Ranking Minority Member

SUBJECT: Prohibition Against Linking Official Actions to Partisan or Political Considerations, or Personal Gain

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By this memorandum, the Committee on Standards of Official Conduct undertakes to remind House Members and staff of one of the fundamental rules of ethics for government service. That rule is that government officials, including House Members and staff, are prohibited from taking or withholding any official action on the basis of the partisan affiliation or the campaign contributions or support of the involved individuals, or the prospect of personal gain either for oneself or anyone else. House Members and staff are likewise prohibited from threatening punitive action on the basis of such considerations.

As detailed below, questions in this area have arisen most frequently on the matter of casework. The Committee has long advised that in responding to constituents' requests for casework assistance, House Members and staff are to disregard such considerations as the individual's partisan affiliation, political support, or campaign contributions. Under this guidance, House offices are **not** to give preferential treatment to casework requests made by the Member's supporters or contributors, but rather are to handle **all** requests for casework assistance according to their merits.

With this memorandum, the Committee stresses that –

- these rules apply generally to **all** official actions taken by a Member or his or her congressional office, and not merely to casework matters, and
- these rules preclude the taking of official actions, either **in favor of or against** individuals or organizations, based on such considerations, and also preclude threatening to take punitive actions based on such considerations.

Committee Guidance on Casework

Standards of conduct applicable to casework matters, including the rule requiring that partisan and political matters be disregarded in the handling of those matters, were set out in Advisory Opinion No. 1 of this committee, which was issued in 1970. That opinion, which is reprinted in the *House Ethics*

Manual, 102d Cong., 2d Sess. (at pp. 263-66), states that one of the basic standards of conduct regarding casework is the following:

> A Member's responsibility in this area is to all his constituents equally and should be pursued with diligence irrespective of political or other considerations.

The manual elaborates on the point, stating (at p. 250), "Because a Member's obligations are to all constituents equally, considerations such as political support, party affiliation, or campaign contributions should not affect either the decision of a Member to provide [casework] assistance or the quality of help that is given." Thus while a congressional office is certainly free to give casework assistance to a constituent who has been a supporter of or contributor to the Member, the nature and level of assistance should be the same as the office would provide to any other constituent having a similar problem.

The manual also quotes (on pp. 250-51) from a report issued by the Senate Select Committee on Ethics in connection with the "Keating Five" case, as follows:

> The cardinal principle governing Senators' conduct in this area is that a Senator and a Senator's office should make decisions about whether to intervene with the executive branch or independent agencies on behalf of an individual without regard to whether the individual has contributed, or promised to contribute, to the Senator's campaigns or other causes in which he or she has a financial, political or personal interest.

Another of the basic standards of conduct enunciated in Advisory Opinion No. 1 is that the use of threats of reprisal, or promises of benefits, in pursuing casework matters constitutes an abuse of the powers of the congressional office and is prohibited:

> Direct or implied suggestion of either favoritism or reprisal in advance of, or subsequent to, action taken by the agency contacted is unwarranted abuse of the representative role.

Applicability of the Rules to All Official Activities

While the guidance set forth above is specifically addressed to the handling of casework matters, that guidance is applicable to **all** official actions taken by Members and staff, including with regard to legislation. This is so because this guidance reflects certain basic standards of ethical conduct that apply to government officials in all of their activities.

Specifically, one of the key provisions of the Code of Ethics for Government Service states, in ¶5, that government officials should "[n]ever discriminate unfairly by the dispensing of special favors or privileges to anyone, whether for remuneration or not." The Code further provides, in ¶10, that "public office is a public trust," and as the *House Ethics Manual* observes in this regard (at p. 24), "The public has a right to expect Members, officers, and employees to exercise impartial judgment in performing their duties." The manual further notes (at pp. 18-19) that the provisions of the Code of Ethics for Government Service are applicable to House Members, and that formal charges may be brought against a Member for violating the code.

More generally, as the manual notes (at p. 4), one of the ultimate purposes of the ethics rules is to help ensure that each governmental action is taken on the merits of the particular question, rather than any extraneous factors. Thus the manual quotes one of the leading authorities on government ethics as stating, "Ethics rules, if reasonably drafted and reliably enforced, increase the likelihood that legislators (and other officials) will make decisions and policies on the basis of the merits of issues, rather than on the basis of factors (such as personal gain) that should be irrelevant."

Furthermore, this guidance does not only preclude Members and staff from bestowing benefits on the basis of the recipient's status as a supporter or contributor, or partisan affiliation. This guidance equally prohibits Members and staff from taking punitive action, or threatening punitive action, on the basis of such considerations. In this regard, one of the regulations issued by the U.S. Office of Government Ethics for the Executive Branch provides as follows:

> An employee shall not use or permit the use of his Government position or title or any authority associated with his public office in a manner that is intended to coerce or induce another person . . . to provide any benefit, financial or otherwise, to himself or to friends, relatives, or persons with whom the employee is affiliated in a nongovernmental capacity.

5 C.F.R. §2635.702(a). House Members and staff should likewise adhere to this rule.

Any questions on this memorandum should be directed to the Committee's Office of Advice and Education at extension 5-7103.

EXHIBIT 122

March 2, 2000

MEMORANDUM FOR ALL MEMBERS, OFFICERS AND EMPLOYEES

FROM: Committee on Standards of Official Conduct

Lamar Smith, Chairman

Howard L. Berman, Ranking Minority Member

SUBJECT: Rules and Standards of Conduct Relating to Campaign Activity

---

As Members become increasingly involved in campaign activities, we thought it important to provide a summary of campaign "do's and don't's" under House rules and standards of conduct.[1]

Campaign-Related Activities in Congressional Offices

As a general matter, official House resources may be used for **official** purposes only.[2] The House resources covered by this rule include official staff time, House offices and rooms, the computers, fax machines and other office equipment, and office supplies. Accordingly, the use of these resources for political or campaign purposes is generally prohibited.[3]

This basic rule is illustrated by a case that the Committee handled in the 104th Congress. That case, which was initiated by a complaint filed with the Committee, concerned a Member's use of his office fax machine and official news release letterhead to send out a press release that severely criticized the record of a prospective opponent on Medicare issues. The Committee resolved the case by sending that Member a letter – which the Committee released publicly – stating (1) its finding that the Member had, in issuing that release, violated applicable rules and regulations on the use of official resources, and (2) the Committee's expectation that he would comply with applicable rules in the future.[4]

Some other examples of the application of this basic rule in particular circumstances follow:

- A Member may not film a campaign commercial in his or her congressional office, as the *House Ethics Manual* notes (p. 216). Likewise, other rooms in the House buildings and district offices should not be used for this purpose. For rules on filming on grounds near the Capitol, the Sergeant at Arms office should be contacted.

- Because redistricting is deemed an inherently political activity, no official resources may be used for redistricting purposes, in accordance with a Dear Colleague letter of November 8, 1995 that this Committee issued jointly with the House Administration Committee.

- Coverage and recordings of House floor proceedings may not be used for any political purpose under clause 2(c)(1) of House Rule 5.

- Tapes and film of any coverage of House committee proceedings may not be used, or made available for use, as partisan political campaign material to promote or oppose the candidacy of any person for public office under clause 4(b) of House Rule 11.

- Events that are political or campaign in nature cannot take place in the House office buildings or in a district office. Thus these rooms and offices are **not** to be used for, for example, a meeting on

campaign strategy, or a reception for campaign contributors. (However, under long-standing Committee policy, when a new Congress is sworn in, a Member may hold a reception in the House office buildings and may pay for it with campaign funds.)

- Official mailing lists – that is, lists compiled and maintained in congressional offices – may be used for franked mail only, and may **not** be loaned to or used by a campaign.
- While press releases and statements issued by a congressional office may discuss legislative issues before the House – including legislative issues raised in the course of a campaign – all of those materials must comply with the rules of the Franking Commission, including the prohibitions and restrictions against political, campaign and partisan references.
- Member and staff travel, including to one's district, can be paid with official funds only if the **primary purpose** of the trip is **official business**. While such a trip can include incidental political activity, where the primary purpose of a trip is in fact campaign activity, the travel expenses must be paid with campaign funds.
- For other rules on campaign activity in the course of travel paid for with House funds, consult the Member or committee handbook issued by the House Administration Committee and/or contact the staff of that committee.

The solicitation and receipt of political contributions in House offices are subject to certain additional restrictions that are noted below.

However, the Committee has also recognized that certain limited activities in a congressional office, although related to the Member's campaign, **are** permissible. The Committee's view has been that it would be impractical and unnecessary to attempt to prohibit these specific activities from occurring in the congressional office. In this regard, the Committee has long advised that the following activities are permissible:

Scheduling. The individual in the congressional office who handles the Member's schedule may coordinate with those in the campaign office who do scheduling of the Member's campaign appearances. Obviously, a Member can be in only one place at any one time, and thus it is necessary for schedulers to communicate. The congressional office scheduler may maintain an integrated schedule that reflects the Member's political as well as official activities, but that schedule is for the internal use of the Member and staff only.

The press secretary. The press secretary in the congressional office may answer occasional questions on political matters, and may also respond to such questions that are merely incidental to an interview focused on the Member's official activities. However, while in the congressional office, the press secretary should not give an interview that is substantially devoted to the campaign, or initiate any call that is campaign-related. A press secretary wishing to do either of those things should do so outside of the congressional office, and on his or her own time (see below).

Campaign/congressional office referrals. The congressional office may refer, to the campaign office, letters and other communications and inquiries that it receives concerning the campaign. Likewise, the campaign office may refer to the congressional office any officially related matters that it receives. All such referrals should be done at the expense of the campaign, including the cost of any long-distance telephone calls. It may be desirable for the congressional office to have a supply of campaign envelopes and stamps for use in referring written materials. Those stamps and envelopes can also be used to send to the campaign any unsolicited campaign contributions that are received in the congressional office (see below).

Providing materials to the campaign. A congressional office may provide a campaign office with a copy of any materials that the congressional office prepared for public distribution, such as press releases, speeches, and newsletters. However, in no event should the congressional office provide the campaign with a quantity of any such item for distribution by the campaign.

Other materials in the congressional office files – including, for example, back-up memoranda on issues – are **not** to be shared with the campaign or otherwise used for campaign purposes. Those materials are official House resources and may be used for official purposes only. Congressional staff members should not do research in behalf of the campaign or write campaign speeches or other materials while on official time or using official resources.

A Member's campaign is free to reproduce and distribute, for campaign purposes, materials that were originally prepared by the congressional office for a bona fide official purpose, provided that certain requirements are satisfied. The particulars on this point are set out on pp. 297-98 of the *House Ethics Manual*. Subject to the same requirements, such materials may also be posted on the Member's campaign Web site. In reproducing or posting these materials, the campaign must, at a minimum, delete the official letterhead, as well as any reference to the address or telephone number of the congressional office.

Except as outlined above, the Committee expects Members to enforce the general rule that any campaign-related activities done by staff members will be done on their own time, outside the congressional office, and without the use of any official House resources.

Campaign Work by House Employees

Outside the Congressional Office and on Their Own Time

Once employees have completed the official duties assigned, they are free to engage in campaign activities on their own time, as volunteers or for pay, as long as they do not do so in congressional offices or otherwise use official resources. It should be stressed that while employees are free to engage in campaign activities on their own time, in no event may a Member or office compel a House employee to do campaign work. To do so would result in an impermissible official subsidy of the Member's campaign..

As to what constitutes a staff member's "own time," this is determined by the personnel policies that are in place in the employing office. Time that is available to a staff member, under those policies, to engage in personal or other outside activities may instead be used to do campaign work, if the individual so chooses. However, a Member may not adjust the work requirements of the congressional office, or add unpaid interns during the campaign, in order to create more "free" time for staff to do campaign work. To help ensure compliance with the rules, it is advisable for office policies on such matters as the work day, lunch hour and leave time to be in writing and distributed to all employees.

The Committee has recognized that the hours that constitute a staff member's "own time" will not always correspond to evenings and weekends:

> **[D]ue to the irregular time frames in which the Congress operates, it is unrealistic to impose conventional work hours and rules on congressional employees. At some times, these employees may work more than double the usual work week — at others, some less. Thus employees are expected to fulfill the clerical work the Member requires during the hours he requires and generally are free at other periods. If, during the periods he is free, he voluntarily engages in campaign activity, there is no bar to this.[5]**

In addition, employees may engage in campaign activities –

- **while on annual leave pursuant to established office personnel policies,**
- **by reducing their employment in the congressional office to part-time status, with a corresponding reduction in salary, or**

- by going on Leave Without Pay (LWOP) status for the purpose of working on the campaign.

All House employees who do campaign work – including those who go to part-time or LWOP status – should bear in mind that they continue to be bound by the laws and rules applicable to House employees, including –

- the gift rule,
- the law against making a campaign contribution to their employing Member,[6] and
- with regard to senior staff, the outside earned income limit.[7]

In addition, under clause 8 of House Rule 24, the employing Member is always responsible for ensuring that each employee performs official duties that are commensurate with the compensation that he or she is paid by the House. Thus where it is anticipated that an employee will be assuming significant campaign duties, it may well be necessary for the employing Member to make an appropriate reduction in the employee's House pay. Certainly an appropriate reduction in salary is necessary where a full-time employee goes to part-time status in the congressional office in order to do campaign work. Members and staff should also bear in mind that bonuses, including "lump sum" payments, are for the performance of official duties only, and are not to serve as compensation or a reward for campaign work.[8]

The Committee recommends that employees who do significant campaign work while remaining on the House payroll carefully document the time they spend on official activities and on campaign activities. Such time records are the best way to defend against any claim that the congressional office is subsidizing the campaign (or vice versa). There is no set format for maintaining such time records, but any questions on this matter may be directed to the Committee office.

Solicitation and Receipt of

Political Contributions in House Buildings and Offices

The statute, rules and standards that govern the solicitation and receipt of political contributions in House buildings and offices are summarized in detail in a Committee advisory memorandum of April 25, 1997. Copies of that memorandum are available from the Committee office.

The general rule on solicitation, briefly stated, is that Members and staff may not solicit political contributions in or from House offices, and this general prohibition applies no matter how the solicitation is made (in person, over the telephone, or through the mail), and no matter the nature of the contribution solicited (hard money, soft money, or contributions for a state or local campaign).

The basic rule on receipt of contributions, in brief, is that Members and staff may not request that a contribution be sent or delivered to their House office, and may not assent to the sending or delivery of a contribution to their House office. However, unsolicited contributions that are unexpectedly received in a House office may be forwarded to the campaign, provided that they are forwarded within seven days of their receipt.

As the Committee's memorandum of April 25, 1997 notes, however, the rules and standards enforced by this Committee do not prohibit Members from soliciting or receiving contributions from other Members in the House buildings. Long ago the House took the position that Member-to-Member solicitation is permissible, notwithstanding the criminal statutes that generally bar political solicitations in Federal buildings.[9] This Committee has reiterated that

position.[10]

However, several points on this matter of Member-to-Member solicitation in the House buildings should be noted:

- It is Member-to-Member solicitations only that are permissible under this guidance. Staff solicitation of Members in House buildings, even when done at the direction of a Member, or when done from telephones located in a campaign office, is not permissible.
- While Members may solicit other Members in person, over the telephone, or through the mail, the use of official stationery in making written solicitations is not permissible.
- A House rule that took effect at the beginning of the last Congress prohibits the knowing distribution of campaign contributions on the House floor, in the Speaker's Lobby, and in the cloakrooms (House Rule 5, clause 7).

Finally, it should also be noted that the Justice Department has responsibility for enforcing the criminal statute in this area, which is now codified at 18 U.S.C. §607. However, so far as the Committee is aware, the Department's assent to the position of the House on Member solicitation and receipt of contributions from other Members, as set forth above, has never been sought.

Campaign Stationery

The matter of campaign stationery is discussed on pp. 280-83 of the *House Ethics Manual*. However, in the time since the Manual was issued, there have been two developments in this area. First, in an advisory memorandum of April 4, 1995, the Committee announced that a Member may no longer use a facsimile of official stationery for his or her own campaign, including fundraising letters. That announcement was issued pursuant to the "facsimile rule," which is now set forth in clause 11 of House Rule 24. Second, until 1997 the criminal statute on misuse of official seals, 18 U.S.C. §713, covered only the seals of the United States, the President and the Vice President. However, in that year it was expanded to cover the seals of the House of Representatives and the Congress as well.

As a result of these changes, the materials on pp. 281-82 of the Manual should be disregarded. The current rule is that letters sent in behalf of one's campaign may not have, either in the letterhead or on the envelopes, either –

- the institutional names, "Congress of the United States" or "House of Representatives," or the term "Official Business," or
- any likeness of any official seal, including the Seal of the United States, or the Seal of the House or the Congress.

However, Members may continue to use their personal titles on campaign letterheads and envelopes – including "Congressman," "Congresswoman," "Member of Congress," or "Representative" – and may also use an image of the Capitol dome.

At times the Committee receives inquiries regarding the stationery that is sold in the House stationery store that bears an embossed seal and/or "House of Representatives" in the letterhead. In accordance with the advice provided above, even where that stationery is purchased with the Member's personal funds or with campaign funds, it should not be used to solicit campaign support or contributions. (However, it is permissible for a Member to use this stationery, purchased with personal or campaign funds, to send personal thank you notes for contributions or campaign assistance.)

Finally, Federal Election Commission regulations should also be checked on the possible need for a campaign disclaimer on letters sent in behalf of one's campaign.

Proper Use of Campaign Funds and Resources

Both the House rules and the Federal Election Campaign Act include provisions regulating the use of campaign funds and resources, and thus both this Committee and the Federal Election Commission have jurisdiction in this area. Briefly stated, under House rules,

- **Campaign funds and resources may not be converted to personal use,**
- **Pursuant to the prohibition against personal use of campaign funds, Members are prohibited from borrowing from their campaign,**
- **Campaign funds may be spent for "bona fide campaign or political purposes" only, and**
- **Campaign funds and resources may not be used for official House purposes.[11]**

The statutory provision regulating use of campaign funds that is administered by the FEC is 2 U.S.C. §439a. For present purposes, the key aspect of the statute is that which prohibits the conversion of campaign funds to personal use.

Elaboration of the House rules on use of campaign funds and resources is provided on pp. 270-79 of the *House Ethics Manual*. Quite clearly, these rules generally preclude personal or official use not only of campaign funds, but also of equipment, goods or services paid for with campaign funds – including, for example, a cellphone, a beeper, a fax machine, or a computer.

Use of campaign vehicles. As the Manual notes (on pp. 275-76), there is a special statutory provision on proper use of vehicles owned or leased by a Member's campaign committee. Under that provision, "incidental noncampaign use" of those vehicles is permissible under conditions determined by this Committee. It is evident, however, this provision does not allow any significant personal or official use of these vehicles, and any questions on this matter should be directed to the Committee office.

Member campaign Web sites. On a related matter, the Committee has long advised that materials issued by a Member's campaign cannot include the address or telephone number of the Member's congressional offices. In the same vein, in an advisory memorandum of March 4, 1998, the Committee stated that (1) a Member's campaign Web site may not include a link to the congressional office site, and (2) the congressional office site may not be advertised on the Member's campaign Web site or on materials issued by the Member's campaign.

FEC rules and advisory opinions. As to the provisions of the Federal Election Campaign Act on proper use of campaign funds, the FEC has issued a set of regulations to implement these statutory provisions.[12] Of particular importance are regulations that the FEC issued in 1995 that elaborate on what constitutes impermissible personal use of campaign funds,[13] and the advisory opinions that the FEC has issued under them. Thus both the FEC and the Committee should be contacted on any questions that arise regarding the proper use of campaign funds.

The 90-Day Ban on Unsolicited Mass Communications

The 90-day ban on unsolicited mass communications prior to primaries and the general election relates to communications that are made using official House resources. Accordingly, the ban is administered by the House Administration Committee and the Franking Commission, and

questions on it should be directed to those offices.

Occasionally questions arise on whether a Member who is in his or her "cut-off" can make such a communication that is official in nature using non-official resources (for example, the services of a state or local governmental entity). Questions of that nature should be directed to the Standards Committee.

* * *

Any questions on the matters discussed above, as well as any requests for copies of the previous Committee advisory memoranda cited here, should be directed to the Committee's Office of Advice and Education at extension 5-7103.

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[1]Additional information on this subject is available in Chapter 8 of the *House Ethics Manual*, 102d Cong., 2d Sess. (1992). However, because this memorandum includes rules and guidance issued in recent years, certain of the material here supplements – and in one instance (concerning campaign stationery) supersedes – the material in the Manual. [2]*See, e.g.*, 31 U.S.C. §1301(a) and the *Members' Congressional Handbook* and *Committees' Congressional Handbook* issued by the House Administration Committee. [3]In this regard, the Member and committee handbooks issued by the House Administration Committee (see footnote 2) explicitly prohibit the use of official Member or committee funds to pay or defray any political or campaign expenses. While last year the House Administration Committee issued a policy allowing certain incidental non-official use of House equipment and supplies, the Standards Committee understands that the policy applies only to incidental personal use of those resources, and not to their use for political or campaign purposes. [4]House Comm. on Standards of Official Conduct, *Summary of Activities, One Hundred Fourth Congress*, H.R. Rep. No. 886, 104th Cong., 2d Sess. 22. [5]Committee Advisory Opinion No. 2 (July 11, 1973), *reprinted in House Ethics Manual* at 204-05. [6]Under the law, staff members are generally prohibited from paying expenses incurred in behalf of their Member's campaign, even if the campaign later reimburses them. This point is explained in a Committee advisory memorandum of March 4, 1998 (p. 4). As to House committee employees, the law prohibits all of them from contributing to the committee chairman, and it also prohibits those employed by the minority from contributing to the committee ranking member as well. [7]The outside earned income limit applies to employees whose House compensation is above the GS-15 level ($93,137 in 2000) for more than 90 days in a calendar year. For calendar year 2000, the limit on outside earned income is $21,195. However, the Committee has determined that the limit does not apply to the campaign salary of a senior employee who is on LWOP status. [8]As to "lump sum" payments, see the Committee's advisory memorandum of October 15, 1999. [9]6 *Cannon's Precedents of the House of Representatives* §401 (1936), concerning a resolution on this matter that was approved by the House in 1913. [10]Committee "Dear Colleague" letter of November 21, 1985, *reprinted in House Ethics Manual* at 304. [11]House Rule 24, clause 6, and House Rule 25, clauses 1-3. [12]11 C.F.R. Part 113. [13]11 C.F.R. §113.1(g); *see also* 60 Fed. Reg. 7862-75 (Feb. 9, 1995).

JAMES V. HANSEN, UTAH
CHAIRMAN

HOWARD L. BERMAN, CALIFORNIA
RANKING DEMOCRATIC MEMBER

SUITE HT-2, THE CAPITOL
(202) 225-7103

ONE HUNDRED FIFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515-6328

November 7, 1997

PRESS STATEMENT

The Committee has dismissed the complaint filed by the Congressional Accountability Project against Representative DeLay.

In dismissing the complaint, the Committee notes that there is no prohibition precluding a family member from being a lobbyist. The Committee found no basis for an investigation based on his relationship with his brother. Rep. DeLay demonstrated in his response that in each issue involving his brother, Rep. DeLay's involvement either predated his brother's hiring or was consistent with his representation of his district.

The Committee noted that the solicitation of campaign contributions in House office buildings and the Capitol is prohibited and that the subject of campaign contributions should be avoided in those locations. Rep. DeLay was advised that it is particularly important that a Member not make statements that create the impression that the Member would consider an individual's requests for access or for official action based on such campaign contributions.

EXHIBIT 123

WINSTON & STRAWN

35 WEST WACKER DRIVE
CHICAGO, ILLINOIS 60601-9703

200 PARK AVENUE
NEW YORK, NY 10166-4193

1400 L STREET, N.W.
WASHINGTON, D.C. 20005-3502

(202) 371-5700

FACSIMILE (202) 371-5950

21 AVENUE VICTOR HUGO
75116 PARIS, FRANCE

43 RUE DU RHONE
1204 GENEVA, SWITZERLAND

GORDON A. COFFEE
(202) 371-5741
gcoffee@winston.com

October 25, 1999

BY HAND

Virginia H. Johnson, Esquire
The Committee on Standards of Official Conduct
U.S. House of Representatives
U.S. Capitol, Suite HT-2
Washington, DC 20515

Dear Ms. Johnson:

After Ray Holdsworth's appearance before the Committee on Standards of Official Conduct, Daniel, Mann, Johnson & Mendenhall ("DMJM") renewed its search for documents responsive to the subpoenas from the Committee. Though DMJM believed it had searched through all files possibly containing responsive documents, it was embarrassed to find additional documents. DMJM maintains neither a centralized file system nor a file index. It accordingly has to rely upon searches conducted by individuals having possession of relevant files. In this case, Mr. Holdworth's secretary did not look in a file that contained these documents.

These documents bearing batestamp numbers 402-447 are enclosed. As a result of this discovery, DMJM is reviewing other files, including files relating to specific projects, and is sending an employee to Puerto Rico to review files located there. We expect to conclude the additional review by the end of next week.

We intend to provide declarations from the persons involved in the document production as soon as our efforts are complete to alleviate any concerns the Committee may have about the thoroughness of our past and current searches. We apologize for any inconvenience we may have caused. If you have any questions or comments in the interim, please call me. Thank you for your continued cooperation and past courtesies in this matter.

Sincerely,

Gordon A. Coffee

Enclosures

WINSTON & STRAWN

35 WEST WACKER DRIVE
CHICAGO, ILLINOIS 60601-9703

43 RUE DU RHONE
1204 GENEVA, SWITZERLAND

444 SOUTH FLOWER STREET
LOS ANGELES, CALIFORNIA 90071-2911

1400 L STREET, N.W.
WASHINGTON, D.C. 20005-3502

(202) 371-5700

FACSIMILE (202) 371-5922
FACSIMILE (202) 371-5950

www.winston.com

200 PARK AVENUE
NEW YORK, NEW YORK 10166-4193

21 AVENUE VICTOR HUGO
75116 PARIS, FRANCE

GORDON A. COFFEE
(202) 371-5741
gcoffee@winston.com

November 4, 1999

BY MESSENGER

Virginia H. Johnson, Esquire
The Committee on Standards of Official Conduct
U.S. House of Representatives
U.S. Capitol, Suite HT-2
Washington, DC 20515

Dear Ms. Johnson:

Yesterday we provided you with a declaration from Debra Lambeck. Because of our desire to get you the declaration as soon as possible, we provided a faxed copy. As Paul Lewis noted, the fax was not very legible. While I have not yet received the signed original, I am providing a clean copy. Though the copy is unsigned, the text is the same.

If you need additional information, please call me. We otherwise will see you at 2:00 p.m. Thank you for your consideration in this matter.

Sincerely,

Gordon A. Coffee

Enclosure

DECLARATION OF DEBRA TILSON LAMBECK

I, Debra Tilson Lambeck, do hereby declare as follows:

1. I submit this declaration in response to an inquiry from the House Committee on Standards of Official Conduct (the "Committee").

2. I am the general counsel for Daniel, Mann, Johnson & Mendenhall ("DMJM").

3. In August 1999, the Committee subpoenaed documents from DMJM relating to its dealings with Ann Eppard and Rep. Bud Shuster.

4. I investigated what files might contain responsive documents. DMJM does not have a centralized document repository or a master file list. Based on my discussions with others, I determined that documents could be located either in DMJM's Los Angeles office or in the individual files of those employees who may have communicated with the persons or entities identified in the Committee's subpoena.

5. I understand Nancy Butler, an officer at DMJM's Arlington office, searched files in her office for responsive documents. I further instructed Ray Holdsworth's administrative assistant, Lillian Tetsuka, to conduct a similar search through Mr. Holdsworth's files. Since Mr. Holdsworth has little familiarity with the filing system, I did not ask him to participate in the search though I did discuss with him which files should be searched.

6. I also asked Gerry Seelman, a DMJM officer, to look for responsive documents. I also had relevant DMJM financial records pulled from storage to locate all invoices from, and payments to, Ann Eppard and all expense reports of Ray Holdsworth and Nancy Butler.

7. Jack Hauser's files had been left with my department when he retired as manager of the contracts department. We had thoroughly reviewed those files in 1996 when responding to a federal grand jury subpoena.

8. I had asked Gil Butler in 1996 to return all files relating to Rep. Shuster and he had provided several documents, which were supplied to the Committee. Moreover, I understood from a conversation with Mr. Butler in 1996 that any responsive documents he had possessed while a DMJM employee would have been shared with Ms. Butler or Mr. Holdsworth. Since I did not believe that Gil Butler had any meetings with Ann Eppard or Rep. Shuster, I did not pull his expense reports.

9. All responsive documents found through these searches were turned over to counsel for delivery to the Committee.

10. At no time prior to Mr. Holdsworth's appearance before the Committee was I aware of the existence of his February 13, 1995 letter to . I also have no reason to believe that either Mr. Holdsworth or Ms. Tetsuka had any then-current memory of the letter.

11. Upon learning of the February 13, 1995 letter, I spoke with Ms. Tetsuka. She realized that the letter came from the file relating to Tren Urbano. She pulled the file and found additional documents. All of those documents are being produced to the Committee.

12. In an effort to ensure complete compliance with the Committee's subpoenas, DMJM has reviewed additional files, including Mr. Holdsworth's files on the Bay Area Rapid Transit and Alameda Corridor projects, for responsive documents. A few documents were found. Those documents were promptly turned over to the Committee.

13. In response to a request from the Committee, DMJM further pulled Gil Butler's 1995 expense reports. None contained information responsive to the subpoenas.

14. This week, a DMJM employee reviewed project files in Puerto Rico. One responsive document was discovered, which is being produced to the Committee.

I hereby aver under penalties of perjury that the following is true and correct to the best of my knowledge and recollection.

Dated:_____ _____
Debra Tilson Lambeck

Raymond W. Holdsworth
President
Chief Executive Officer

February 22, 1995

Department of Transportation and Public Works
Government of Puerto Rico
Minillas South Building, Suite 1701
Minillas Governmental Center
Santurce, Puerto Rico 00940

Dear

I just received the clipping from Monday's San Juan Star. It appears Chairman Bud Shuster could almost be described as a "champion" for the Tren Urbano project. After talking with Nancy and Gil, it appears as though the visit went better than we had anticipated when we last talked in Washington. What is your reaction to the visit?

With such a positive start, I believe that we should now capitalize on our momentum and develop a joint strategy for optimizing Federal funding. There is currently a "window of opportunity" that is now available if you proceed quickly to craft a strategy to gain Congressional Support. As we discussed in Washington, with all the competition for funds, our efforts in Washington deserve the highest priority.

I strongly recommend that you augment your Congressional efforts in Washington by hiring Ann Eppard Associates, Ltd., to represent Tren Urbano and to immediately institute an action program to optimize the impact of Ms. Eppard's sphere of influence. This is time critical in your attempts to obtain Federal funding and legislative support.

Since Daniel, Mann, Johnson, & Mendenhall (DMJM) is fortunate to have Nancy Butler in Washington, she will be able to work "hand-in-glove" with Ms. Eppard in this important task. However, as you know, she cannot assume a direct lobbying role as an employee of a private firm engaged on the project.

0004

Daniel, Mann, Johnson, & Mendenhall
3250 Wilshire Boulevard
Los Angeles, California 90010-1599
Telephone: 213/381-3663
Telex: 4720019 DMJM LA Fax: 213/383-3656

Planning
Architecture
Engineering
Program/Construction
Management

There are several ways you may accomplish this task and I am willing to discuss these options if you so wish. A "missed opportunity" for Tren Urbano now could actually benefit another competing project. I'm looking forward to hearing from you soon concerning your intentions.

Warmest regards,

Ray

Raymond W. Holdsworth
/lt

cc: Gil Butler
Nancy Butler

VIA FAX (809) 728-8963

DMJM

memorandum

DATE: April 20, 1995

TO: A. Eppard (Fax 703-739-2718)

FROM: R. W. Holdsworth

SUBJECT: YOUR RECENT VISIT

1. It was great to see you again - wish the weather was better for your visit.

2. I will check out Tren Urbano status of your contract - Nancy and I thought it was underway through Ed, and so did Gil Butler. We will push this down in San Juan and hopefully get an answer for you soon. Does Ed have a contract?

3. Please be careful with Ted Stein as we've not found him trustworthy and I'd hate to have him "use" your good contacts for his "Ted's" personal gain. If whatever he wants can't be done, he'd gladly blame those who tried to help.

4. I'll be in touch and we'll see how your schedule may work for a trip to LA on Alameda.

Warmest regards, Ray.

DMJM

FACSIMILE
COVER SHEET

Automatic Facsimile Machine
RICOH 2800L
Compatible with Group I (6 min)
Group II and Group III

Daniel, Mann, Johnson, & Mendenhall
3250 Wilshire Boulevard, Fourth Floor
Los Angeles, California 90010

FAX: (213) 380-5036

If problems occur or receipt confirmation is required, call (213) 381-3663
Ext. 3423 or 3363

DATE OF TRANSMITTAL: 6/16/95 CHARGE NUMBER: _____

RECIPIENT'S COMPANY NAME: GOVERNMENT OF PUERTO RICO

RECIPIENT'S FACSIMILE NUMBER: (809) 728-8963

FROM: RAY HOLDSWORTH ATTENTION _____

INCLUDING COVER SHEET WE ARE SENDING 1 page(s)

I ENJOYED OUR VISIT AND AM LOOKING FORWARD TO RECEIVING YOUR DECISION REGARDING ANN EPPARD BY THE CLOSE OF OUR BUSINESS DAY. MY FAX NUMBER IS (213) 380-5036. I HOPE WE CAN DO THIS DIRECTLY THROUGH OUR JOINT VENTURE CONTRACT. THANK YOU AND REGARDS, RAY

cc: Gil Butler
Nancy Butler
Gerry Seelman

0067-03 (Rev. 5/93)

DMJM
Architecture
Engineering
Construction

Raymond W. Holdsworth President and Chief Executive Officer

Daniel, Mann, Johnson,
& Mendenhall
3250 Wilshire Boulevard
Los Angeles, California
90010-1599
213 381 3663
213 380 5036 fax

June 19, 1995

Department of Transportation and Public Works
Government of Puerto Rico
Minillas South Building, Suite 1701
Minillas Governmental Center
Santurce, Puerto Rico 00940

As you know, I am now out of the country and have not heard from you regarding Ann Eppard. I talked with Ann on Friday and we are at a very critical time as the House is seriously starting its mark-up process and we need constant pressure.

Gil Butler is ready to include Ann under our umbrella, which is our strong recommendation as we cannot afford any misunderstanding or delay in communication, representation, etc. Please get back to Nancy as we must move this on Monday.

Thanks so very much for your attention to this and I do realize that this is an exception to policy.

Regards,

Ray Holdsworth

Raymond W. Holdsworth
/lt

cc: Nancy Butler
Gil Butler

DMJM

Engineering
Systems
Economics

memorandum

7-17-95

To: File
From: G. C. Butler
Subject: Inaccuracies in my 7-13-95 Memo to

1. My memorandum was an attempt to express a message from R. Holdsworth to I was never fully informed of all of the discussions regarding Ms. Eppich and inadvertently assumed that she might have discussed Tom Urbaus appropriation activities with Congressman Shuster. I have no direct knowledge of this ever having happened. In addition, I was not knowledgeable of any restrictions under which she operates to comply with federal lobbying regulations regarding federal employees

2. The offer for the GMATC to enter into a Task Order Contract for technical assistance for financing and funding strategies was merely another option to assist Tom Urbaus by obtaining her services. This in no way had any benefit or gain for DMJM

3. Any reference to Miami as our "next major client" was purely speculation on my part and to the best of my knowledge DMJM does not have a contract with Metro Dade Co. Trans. Auth.

Commonwealth of Puerto Rico
DEPARTMENT OF TRANSPORTATION & PUBLIC WORKS
PUERTO RICO HIGHWAY & TRANSPORTATION AUTHORITY
PO Box 41269, Minillas Station, Santurce, Puerto Rico 00940-1269

File

July 20, 1995

Mr. Gilbert L. Butler
Project Manager
GMAEC

July 13, 1995 Memorandum

Your July 13, 1995 memorandum has several errors of fact and raises concerns about the focus of the activities of DMJM regarding Tren Urbano.

Contractual arrangements regarding federal funding matters are outside DMJM's scope of work. The Authority has assembled a group of firms experienced in obtaining federal funding for federal transportation projects. Due to the need to coordinate their activities and to integrate their efforts into the other work on the Project, I have organized them as a team in which Ann Eppard and Baker, Donelson are subcontractors to McDermott and O'Neill, which has a contract with the Authority. It is critical for the Authority to keep this team intact and working together for the funding and reauthorization legislation that will be before Congress in the next several years.

Contrary to the assertions of the July 13, 1995 memorandum, the Authority has moved to implement the contract documents necessary to compensate the team. The written contract with McDermott and O'Neill was executed on April 25, 1995. It specifically budgets for payment to Baker, Donelson and Ms. Eppard. Based on the execution of this contract, there is no need for the GMAEC to enter into a task order contract with Ms. Eppard. We are currently processing payments for the services rendered to date.

Your memorandum raises concerns about the loyalty of DMJM to Tren Urbano. The errors of fact, the tone and the threat to interfere with the efforts of the Washington team will not be tolerated. The GMAEC Agreement requires that DMJM provide complete loyalty to Tren Urbano. If the firm cannot provide such loyalty, it is required to make disclosure to the Authority of the reason for the conflict.

Due to the seriousness of your allegations we will submit your memorandum for further analysis to Tren Urbano's legal counsel.

8 September 1995

Ms. Ann Eppard
Ann Eppard & Associates
19 Wilkes Street
Alexandria, VA 22314

Dear Ann,

Per our conversation, here is a list of Appropriations earmarks that are important to Daniel, Mann, Johnson & Mendenhall (DMJM) for future work opportunities.

NEW STARTS

		Earmarked Amounts	
		House	*Senate*
*New Jersey Urban Core	85,500,000	75,000,000	
New Orleans Canal St. Corr. *(Recent DMJM Win)*	0	10,000,000	
(*Need full amount)			
Salt Lake City *(Recent DMJM Win)*	14,519,000	5,000,000	
(*Need full amount)			
San Francisco BART extension	22,620,000	10,000,000	
(Important future submittal)			
San Juan, Puerto Rico, Tren Urbano		15,000,000	0
Los Angeles MOS-3		125,000,000	45,000,000

BUS CAPITAL

	Earmarked Amounts	
	House	***Senate***
South Bend Intermodal Facility	5,000,000	
0		
(✡Need full amount)		
New Rochelle Intermodal Facility	1,500,000	0
(✡Need full amount)		
*Hamilton Twnshp. (N.J.) Interm. Fac./Bus Maint.	0	25,000,000
*Garden State Pkwy. (N.J.) Park-n-Ride Interch.	165	0
2,300,000		
Norwich Intermodal Center	3,000,000	0
New Orleans Bus Garage	6,000,000	
0		
El Paso Satellite Transit Terminal	1,500,000	0
Worcester Intermodal Center	4,000,000	0
Kansas City Union Station Intermodal	0	
13,000,000		

*New Jersey would prefer to have full $85,500,000 figure for Urban Core and take a partial hit on these two bus capital projects

NMB/3/350

- Seek political advice from former senior staff, get information from them, and attend social functions with them.
- Make fact-finding trips that are reimbursed by the private sector, rather than at taxpayer expense.
- Allow official staff to use their free time to volunteer in Members' re-election campaigns.
- Expend campaign funds for a wide range of political purposes, within the broad discretion of the Members or their campaign officials.

Unclear, however, is when the limits of those principles are reached – other than by subjective assessment. If anything of lasting use is to emerge from this lengthy and costly process, then the rules going forward deserve clear articulation.

Until this investigation, charges that a Member's conduct did not reflect "creditably" on the House were reserved primarily for the type of personal misbehavior that unquestionably is not involved here. *See, e.g.*, **In the Matter of Representative Gus Savage, H.R. Rep. No.** 101-307, at 14 (1990) (using Rule 43(1) to sanction a Member's sexual harassment of a Peace Corps volunteer); **In the Matter of James C. Howarth, H.R. Rep. No.** 98-548, at 4 (1983) (sanctioning sexual relationship with female page and narcotics-related misconduct); **In the Matter of Representative Gerry E. Studds, H.R. Rep. No.** 98-295, at 1 (1983) (sanctioning sexual advances towards and a relationship with various male pages); **In the Matter of Representative Daniel B. Crane, H.R. Rep. No.** 98-296, at 1 (1983) (sanctioning sexual relationship with female page).

If the House now intends to use that rule more broadly to regulate a Member's official and political actions, then Members deserve the benefit of clear standards for compliance. Given the rule's current lack of objective – or even articulable – standards, we can respond to the Subcommittee Report only by explaining why – on the facts – Representative Shuster believed his conduct met the standards of the House and of governing law. In doing so, moreover, we can only speak to the facts as we understand them, given that the Subcommittee consistently has denied our

Worcester Intermodal Center	4,000,000	0
Kansas City Union Station Intermodal	0	13,000,000

*New Jersey Transit would prefer to have full $85,500,000 figure for Urban Core and take a partial hit on these two bus capital projects

EXHIBIT 124

DMJM

memorandum

CONFIDENTIAL

TO :

FROM : Mr. Gilbert L. Butler GLB

DATE : July 13, 1995

SUBJECT : Ann Eppard's Contract

Ray Holdsworth attempted to telephone you this morning but was unable to reach you. He has asked me to write you that he is embarrassed to learn from Ann Eppard that she is still not under any form of a contract through John Cahill. Ann is also publicly embarrassed because she told Congressman Schuster and others on the hill that she was under contract which was an important aspect in obtaining the $15 million appropriation.

Ray also wanted me to let you know that the people in Miami have contacted her about representing them instead of Puerto Rico. Because Ann is so embarrassed by the lack of cooperation from John Cahill she will not now accept a contract through him. Therefore, we need to know from you by Friday noon in writing if the GMAEC is authorized to enter into a task order contract with Ann Eppard for $75K annually. If not, we will tell her to take the Miami offer which is DMJM's next major client.

We are concerned that John Cahill's nonresponsiveness with Ann Eppard, thus the Republican side, could significantly jeopardize the $15 million in committee as well as losing ISTEA reauthorization next year. Ray is bewildered by the manner in which this has been handled, particularly since you had promised both him and Nancy Butler it was taken care of. If you feel that you do not need DMJM's resources to help you in Washington we will accept that and use those resources elsewhere.

GLB/mlr

cc: C. Canino
S. González
R. Holdsworth

mlr.024

Daniel, Mann, Johnson, & Mendenhall
3250 Wilshire Boulevard
Los Angeles, California 90010-1599
Telephone: 213/381-3663
Telex: 6720619 DMJM LA Fax: 213/383-3654

Planning
Architecture
Engineering
Program/Construction
Management

EXHIBIT 125

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(202) 225-7103

ONE HUNDRED SIXTH CONGRESS

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, DC 20515-6328

July 27, 2000

Representative E.G. "Bud" Shuster
2188 Rayburn House Office Building
Washington, D.C. 20515

Re: In the Matter of Representative E.G. "Bud" Shuster

Dear Representative Shuster:

This is to inform you that pursuant to Committee Rule 27(b), the Committee on Standards of Official Conduct has approved your waiver of an adjudicatory hearing under Committee Rule 24 and your waiver of a written settlement agreement under Committee Rule 27 (h).

Sincerely,

Lamar Smith
Representative Lamar Smith
Chairman

Howard L. Berman
Representative Howard L. Berman
Ranking Minority Member

cc: Reid Weingarten, Esq.

U.S. House of Representatives

Committee on Standards of Official Conduct

In the Matter of Representative E. G. "Bud" Shuster

Waivers

1. I hereby waive my right to an adjudicatory hearing in the instant matter pursuant to Rule 24 of the Committee on Standards of Official Conduct.

2. I hereby waive my rights under Rule 27(h) of the Committee on Standards of Official Conduct.

Bud Shuster 7/26/00
Representative E. G. "Bud" Shuster Date

Reid H. Weingarten (Bud) 7/26/00
Reid H. Weingarten Date
Counsel to Representative Shuster

PATTON BOGGS LLP
ATTORNEYS AT LAW

RECEIVED
00 SEP 28 PM 3:53
COMMITTEE ON STANDARDS

2550 M Street, NW
Washington, DC 20037-1350
202-457-6000
Facsimile 202-457-6315
www.pattonboggs.com

September 28, 2000

VIA HAND DELIVERY

The Honorable Joel Hefley
The Honorable Zoe Lofgren
Committee on Standards of Official Conduct
HT-2 Capitol Building
Washington, DC 20515-6328

Re: In the Matter of Representative Bud Shuster

Dear Chairman Hefley and Representative Lofgren:

Please find enclosed a replacement original (and Word format disk) of Representative Bud Shuster's Views Regarding the Investigative Subcommittee's Final Draft Report. The only changes from the version submitted on September 26, 2000 are page references to the Subcommittee Report, which now cite to the Subcommittee's final Report dated September 27, 2000.

Representative Shuster again asks that he be given advance notice of the Subcommittee's schedule for the transmission to the full Committee, and for the public release, of the Report and his response.

Respectfully submitted,

Benjamin L. Ginsberg
Mitchell R. Berger

Enclosures

cc: The Honorable Bud Shuster
Reid H. Weingarten, Esq.
Virginia H. Johnson, Esq.
Paul Lewis, Esq.

UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

IN THE MATTER OF REPRESENTATIVE E.G. "BUD" SHUSTER

REPRESENTATIVE BUD SHUSTER'S VIEWS REGARDING
THE INVESTIGATIVE SUBCOMMITTEE'S FINAL DRAFT REPORT*

***Committee note**: Notwithstanding use of the term "Draft" in this document, these Views of Representative Shuster incorporate changes made by counsel to Representative Shuster in response to the Investigative Subcommittee's *final* Report.

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- Seek political advice from former senior staff, get information from them, and attend social functions with them.
- Make fact-finding trips that are reimbursed by the private sector, rather than at taxpayer expense.
- Allow official staff to use their free time to volunteer in Members' re-election campaigns.
- Expend campaign funds for a wide range of political purposes, within the broad discretion of the Members or their campaign officials.

Unclear, however, is when the limits of those principles are reached – other than by subjective assessment. If anything of lasting use is to emerge from this lengthy and costly process, then the rules going forward deserve clear articulation.

Until this investigation, charges that a Member's conduct did not reflect "creditably" on the House were reserved primarily for the type of personal misbehavior that unquestionably is not involved here. *See, e.g.*, **In the Matter of Representative Gus Savage, H.R. Rep. No.** 101-307, at 14 (1990) (using Rule 43(1) to sanction a Member's sexual harassment of a Peace Corps volunteer); **In the Matter of James C. Howarth, H.R. Rep. No.** 98-548, at 4 (1983) (sanctioning sexual relationship with female page and narcotics-related misconduct); **In the Matter of Representative Gerry E. Studds, H.R. Rep. No.** 98-295, at 1 (1983) (sanctioning sexual advances towards and a relationship with various male pages); **In the Matter of Representative Daniel B. Crane, H.R. Rep. No.** 98-296, at 1 (1983) (sanctioning sexual relationship with female page).

If the House now intends to use that rule more broadly to regulate a Member's official and political actions, then Members deserve the benefit of clear standards for compliance. Given the rule's current lack of objective – or even articulable – standards, we can respond to the Subcommittee Report only by explaining why – on the facts – Representative Shuster believed his conduct met the standards of the House and of governing law. In doing so, moreover, we can only speak to the facts as we understand them, given that the Subcommittee consistently has denied our

UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

IN THE MATTER OF REPRESENTATIVE
E.G. "BUD" SHUSTER

REPRESENTATIVE BUD SHUSTER'S VIEWS REGARDING
THE INVESTIGATIVE SUBCOMITTEE'S FINAL DRAFT REPORT

I. INTRODUCTION

After a four-year investigation involving 150 subpoenas, 75 witness interviews, and 33 depositions, the Investigative Subcommittee and Representative Shuster have agreed to put this controversy to rest with a negotiated settlement fundamentally involving an "appearance of impropriety." Sparing all concerned the destructive ordeal of lengthy hearings to debate allegations involving his conduct back to 1993, Representative Shuster agreed to a single count charging essentially that public perception of his conduct did not reflect creditably on the United States House of Representatives. The charge bears no relationship to the broad and sensational allegations of a Ralph Nader group complaint that initiated this process. More fundamentally, the Investigative Subcommittee ("Subcommittee") acknowledges that there was no merit to those sensational allegations, and that there is not a single instance when Representative Shuster took legislative action to benefit private interests instead of the public good.

Representative Shuster has served in the House for a quarter of a century, and he is devoted to it as an institution that serves the public good. Out of respect for the House and for his colleagues, Representative Shuster has put aside his natural inclination to protest the injustice and untruth of so much that has been said against him, and to accept a letter of reproval to end this lengthy process. Having given his pledge that he would accept a letter of reproval – for the good of

the House, of his colleagues and of his family – Representative Shuster was disappointed that the Subcommittee Report chose to digress into whether such a letter was a satisfactory resolution. After all, Representative Shuster could just as easily explain here why a letter of reproval is, in his judgment, overkill for the charge of causing misguided public perceptions – particularly when those subjective perceptions were contrary to the objective truth. The truth is that – under every statute Congress has adopted to regulate contacts between lobbyists and Members – Representative Shuster's interaction with Ann M. Eppard (his former Chief of Staff and chief campaign advisor) complied with the law, and with his understanding of what was right. The truth is that Representative Shuster made every effort to properly account for the expenses of his fact-finding trips, and to publicly disclose his accounting, in keeping with the conduct of his colleagues. The truth is that Representative Shuster always welcomed the fact that his staff chose to volunteer in his re-election campaigns, and made sure official work came first and was never sacrificed for campaign work. The truth is that Representative Shuster's campaign successfully raised substantial funds, used them for proper purposes, and protected the taxpayer from paying a penny for any expense that could just as properly be paid from campaign funds. Fundamentally, the fact that both Representative Shuster and the Subcommittee believe that they could debate these issues endlessly shows – perhaps better than any legal argument – why respect for the House, for history, and for the ethics process is best served by a negotiated armistice.

Of greater concern to Representative Shuster than the debate over the past is whether other Members can truly learn from the Subcommittee's Report how not to fall into a future charge that their own conduct did not reflect creditably on the House. The subjective standards by which Representative Shuster's past conduct have been criticized in the Report cannot be distilled into any clear and objective formulation for future guidance of Members. Indeed, the Subcommittee Report repeatedly acknowledges that Members may continue, without violating any rule, to:

- Seek political advice from former senior staff, get information from them, and attend social functions with them.
- Make fact-finding trips that are reimbursed by the private sector, rather than at taxpayer expense.
- Allow official staff to use their free time to volunteer in Members' re-election campaigns.
- Expend campaign funds for a wide range of political purposes, within the broad discretion of the Members or their campaign officials.

Unclear, however, is when the limits of those principles are reached – other than by subjective assessment. If anything of lasting use is to emerge from this lengthy and costly process, then the rules going forward deserve clear articulation.

Until this investigation, charges that a Member's conduct did not reflect "creditably" on the House were reserved primarily for the type of personal misbehavior that unquestionably is not involved here. *See, e.g.*, **In the Matter of Representative Gus Savage, H.R. Rep. No.** 101-307, at 14 (1990) (using Rule 43(1) to sanction a Member's sexual harassment of a Peace Corps volunteer); **In the Matter of James C. Howarth, H.R. Rep. No.** 98-548, at 4 (1983) (sanctioning sexual relationship with female page and narcotics-related misconduct); **In the Matter of Representative Gerry E. Studds, H.R. Rep. No.** 98-295, at 1 (1983) (sanctioning sexual advances towards and a relationship with various male pages); **In the Matter of Representative Daniel B. Crane, H.R. Rep. No.** 98-296, at 1 (1983) (sanctioning sexual relationship with female page).

If the House now intends to use that rule more broadly to regulate a Member's official and political actions, then Members deserve the benefit of clear standards for compliance. Given the rule's current lack of objective – or even articulable – standards, we can respond to the Subcommittee Report only by explaining why – on the facts – Representative Shuster believed his conduct met the standards of the House and of governing law. In doing so, moreover, we can only speak to the facts as we understand them, given that the Subcommittee consistently has denied our

repeated requests for access to the documents and testimony it has gathered over the last four years. Representative Shuster was never, at any point during this lengthy investigation, afforded the opportunity to view the evidence, if any, against him. Nor was he allowed to confront the witnesses, if any, against him. If he had chosen to put his family, friends, and the House through the ordeal of adjudicatory proceedings, Representative Shuster believes the allegations aired throughout this process would be seen as misunderstandings and misapprehension.

In accepting a letter of reproval as a negotiated settlement, Representative Shuster believes that the specific actions at issue here should be placed in the context of his full career of service to the public and to the House. By any benchmark, Representative Shuster's career of service in the House has been one that has brought credit to the House, and that has benefited the public. In the 14 terms that Representative Shuster has been in Congress, he has served his country in every capacity that he could find. He has served on the Committee on the Budget and its Defense Task Force, the Committee on Education and the Workforce and its Subcommittee on Higher Education, as Chairman of the Republican Policy Committee, and as a delegate to NATO's North Atlantic Assembly. Using the knowledge that he gained during Army service, he has also been Ranking Member of the Select Intelligence Committee. During this time, Congressman Shuster served on the Subcommittees on Human Intelligence, Analysis & Counterintelligence, and Technical & Tactical Intelligence, where he supported and authored several important pieces of intelligence legislation, including a highly classified project which was credited with making a significant contribution to America's success in the Gulf War.[1]

Currently, Representative Shuster serves as the Chairman of the Committee on Transportation & Infrastructure, which includes jurisdiction over highways, transit, railroads,

[1] In appreciation for his efforts, American soldiers presented Representative Shuster with an Iraqui battle flag captured during the war.

aviation, water resources, economic development, Merchant Marine, Coast Guard, and public buildings and grounds. The largest Committee in Congress, it is this Committee which builds America; this Committee which oversees our nation's great highway, aviation, rail and maritime transportation systems; this Committee which constructs our environmental infrastructure, which oversees our Coast Guard, the Smithsonian Museum and all of our nation's public buildings. The Committee's role extends across the entire spectrum of American life, from coastal lighthouses to towering river dams, from the building of rural post offices to erection of the monumental John F. Kennedy Center for the Performing Arts that stands on the Potomac shore. The Committee's concerns embrace seashore erosion, rural and urban watershed, disaster relief, and the economic development of depressed areas around the country, where Federal help must be provided to bring jobs to American citizens, and new life to their communities.

In his capacity as Chairman, Representative Shuster has worked tirelessly, and has been a principal author of most of America's transportation legislation during the past two decades. Representative Shuster helped author the Surface Transportation Act of 1982, the Surface Transportation and Uniform Relocation Assistance Act of 1987, and the landmark Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), an historic, six-year, $157 billion transportation law that affirmed the interstate legacy of transportation as the lifeblood of the American economy, and personal mobility as an American ethos. Representative Shuster's work for the American people did not stop, or even slow, during the course of the Subcommittee's wide-ranging inquiry. Rather, Representative Shuster oversaw passage of the Transportation Equity Act for the Twenty-First Century of 1998 (TEA-21), an historic $218 billion law to unlock transportation trust funds so that those funds could be spent as they were intended, and without increases in taxes. This year Representative Shuster is credited with being the driving force behind The Aviation Investment Reform Act of the 21st Century ("AIR-21"), an historic $40 billion law that

unlocks the aviation trust fund and reforms the air-traffic control system to deal with the growing demands on America's air transportation network, without raising taxes.

With each bill that Representative Shuster has authored, supported, and helped pass through Congress, he has endeavored to keep faith with the American people by improving roads, bridges, and transit systems, protecting the environment and national landmarks. It is no exaggeration to say that most of the highways on which more than 200 million Americans drive their cars every day owe their continued existence in significant part to the efforts of Representative Shuster.

Sponsoring legislation is, of course, only a fraction of the work that Representative Shuster has performed in his tenure as a Congressman. Representative Shuster has tirelessly traveled to visit numerous cities, in an effort to see firsthand America's tremendous transportation needs. Representative Shuster's tours have shined a spotlight on some of the nation's major infrastructure needs, and focused attention on the Federal, state, and local partnerships required to meet those needs. Representative Shuster has worked to give a higher profile to transportation issues in the federal budget, emphasizing that the key fuel behind a growing economy is a modern, efficient transportation system that moves goods quickly, cheaply and safely.

Representative Shuster's legislative accomplishments lay alongside his truly unique political achievements. He is the only Pennsylvanian in history to win both Republican and Democratic Congressional nominations nine times. He has authored an award winning book, "Believing in America" (Morrow, 1983), a first novel, "Double Buckeyes" (White Mane Books, 1999) and a forthcoming novel, "Secret Harvest," the royalties of which are being donated to Children's Miracle Network. He has received numerous awards, including: "Watchdog of the Treasury Award" for his efforts to control government spending; "Guardian of Small Business Award" for his efforts on behalf of the free enterprise economy; the "Golden Age Hall of Fame Award" for his efforts on behalf of senior citizens; the "National Security Leadership Award" for his support of a strong

national defense; and special awards from the Pennsylvania Academy of Science and the American Society of Highway Engineers. In short, Representative Shuster is a man whose legislative work for almost three decades has been the building of the American infrastructure, the protection of the weak and the wronged, and the development of America's resources for the betterment of all its people.

II. EXECUTIVE SUMMARY

Representative Shuster has agreed to accept a letter of reproval from the Committee on Standards that fully resolves the single allegation against him and closes the investigation. The Statement of Alleged Violation ("SAV") to which Representative Shuster agreed states that he engaged in conduct that did not reflect creditably on the House of Representatives in violation of former House Rule 43, Clause 1. This charge is based on the "**appearance** of impropriety" created by apparent failures to closely supervise employees, maintain detailed campaign expense records, and *de minimis* violations of two House Rules. While the brief SAV accurately states the minor violation at issue, the accompanying Subcommittee Report ("Report") overstates the facts and law on which the Subcommittee relies. Representative Shuster will take this opportunity to clarify the law and the facts relevant to the Subcommittee's Report. It is also Representative Shuster's hope that the Committee will take note of the areas where ethical requirements are not well defined. By clarifying the ethical obligations of each Member, the Committee can ensure that no other Member can similarly be criticized based on largely subjective standards, applied after-the-fact.

The single charge in the SAV raises five different issues. Count I(a) states that Representative Shuster engaged in a pattern and practice of knowingly allowing Ann M. Eppard to appear before or communicate with him in his official capacity, during the 12-month period following her resignation as his chief of staff, on occasions and in a manner that could create an **appearance** that his official decisions **may** have been affected. However, the Investigative

Subcommittee expressly disavowed any finding that 18 U.S.C. § 207 was violated, meaning that Mrs. Eppard did not in fact communicate with or appear before Representative Shuster with the intent to influence his official action on any matter during a twelve month cooling-off period following the end of her government service. The Investigative Subcommittee further concluded that Representative Shuster did not provide any improper legislative benefits to any of Mrs. Eppard's clients. Consequently, this part of the SAV rests on only the misguided conclusions drawn by observers of Mrs. Eppard's access to Representative Shuster during the twelve months after she left his office – access that was primarily based on her ongoing role as his chief campaign advisor, and the need for her knowledge and expertise during the difficult transition to her replacement as Chief of Staff. These are common events on Capitol Hill. The Report finds no evidence that Mrs. Eppard attempted to influence or "lobby" Representative Shuster on any official matter during the cooling-off period. To the contrary, the evidence received by the Subcommittee revealed that Mrs. Eppard and Representative Shuster sought to understand the restrictions imposed during Mrs. Eppard's cooling-off period, and to comply in good faith with their ethical requirements. Representative Shuster's official decisions were not improperly affected as a result of Mrs. Eppard's "access." But Representative Shuster acknowledges that his contact with Mrs. Eppard during the cooling-off period could have created an **appearance** of impropriety.

Count I(b) concerns House Gift Rules implicated by Representative Shuster allowing the Outdoor Advertising Association of America ("OAAA") and Daniel, Mann, Johnson and Mendenhall ("DMJM") to defray certain expenses related to a trip with his family to Puerto Rico in late December 1995 and early January 1996. Although the Report suggests that Representative Shuster should not have accepted any expenses from private sponsors because the trip was "recreational," it acknowledges that Representative Shuster had fact-finding meetings relating to transportation and infrastructure needs and projects in Puerto Rico. The Puerto Rico trip was a

legitimate fact-finding trip directly related to Representative Shuster's official duties, and he believed in good faith that his acceptance of his and his wife's travel expenses from the two private sponsors that arranged the trip was permissible. Contrary to any insinuation that Representative Shuster believed the trip was an impermissible gift, Representative Shuster reported the trip and its sponsors on his 1995 and 1996 financial disclosure reports. While Representative Shuster was also accompanied on the trip by other family members who stayed in the accommodations provided by his sponsors, the cost of the accommodations provided was comparable to the cost of a hotel room at an area resort, and thus Representative Shuster's sponsors did not incur any significant additional expense as a result of these family members sharing his accommodations. Representative Shuster chose to agree to this portion of the SAV because he acknowledges, in retrospect, that the sharing of accommodations with other family members constituted an unintentional, *de minimis* violation of the gift rule.

Count I(c) alleges a *de minimis* violation of former House Rule 45, because Representative Shuster supposedly authorized or accepted the scheduling and advisory services of Ann M. Eppard on matters that were official in nature for several months after she resigned from his congressional office. Mrs. Eppard resigned as Representative Shuster's chief of staff after twenty-two years of service, in September 1994, before the 1994 elections, as did many Federal employees who had a one-time chance to receive a pay-out of their retirement funds. After the elections placed Representative Shuster as Chairman of the Transportation and Infrastructure Committee, there were vastly increased demands on Representative Shuster's time, occurring simultaneously with the transition to a new chief of staff in his office. Representative Shuster's office staff sought out the advice and assistance of Mrs. Eppard on scheduling matters during this transitional period because of Mrs. Eppard's experience and familiarity with the vastly increased number of individuals and organizations that requested appointments with Representative Shuster. In addition, Mrs. Eppard

remained Representative Shuster's political advisor and legitimately offered her advice on the scheduling of appointments with political or campaign-related ramifications. Although the Report alleges that appointment requests from Mrs. Eppard's clients were among the many requests she reviewed, the Subcommittee elsewhere concluded that neither Mrs. Eppard nor her clients received any improper legislative benefits from Representative Shuster. The Report also contains no evidence that Mrs. Eppard sought to give her scheduling advice in order to advance her clients' interests. Thus, at no point did any of this scheduling activity improperly influence the outcome of Representative Shuster's official duties. These circumstances amount to no more than a *de minimis* infraction of House Rule 45, involving conduct considerably less noteworthy than conduct that has passed prior scrutiny by House and Senate ethics committees.

Count I(d) relates to Representative Shuster's role as an office manager, and concerns whether the employee absence procedures in his office allowed for an **appearance** that congressional employees worked for his political campaign, the "Bud Shuster for Congress Committee" ("BSCC"), to the **apparent** detriment of the time they were required to spend on official duties. However, any "**appearance**" that congressional employees were paid official salaries for time spent volunteering for the BSCC is directly contradicted even by the testimony set forth in the Report. Representative Shuster's employees consistently testified that office policy permitted employees to volunteer for the BSCC so long as they completed their official duties on schedule, using evenings and weekends when necessary. The Committee on Standards has recognized that such a policy is appropriate given the unconventional nature of congressional work hours. Representative Shuster acknowledges that the lack of detailed documentation made it impossible to conclusively demonstrate that his congressional employees completed all of their official duties on schedule while volunteering for the BSCC. Despite any "**appearance**" of impropriety, however, the

SAV does not charge that any of Representative Shuster's employees in fact worked for the BSCC to the detriment of their official duties.

Count I(e) states that the number and dollar amount of expenditures by the BSCC contained in Federal Election Commission ("FEC") reports for meals designated as political meetings, and for transportation on chartered airplane flights, combined with inadequate record-keeping by the campaign, created the **appearance** that certain expenditures **may** not have been attributable to bona fide campaign or political purposes. Juxtaposed with this **"appearance"** finding, however, the Subcommittee found no evidence that Representative Shuster made improper personal use of campaign funds. Seemingly, the Subcommittee instead required Representative Shuster to "prove his innocence" with respect to more than 675 expenses over a six year period. While the Report faults Representative Shuster for "inadequate" record-keeping, it cites no House Rule or FEC regulation that required members to maintain the detailed documentation apparently desired by the Investigative Subcommittee. In fact, the BSCC expenditures were legitimate and reported to the FEC as required. Nonetheless, Representative Shuster acknowledges that the BSCC could have eliminated any mistaken **appearance** of impropriety by maintaining more detailed documentation concerning its expenditures, had it been aware of the heightened standards that would be applied after-the-fact.

The charges contained in the Subcommittee's SAV bear no resemblance to the overblown allegations conveyed to the Committee under questionable circumstances in order to initiate this investigation. Consequently, the decision to conclude this investigation was not an easy one for Representative Shuster to make. But with this four-year long ordeal finally at an end, and with the Subcommittee rejecting the many wild accusations that have been made against him by political detractors and reprinted in the media, Representative Shuster is pleased to continue the work of the

American people, and to stand for re-election before the constituents he has served and the people who know him best.

III. HISTORY OF PROCEEDINGS

The investigation into Representative Shuster's conduct began on September 5, 1996, the last hour of the last day that complaints could be filed before the pre-election moratorium of the second session of the 104th Congress, when the Ralph Nader-led Congressional Accountability Project filed its complaint ("Complaint"). Despite the fact that the Complaint was both procedurally and substantively deficient, the Committee decided against its dismissal.

The Complaint repeated almost verbatim fanciful stories that had been told in the press regarding the actions of Mrs. Eppard, following her tenure working for the Congressman. Among the most spurious of these allegations was the insinuation that Mrs. Eppard, while working as a lobbyist, had sought to obtain "special favors" for her clients that were not available to members of the public. *See* Letter from Gary Ruskin to Honorable Nancy Johnson, Chairwoman, House Committee on Standards of Official Conduct, *Re: Ethics Complaint Against Representative Bud Shuster*, September 5, 1996. The complaint also made several other baseless allegations:

- That Mrs. Eppard had provided improper gifts to the Congressman. *See id.* at 6-7.
- That Mrs. Eppard's clients had received significant legislative benefits from Chairman Shuster and the House Transportation and Infrastructure Committee. *See id.* at 7-10.
- That Representative Shuster had violated a federal gratuity statute. *See id.* at 10-12.
- That Representative Shuster improperly intervened with federal agencies on behalf of a private individual. *See id.*

The Subcommittee Report now rejects all of these allegations.

Despite House Rule 10's prohibition against accepting unsworn complaints, or complaints filed by non-Members prior to submission to, and a written refusal signed by, three Members for

transfer to the Committee, the Committee pursued the complaint. On November 9, 1997, the Committee formed an Investigative Subcommittee, which later expanded its investigation into areas not mentioned in the original Complaint. By letter dated February 17, 1998, the Subcommittee notified Representative Shuster that it was authorizing the issuance of subpoenas. During the course of the investigation, the Subcommittee issued no less than 150 subpoenas, which were extremely broad and burdensome. The Subcommittee issued subpoenas to members of Representative Shuster's family, to his political supporters and to the clients of Mrs. Eppard. In all, the Subcommittee interviewed 75 individuals, and deposed 33 of these individuals. The Subcommittee also deposed Mrs. Eppard over the course of two days. In order to avoid inflicting on his colleagues, family, and the House of Representative what would no doubt have been a contentious hearing process, Representative Shuster accepted the invitation to have settlement negotiations with the Subcommittee. On July 26, 2000, Representative Shuster agreed to accept the single-count SAV involving the subjective standard of old House Rule 43(1). The nucleus of the negotiated settlement was the Subcommittee's agreement that a letter of reproval would be the sanction for the infraction charged in the SAV.

The Subcommittee found no credible evidence that any of Mrs. Eppard's clients ever received inappropriate legislative benefits. Report at 120-29, 133-38. The Subcommittee found no credible evidence that Representative Shuster received illegal gratuities or gifts from Mrs. Eppard. Report at 129-32, 138-39. And finally, the Subcommittee found no credible evidence that Representative Shuster improperly intervened with federal agencies on behalf of certain citizens. Report at 139-42. In short, the Subcommittee confirmed that the principal allegations of the original complaint were entirely baseless.

In November 1999, while the Subcommittee continued this investigation, federal prosecutors in Boston dropped all charges of an indictment against Mrs. Eppard and accepted in its

place a plea to a single misdemeanor. The prosecutors also insisted on Mrs. Eppard's agreement not to sue the federal government for malicious prosecution. Earlier on, it had been made clear that Representative Shuster was neither a subject nor a target of the grand jury investigation. With the misdemeanor plea and the dismissal of the indictment against Mrs. Eppard, federal prosecutors also publicly announced that their investigation was at an end and would not involve Representative Shuster in any way.

IV. RESPONSE TO THE SUBCOMMITTEE'S STATEMENT OF ALLEGED VIOLATIONS AND ACCOMPANYING REPORT

After more than six weeks of preparation, on September 14, 2000, the Subcommittee delivered to Representative Shuster its final draft Report summarizing its views. In order to assure that this process was brought to its negotiated conclusion at the earliest possible time, Representative Shuster agreed to submit this response by September 25, 2000. Because the document that Representative Shuster received from the Subcommittee was styled a draft report, this response must be understood as a draft as well. Should the Subcommittee's final Report be altered from the draft, it is only fair that Representative Shuster be afforded the opportunity to respond to such alterations.

A. SAV ¶4(a)

The Subcommittee's Allegation:

The first allegation of the SAV charges that Representative Shuster's conduct did not reflect creditably on the House of Representatives, in violation of former Rule 43, Clause 1 when he:

> engaged in a pattern and practice of knowingly allowing Ann. M. Eppard to appear before or communicate with him in his official capacity, during the 12-month period following her resignation as his chief of staff, on occasions and in a manner that created the appearance that his official decisions might have been improperly affected.

SAV ¶4(a).

Response:

The Report identifies several instances where the Subcommittee believes Representative Shuster's and Mrs. Eppard's contacts constituted activities that, while not in violation of 18 U.S.C. § 207(e)(2), nevertheless appeared to the Subcommittee to run afoul of a previously unidentified "underlying policy" of Section 207. Although the Subcommittee made reference to some 40 events (Report 10-31), they easily fall into no more than five commonplace scenarios, none of which violates Section 207, its spirit, or its underlying policy:

Scenario 1: Mrs. Eppard helped to organize and participated in factual briefings for Representative Shuster concerning a government funded transportation project managed in part by of one of her clients, DMJM. (Report at 14-18, Trip to Puerto Rico).

Scenario 2: Mrs. Eppard organized and/or attended meals involving her clients and Representative Shuster, at two of which clients of Mrs. Eppard, in her presence, did nothing more than "discuss[] issues of interest" or "problems" with Representative Shuster. (Report at 14-18, Puerto Rico; 18, Amtrak Lunch; 18-19, Conrail Dinner; 19-21, Other Dinners; and 29-30, Dinners in Rayburn).

Scenario 3: Mrs. Eppard traveled with Representative Shuster and others at a time when she was retained by clients interested in legislative issues within the general jurisdiction of the Committee on Transportation and Infrastructure. (Report at 14-18, Trip to Puerto Rico; 25-29, travel on Federal Express Corporate Jet).

Scenario 4: Mrs. Eppard scheduled meetings involving her clients and Representative Shuster. (Report 21-24, Meetings on behalf of Amtrak, Pennsylvania Turnpike Commission and Carmen Group).

Scenario 5: Mrs. Eppard introduced certain of her clients to Representative Shuster, in his office, and then excused herself from the meeting that took place. (Report at 24-25, Introduction of Clients).

Each scenario is discussed below, after a review of the applicable legal guidelines.

The Subcommittee invokes the "underlying policy" of 18 U.S.C. Section 207(e)(2) as the fulcrum for finding a violation of Rule 43, Clause 1. Report at 31. By importing Section 207 and its "underlying policy" into the House rules, however, the Subcommittee is constrained to interpret Section 207 consistent with its plain language and with the longstanding interpretive guidance issued

by the agencies that administer it. The Subcommittee concluded that Representative Shuster did not violate Section 207, but that he acted inconsistently with the Subcommittee's view of Section 207's supposed underlying policy, in such a way as to create an **appearance** of impropriety. The Subcommittee never explains how Representative Shuster could violate the underlying policy without violating the law. Members of Congress know that their legislative work is to draft clear laws, and that legislative policy is expressed in the plain language of those laws.

The "underlying policy" of Section 207, therefore, must be determined in the first instance by reference to the plain language of the statute, as it has been enforced by the agencies with jurisdiction over it. Under the plain language of Section 207(e)(2) and longstanding Office of Government Ethics ("OGE") interpretive guidance, all of the interaction between Representative Shuster and Mrs. Eppard fell outside the scope of "lobbying," and thus did not violate either the letter or the spirit of Section 207. Indeed, the Subcommittee Report itself takes pains – as it should – to disavow any suggestion that either Representative Shuster or Mrs. Eppard violated the law. Report at 11-12, 30-31.

As the Subcommittee is aware, both Representative Shuster and Mrs. Eppard repeatedly sought and obtained guidance from the Committee's own counsel regarding the scope of their permissible communications following her retirement from government service. At base, the advice was that Mrs. Eppard was free to communicate with and appear before Representative Shuster in the political and social spheres, but could not "lobby" him. The central question, then, is: What is lobbying? In his guidance to them, Committee counsel did not provide Representative Shuster or Mrs. Eppard any definition of lobbying, leaving them to believe that lobbying meant what they – correctly – knew it to mean based on each of their nearly quarter century of experience in the House as of 1994, and based on their common sense.

Committee counsel specifically advised Representative Shuster that, because Mrs. Eppard was a personal friend, as defined by the Committee, and also served as his re-election campaign's Assistant Treasurer, it was permissible for Mrs. Eppard to attend political dinners, discuss campaign information, and to charge those expenses to the campaign committee.[2] Response Exhibit 1. Additionally, according to Committee counsel, social dinners with Mrs. Eppard, despite her status as a lobbyist, were permissible under House Rules. *Id.* Committee counsel never advised Representative Shuster that this type of conduct, although lawful, could nevertheless violate old House Rule 43, Clause 1 by creating an appearance of misconduct. *Id.* Representative Shuster understood, therefore, based on Committee counsel's advice, that so long as Mrs. Eppard did not lobby him, he would not be in violation of any rule.

Historically "lobbying" has generally meant advocacy for a particular legislative outcome. "Lobbying" has never encompassed every interaction between a lobbyist and a Member. In the Lobbying Disclosure Act of 1995, for example, Congress defined "lobbying contact" to mean "any oral or written communication . . . on behalf of a client" concerning legislation or resulting government programs and policies. 2 U.S.C. § 1602(8)(A) (repealed).[3] Congress excluded from the definition of "lobbying contact" any "communication that is – (B)(v) a request for a meeting, a request for the status of an action, or any other similar administrative request, if the request does not include an attempt to influence . . . a covered legislative branch official." 2 U.S.C. § 1602(8)(B)(v). The Lobbying Disclosure Act of 1995 is particularly compelling evidence of what Congress itself

[2] In order to be sure his conduct was proper, Representative Shuster took the additional step of reducing his understanding of his conversations with Committee counsel to writing, which Committee counsel (Mr. Hoskens) approved. By letter dated February 16, 1996, Representative Shuster wrote to Mr. Hoskens and enclosed a transcript of their December 19, 1995, conversation regarding post-employment cooling off periods. Response Exhibit 1.

[3] Specifically, the Act defines "lobbying contact" to communications regarding "(i) the formulation, modification, or adoption, of Federal legislation . . . (ii) the formulation, modification, or adoption of a Federal rule, regulation, Executive order, or any other program, policy, or position of the United States government; (iii) the administration or execution of a Federal program or policy . . .; or (iv) the nomination or confirmation of a person for a position subject to confirmation by the senate." 2 U.S.C. § 1602(8)(A) (repealed).

thought was necessary for a communication to constitute lobbying at the precise time of Mrs. Eppard's 12-month cooling-off period. Under this standard, Mrs. Eppard did not lobby Representative Shuster at any point during the cooling-off period. The Subcommittee has not alleged, and the contacts did not encompass, any discussion of "the formulation, modification, or adoption," of Federal legislation, rules, regulations or orders; or the administration of federal programs; or executive appointments.

The Supreme Court itself has interpreted the word lobbying only in its "commonly accepted sense – to direct communication with members of congress on pending or proposed federal legislation." *United States v. Harriss*, 347 U.S. 612, 620 (1954) (internal citations omitted); *see also Zwickler v. Koota*, 290 F. Supp. 244, 256 (E.D.N.Y. 1968) (recognizing that the Supreme Court had restricted the definition of lobbying to direct communications with members of Congress, designed to influence, directly or indirectly the passage or defeat of any legislation by the Congress).

1. Because Section 207 Prohibits Only Advocacy, the Evidence Before the Subcommittee Makes Clear that No Violation of Section 207 Occurred.

By its plain language, Section 207(e)(2) prohibits only those cooling-off period communications or appearances by a Member's former staff that are knowingly made with "intent to influence . . . action" on a "matter" within the "official capacity" of the former employer-Member:

> (2) Personal staff. – (A) Any person who is an employee of a . . . Member of the House of Representative and who, within 1 year after the termination of that employment, knowingly makes, with the intent to influence, any communication to or appearance before any of the persons described in subparagraph (B), on behalf of any other person (except the United States) in connection with any matter on which such former employee seeks action by a Member, officer, or employee of either House of Congress, in his or her official capacity, shall be punished as provided in section 216 of this title.

> (B) The persons referred to in subparagraph (A) with respect to appearance or communications by a person who is a former employee are the following:
>
> (i) the Senator or Member of the House of Representatives for whom that person was an employee; and
>
> (ii) any employee of that Senator or Member of the House of Representatives.

18 U.S.C. § 207(e)(2).

In short, Section 207(e)(2) prohibits only **knowing** and **intentional** advocacy concerning the outcome of a legislative matter. Even then, former staff remain free to engage in such advocacy immediately after retirement in communications and appearances before any Member (and all Committees) other than the former employer. And, even then, former staff remain free to engage in such advocacy in communications and appearances before the former employer once the cooling off period expires.

a. OGE Interpretations.

The limited scope of Section 207(e)(2) is well established by OGE interpretations of comparable Executive Branch provisions of Section 207. As OGE has summarized the scope of Section 207, "the statute only prohibits representational activity, *i.e.*, communications or appearances made to a Government employee with the intent to influence." Letter from OGE, to A Division Chief of a Departmental Component, 1996 WL 931730 *4 (Nov. 5 1996) (herein, "*11/5/96 OGE Letter*"). It is this "intent to influence" requirement that limits Section 207's prohibition to advocacy, *i.e.*, the kind of "representational activity" that involves advocating a specific outcome on a discretionary or disputed matter under government consideration.

OGE has made clear that "[a]n intent to influence is an essential element of the criminal statute." *Id.* OGE has said that:

> [A]n intent to influence may be found if the communication or appearance is made for the purpose of seeking a discretionary Government ruling, benefit, approval or other action, or is made for the purpose of influencing Government action in connection with a matter which the former employee knows involves an appreciable element of dispute concerning the Government action to be taken.

Id. In other words, unless the former staffer is pleading for a discretionary government ruling (dispositive action) or for discretionary government benefits (beneficial action), or for favorable resolution of a dispute, the interaction is not lobbying and is not prohibited.

Members of Congress make hundreds of decisions every day, but not all of them involve dispositive action, beneficial action or taking a position on a dispute through a vote, bill sponsorship or the like. For example, Members decide whether they need facts from, or want to provide facts to, constituents, the public or special interests in order to perform their official functions. When not focused on work, Members decide whether to socialize, and with whom. Naturally, Members also make decisions that affect their political role as incumbent candidates for re-election. Former staff may permissibly communicate with their employer-Member in connection with any of these activities during their cooling off period, and such communications do not amount to prohibited advocacy regarding government decision-making.

Under longstanding interpretations of Section 207 – at least one of which had been issued when Mrs. Eppard retired from government service – former staff may:

- Provide advice and counsel to clients on how to lobby Congress;
- Have factual communications with the former employer-Member, whether asking for factual information relevant to pending legislation, or providing such information – even when directly requested to do so by the Member;
- Have social contact with the Member, including at fundraisers.

Memorandum from OGE to Designated Agency Ethics Officials, General Counsels, and Inspector General Regarding Revised Post-Employment Restrictions of 18 U.S.C. § 207, 1990 WL 485695 *3 (Oct. 26, 1990); *Memorandum from Committee on Standards of Official Conduct to All Congressional Employees* (Oct. 22, 1998) ("10/22/98 Memo"); *11/5/96 OGE Letter*, at *4.

b. OGE Regulations.

OGE's formal regulations concerning comparable Executive Branch provisions of Section 207 further corroborate that Section 207(e)(2) prohibits only advocacy in support of dispositive or beneficial discretionary government action, or favorable resolution of disputes. Like Section 207(e)(2), Section 207(c) prohibits advocacy communications "in connection with any matter" on which the relevant official can take "action." 18 U.S.C. § 207(c). OGE regulations make clear, however, that "any matter" does not mean everything that a government official may think about or do during the day. In interpreting language found in Section 207(c) – and repeated in subsection (e)(2) – OGE regulations state, "the restriction does not encompass every kind of matter, but only a particular one similar to those cited in the statutory language, *i.e.*, any judicial or other proceeding, application, request for a ruling or determination, contract, claim, controversy, investigation, charge, accusation, or arrest." 5 C.F.R. § 2637.204(d).

Further, in delineating the spheres of permissible and impermissible interaction between the former staff and the employer-Member during the cooling-off period, OGE has recognized that any given conversation might leave the realm of the permissible and head toward the impermissible. When that occurs, however, OGE makes clear that the former employee can remain in compliance with the statute simply by "avoid[ing] further participation in the meeting or communication." *11/5/96 OGE Letter* at *4 (*citing* 5 C.F.R. § 2637.201(b)(5)).

c. Statutory Exceptions.

The scope of Section 207(e)(2) is still further confined by the carve-outs from prohibited conduct, which are found in Section 207(j). Recognizing that lobbyists may have co-existing political responsibilities, Section 207(j)(7) allows former staff who are officials of the Member's campaign committee to communicate with the Member in that capacity.

d. The Committee's Issuance of Guidance in 10/98 Regarding the Cooling-Off Period Restrictions.

For the first time, in October 1998, the Committee issued guidance concerning Section 207, which vastly expanded the potential reach of the statute's prohibitions. *10/22/98 Memo.* From October 1998 forward, the Committee expressed the view that – although it had no jurisdiction to enforce Section 207 – the statute should be read to prohibit a former House employee from "openly associat[ing]" with a lobbying client before the former-employer Member during the 12-month cooling-off period. Of course, by the time this advice was given in October 1998, the events described in the Report had long since occurred.

Although the 10/22/98 Memo was an expansion of prior interpretive guidance concerning Section 207, the Subcommittee apparently has applied those after-the-fact standards to the 1995 actions described in the Report. These new standards should not be applied retroactively to conduct that took place years before the interpretive memorandum. *See* **In the Matter of Representative Robert L.F. Sikes, H. Rep. No.** 94-1364, 94th Cong., 2d Sess. 6-7 (1976) ("Conduct which was not improper at the time must not be made to appear improper by retroactive application of standards which were not then in existence."); *see also Wilson v. Layne*, 526 U.S. 603, 617 (1999) (holding police officers not liable for violation of 42 U.S.C. §1983 where they followed internal police policies and the state of the law "was at best underdeveloped").

e. The Subcommittee Report's Standards.

The Subcommittee Report appears to be expanding the scope of the prohibition even beyond the full Committee's October 1998 interpretation. According to the Report, even those former staff who avoid "open association" with clients now may run afoul of the rules if their former employer "is made aware" of the involvement of the former staff in providing advice on legislation. Report at 11-12. This newly articulated "made aware" standard is broad and amorphous, and contradicts the longstanding OGE guidance that former staff may provide advice and counsel to clients on legislative issues before their former employers even during the cooling-off period. Indeed, given the requirement that lobbyists register and publicly disclose their clients and their client's objectives, it is hardly possible to keep the fact of association with a client's legislative cause a secret.

Elsewhere in the Report, the Subcommittee expresses concern that certain social events "were held in almost immediate proximity to, indeed in conjunction with, events at which, outside of her presence, Mrs. Eppard's clients did discuss matters of official interest to them with Representative Shuster." Report at 13. What are Members to make of this observation in guiding their own future conduct? Longstanding OGE and Committee guidance has exempted social contact from the reach of Section 207. A new rule that condemns social events with former staff held in "immediate proximity" to lobbying contact not involving former staff calls the whole social contact exception into question. The Report does not indicate how much of a time interval must occur, before or after social events, to avoid criticism. The only clarity that the Report does provide is the certainty that – no matter what the nature and the extent of Mrs. Eppard's cooling-off period activities – they had no improper effect on the outcome of legislation.

2. The Subcommittee's Rejection of a "Legislative Benefits" Charge Proves That There Was No Substance to Any Appearance of Impropriety.

The Subcommittee Report comprehensively rejects all allegations that Mrs. Eppard improperly secured legislative benefits for her clients. *See, e.g.*, Report at 120-29, 133-38. The Subcommittee's conclusion necessarily means that – whatever the nature of Mrs. Eppard's communications with or appearances before Representative Shuster – they did not steer the legislative process away from the public good to serve private interests. If anything, that conclusion means that the "underlying policy" of Section 207 has been vindicated. It is also clear that the letter of the law has been upheld. Section 207 addresses only lobbying contact – that is, contact with an intent to influence official action. The Report alleges no contact with an intent to influence official action.

3. An Analysis of Each of the Report's Five Scenarios Demonstrates That Mrs. Eppard's Contact with Representative Shuster Did Not Involve Intent to Influence Legislation.

Absent proof that a lobbyist secured "legislative benefits" because of contacts with a Member, the requisite "intent to influence" must be established by other circumstances. In general, the plainest way of determining intent to influence is to consider the content of the communications between a lobbyist and a Member. None of the Report's five basic scenarios involving cooling-off period contact between Representative Shuster and Mrs. Eppard evidences any intent to influence official action.

Scenario 1: Mrs. Eppard helped to organize, and participated in, factual briefings for Representative Shuster in February 1995 concerning a government funded transportation project partially managed by one of her clients, DMJM. Report at 14-18 (Trip to Puerto Rico). Factual briefings – whether given to Members, or received from Members – are not lobbying. *Supra* at 20.

Because the briefings at issue here were permitted, there was also nothing wrong in helping to organize them.

The evidence cited by the Report concerning this trip confirms that it was a proper fact-finding event. That evidence includes: Representative Shuster's trip itinerary, showing Representative Shuster attended an official dinner hosted by the Puerto Rican Government, Report Exhibit 13; the dinner guest list (Report Exhibit 14), showing eight of the twelve dinner guests were Puerto Rican government officials; a 2:00 pm Tren Urbano Alignment briefing, a 3:30 pm Tren Urbano aerial tour, and a 5:00 pm meeting with the Governor of Puerto Rico, immediately followed by a 7:00 return flight to Washington, D.C. Response Exhibit 2. Coupled with this evidence is the Subcommittee's own recognition that DMJM employee Nancy Butler testified that the "purpose of the trip was to educate Representative Shuster on the Tren Urban project." Report at 16.

To the extent that any lobbying took place during the trip, it was done by the Puerto Rican Government. A letter sent to the Puerto Rican Government by DMJM officers during that time period, however, confirm that no one thought Mrs. Eppard was a lobbyist for the Puerto Rican Government. Response Exhibit 3. As we understand it, the Tren Urbano project was fully authorized and funded even before Mrs. Eppard left Representative Shuster's staff, and as far as we know, no one tried to alter the funding formula thereafter.

Scenario 2: Mrs. Eppard organized and/or attended meals involving her clients and Representative Shuster, and at two such events clients of Mrs. Eppard did nothing more than "discuss[] issues of interest" or "problems" with Representative Shuster. Report at 14-18 (Puerto Rico); 18 (Amtrak Lunch); 18-19 (Conrail Dinner); 19-21 (Other Dinners); and 29-30 (Dinners in Rayburn). The Report contains no allegation that Mrs. Eppard – or, indeed, her clients – advocated for any legislative outcome during these meals, or otherwise intended to influence government action. Indeed, the meals would not have been "lobbying" if they involved only an exchange of

factual information, or just a social occasion. *Supra* at 20-21. In any event, the clients remained free to lobby directly themselves, so long as Mrs. Eppard did not serve as the advocate during the cooling-off period.

Regarding the Amtrak Lunch, the Report states only that "'problems'" were discussed with Representative Shuster in the presence of Mrs. Eppard. *Id.* at 18. The Report specifically states that the Amtrak representative, not Mrs. Eppard, spoke with Representative Shuster. No allegation is made that Mrs. Eppard participated in the discussion. *Id.* Nor is there any suggestion that any specific legislation was discussed.

Regarding the Conrail Dinner, the Report concedes that, prior to the dinner, the Conrail representative met with Representative Shuster out of Mrs. Eppard's presence. During the dinner, the Subcommittee alleges that the Conrail representative discussed issues of interest to Conrail. *See id.* The Report offers no explanation as to why Representative Shuster would need to meet privately, out of Mrs. Eppard's presence, if "lobbying contact" was going to continue when the three people ate dinner. Clearly Representative Shuster and the Conrail representative met privately so as to avoid even an appearance of a problem under Section 207.

Regarding the "other dinners," the Report concedes that, at a BSCC fundraiser, Mrs. Fletcher specifically recalled that "no legislation was discussed with Representative Shuster at the dinner." Report at 20. Beyond that the Subcommittee does not allege what, if anything was discussed. At base, nothing more was involved than a political fundraiser, appropriately attended by all concerned. At another dinner, Mr. Hamberger specifically recalled that "Mrs. Eppard left the room for about twenty minutes when business was mentioned." Report at 20. Similarly, Mr. Schenendorf confirmed that, at the same dinner, Mrs. Eppard "excused herself when the topic of conversation turned to business relevant to" her clients. *Id.* at 21. The Report does not specify what "business" was discussed. In any event, the Report confirms that Mrs. Eppard properly

followed OGE guidance to recuse or excuse herself from discussions that might involve topics prohibited during the cooling-off period. The Report tells us nothing more about the remaining dinners other than that some of Mrs. Eppard's clients attended what apparently were social functions.

Scenario 3: Mrs. Eppard traveled with Representative Shuster and others at a time when she was retained by clients interested in legislative issues within the general jurisdiction of the Committee on Transportation and Infrastructure. Report at 14 (Trip to Puerto Rico); 25-29 (travel on Federal Express corporate jet). The Report contains no allegation that Mrs. Eppard advocated for any legislative outcome when she and others traveled with Representative Shuster. Absent advocacy on her part, there is no intent to influence government action merely by being aboard an aircraft with Representative Shuster.

The trips aboard Federal Express jets involved campaign activities paid for by the BSCC and attended by Mrs. Eppard in her role as a campaign official, a capacity in which Mrs. Eppard was allowed to communicate with Representative Shuster even during the cooling-off period. Federal Express explained to the Subcommittee that it had a no-lobbying rule on its aircraft. Federal Express had representatives on board solely because of their internal policy that company officials had to be present when company aircraft was used. Federal Express testified that their objective was relationship-building, on which there is no prohibition. Report at 26.

Scenario 4: Mrs. Eppard scheduled meetings involving her clients and Representative Shuster. Report at 21-25 (Meetings on behalf of Amtrak, Pennsylvania Turnpike Commission and Carmen Group). As we understand the evidence – even though our requests for the transcript of her testimony before the Subcommittee were rejected – Mrs. Eppard vigorously denies that any of her clients ever discussed its legislative objectives with Representative Shuster in her presence, as confirmed even by the evidence before the Subcommittee. Had one of her clients done so,

however, Mrs. Eppard's presence during her clients' advocacy would not amount to prohibited advocacy on her part. Ultimately, her scheduling of appointments for clients amounts to nothing more than her "open association" with her client's legislative cause – something that the Committee did not advise against until 1998. The requirement that lobbyists register and publicly disclose their clients and their client's objectives in any event makes "open association" with a client's legislative cause inevitable.[4]

Congress itself expressly recognized in the Lobbying Disclosure Act of 1995 that "a request for a meeting" does not constitute lobbying unless additionally there is evidence of an "intent to influence" the outcome of legislation. The Report contains no allegation that Mrs. Eppard – or, indeed, her clients – did anything more than request a meeting. That mere request – as a matter of law – is not evidence of an intent to influence the outcome of legislation.

Scenario 5: Mrs. Eppard introduced certain of her clients to Representative Shuster, in his office, and then excused herself from the meeting that took place. Report at 24-25. Here, too, the Report does not allege that, after Mrs. Eppard introduced her clients to Representative Shuster, those clients advocated for any legislative outcome. Moreover, Mrs. Eppard absented herself from the ensuing discussions. Although her clients' own direct advocacy would not amount to advocacy on her part, Mrs. Eppard nonetheless took the step approved by OGE guidance, and declined to participate further in the part of the meeting that might have involved advocacy. Years after the events alleged in the Report, this Committee issued a memorandum advising – for the first time – that former staff "must not permit their name to be openly associated with such [lobbying] contact by other person." *10/22/98 Memo* at 4. As of 1994-1995, however, no Committee guidance or

[4] In any event the "Railfest" event discussed by the Subcommittee was nothing more than an event hosted by the Altoona community, providing Representative Shuster a perfectly permissible opportunity to socialize with his constituents. The groundbreaking ceremony involving the Pennsylvania Turnpike Commission was a similar opportunity for Representative Shuster, although the Subcommittee never concluded that he attended the event. Report at 23.

OGE interpretation had prohibited mere public association of former staffer's name with the direct lobbying contact of their clients. Indeed, the Committee stated that the "purpose" of its 1998 Memo was "to acquaint" recipients "with key issues of concern to departing staff." *Id.* at 1.

4. Considerable Evidence Shows that Both Representative Shuster and Mrs. Eppard Sought to Understand and to Comply with Cooling-off Restrictions.

Beyond the individual episodes identified by the Subcommittee is the broader context – the evidence that Representative Shuster and Mrs. Eppard sought to understand and to comply fully with Mrs. Eppard's post-employment restrictions. Specifically, the evidence shows not only their knowledge of and attempt to comply with cooling-off restrictions, but also: (1) that Representative Shuster's office used a "firewall" to prevent lobbying contact by Mrs. Eppard during the cooling-off period; (2) that the language in Mrs. Eppard's contracts and other documents clearly limited her services to advice, not advocacy; and (3) that Mrs. Eppard refused to take clients from Shuster's district in order to avoid any appearance of impropriety.

Although we have been denied access to transcripts of the testimony before the Subcommittee, we understand that the witnesses support these conclusions. We believe that Carol Wood testified Mrs. Eppard was aware of the rules and ensured that she did not discuss legislation with Representative Shuster during the cooling-off period. We understand that Ms. Wood testified that Mrs. Eppard would leave meetings when the subjects of her clients or their legislative objectives arose.

We understand that Tim Hugo testified to the following: Mr. Hugo saw Mrs. Eppard simultaneously in the company of both her clients and Shuster only in social settings. Moreover, Mrs. Eppard left the area if official business was raised in Representative Shuster's presence. Finally, we also understand that Mr. Hugo testified that Mrs. Eppard specifically discussed with Mr. Hugo the fact that she was prohibited from lobbying Representative Shuster during the cooling-off period.

We understand that this testimony was corroborated by numerous other witnesses. We understand that when Tom Leibensperger was interviewed by the Subcommittee, he testified that he was certain that Mrs. Eppard knew of the cooling-off period restrictions and abided by them. We also understand that Ed Hamberger testified that he never witnessed Representative Shuster and Mrs. Eppard discuss her transportation clients during the cooling-off period, and that she excused herself from conversations that began to approach legislative topics. We believe that Jack Schenendorf testified before the Subcommittee that Mrs. Eppard did not exert any improper influence over Representative Shuster, and that he never saw Mrs. Eppard try to influence legislation during this cooling-off period.

The testimony of these individuals is also corroborated by our understanding of the testimony of Ann Eppard herself. We understand that Mrs. Eppard testified that she had several conversations with Committee counsel, Ed Hoskens, in which she received advice that she could contact Representative Shuster for any purpose except lobbying during the cooling-off period. When asked by the Subcommittee her definition of lobbying, we understand Mrs. Eppard explained that lobbying occurs when a person provides information to a Member of Congress with the intent to affect or originate legislation. It is our understanding that the Subcommittee chose not to ask Mrs. Eppard whether she had ever communicated with Representative Shuster during the cooling-off period with the intent to influence legislation. It is our understanding that, had she been asked, Mrs. Eppard would have replied that she had not done so. Likewise, we understand that Mrs. Eppard specifically testified that she did not think that the prohibition included seeing Representative Shuster and her clients in a social setting.[5]

[5] In addition to the testimony heard by the Subcommittee, we believe that documentation reviewed by the Subcommittee negates any notion that Mrs. Eppard intentionally violated the cooling-off period prohibition. In a letter, Edward R. Hamberger explained to Nancy Butler of DMJM that working with Mrs. Eppard would be advantageous because she is "intimately familiar with the workings of the Public Works Committee and can provide insight and strategy on how to achieve authorization of the Tren Urbano Project." Report Exhibit 9, at 3. In addition, in Mrs.

In sum, as we understand it, the testimony of the witnesses before the Subcommittee is that Mrs. Eppard and Representative Shuster sought to understand the cooling-off period restrictions and made good faith efforts to fully comply with their legal and ethical obligations. Nevertheless, Representative Shuster acknowledges that his contact with Mrs. Eppard during the cooling-off period could have created the appearance of impropriety.

B. SAV ¶4(b)

The Subcommittee's Allegation:

SAV ¶4(b) alleges in its entirety that:

> Representative Shuster violated House Gift Rules [former Rule 43(3) for 1995 and Rule 52 for 1996] by accepting expenses from the Outdoor Advertising Association of America ("OAAA") and Daniel, Mann, Johnson and Mendenhall ("DMJM") related to a trip with his family to Puerto Rico in December 1995 and January 1996.

Report at 6.

Response:

1. Introduction.

On December 26, 1995, Representative Shuster traveled to Puerto Rico for nine days on a fact-finding trip. During the trip, Representative Shuster had official meetings relating to transportation and infrastructure projects in Puerto Rico directly related to his responsibilities as Chairman of the Transportation and Infrastructure Committee.[6] As explicitly permitted by House Rules, Representative Shuster's travel expenses were paid in part by two private sponsors of the trip (DMJM and OAAA), who had an interest in educating Representative Shuster about the status of

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Eppard's consulting agreement with DMJM, the services to be performed were explicitly described as "Advice and counsel on policy and funding decisions regarding transportation projects nationwide." Advisory services rendered by former staff during the cooling-off period were and are entirely appropriate. Report Exhibit 7, at 2.

[6] Representative Shuster met with Carlos Pasquera, Secretary of the Department of Transportation of Puerto Rico, and Janos Hegede, an architect with Daniel, Mann, Johnson and Mendenhall ("DMJM"), to discuss the Tren Urbano light

transportation projects and activities in Puerto Rico. Representative Shuster properly reported the trip and its sponsors on his 1995 and 1996 financial disclosure reports and appropriately allocated and paid for a portion of the trip expenses as personal. In sum, the Subcommittee's assertion that Representative Shuster's trip was recreational, and that his acceptance of any travel expenses from DMJM and OAAA therefore violated House Rules, is incorrect.

Representative Shuster was accompanied on the trip by not only his wife, but also other family members. The Subcommittee also alleges that it was improper for Representative Shuster to allow these other family members to stay in the accommodations DMJM and OAAA provided for him. However, Representative Shuster's sponsors did not incur any significant additional expense as a result of these family members sharing his accommodations, and the cost of the accommodations in which Representative Shuster and his family stayed was comparable to the cost of a hotel room at one of the area resorts. Accordingly, this sharing of accommodations did not constitute a material violation of the gift rules.

2. The Gift Rules Permit Members To Accept Up To Seven Nights' Reimbursement For Travel Expenses Related To Fact-Finding Trips.

Representative Shuster was in Puerto Rico from December 26, 1995 to January 3, 1996. Because the House "gift rules" changed effective January 1, 1996, it is necessary to analyze Representative Shuster's conduct under both the 1995 rules and the 1996 rules.

a. 1995 Rules.

The gift rule in effect through December 31, 1995, provided that a "Member . . . shall not accept gifts (other than personal hospitality of an individual or with a fair market value of less than $100 or less) . . . in any calendar year aggregating more than . . . $250" without a written waiver from the Committee on Standards. Former House Rule 43(4). However, the rule was by its terms

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rail project in Puerto Rico. Representative Shuster also met with Marc Voigt, an employee of an R.J. Reynolds manufacturing facility in Puerto Rico, at the request of the Outdoor Advertising Association of America ("OAAA").

3. The Puerto Rico Trip Was A Legitimate Fact-Finding Mission Connected To Representative Shuster's Official Duties.

As Chairman of the Transportation and Infrastructure Committee, Representative Shuster's official duties involve issues relating to highways, transit, railroads, aviation, water resources, economic development, and public buildings and grounds. Representative Shuster traveled to Puerto Rico to meet with a Puerto Rican government official and representatives of two private organizations to learn about two projects in Puerto Rico directly related to Representative Shuster's official duties.

The Tren Urbano light rail project, for example, was within the jurisdiction of the Committee on Transportation & Infrastructure. The project involved the construction of a light rail transit system to serve San Juan, Puerto Rico and surrounding areas, and was designed and managed, in part, by DMJM. It was an innovative electric train system that would connect major commercial and residential areas in San Juan where population density and traffic congestion were high. Tren Urbano was eligible to receive federal funding, and its designers and representatives of the Puerto Rico Department of Transportation and Public Works wanted to introduce the project to Representative Shuster in an attempt to convince him that the project was worthy of such funding.[8] On December 29, 1995, Representative Shuster met with a DMJM architect, Janos Hegede, and Carlos Pasquera, Secretary of the Department of Transportation. These individuals made a presentation to Representative Shuster regarding the project and provided him with written materials that Representative Shuster studied during the remainder of his trip, including a lengthy

[8] Representative Shuster had previously visited the Tren Urbano project in Puerto Rico in February 1995, to receive an initial briefing regarding the project and conduct a site inspection. The Report makes clear that this trip was a legitimate fact-finding mission directly related to Representative Shuster's official duties. *See* Report at 16 (DMJM representative testified that "the purpose of the trip was to educate Representative Shuster on the Tren Urbano project and to seek Representative Shuster's support for the project"; Puerto Rico government official testified that purpose of trip was "to demonstrate to Representative Shuster that the Tren Urbano project was worthy of federal investment"). Representative Shuster returned to Puerto Rico in December 1995, at the invitation of DMJM, to receive a more detailed briefing about the Tren Urbano project and the benefits it would provide for the community in San Juan.

and complex Environmental Impact Statement on the Tren Urbano project that was prepared in November 1995 - well after Representative Shuster's initial trip to Puerto Rico. This briefing was directly related to Representative Shuster's official duties.

Likewise, the OAAA arranged for Representative Shuster to meet with Marc Voigt, a representative of an R.J. Reynolds manufacturing facility, to discuss billboard advertising in the San Juan area. The R.J. Reynolds company was the second largest advertiser on billboards in the United States and Mr. Voigt provided Representative Shuster with important information about billboard advertising in Puerto Rico. Once again, this meeting was directly related to Representative Shuster's duties as Chairman of the Transportation and Infrastructure Committee.

In sum, given the significance of the Tren Urbano project and the operations of the R.J. Reynolds company, and the direct relationship between these activities and Representative Shuster's official duties, Representative Shuster appropriately determined that the Puerto Rico trip was a worthwhile fact-finding mission.[9]

4. Representative Shuster Appropriately Permitted DMJM and OAAA to Pay Certain Expenses and Allocated Other Expenses as Personal.

As set forth above, the House Rules allowed Members to accept up to seven days of travel expenses in connection with a fact-finding mission outside of the continental United States. **House Ethics Manual** (April 1992), at 40-41. As such, Representative Shuster was permitted to accept reimbursement from the two sponsoring private organizations for his and his wife's traveling expenses. Representative Shuster personally paid the cost of accommodations for the two nights during the trip that constituted personal vacation.

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[9] In addition, Representative Shuster met separately with two agents from the Drug Enforcement Agency during his trip to Puerto Rico. Representative Shuster has been a Ranking Member of the Select Intelligence Committee and had a practice of arranging such meetings during fact-finding travel to keep himself informed on issues relating to his official duties. Although these meetings do not directly bear on the propriety of Representative Shuster's receipt of expenses from DMJM and the OAAA, the meetings contradict the Investigative Subcommittee's claim that the "primary purpose" of the trip was recreational.

The fact that Representative Shuster carefully apportioned three of the nights to each of the organizations with which he was meeting, and paid the accommodation expenses for the remaining nights as a personal expense, demonstrates that Representative Shuster was attempting in good faith to comply with the requirements of the gift rules. Moreover, Representative Shuster's financial disclosure forms for 1995 and 1996 openly reported the Puerto Rico trip and the identities of the organizations that had provided funding.[10] This open disclosure belies any suggestion that Representative Shuster believed the trip was an impermissible "gift."[11]

5. Representative Shuster's Sharing Accommodations With Family Members Did Not Constitute a Material Violation of the Gift Rules.

Representative Shuster's wife and several other family members accompanied him on the trip. Representative Shuster paid for his own and his family members' air fare, and allowed his family members to stay in the accommodations provided for him and Mrs. Shuster.

The gift rules permitted a spouse or one family member to travel with the Member on a fact-finding mission at the expense of the private sponsors of the event. House Ethics Manual (April 1992), at 43 (Member may bring one relative at sponsor's expense on fact-finding trip); Former Rule 52(2)(d)(4) (necessary travel expenses include expenses incurred on behalf of either the spouse or a

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[10] The Report states that Representative Shuster incorrectly reported on his 1995 disclosure report that R.J. Reynolds paid for a portion of his expenses. Report at 34 n.30. In fact, the OAAA asked Representative Shuster to meet with R.J. Reynolds, an important billboard company, and paid for a portion of his expenses. This technical error in the 1995 disclosure report was corrected in Representative Shuster's 1996 report, in which he disclosed that he received expenses to meet with R.J. Reynolds "through OAAA," demonstrating that any error in the 1995 report was inadvertent. The Report also suggests that Representative Shuster paid for two nights lodgings while reporting that he paid for three nights. *Id.* In fact, Representative Shuster's 1995 report accurately stated that he spent three "days" in Puerto Rico that were not at his sponsors' expense. *See* Exhibit 32.

[11] The disclosure requirements instituted by the Ethics in Government Act were designed primarily to allow public scrutiny of any potential conflict of interest facing a government official. *See United States v. Oakar*, 111 F.3d 146, 148 (D.C. Cir. 1997) ("These requirements were designed to increase public confidence in the federal government, demonstrate the integrity of government officials, deter conflicts of interest, . . . and enhance the ability of the public to judge the performance of public officials.") (citing S. R. No. 95-170, 21-22 (1978), *reprinted in* 1978 U.S.C.C.A.N. 4216, 4237-38). By disclosing the Puerto Rico trip in his financial disclosure statements, Representative Shuster satisfied the purpose of the statute and allowed the public to evaluate his performance and any possible conflict of interest arising out of the receipt of travel expenses from these private sources.

child of the Member). Representative Shuster now recognizes that permitting more than one family member to stay with him in the accommodations provided by his private sponsors could be viewed as improperly permitting the private sponsor to pay for the expenses of more than one family member. At the time, however, Representative Shuster believed in good faith that there was no significant "marginal cost" to the sponsors by allowing his family members to share the accommodations. Moreover, the rent paid for the accommodations for the week ($4,228) was comparable to the amount that his private sponsors would have had to pay for him and his wife to stay at one of the area resorts.[12] Accordingly, Representative Shuster believed at the time that permitting his family members to share the rental property complied with the spirit of the gift rules.[13]

6. Conclusion.

Representative Shuster's acceptance of travel expenses from DMJM and OAAA for his and his wife's trip to Puerto Rico did not violate the gift rules, because the Puerto Rico trip was a legitimate fact-finding mission directly related to Representative Shuster's official duties. Nevertheless Representative Shuster agreed to this portion of the SAV because he acknowledges, in retrospect, that the sharing of accommodations with other family members was an unintentional, *de minimis* violation of the gift rule.

C. SAV ¶4(c)

The Subcommittee's Allegation:

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[12] In fact, when Representative Shuster traveled to Puerto Rico in February 1995, the cost of his hotel room was $501.50 per night. The cost to rent the private residence during the December 1995/January 1996 trip, during the peak holiday season, was a comparable $528.50 per night.

[13] The Report also asserts that members of Representative Shuster's family inappropriately charged certain expenses to a club membership card owned by an employee of DMJM. Report at 35-37. Although the Report fails to demonstrate that Representative Shuster knew of the use of the card by his family members, Representative Shuster regrets that his family members may have inappropriately taken advantage of this hospitality.

SAV ¶4(c) alleges in its entirety that:

> Representative Shuster violated former House Rule 45 by authorizing and/or accepting the scheduling services of Ann M. Eppard on matters that were official in nature for approximately 18 months after she resigned from his congressional office

Report at 6.

Response:

The Subcommittee Report states that former House Rule 45 seeks to prevent a private party from potentially advancing "his or her own agenda" by providing volunteer service to a Member. Report at 45. Here, of course, the Subcommittee Report itself eliminates any basis for such a concern. The Report is emphatic that Mrs. Eppard did not improperly secure legislative benefits for her clients by responding to requests from Representative Shuster's staff for advice concerning the scheduling of appointments.

The Subcommittee acknowledges that Mrs. Eppard served as Representative Shuster's Chief of Staff for nearly 22 years and that, when she retired, she was "succeeded as chief of staff by an individual who had far more limited experience in managing a congressional office." Report at 49. The Subcommittee further acknowledged "that once Representative Shuster commenced duties as Chairman of the Committee on Transportation and Infrastructure . . . demands for his attention increased dramatically, and necessarily increased the volume of work in his personal office to manage appointments, correspondence and telephone calls." Report at 49. Fundamentally, Mrs. Eppard offered assistance at the request of Representative Shuster's staff who were struggling with a difficult transition, and because many of the scheduling issues involved campaign or political issues on which her advice was both proper and valuable.

The Subcommittee nonetheless found old House Rule 45 relevant in large part because of the 1995 investigation of former Speaker Newt Gingrich's practice of permitting Joseph Gaylord, a

political advisor to Representative Gingrich, to have a regular presence in the Speaker's congressional office.[14] The Committee concluded in that investigation that the "routine presence of Mr. Gaylord in congressional offices creates the appearance of the improper commingling of political and official resources and is in appropriate. The Committee concluded that these actions taken together violate House Rule 45." *Id.* at 50.

The Subcommittee Report, however, overlooks the significantly different conclusion in the Fortson-Gingrich matter, an investigation into the participation by Jane Fortson in Representative Gingrich's official activities. Despite (1) Mrs. Fortson's position as an unofficial policy advisor, attending official meetings; (2) providing substantive advice on urban issues to Representative Gingrich and his staff; and (3) Representative Gingrich and his staff specifically soliciting Mrs. Fortson's views with "respect to official matters," "the Subcommittee did not find that Mrs. Fortson's individual activities violated House Rules . . . ." **In the Matter of Representative Newt Gingrich, H.R. Rep. No.** 105-1, at 97 (1997). According to the Subcommittee's findings, Mrs. Fortson, who had experience in urban and housing issues, moved from Atlanta to Washington in January, 1995 and became a Senior Fellow at The Progress and Freedom Foundation("PFF") in April, 1995. "The Subcommittee determined that Mr. Gingrich sought Mrs. Fortson's advice on urban and housing issues on an ongoing and **meaningful** basis." *Id.* at 96 (emphasis added). During an interview with Special Counsel, Speaker Gingrich admitted that he often requested Mrs. Fortson's "assistance in connection with urban issues in general and issues pertaining to the District of Columbia in particular." *Id.* at 97.

[14]The Committee found that "Mr. Gaylord's alleged activities included attending leadership meetings, interviewing prospective employees, and making salary recommendations in the transition period during which Representative Gingrich was reorganizing his office to assume the responsibility of Speaker." Report at 49-50 (internal citations omitted).

The Subcommittee also found that as an unofficial policy advisor to Gingrich, Mrs. Fortson provided ongoing advice to Gingrich and his staff to assist Gingrich in conducting official duties related to urban issues. *Id.* Mrs. Fortson frequently attended meetings pertaining to the D.C. Task Force. *Id.* During these meetings, Ms Fortson met with members of Congress, District of Columbia Officials, and members of their staff. The Subcommittee discovered that Gingrich and members of his staff specifically solicited Mrs. Fortson's views and assistance regarding official matters. *Id.* At the conclusion of its investigation, despite these findings, the Subcommittee did not find that Mrs. Fortson's individual activities violated House Rules . . . ." **In the Matter of Representative Newt Gingrich, H.R. Rep.** No. 105-1, at 97.[15] The Committee concluded that "Members may properly solicit information from outside individuals" and although the activity could create the appearance of improper commingling of unofficial and official resources, the Subcommittee determined "that these activities did not warrant inclusion as a count in the Statement of Alleged Violation." *Id.*

The Subcommittee has alleged significantly less "meaningful" advice given by Mrs. Eppard. At most, she gave advice on Representative Shuster's schedule during the difficult transition to a new chief of staff, without benefit to herself or her clients. Requesting an appointment with a Member does not qualify as "lobbying contact"[16] under the 1995 Lobbying Disclosure Act. *Supra* at 17. Therefore, gathering information to properly respond to a request for an appointment could not qualify as lobbying contact either. In fact, asking Mrs. Eppard who is "Mr. ABC and why does he want to meet with Congressman Shuster?" is barely different than asking a former employee (1)

[15]The only mitigating factor cited by the Committee was the fact that sometime prior to the conclusion of the investigation, Representative Gingrich had stopped seeking her advice.

[16]Congress excluded from the definition of "lobbying contact" any "communication that is - (v) a request for a meeting, a request for the status of an action, or any other similar administrative request, if the request does not include an attempt to influence . . . a covered legislative branch official. 2 U.S.C. § 1602(8)(B)(v).

"Where did you leave the file on XYZ?"; or (2) "Who should we contact to cater the office Christmas party?" Mrs. Eppard, for twenty-two years, was chiefly responsible for scheduling appointments for Representative Shuster. During the transition to a new chief of staff, it was only natural that Representative Shuster's staff would turn to Mrs. Eppard for guidance.

The Report acknowledges that "a limited amount of involvement by a departing congressional employee with . . . her former employing office following resignation **might** be reasonable under certain circumstances to ensure a smooth transition before . . . her successor becomes familiar with job responsibilities." Report at 49. The Subcommittee does not explain when continuing contact **might not** be reasonable. Those standards must be made clear for the future benefit of Members.

Reliance of former staff for occasional advice is a widespread and longstanding practice in the Congress. In Interpretive Ruling No. 385, the Senate's Select Committee on Ethics, had to decide under what circumstances may a Senator utilize the services of a former employee who is currently employed in the private sector and who would continue that employment while simultaneously acting as a volunteer , uncompensated consultant to the Senator. Under the proposed arrangement, the former employee would work one day per week in the Senator's office, providing advice on the administrative operation of the office; future hiring decisions; and on legislative issues in which the Senator might be interested. Interpretive Ruling No. 385, Select Committee on Ethics, United States Senate, 99th Cong., S. Prt. 99-193 (July 31, 1984).

In that situation, the Senate Committee opined that potential problems could be minimized by the Senator's active monitoring of the situation. The Select Committee concluded that as long as the Senator monitored the situation to avoid conflicts of interests, the proposal could be undertaken. That being said, the Senate Select Committee on Ethics recognized that "in certain circumstances, an appearance of a conflict of interest arising from a consultant arrangement might be offset by a

Senate Committee's need to obtain specific expertise in a given area." Interpretive Ruling No. 213, Select Committee on Ethics, United States Senate, 99th Cong., S. Prt. 99-193 (December 22, 1978).

In the case of Representative Shuster and Mrs. Eppard, the particular expertise sought was her twenty-plus years of institutional knowledge – information that could not come from anywhere else. She gave her advice, moreover, at a time when Representative Shuster had just succeeded to the chairmanship of the Transportation and Infrastructure Committee, and thus needed to leave the details of his schedule as much as possible to others so that he could focus on legislation. His schedule, moreover, involved political activities for which he counted on Mrs. Eppard's input. Nevertheless, because these circumstances involve a technical and *de minimis* infraction of former Rule 45, Representative Shuster agreed to this portion of the SAV.

D. SAV ¶4(d)

The Subcommittee's Allegation:

SAV ¶ 4(d) alleges in its entirety that:

> While under the supervision and control of Representative Shuster as their employing Member, employees in Representative Shuster's congressional office worked for the Bud Shuster for Congress Committee ("BSCC") to the apparent detriment of the time they were required to spend in the congressional office and perfomed services for the SCC in his congressional offices.

Report at 6-7.

Response:

The Subcommittee expressed concerned with the appearance that Representative Shuster may have violated statutory provisions governing the use of office personnel from 1993-98. *See* Report at 51-52. The Subcommittee briefly alludes to 2 U.S.C. § 57(b) and 31 U.S.C. § 1301, which taken together, as construed by the Subcommittee, forbid the use of office staff to perform campaign work to the detriment of their official tasks. The Subcommittee also notes that House

employees "must fulfill their official Congressional duties and those duties cannot be neglected to pursue campaign activities." Report at 52. The Subcommittee acknowledges that, under the plain text of the **House Ethics Manual**, House employees may engage in campaign activities in their free time so long as official duties are completed. *Id.* The Subcommittee observes that the Committee has recommended to such employees that when they elect to do so they "should keep careful records documenting that campaign work was not done on official time." *Id.* (*quoting* **House Ethics Manual** at 200-01).

1. **The Evidence Shows that Employees of Representative Shuster Never Failed to Perform Their Official Duties.**

While Representative Shuster's office did not maintain written documentation regarding the amount of time his employees spent working on the campaign during Congressional office hours, the Subcommittee is wrong in insinuating that his employees ever received payment from the campaign for hours that should have been devoted to official duties. At all times, each of his employees fulfilled all of their official duties, and most spent significant additional time performing official work beyond the minimum required by law. It was, and continues to be, the case that many of Representative Shuster's employees perform sixty and seventy hours or more of official work each week. Like the employees of virtually every Member of the House of Representatives, some employees of Representative Shuster's office also chose to serve as volunteers for his campaign. Such volunteer work does not constitute any grounds for an allegation of misconduct. Under the Hatch Act, 5 U.S.C. § 7324, House employees are permitted to perform work for political campaigns. Consequently, so long as employees fulfill their official duties, they are free to engage in campaign activities without violating any statutory or ethical prohibition. The Committee has recognized this fact on numerous occasions, including in the **Committee on Standards of Official**

Conduct, House Ethics Manual, 102 Cong., 2nd Sess., at 200-201 (April 1992) ("**House Ethics Manual**") and, most recently, in the current Report at 51-52.

The Subcommittee alleges that employees of Representative Shuster engaged in campaign work to the **apparent** detriment of their official duties. Even the evidence described by the Subcommittee in the Report at 53-63, however, provides no factual basis to conclude that there was any **actual** detrimental impact on official work. Representative Shuster understands that some employees occasionally performed campaign work during what would otherwise be considered normal business hours. However, such a practice is entirely consistent with the existing ethics rules. Precedent from the Committee on Standards of Official Conduct acknowledges the fact that "as a practical matter, it may be impossible to have an absolute separation of [official and political] duties." **House Ethics Manual** at 284. As one advisory opinion explains, due to the sporadic time frames in which congressional work is done:

> [I]t is unrealistic to impose conventional work hours and rules on congressional employees. At some times, these employees may work more than double the usual work week - at others, some less. Thus employees are expected to fulfill the clerical work the Member requires during the hours he requires and generally are free at other periods. If, during the periods he is free, he voluntarily engages in campaign activity, there is no bar to this. There will, of course, be differing views as to whether the spirit of this principle is violated, but this Committee expects Members of the House to abide by the general proposition.

Committee Advisory Opinion 2, *On a Member's Clerk Hire* (July 11, 1973). What constitutes an employee's "free time" is unclear. The Committee has stated that "what constitutes a staff member's 'own time'" is "determined by the personnel policies that are in place in the employing

office." Committee on Standards of Official Conduct, *Rules and Standards of Conduct Relating to Campaign Activity*, at 3 (March 2, 2000). "Time that is available to a staff member, under those policies, to engage in personal or other outside activities may instead be used to do campaign work." *Id.* The Committee has expressly acknowledged that employees may engage in campaign activities while on annual leave, by going on leave without pay, or by working part time. *See id.*

The Subcommittee's conclusion that there was an "inconsistent understanding among [the office] staff of the office policy regarding employee leave," Report at 52, is plainly wrong under any examination of the Subcommittee's own summary of its evidence. Reviewing that evidence, the sole "inconsistency" that can be found between the testimony of the witnesses relates not to the office's administrative leave policy, which was used at all times when employees were performing campaign work, but instead to whether or not there was a limit on the number of vacation and sick days an employee could take each year – a matter entirely irrelevant to the issue of campaign work. *See* Report at 54-56. On the issue of administrative leave, these individuals' testimony is consistent with that of every other witness. As far as we are aware, every witness's testimony before the Subcommittee was completely consistent with the principle that an employee may perform work for a political campaign during whatever free time they have under the policy in place in their employer's office. It is our understanding that no witness before the Subcommittee testified that they ever, even on a single occasion, performed campaign work during time that would be deemed "official time" under the leave policies in place in Representative Shuster's office. Rather, each and every witness uniformly testified that they performed campaign work only while taking administrative leave, which was properly taken pursuant to the office's leave policy.

As a result, any **"apparent"** detriment to official duties, or **"apparent"** payment by the campaign for work on performed "official time," is just that – an **appearance** that its directly contradicted by a close examination of the substantial evidence before the Subcommittee. For

example, it is our understanding that when Judy Giansante, Representative Shuster's Altoona Office Manager, testified before the Subcommittee, she explained to the Subcommittee that she had, in fact, volunteered and performed fundraising work for the campaign every two years. But Giansante also explained to the Subcommittee that she informed the Washington office that she was taking administrative leave whenever she performed this volunteer work. Following the Committee's advice directed to employees who elect to perform campaign work, and acting as a meticulous employee, Giansante made careful records of her campaign work on her calendars.[17] Giansante made quite clear to the Subcommittee that she had never been absent from the office in order to perform her campaign work.

Any "**appearance**" that staff failed to fulfill their official duties is further belied by the testimony of Tom Leibensperger, Representative Shuster's liaison to the district. It is our understanding that Leibensperger explained to the Subcommittee that he sometimes performed driving or other work for the campaign during normal office hours. Leibensperger explained that he took administrative leave anytime he performed driving for the campaign, and anytime he performed work during normal business hours. It is our understanding that Leibensperger plainly told the Subcommittee that he **always** made up any time that he spent working on a campaign, as required by the office administrative leave policy. It is our understanding that Leibensperger further told the Subcommittee that he had always taken less than his allotted three weeks worth of vacation time a year. Consequently, far from failing to fulfill his official duties, the Subcommittee's evidence shows that Leibensperger surpassed his official duties each and every year he was employed in Representative Shuster's office.

[17] Unfortunately, due to the passage of a considerable amount of time, she had discarded all but the most recent of these calendars.

It is our understanding that Tim Hugo, Representative Shuster's former Chief of Staff, also testified that he performed campaign work for the BSCC, but explained that he only did so pursuant to the office administrative leave policy. Hugo testified that while he did continue to receive his official salary during the time he was engaging in fundraising activity for the campaign, he made up any official work and hours that he missed. It is our understanding that at one point Members of the Subcommittee asked Hugo about documents showing that Leibensperger performed extensive campaign work on portions of 56 days. In agreement with Leibensperger's testimony, Hugo stated that he believed most of Leibensperger's campaign work was probably performed before or after business hours. Hugo also stated that he was unaware of Leibensperger having ever failed to satisfy his official duties, and that, as far as he was aware, no one had ever made any such complaint.

Finally, when Tracy Mosebey testified before the Subcommittee, it is our understanding that she told that Subcommittee that she, too, had performed volunteer work for the BSCC. She explained that, after 1992 and the adoption of new office rules regarding employee leave for time spent campaigning, she had noted all of the time she spent campaigning as administrative leave. Mosebey clarified that she had never failed to fully perform her required official duties. Mosebey also told the Subcommittee that while she still possessed a regular office calendar with notations reflecting when she was not in the office, she no longer had any records specifically reflecting the time she spent working on the campaigns as opposed to other activities.

Despite this extensive testimony from Mosebey, the Subcommittee appears to have selected from her testimony in a way to insinuate that she neglected her official duties at one point. The Subcommittee's report makes reference to "[o]ne congressional employee from Representative Shuster's Washington, D.C., office [who] worked for the BSCC for three consecutive weeks in Representative Shuster's congressional district, devoted approximately 90% of her time during this three-week interval to campaign activity and received her full congressional salary during the entire

three-week period." *See* Report at 56. This reference is apparently to Tracy Mosebey who, during one election cycle, traveled to Altoona for approximately three weeks to perform campaign work. However, it is our understanding that Ms. Mosebey made clear to the Subcommittee that she was able to keep up with her official responsibilities during this period. The hotel where she stayed during this trip was located directly across the street from Representative Shuster's district office. Therefore she could easily and often return to the district office to conduct official work. During that time period, Ms. Mosebey confirmed that she specifically remembered discussing case work with Doris Allen, an IRS agent in its regional office. In addition, Ms. Mosebey returned to Washington on weekends to perform official work. We understand that Ms. Mosebey does not know how the Subcommittee arrived at the conclusion that she spent 90% of her time in Altoona doing campaign work, but that she did not testify to that fact. On the whole, Ms. Moseby was one of the hardest working government employees. While her hours in the office while in Washington were normally from 8:30am - 5:00pm, when major issues such as guns or abortion came up, it was not uncommon for her to work late into the night (i.e. 12:00 a.m.) and through weekends.

As far as we are aware, there is no evidence that any employee ever failed to fully perform their official duties, even in a single instance. To the contrary, as we understand the uniform evidence before the Subcommittee, each and every employee of Representative Shuster's office performed all of their official duties on every occasion to the best of their abilities. The public record should reflect that in many, if not most instances, employees of Representative Shuster's office far surpassed the amount of official time required by their salary.

2. Representative Shuster's Office Had in Place at all Relevant Times an Established and Universally Understood Oral Policy Regarding Employee Leave.

The Subcommittee alleges that "Representative Shuster failed to establish any fixed policy, written or otherwise, or to maintain any records to reflect the number of days his congressional

employees were away from the congressional office for vacation, sick leave or to perform services for the Bud Shuster for Congress Committee." Report at 51. Again, we respectfully disagree with the conclusion drawn by the Subcommittee from the evidence that it summarizes in its Report.

It is our understanding of the testimony before the Subcommittee that each employee questioned in regard to the office leave policy explained that the office had in place a well-known and understood policy regarding work on campaigns. Each employee explained that employees were permitted to work on campaigns, so long as they did so by taking administrative leave with pay, and made up the hours so taken at another time. This particular form of "flexible" administrative leave policy well-suited Representative Shuster's office, as it best accounted for the long and irregular hours worked by his staffers (a fact that has been long recognized by the Committee) and because, due to the fact that his offices were small, more formal procedures were simply unnecessary.[18]

As the Subcommittee concedes, "all [campaign volunteer] employees took 'administrative leave' during which they received their full congressional salaries" when they "performed campaign services." Report at 54. The Subcommittee cannot have it both ways; if the office "did not have in place any established . . . policy regarding employee leave," then how exactly did each and every employee miraculously manage to independently come to the same conclusion regarding the way in which to account for their campaign work? How did each worker simultaneously understand that when working on campaigns, they should deem all time to be administrative leave, continue to collect their official salary, and ensure that their official work was completed on time? Surely, if the office had indeed lacked an official leave policy regarding campaign work, then some employee, somewhere, at some time would have accidentally taken vacation days, or sick days, or used some

[18] This administrative leave policy functioned in effect almost identically to "flex-time" policies that are commonplace in numerous corporations throughout America.

other method for accounting for their time spent working on the campaign. As the Subcommittee explains, none did.

We believe that this inconsistency in the Subcommittee's interpretation of the evidence has a simple and straightforward explanation: the office did in fact have a well-known and understood oral leave policy. As far as we are aware, each witness who testified before the Subcommittee explained that the office had an administrative leave policy that was always used to account for campaign work, agreed to the precise contours and details of that policy, and agreed that both they themselves and all other staffers of whom they were aware had followed that policy at all times during the years in question. It is our understanding that Tom Leibensperger, Representative Shuster's liaison to the district, testified that while there was no written policy regarding administrative leave, it had been explained to him and he understood that every staff person, regardless of seniority, was entitled to three weeks vacation plus the week between Christmas and New Year's. Time spent campaigning was designated as administrative leave, which was taken with pay so long as the hours were made up at another time. He explained that the office policy applied to all employees. Mr. Leibensperger told the Subcommittee that the Office Manager and the Chief of Staff processed requests for specific vacation days. Leibensperger explained that Office policy was to allow an employee to volunteer at any time, as long as that person's office work was completed on time. If Representative Shuster's office had in place no established policy regarding employee leave, one is left to wonder how exactly Mr. Leibensperger was able to recall the existence of such a policy and describe its exact contours in such detail.

Other employees described the policy to the Subcommittee in great detail, and their descriptions matched that given by Mr. Leibensperger in all material respects. When Tim Hugo, Representative Shuster's former Chief of Staff, testified before the Subcommittee, we understand that he told the Subcommittee that the official policy was that staff members could take

other method for accounting for their time spent working on the campaign. As the Subcommittee explains, none did.

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Other employees described the policy to the Subcommittee in great detail, and their descriptions matched that given by Mr. Leibensperger in all material respects. When Tim Hugo, Representative Shuster's former Chief of Staff, testified before the Subcommittee, we understand that he told the Subcommittee that the official policy was that staff members could take

administrative leave to work on political events, so long as all official work was completed on time. We understand Hugo told the Subcommittee that he did not personally keep track of each employee's hours in order to make sure that all official time had been made up, but that Tracy Mosebey was responsible for keeping track of whether or not office work was being done. When Subcommittee members asked how he could be sure that no one was abusing the leave policy, we understand Hugo made clear that the office was small enough so that if any work was not being completed, he would know about it.

When another witness who worked as Chief of Staff in Representative Shuster's office appeared before the Subcommittee, we understand that she again explained the nature of this leave policy to the Subcommittee, in exactly the same terms as Hugo had done, and further explained that the policy had been well-disseminated to the employees. We understand this witness explained to the Subcommittee that she did not herself keep records of the hours the staff took off for administrative leave. However, in accord with the testimony from Hugo, she explained to the Subcommittee that she had instructed Tracy Mosebey to do so. Tracy Mosebey, in turn, also explained to the Subcommittee that staffers had been instructed to note their time spent campaigning as administrative leave. She informed the Subcommittee that this policy was in place at all relevant times, and even contrasted the existence of this well-disseminated oral office leave policy during the time period from 1993-present with the time prior to 1993, when an official office leave policy regarding employee work on campaigns was not as fully developed.

It is our understanding that the testimony of Judy Giansante, Representative Shuster's Altoona Office Manager, and Mrs. Eppard, both support the testimony of Hugo, Mosebey, Leibensperger, and other witnesses. We understand Giansante explained to the Subcommittee that there was an office policy regarding leave for employees to work on campaigns, that the office policy was that an employee could volunteer as long as time missed from official work hours was made up

later, and that this policy had consistently been in place under the Chief of Staff leadership of Ann Eppard, Carol Wood, and Tim Hugo. Giansante even kept records of her campaign hours on her calendars, though these have since been discarded in the intervening years. We understand that Ann Eppard stated to the Committee that she had informed the entire staff that everyone was to perform forty hours a week of congressional service. While Ann Eppard did not maintain formal written records, in an office as small as Representative Shuster's, she explained that she would be aware if an employee were to fail to fulfill his or her official duties.

The Subcommittee asserts that it heard the testimony of several current and former employees "all of whom testified that the office did not have in place any established written or oral standards rules (sic) regarding office vacation policy." *See* Report at 54. Of course, since each employee uniformly testified that campaign work was done on administrative leave, rather than vacation, the lack of a vacation policy would be irrelevant to the matters before the Subcommittee. But even assuming the Subcommittee intends to reference "administrative leave" when it says "vacation" policies, the Subcommittee's own ensuing summary of the evidence does not support its claim. With a solitary exception, none of the witnesses whose testimony is summarized by the Subcommittee, *see* Report at 54-58, says anything other that (1) they performed some volunteer work for the campaign, (2) following the offices leave policies, they continued to collect their regular salary while performing campaign work, and completed their official work during other hours, and (3) the office did not keep written records of the time employees spent on administrative leave. While according to the Subcommittee one witness did testify that the office's policy was that "[y]ou took time if you needed it. If someone was ill, you could take as much time as you needed for that. If you wanted to do volunteer work on the campaign, that was fine with [Representative Shuster] as long as your work was done," this quote appears to relate to the office's sick leave policies, not administrative leave policies. Report at 55. Each witness agreed, and office policy in fact was, that

there was no limit on the amount of administrative leave an individual could take so long as official work was completed. In sum, we understand that each of the witnesses testified before the Subcommittee that they had been informed of the office leave policy, and each stated that they were unaware of any confusion over, or abuse of, that policy.

It is true that the Committee on Standards has advised Members that, in order to ensure that no employee spends official time performing campaign tasks, "it is advisable that office policies on such matters as the work day, lunch hour and leave time be in writing and distributed to all employees." *See* **House Ethics Manual** at 201. However, it is evident from the use of the word "advisable" in regard to the Commission's statements on written office leave policies that the use of a written leave policy is only a recommendation, not an ethical requirement. So, too, when the Committee discusses the practice of having employees carefully document time spent working on campaign-related activities, the Committee only "recommends" that they keep careful records of the amount of time they spend performing campaign work and their official duties. *See* **House Ethics Manual** at 201. The Committee's "recommendations" are not stated as ethical obligations. The Subcommittee itself seems to recognize that a well-understood oral leave policy would suffice; the Subcommittee's alleged violation claims the absence of a "written or oral" policy regarding leave, and under any other interpretation the phrase "or oral" would be superfluous. *See* Report at 54. As he understood them, Representative Shuster's administrative leave policy was permissible under all House ethics rules cast in mandatory terms. He knew of no requirement that a Member maintain "verifiable records" or other such special "safeguards" tracking the time that his staff spent of out the office. *See* Report at 54.

If the Subcommittee believes that Members should be required to keep such records, then the full Committee should promulgate rules to make this clear. By implementing clear rules cast in mandatory terms, the Committee could assist other Members in avoiding the criticism leveled at

Representative Shuster. As the rules are currently phrased, it appears that if a Member believes that, due to the small and close-knit nature of his offices and the inherently sporadic and unpredictable official hours that they worked, a flexible, unwritten leave policy was best-suited to the realities of his office's situation, then he or she is free to make that decision. However, with the benefit of hindsight, Representative Shuster readily concedes that electing to follow the Committee's recommendation that office leave policies be written, and that employees keep meticulous records regarding their campaign work, would have avoided any "appearance of impropriety."

3. Representative Shuster Neither Permitted Nor Encouraged Any of His Employees to Neglect Their Official Duties.

The evidence detailed by the Subcommittee in its Report shows that Representative Shuster neither permitted nor encouraged anyone to forsake their official duties. Representative Shuster never enticed employees to work on the campaign, believing that employees should be free to spend their free time however they choose. Had employees ever abused his administrative leave policy, and had Representative Shuster ever become aware of such abuse, he would have responded accordingly. In this regard, the Subcommittee's description of its evidence coincides our understanding of the evidence.

It is our understanding that Tim Hugo, Representative Shuster's former Chief of Staff, testified that he never asked any staff members to perform campaign work. We understand he made clear to the Subcommittee that while many people volunteered to work on campaign events, this was due to enthusiasm generated by Ann Eppard, and that there was no requirement that anyone in the office work on campaign events. We understand that Ann Eppard's testimony confirmed that of Tim Hugo. Mrs. Eppard explained to the Subcommittee that the staff were honest and hardworking, and that many people helped on the campaign because there was considerable support for Representative Shuster throughout the office. She also testified that there was no requirement

that staff work at campaign events and that she never asked anyone to perform campaign related work. When Tracy Mosebey testified before the Subcommittee, it is our understanding that she also told the Subcommittee that there was never a requirement that staff volunteer, and that there was no punishment if a staff member did not volunteer. As far as we are aware, these three witnesses were the only persons who gave testimony relating to this issue. It is our understanding that Hugo, Eppard, and Mosebey are all in agreement that Representative Shuster was unaware of the hours any particular employee spent working on the campaign or in the office. It is our understanding that this testimony is also corroborated by that of Leibensperger, who stated that he did not know if Representative Shuster was aware that staff members were working on the campaign and taking administrative leave. As Ann Eppard explained, it was the responsibility of office staff, not the Representative, to ensure that office work was completed in a timely fashion. We understand Tim Hugo agreed that Representative Shuster was unaware of whether or not his employees were keeping track of the exact amount of time that staff members were taking to perform campaign work. All of the witnesses testified that they were unaware of any instance in which Representative Shuster had directed or encouraged an employee to perform campaign work at all, much less to do so to the detriment of the employee's official tasks.

For his part, Representative Shuster can assure both the Committee and the public that he has no knowledge of any of his employees having ever failed to complete their official duties. Representative Shuster can also assure the public that, as all of his employees testified, he never directed or encouraged any of his employees to perform campaign work. To the contrary, Representative Shuster stressed to each employee that every employee should fulfill their official job duties. Representative Shuster is a devoted public servant whose offices have run smoothly and efficiently for almost three decades. Representative Shuster feels that his office's policies and practices are similar in pertinent respects to those polices and practices in place in a large number of

other House offices. Unwritten administrative leave policies are utilized in a number of other House offices, if not commonplace. ."

4. The Committee Has Never Before Brought Allegations Regarding the Use of Office Staff to Perform Campaign Tasks Unless There Was Direct Participation in, or at Least Knowledge of, the Staff Member's Misconduct on the Part of the Representative.

On previous occasions, the Committee has alleged violations against certain House members for using their office staff to perform various personal and campaign tasks to the detriment of their official duties. In those investigations, the Committee always had evidence before it that proved a Representative's direct participation in, or at least knowledge of, the fact that the staff was performing work on official time. In this and other ways, the behavior that formed the basis of the allegations in those investigations went far beyond any behavior that the Subcommittee alleges to have been committed by Representative Shuster.

In both prior investigations of a Member's use of office staff to perform campaign work, the Committee had before it direct evidence of knowledge or action on the part of the accused Congressman. Most recently, in the investigation of Representative Barbara-Rose Collins, the Committee made allegations of violations of the identical statutory and ethical rules regarding the use of official staff to perform campaign tasks as those alleged in this case. *See* **In the Matter of Representative Barbara-Rose Collins, H.R. Rep. No.** 104-876, *passim* (1997) ("*Collins Report*"). However, unlike the instant investigation, the Committee there had credible evidence, **including direct and corroborated eyewitness testimony**, that Representative Collins was aware of, directed, and supervised her employees in conducting campaign work during official hours. *See id.* Specifically, one employee-witness who had served as Representative Collins' office manager testified that "Representative Collins sometimes personally directed her to sign campaign checks at times when she would otherwise have been performing official duties." *Id.* at 7. The witness further

stated that "Representative Collins personally made clear that [the witness] was responsible for performing bookkeeping functions for the campaign account." *Id.* The office manager's testimony in this regard was corroborated by the accounts of at least two other witnesses, including Representative Collins' former Chief of Staff. *Id.* at 8-11. The former Chief of Staff explained that during her tenure in Representative Collins' office, she was responsible for "logging" incoming campaign checks, listing and depositing those checks, and forward copies to the campaign. *See id.* The former Chief of Staff "testified that Representative Collins personally gave her instructions on how to make the deposits and what follow-up actions to take." *Id* at 7. The statements by both of these witnesses were corroborated by other witnesses, bank documents, and signatures. As a result, the Committee had before it credible evidence that the fact that campaign work was being done by official staff on official time "occurred with the firsthand knowledge and approval of Representative Collins."

The Committee also had direct evidence of "knowledge" and "direction" on the part of the Congressman in its investigation of Representative Jim Bates -- the only other major investigation of a Member's alleged use of office staff to perform campaign work on official time. In that case, two witnesses[19] directly testified that they made phone calls to Political Action Committees and stuffed envelopes relating to fundraisers at a time when they would otherwise have been performing official tasks, and on time that was unquestionably official (rather than leave) time. *See* **In the Matter of Representative Jim Bates, H.R. Rep.** No. 101-293, at 4-5 (1989). Both employees' testimony corroborated each other, and both employee's testified to the Congressman's knowledge and direction of these activities. One employee testified that she made phone calls "during office time on office phones at the direction of Representative Bates' administrative assistant acting pursuant to

[19] These two witnesses were Karen Dryden and Dorena Bertussi.

the congressman's desires." *Id.* at 4. She explained that the Congressman's participation was so direct that she felt "that her attendance at [a] fundraiser amounted to an implied condition of her job." *Id.* A second witness, who was a legislative assistant to the Congressman, testified that when she was making fundraising phone calls, she received "specific[] instruct[ions]" from the Representative regarding how to conduct the calls. *See id.* at 4. The testimony of these witnesses regarding the direct knowledge and participation of the Congressman was also corroborated by the testimony of three other individuals. One additional witness testified that she "remembered that [the first witness] had performed campaign work in the back of the office. *Id.* at 6. A second additional witness recalled a time in which the entire office had closed early so that campaign work could be done. *See id.* And a third additional witness remembered the Congressman telling her that the first witness had been hired to perform campaign work. *See id.* at 7. In short, in that investigation, as in Barbara Rose-Collins, the Committee had direct and corroborated evidence of the Congressman's intent with regard to having his staff perform campaign work on official time.

Conspicuously absent from the Subcommittee's Report and SAV here is any evidence that would have support a similar allegation against Representative Shuster. **Indeed, there is not so much as the testimony of one single witness that Representative Shuster ever directed his employees to perform campaign work on official time.** There is not so much as the testimony of a single witness that Representative Shuster even had **knowledge** of any such activities ever having taken place in his office. Instead, the uniform and uncontroverted testimony of every witness before the Subcommittee is that he did not have any knowledge of his campaign staff having ever performed campaign work to the detriment of their official duties. *See* Report at 53-61.

Unlike Representative Shuster, neither Representative Bates nor Representative Collins ever told their employees to use administrative leave when performing campaign tasks, nor did either office have in place an official administrative leave policy so that their employees could do so

without violating their ethical obligations. Throughout the time that eyewitnesses claim that Representative Collins directed her employees to engage in campaign tasks on official time, there was testimony from at least two witnesses that "[a]t no point. . . did Representative Collins indicate to [the witnesses] that [they] should take leave time to perform such duties or perform them on her own time." *Collins Report*; *see also* **In the Matter of Representative Jim Bates, H.R. Rep. No. 101-293, at 10 (1989)** (containing no testimony that the Congressman told his employees to take leave when performing campaign work). This stands in stark contrast to this investigation, in which at least five witnesses – Hugo, Leibensperger, Giansante, Eppard, and Mosebey – all uniformly testified that they knew and understood the office policy that official duties could not suffer as a result of volunteer campaign activities.

5. The Subcommittee's Characterization that Representative Shuster Permitted Campaign Work to be Done in his Federal Office Is Unfair.

In its SAV, the Subcommittee states that while working for Representative Shuster, "employees . . . performed services for the BSCC in his Congressional offices." Report at 6-7. Yet in its ensuing Report, the Subcommittee complains that Representative Shuster "permitted" his employees to perform services for the BSCC in his congressional office – a phrase which implies that Representative Shuster was aware that such work was being done in his offices. The Subcommittee explains that "[a]lthough there was no direct evidence that Representative Shuster was aware that this activity [campaign work done in his office] was taking place, the Investigative Subcommittee determined that he was responsible for permitting this practice to occur for a protracted period of time." Report at 64. This sentence speaks for itself. Notwithstanding the absence of evidence that links him to any misfeasance, the Subcommittee has nonetheless determined, without explanation, that Representative Shuster is responsible for an act of apparent misconduct committed by one of his many employees. Representative Shuster understands that at

some point one of his employees stored, and may even have filled out, certain FEC campaign reports in a House office. But the Subcommittee's characterization of this action is unfair for several reasons.

a. There is no clearly-phrased prohibition against the activity at issue.

Neither the statutes nor regulations referenced by the Subcommittee prohibit employees from performing campaign work in a federal office, so long as the campaign work is done on the employee's free time and no office resources (*i.e.* fax machines, long distance phone calls, etc.) are used. At the time of the alleged conduct, using a federal office did not transform otherwise permissible campaign work into prohibited activity. Though performed in the office, the Subcommittee does not suggest that office resources were used by the staff. Nor as we have previously addressed is there any real concern that office staff performed campaign tasks on official time.

Near the conclusion of this investigation, the Committee did issue a memorandum specifying that the "official resources" that may not be used for campaign activity "include official staff time, **House offices and rooms**, the computers, fax machines and other office equipment, and office supplies." *See* Committee on Standards of Official Conduct, *Rules and Standards of Conduct Relation to Campaign Activity* (March 2, 2000) (emphasis added). Though that Memorandum cites to the House Ethics Manual in support of this proposition, neither the Manual nor the Advisory Opinions cited therein expressly stated that the Committee had interpreted 31 U.S.C. § 1301 as barring the performance of campaign work in federal offices, assuming that no official resources were used. At most, such a proposition was an unstated assumption, *see* **House Ethics Manual** at 283 ("[E]mployees are free to engage in campaign activities . . . so long as they do not do so in congressional offices or otherwise use official resources"), or was directed only at activities covered

by 18 U.S.C. § 607, *see id.* at 303; **Investigation of Alleged Improper Political Solicitation, H.R. Rep. No. 99-277, at 17-18 (1985).** Confusion over this issue no doubt prompted the Committee to issue the clarifying Memorandum. Of course, Representative Shuster cannot be faulted for failing to anticipate the direction in which the Committee would move its understanding of the law. *See In the Matter of a Complaint Against Robert L.F. Sikes*, at 6.

Even in light of it most recent Memorandum, the Committee still needs to clarify the statutory basis for, and the extent of, this prohibition against the use of office space. The Committee's assumption relating to the use of office space for political activity seems to stem from concerns over fundraising and the prohibition against fundraising in 18 U.S.C. § 607. *See In the Matter of Representative Jim Bates*, at 11. Section 607 makes it unlawful to "solicit or receive" contributions in any building where federal employees work. *See* 18 U.S.C. § 607. Section 607 concerns are simply not at issue here. The evidence that the Subcommittee relies on consists in its entirety on the testimony of a single witness, who claims that he or she "performed services for Representative Shuster's campaign in the Rayburn House Office Building" and that these services "included completing FEC expenditure and contribution reports and signing campaign checks." Report at 62. These types of campaign services are separate and distinct from fundraising. Further, it is well-settled by this Committee that Sections 602 and 607 "are intended to protect federal employees from coercion vis-à-vis political contributions and insulate the workplace from such solicitations." *See Investigation of Alleged Improper Political Solicitation*, at 18. For this reason, the Committee has clarified that "for § 607 to be invoked, it must be established that a solicitation in a Federal building **involves the intimidation of Federal employees from whom political contributions are sought.**" *See id.* at 17-18 (emphasis added). The Subcommittee makes no finding, nor could it, that any coercive fundraising occurred at any time.

b. In the face of evidence of significantly more egregious conduct, the Committee has declined to pursue similar allegations in other investigations.

It is evident from a review of numerous prior investigations that the Committee has been presented previously with substantial evidence that Members either directed or were aware of campaign work being done in their Federal Offices. Yet the Committee declined to allege ethical violations of any prohibition against the mere use of offices in those cases. Reversing this trend when dealing with employees of Representative Shuster singles him out unfairly.

For example, in its investigation of Barbara Rose-Collins, the Committee noted that there was significant corroborated testimony from more than one witness that Representative Collins "personally gave instructions" to her employees that they perform campaign check logging and cashing activities in her federal office. *See Collins Report* at 10. The Committee also had testimony from witnesses that Representative Collins directed her employees to "routinely wr[ite] campaign checks in the Congressional Office." *Id.* at 1. Based on this evidence, the Committee alleged a violation (Count I) that Representative Collins directed her employees to perform work for the campaign on official time in dereliction of their official duties. Conspicuously absent from the Committee's Report concerning Representative Collins was any allegation that her conduct constituted a misuse of official property, or violation of 18 U.S.C. § 607. This absence is even more glaring given the broad scope of the Committee's investigation in that case. The Committee's Report in the Representative Collins matter included no less than eleven counts of alleged violations, encompassing diverse activity that spanned many years and several continents. Had the Committee believed that the facts before it would support a claim for the misuse of a House office by virtue of Representative Collins directing her employees to perform campaign work in that office, it would have included that Report along with the numerous other claims brought in that case. For the Subcommittee to concern itself with such an allegation in this case, when the Subcommittee has no

evidence whatsoever that Representative Shuster was aware of campaign work being performed by a single employee, unfairly singles out Representative Shuster.[20]

c. It is unfair to hold Representative Shuster responsible for the activities of this particular employee.

The Subcommittee's concerns implicate the activity of a single employee. Yet the Subcommittee provides no evidence that Representative Shuster had knowledge of this particular employee's activities. *See* Report at 62-63. There is no evidence that Representative Shuster directed, encouraged, permitted or condoned this activity. On these facts, it is unfair to place the blame for this employee's actions, which may well have been innocent and unguided, on Representative Shuster.

Representative Shuster has numerous duties both as a Member of the House of Representatives and as the Chairman of a large Committee. It is not practical for him to simultaneously act as a office manager over each and every one of his employees, especially where the conduct at issue was not at the time clearly prohibited by federal law. Without clear standards from the Committee, the office management practices of few, if any, Members of the House of Representatives could withstand similarly exacting scrutiny. Nor has the Committee applied such an extended form of "strict liability" in the past. Representative Shuster takes his ethical commitments very seriously, and had he been aware of any employee performing campaign work in an improper

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[20] The Committee also declined to bring a Statement of Alleged Violations against Representative Feighan, when one of his employees misused "inside mail" for purposes of furthering a fundraising effort. *See Investigation of Improper Political Solicitation*, at 20-21. Instead, the Committee deferred to the judgment of the Committee on House Administration, which oversaw administration of the inside mail system (and which also oversees the use of House offices at issue in this case). *See id.* The Committee noted that the practice of the House Administration Committee "when appraised of misuse, [is] to inform the wrongdoer of the impropriety and to instruct them to no longer engage in such activity." *Id.* Such action on the part of the Committee would also have been appropriate for the alleged violations of Representative Shuster's employee in this instance if, despite the evidence, the Subcommittee had believed that any violation of House Rules occurred here. Similarly, when Representative Robert Torricelli violated 31 U.S.C. § 1301 by personally using his own office fax machine to send a four page fax containing a political message, the Committee took no action on the complaint after the Representative reimbursed the reasonable cost of the official resources used. *See* Summary of Activities - One Hundred Fourth Congress, H.R. Rep. No. 104-886, at 22 (1997).

location, he would have taken steps to prevent the employee from continuing her mistake. He simply never had an opportunity to do so. Nevertheless, Representative Shuster acknowledges that the lack of detailed documentation retained by his office contributed to an erroneous appearance that did not reflect creditably on the House.

E. SAV ¶4(e)

The Subcommittee's Allegation:

SAV ¶4(e) alleges in its entirety that:

> The number and dollar amount of expenditures by the Bud Shuster for Congress Committee ("BSCC") for meals designated as "political meetings" and for transportation on chartered airplane flights, as reported in Federal Election Commission reports filed by the BSCC between 1993 and 1998, combined with the record-keeping practices followed by the BSCC inadequate to verify the legitimate campaign purposes of these expenditures, created the appearance that certain expenditures may not have been attributable to bona fide campaign or political purposes.

Report at 7.

Response:

1. **Introduction.**

The Report unequivocally states that "[t]he Investigative Subcommittee did not find substantial reason to believe that Representative Shuster converted campaign funds to personal use." Report at 66. Indeed, the Investigative Subcommittee received direct evidence that "Representative Shuster played no role in determining the propriety of campaign expenditures." *Id.* at 75. Count I(e) is thus solely an **"appearance"** violation based on allegedly "inadequate record-keeping practices." *Id.* at 64.

Count I(e)'s charge of an **"appearance"** of impropriety is based entirely upon inferences from the following allegations:

- Representative Shuster and the BSCC used campaign funds to pay for more than 675 disbursements totaling approximately $300,000 for political meetings and meals during the six year period between January 1993 and December 1998.
- Representative Shuster and the BSCC used campaign funds to pay for approximately $400,000 in transportation expenses during this six year period.
- The BSCC did not maintain documentation of the identity of individuals who attended these political meetings or the specific political or campaign purpose for the disbursements.

Report at 64-66. The Report concludes that the "number and dollar amount" of political expenditures, combined with "inadequate" record-keeping, "created the appearance" that "certain" expenditures over a six-year period "may not have been" attributable to political purposes. *Id.* at 64-65.

This astonishingly unsupported allegation does not identify a single specific instance in which campaign funds were improperly used. Nor does the Report offer any direct evidence or testimony supporting its claim that campaign expenditures "may not" have been attributable to bona fide campaign or political purposes. Instead, the Report points to every political and transportation expense incurred by BSCC during the six-year period at issue, and alleges that the "high number and dollar amount" of these disbursements, coupled with the failure to meticulously document the participants and political purposes of such expenditures, "created the appearance" that "certain" expenditures may have been improper. *Id.* at 79.

The Subcommittee's allegations are also defective in several other respects. First, notwithstanding that House Rules give Members broad discretion to determine what constitutes a political or campaign-related expense, the Report improperly attempts to shift the burden to Representative Shuster to "prove his innocence" on every campaign expenditure. Second, the Report ignores the political reality that, given the short two-year election cycle in the House of Representatives, Members must devote significant time on an ongoing basis campaigning for re-

election and meeting with constituents. The making of approximately two political expenditures a week is far from excessive and does not support the Subcommittee's speculation that campaign funds may have been converted to personal use. Finally, while Count I(e) faults Representative Shuster for failing to maintain detailed documentation regarding each political expense, neither House Rules nor FEC regulations required political committees to maintain such documentation. Notwithstanding the lack of any evidence of a violation, the Subcommittee stretches to suggest that the lack of documentation permits an appearance of impropriety.

The Report at 67-69 appears to imply, quite mistakenly, that the propriety of campaign expenditures by the BSCC may somehow be determined by reference to the low level of opposition to Representative Shuster in his recent primary and general elections. *See* Report at 67-69. We understand that the Subcommittee does not intend to act as a super-campaign manager, second-guessing the wisdom of political expenditures that Representative Shuster's campaign advisors have considered necessary. But the Report's reference to the low level of Representative Shuster's election opposition misses the fundamental point that it was through meticulous, ongoing and expensive relationship-building in his district that Representative Shuster has achieved such unprecedented electoral success. It is not an accident, nor even a tribute to the power of personality, that Representative Shuster has won the Republican and Democratic nomination for re-election an historic nine times. Only by his campaign advisors' deployment of campaign funds for voter outreach, for complex county-by-county write-in campaigns, and to achieve constant in-district visibility of Representative Shuster, has he established such an enviable record of bipartisan political success. The level of Representative Shuster's ultimate election-day opposition is the result of campaign and political expenditures -- not a reason to question them.

2. A Member Has Broad Discretion To Determine What Constitutes A Campaign Or Political Expenditure.

Under the House Rules and interpretive guidance provided by the Committee on Standards, Members have significant discretion in determining those expenses that may be paid for with campaign funds. Former House Rule 43, clause 6 (in effect during the period at issue) provided:

> A Member shall convert no campaign funds to personal use in excess of reimbursement for legitimate and verifiable campaign expenditures and shall expend no funds from his campaign account not attributable to bona fide campaign or political purposes.

Rule 43(6).

Originally, the rule had stated that campaign funds could only be used for "campaign purposes." **House Ethics Manual** at 271. However, in 1989, the rule was expanded to cover expenditures attributable to "bona fide campaign **or political** purposes." *Id.* (emphasis added). According to the Committee on Standards, this amendment was enacted "to reflect the longstanding interpretation that campaign funds need not be exclusively applied towards an immediate reelection campaign." *Id.* The guidance provided by the Committee on Standards acknowledges that a broad variety of activities may be considered "political" within the meaning of Rule 43, clause 6. For instance:

> travel to a Member's home district might be considered a political expense for which private campaign funds could be used if the purpose of the trip was political. Similarly, taking certain individuals to dinner, if it is determined to be a political meeting rather than one relating to official duties, could be paid from campaign accounts.

House Ethics Manual at 219. In sum, the Committee on Standards has long interpreted "political expenditures" for which campaign funds may be used "broadly to encompass the traditional politically-related activities of Members of Congress." *Id.* at 271.[21]

[21] The Investigative Subcommittee's claim that the Committee on Standards "has interpreted these provisions strictly," Report at 66, is contradicted by the Committee on Standard's own guidance in the widely disseminated **House Ethics Manual**.

The Committee on Standards has also stated that Members "have wide discretion as to what constitutes a bona fide political purpose" for which campaign funds may be expended. *Id.* The drafters of revised House Rule 43(6) explicitly recognized that it was up to the Members to decide whether expenses are "political" and can be paid for with campaign funds:

> What is political is a matter of fact rather than of definition . . .
>
> (W)hat we have tried to do is confine expenses from political accounts or volunteer committee accounts to expenses that are political. By and large, that definition will be left up to the Member and to his volunteer committee, and as it is broadly defined under the election law.

House Ethics Manual at 296 (*quoting* Statement of Representative Frenzel during debate on H. Res. 287, 95th Cong., 123 Cong. Rec. 5900 (1977)). The Committee on Standards cited this statement of Representative Frenzel in support of its conclusion in Advisory Opinion No. 6 that "Members should make the determination as to whether gray area expenditures are to be classified as political or official." *Id.*

3. The Report Does Not Even Attempt To Establish That The Cited Expenditures Were For Improper Purposes.

Strikingly, the Report does not contain a single specific allegation demonstrating that a particular expense charged to the campaign was not for legitimate political or campaign purposes. Rather than rely on direct evidence, the Investigative Subcommittee has adopted a "shotgun" approach and alleged that the number of disbursements of the BSCC indicates that at some point during the six-year period at issue the campaign may have expended funds for personal use. Such an unsupported allegation entirely disregards the presumption of innocence or any notion of fairness inherent in a legitimate adjudicative proceeding.

For instance, the Report claims that Representative Shuster engaged in a "pattern" of using chartered flights to his congressional district on holidays and weekends during which it claims that

"no verifiable BSCC activities" were listed on Representative Shuster's schedule, yet cites a mere three examples of such flights during the six year period. The Report also questions a political meal that took place on Christmas Eve. Report at 69-71. The Investigative Subcommittee speculates that no political or campaign-related purpose justified these expenditures simply because no specific events were listed on Representative Shuster's calendar. In fact, Representative Shuster routinely met with constituents and political supporters in his district around the holidays, like many politicians. Although the BSCC's Treasurer, Ann Eppard, testified in the investigation, the Investigative Subcommittee apparently failed to question Mrs. Eppard about these allegedly improper expenditures, choosing instead to rest its findings on conjecture and innuendo.[22]

The Subcommittee's approach has made it nearly impossible for Representative Shuster to defend himself. In essence, the Report unfairly seeks to shift the burden of proof to Representative Shuster to establish the *bona fides* of nearly every political and travel expense incurred by the BSCC over six years. Such an approach is unrealistic and unfair. Members are given significant discretion to make their own determinations as to what expenses are "political" and may charge such expenses to their campaign committees as long as they are properly reported to the FEC. As the Report acknowledges, each of the expenditures at issue was disclosed to the FEC in publicly-filed reports. Under the theory of liability advanced by the Subcommittee, any Member could be charged with ethical wrongdoing if the Member cannot reconstruct the precise details of every expenditure of the Member's campaign committee over a six-year period.

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[22] The Investigative Subcommittee did question Mrs. Eppard about certain political meetings between Representative Shuster and Mrs. Eppard at Washington, D.C. restaurants such as the Capitol Grille. However, the Investigative Subcommittee did not dispute that the meals had a political purpose, and focused instead on whether holding political meetings at "expensive" restaurants was a "good use of campaign funds." Report at 71-72 (during deposition of Mrs. Eppard, the Member stated "[y]es, you talked about the campaign," but questioned why they did so at an "expensive" restaurant). Whether such expenses were a "good use of campaign funds" is wholly irrelevant to the issue of whether campaign funds were spent improperly. Once again, the Report contains no direct evidence that the BSCC improperly paid for these political expenditures.

4. Campaign Committees Are Not Required To Maintain The Documentation Suggested By The Subcommittee.

Count I(e) further suggests that BSCC's records improperly failed to list the individuals associated with, and the specific campaign or political purpose of, each disbursement for meals and travel. Report at 66-67. The Report, however, fails to cite any House Rule or FEC regulation that required a campaign committee to maintain such detailed documentation, and does not specify what "records" would be sufficient to satisfy this purported "requirement." In retrospect, had the BSCC kept the documentation described by the Investigative Subcommittee, it would have avoided the "appearance" problem at issue. However, Representative Shuster cannot be faulted for failure to maintain records that he and the BSCC were under no obligation to maintain.

The FEC requires political committees to itemize disbursements in publicly-filed forms setting forth the purpose of each disbursement. Under the regulations, "purpose" is defined as "a brief statement or description of why the disbursement was made." 11 C.F.R. § 104.3(b)(4)(i)(A). The FEC regulations provide the following examples of permissible statements of purpose under this regulation: "dinner expenses, media, salary, polling, travel, party fees, phone banks, travel expenses, travel expense reimbursement, and catering costs." *Id.* FEC regulations do not require political committees to report the identities of all individuals attending political dinners, or the particular political or campaign issues discussed during political meetings.

In accordance with FEC requirements, the descriptions in the BSCC's FEC reports consisted of terms such as "political meetings," "political meetings and meals," "lodging," "meals," "campaign meeting," "fundraising planning meeting," and "transportation." Report at 65 n.57. The descriptions of disbursements in BSCC's reports were fully in compliance with FEC regulations.

5. The Number Of Disbursements At Issue Is Not Excessive.

The Investigative Subcommittee's claim of an "appearance" violation is based on the fact that the BSCC made a large number of disbursements during the six-year period at issue. However, House Rule 42(6) does not provide a maximum number of political expenditures that are permissible. The BSCC made approximately 675 disbursements for political meals and meetings during a six-year period, as well as several disbursements for political and campaign related travel. These disbursements break down to only one political or campaign expense every three to four days during the six-year period. This level of political activity by a Member of the House of Representatives is far from excessive.

The Report's innuendo ignores political reality. A typical Representative must devote a significant portion of his or her time to fundraising and political activities associated with re-election. The Report suggests that the number of the BSCC's political disbursements was excessive in light of Representative Shuster's electoral success. *See* Report at 67-69.[23] As several witnesses testified before the Investigative Subcommittee, however, Representative Shuster is a 14-term Member of Congress in part because he devotes a great deal of time, energy and resources to fundraising and campaigning. *Id.* at 77. Given the effort required to be elected and re-elected to Congress, it was not unreasonable for the BSCC to pay for an average of two expenses associated with political meetings and meals per week.

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[23] During the testimony of Mrs. Eppard, the Investigative Subcommittee also suggested that the BSCC should have "buil[t] up a war chest" instead of expending campaign funds on political events and constituent activities designed to help ensure Representative Shuster's re-election. Report at 76-78. This irrelevant line of inquiry has no bearing on whether campaign funds were spent for legitimate purposes. Representative Shuster is the only Member from Pennsylvania who has won both the Republican and Democratic party nominations in his district on nine occasions -- each requiring a time consuming and expensive write-in campaign. Given Representative Shuster's "established [] record of proven success at the polls," *Id.* at 78, the Investigative Subcommittee's attempt to challenge Representative Shuster's campaign strategy rings hollow.

6. The Political Meeting And Travel Expenses Incurred By The BSCC Are Legitimate On Their Face.

Almost all of the disbursements for political meals and meetings set forth in the Report occurred in locations in or around Representative Shuster's Congressional District or Washington, D.C. -- precisely the locations where one would expect Representative Shuster to conduct campaign-related events or meetings with political supporters and constituents. All of the listed transportation expenses were paid to charter aircraft carriers operating in Pennsylvania. On their face, therefore, these disbursements appear to be entirely legitimate, and the Report contains no evidence to the contrary.

The overwhelming majority (approximately 92%) of the BSCC disbursements that the Investigative Subcommittee claims "may have" been improper occurred in Representative Shuster's congressional district, the Washington area, or stops somewhere in between.[24] Similarly, the challenged transportation expenses consist almost entirely of chartered flights in the Pennsylvania area operated by the Bun Air Corporation of Bedford, Pennsylvania. These are precisely the types of expenditures and locations at which Representative Shuster and the BSCC would be expected to incur expenses for political and campaign-related meetings.

7. Conclusion.

Representative Shuster's political and campaign expenditures were legitimate and documented and reported as required. The Subcommittee does not attempt to prove that any particular expense was improper, and rests its findings of an "appearance of impropriety" solely upon the number and amount of expenditures. Nevertheless, Representative Shuster agreed to this

[24] For instance, approximately 300 (or 44%) of the expenses occurred in Representative Shuster's congressional district in Pennsylvania, at locations such as Bruno's Diner in Chambersburg, Denny's in Selinsgrove, and Jethro's in Altoona. Approximately 207 (or 30%) of the expenses occurred in the Washington, D.C. metropolitan area, at locations such as the Capitol Hill Club or the Hyatt Hotel. Approximately 124 (or 18%) of the expenses occurred either in other towns in Pennsylvania or in towns on the route between Washington, D.C. and Representative Shuster's congressional district.

portion of the SAV because he acknowledges that the BSCC could have eliminated any mistaken appearance of impropriety by maintaining more detailed records.

ATTACHMENT 1

Everett, Pa. 15537

February 16, 1996

Richard Hoskens
Counsel , House Ethics committee
U.S. House of Representatives
Washington, D.C.
Fax: 202-225-7392

Dear Mr. Hoskens,

Following up on our discussion of yesterday, attached is the transcript of the Ethics review which you and I conducted on December 19, 1995. I understand that it is permissible for me to release this information.

Thank you for your advice.

Sincerely,

BUD SHUSTER

[redacted] EDWARD BOSKENS, COUNSEL TO THE HOUSE [redacted]

[redacted] DECEMBER 19, 1995. [redacted]

[redacted]: I want to be certain that I am complying with all the ethics rules so I would like to get your advice.

BOSKENS: Fine.

SHUSTER: I guess a threshold question is, is Ann Eppard a "personal friend" as defined by Ethics?

1. On 1970 we worked together at my computer company.
2. She volunteered for my campaign in 1972.
3. She was my Chief of Staff from 1973 to 1994.
4. She volunteered for all my campaigns and was the Asst. Treasurer of my campaign committee.
5. Over the years my wife and I stayed at her home in Virginia many times.
6. I lived at her home for a short period of time with other people during recovery from surgeries.
7. She has stayed at our home in Pennsylvania many times and lived there during a campaign.
8. She is now a lobbyist with issues before our committee.
9. She is hired by my campaign committee as my political consultant.

Does she qualify as a personal friend?

BOSKENS: " YES, FOR EVERYTHING SHE DOES FOR YOU UNLESS SHE CLAIMS A BUSINESS DEDUCTION."

SHUSTER: I'm assured she does not claim such a deduction."

BOSKENS: Fine.

SHUSTER: If I and my family stayed at her house?

BOSKENS: "THAT'S O.K."

SHUSTER: If she pays for dinner?

BOSKENS: "THAT'S O.K. UNLESS SHE CLAIMS IT."

SHUSTER: If it's a political dinner...campaign discussed...charged to the campaign committee?

BOSKENS: "THAT'S O.K. NOT PERSONAL."

SHUSTER: If it's a social dinner?

BOSKENS: "THAT'S O.K." THE BEAUTY IS THE RELATIONSHIP PRE-DATES CONGRESS AND HER BECOMING A LOBBYIST."

SHUSTER: Also driving me? Because of my broken neck and the pins in it, I'm

not supposed to drive in city traffic. Ann or my supporters often drive me. Should I pay her?

HOSKINS: "NOT NECESSARY."

Note: The above portion of the transcript concluded the review relating to Ann Eppard. The Congressman then proceeded to give other examples of other associates to determine the status of his relationship to them under the Ethics rules.

The transcript then was read in its entirely to Jack Schenendorf, Chief of Staff to the Transportation and Infrastructure Committee.

ATTACHMENT 2

Congressman Bud Shuster Tren Urbano Site Visit
February 17-20, 1995

[redacted] February 17, 1995

12:29 pm	Flight AA-937 from Dulles to San Juan Hotel Pre Check-in
pm	Free

[redacted]irday, February 18, 1995

am	Free

[redacted]day, February 19, 1995

	Free
7:30 pm	Dinner Reception Magnolia Room Hotel El Conquistador

[redacted]day, February 20, 1995

8:45 am	Departure from Hotel
2:00 pm	Tren Urbano Alignment Briefing
3:30 pm	Tren Urbano Alignment Aerial Tour
5:00 pm	Meeting with Honorable Governor of Puerto Rico Executive Mansion, Old San Juan
6:00 pm	Departure to airport
7:12 pm	Flight AA to DCA

ATTACHMENT 3

Raymond W. Holdsworth
President
Chief Executive Officer

February 22, 1995

Dr. Carlos J. Pesquera, Secretary
Department of Transportation and Public Works
Government of Puerto Rico
Minillas South Building, Suite 1701
Minillas Governmental Center
Santurce, Puerto Rico 00940

Dear Carlos:

I just received the clipping from Monday's San Juan Star. It appears Chairman Bud Shuster could almost be described as a "champion" for the Tren Urbano project. After talking with Nancy and Gil, it appears as though the visit went better than we had anticipated when we last talked in Washington. What is your reaction to the visit?

...ith such a positive start, I believe that we should now capitalize on our momentum and develop a joint strategy for optimizing Federal funding. There is currently a "window of opportunity" that is now available if you proceed quickly to craft a strategy to gain Congressional Support. As we discussed in Washington, with all the competition for funds, our efforts in Washington deserve the highest priority.

I strongly recommend that you augment your Congressional efforts in Washington by hiring Ann Eppard Associates, Ltd., to represent Tren Urbano and to immediately institute an action program to optimize the impact of Ms. Eppard's sphere of influence. This is time critical in your attempts to obtain Federal funding and legislative support.

Since Daniel, Mann, Johnson, & Mendenhall (DMJM) is fortunate to have Nancy Butler in Washington, she will be able to work "hand-in-glove" with Ms. Eppard in this important task. However, as you know, she cannot assume a direct lobbying role as an employee of a private firm engaged on the project.

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Daniel, Mann, Johnson, & Mendenhall
3250 Wilshire Boulevard
Los Angeles, California 90010-1599
Telephone: 213/381-3663
Telex: 4720019 DMJM LA Fax: 213/383-3656

Planning
Architecture
Engineering
Program/Construction
Management

There are several ways you may accomplish this task and I am willing to discuss these options if you so wish. A "missed opportunity" for Tren Urbano now could actually benefit another competing project. I'm looking forward to hearing from you soon concerning your intentions.

Warmest regards,

Raymond W. Holdsworth
/lt

cc: Gil Butler
Nancy Butler

VIA FAX (809) 728-8963