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United States Court of Appeals
For the District of Columbia Circuit

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Special Division

Marilyn Sargent
Chief Deputy Clerk
United States Court of Appeals
District of Columbia Circuit
333 Constitution Avenue, NW
Washington, D.C. 20001-2866

Re: Wardell C. Townsend

Dear Ms. Sargent:

The following are the comments of Wardell Townsend on those portions of the report of Independent Counsel Smaltz that were revealed to him.

The report recites, at page 155, that Donald Downing, the alternate designated agency ethics officer of the Employee Relations Division of the Office of Personnel of the USDA claimed to have given Wardell Townsend a list of questions for Secretary Espy to review. Mr. Townsend states that he never received such a list of questions.

The report recites, at page 164, that J. M. Kelly of the USDA's Office of General Counsel was asked two questions by Wardell Townsend concerning Secretary Espy's Jeep. The report states that the second question was whether Secretary Espy had to have a driver to commute from home to work. Mr. Townsend says that he did not pose that question; rather, the second question he posed to Mr. Kelly was whether the Jeep lease could be transferred to the Executive Branch. The report goes on to say at that page that Mr. Townsend advised Mr. Kratzke, Director, USDA Office of Operations, that Secretary Espy would substitute the Jeep for the Town Car and chauffeur. Mr. Townsend states that he advised Mr. Kratzke about the substitution of cars, but did not address the issue of the chauffeur.

The report recites, at page 231, that in 1992, Wardell Townsend took over Tom Espy's campaign committee duties, including overseeing expenditures and fundraising. Mr. Townsend states that is incorrect. The committee account that was opened in the District of Columbia was a holding account and Mr. Townsend's focus was not on Tom Espy's duties, but on national political issues.

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The report recites, at page 233, that in approximately April 1992, Michael Espy and Wardell Townsend went to Jackson, Mississippi and confronted Tom Espy. Mr. Townsend categorically states that he never went with Michael Espy to Mississippi, never confronted Tom Espy with Michael Espy and that his only trip to Mississippi in that time period was a district staff meeting and to take campaign check books from Tom Espy's office to Michelle Matlock. Mr. Townsend further adds that neither Michael Espy nor anyone else had confided to Wardell Townsend at the time that money was actually missing from the campaign account.

The report recites, at page 234, that as part of a "scheme" Wardell Townsend instructed Michelle Matlock what to say on FEC reports. Mr. Townsend responds that he did not. The report also recites at that page that in September 1992, Michael Espy told Wardell Townsend about the missing money and told him to contact Tom Espy about replacing the money. In fact, that did not occur until 1993.

The report recites, at page 237, that J.M. Kelly of the USDA's general counsel's office met with Mr. Townsend and Secretary Espy and presented a letter for the Secretary's signature that stated that he would not use any of the money in the accounts for partisan purposes, but would keep the money in trust. The report goes on to say that Secretary Espy refused to sign, saying that he wanted to delay signing the letter until he had received all the money he was due. Mr. Townsend states that Mr. Kelly suggested at that meeting that the money not be put in trust until they were sure they had all of their receipts and had gotten reimbursed.

The report goes on to say that Mr. Townsend falsely represented the amount of money that was in the account. In fact, Mr. Townsend reported what he then believed to be true.

At page 239, the report states that at Secretary Espy's instructions, Wardell Townsend kept track of Tom Espy's progress at returning the money. In fact, Mr. Townsend received no such instruction and took no such action. Similarly untrue is the Independent Counsel's claim that Mr. Townsend was anxious to get the money returned to the account and wanted continued updates on Tom Espy's progress.

Very truly yours,



Daruel F. Goldstein

DFG/m