

Satish Bahl, a part owner of the Akbar Restaurant on Charles Street—where kitchen employees made \$13,500 in bogus contributions—echoed other Baltimore donors in saying he now feels badly used by his former friend.

"I had no idea—absolutely no idea," he said yesterday. "We were not aware of the consequences. We were only involved third-hand. We never thought about how far this could go."

Gadhia denied the allegations at the time of The Sun's investigation. But the case against him continued to build last summer as FBI agents issued subpoenas to those who gave to the PAC or who attended fund-raisers held by Gadhia for Maryland congressional candidates, Baltimore Mayor Kurt L. Schmoke and presidential aspirants Bill Clinton and Michael S. Dukakis.

FORMER MD OFFICIAL

Gadhia was at the height of his political influence, having been rewarded by Glendening with an \$80,000-a-year post as his deputy secretary of international economic development. Within days, the governor demanded his resignation.

The allegations of wrongdoing stunned Baltimore's close-knit Indian-American community because Gadhia was its de facto political leader—the man with the golden Rolodex who could produce thousands of dollars in contributions with a round of telephone calls.

Then, on May 8, 1995, FBI agents seized documents from Gadhia's Charles Street office that quickly expanded the investigation beyond the PAC contributions.

According to records released yesterday by the U.S. attorney's office in Baltimore, the courier bill was addressed to a minister named Devendra Singh at the "Embassy of India" and it contained checks not only to the PAC but to 12 Democratic lawmakers.

The records enabled the FBI to trace some \$46,000 in illegal contributions back to Singh at the embassy, Battaglia said.

Singh, who now is a high-ranking police official in Rajasthan state in India, was minister for personnel and community affairs at the embassy at the time. Among his duties was to reach out to prominent Americans who had immigrated from India and seek their support for the government.

NO SUCH CONTRIBUTION

The current minister for community affairs, Wajahat Habibullah, denied that the embassy is involved in trying to influence U.S. foreign policy through campaign contributions.

"I have not made any such contribution," he said, adding that diplomats at the embassy have a budget for entertaining dignitaries but not for political donations. "Certainly it is not part of our work."

But it is not the first time the issue has come up.

India's current ambassador has been in Washington only since April. But his predecessor, Siddhartha Ray, who is now running for Parliament in India, drew harsh criticism from Indiana Republican Rep. Dan Burton for his statements backing certain members of Congress who were known to be strong supporters of India.

"We are very concerned about political activities at the Indian Embassy," Burton's chief of staff, Kevin Binger, said of the Gadhia guilty plea. "We feel very strongly that it should stay out of political races. Any allegation that this is going on should be investigated and made an issue with the Indian government."

Said embassy spokesman Shiv Mukherjee: "The Indian Embassy operates fully within the bounds of diplomatic propriety."

Officially, the State Department had no comment. Privately, however, officials

chalked up the illegal contributions that were funneled through Gadhia's Maryland political network to a lack of sophistication in how to influence the American political system.

One official said the Indians had made a fumbling start in their attempt to copy the formidable clout wielded on Capitol Hill by such countries as Greece and Israel, which are aligned with powerful and well-financed Washington lobbies.

India and its supporters in Washington have been extremely vocal in trying to limit U.S. military assistance to India's longtime adversary, Pakistan—most recently, the sale of 38 F-16 fighters.

As the Clinton administration has tried to improve trade and political ties with India while not damaging relations with Pakistan, much of this debate has played itself out before the Senate Foreign Relations Committee and House International Relations Committee.

Federal Election Commission records show that the committee members have become magnets for campaign contributions from Pakistani and Indian immigrants living in the United States—and for Gadhia's laundered contributions.

In addition to Sarbanes, other Democratic committee members targeted were Sen. Charles S. Robb of Virginia, \$2,000; Rep. Gary L. Ackerman of New York, \$3,000; Rep. Sherrod Brown of Ohio, \$3,000; Rep. Lee H. Hamilton of Indiana, \$3,000; Rep. Eliot L. Engel of New York, \$3,000; Robert E. Andrews of New Jersey, \$3,000; and Rep. Howard L. Berman of California, \$2,800.

State Department officials said yesterday's revelations were unlikely to do serious damage to U.S.-Indian relations. Nor does the Gadhia case appear to rise to the level of other campaign financing scandals involving foreign nationals.

The Justice Department is investigating the campaign finances of Rep. Kim, a California Republican and the first Korean-American member of Congress.

Since December, four Korean companies—Hyundai Motor America, Korean Air Lines, Daewoo International (America) Corp. and Samsung America—have paid a total of \$1.2 million in fines in connection with illegal campaign contributions to Kim that were laundered through company employees.

In 1994, a number of Japanese citizens and corporations paid a \$162,225 civil penalty to the FEC for making more than \$300,000 in illegal contributions in Hawaii during the 1980s.

Perhaps the most famous episode of foreign intervention in recent history was the Korean scandal of the 1970s, in which a wealthy South Korean businessman funneled hundreds of thousands of dollars in bribes and contributions to U.S. politicians.

Among those caught in the scandal, which implicated more than 30 members of Congress, was Hanchu C. Kim, a Maryland businessman. He was sentenced to six years in prison in 1978 for accepting \$600,000 in funds from the Korean government to influence members of Congress.

HOW THE MONEY MOVED

Aug. 16, 1993. Indian American Leadership Investment Fund registers as a political action committee (PAC) with the Federal Election Commission. In first 13 months, it raises \$700.

October 1994. Lalit H. Gadhia sends 41 checks totaling \$34,900 written by various individuals to the PAC. Between Oct. 30 and Nov. 3 the PAC sends \$34,800 to 14 congressional candidates and to the Massachusetts Democratic Party's Victory '94 fund. Federal prosecutors say that Gadhia selected the

candidates to receive contributions and that he reimbursed the authors of most of the checks, using money obtained from an official at the Indian Embassy in Washington.

October-November 1994. Another \$16,000 in contributions from individuals is made directly to 12 candidates, including eight who also received money from the PAC. The contributors are reimbursed by Gadhia, using money from the Indian Embassy official.

Dec. 1, 1994: Gadhia sends a report on the use of the campaign funds to the embassy official, Devendra Singh.

May 3, 1995. Gadhia resigns as Gov. Parris N. Glendening's campaign treasurer following a report in The Sun describing his fund-raising activities. He also takes leave of absence from his \$80,000 post as assistant secretary of international economic development in the Maryland Department of Economic and Employment Development.

May 8, 1995: FBI searches Gadhia's law office and finds evidence of the scheme to launder illegal campaign contributions.

June 30, 1995: Gadhia resigns his state job.

Yesterday: Gadhia appears in federal court and admits his role in the scheme.

**MEDICAL SAVINGS ACCOUNTS:  
DELTA DENTAL EXPLAINS WHY  
THEY ARE ABOUT AS GOOD FOR  
HEALTH CARE AS AN AB-  
SCESSED TOOTH**

**HON. FORTNEY PETE STARK**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 14, 1996*

Mr. STARK. Mr. Speaker, following is a letter in opposition to medical savings plans from Delta Dental, the large dental health care plan that serves about 27 million Americans.

MAY 3, 1996.

Hon. FORTNEY PETE STARK,  
U.S. House of Representatives, Cannon Building,  
Washington, DC.

DEAR REPRESENTATIVE STARK: I am writing to urge you to oppose the inclusion of Medical Savings Accounts (MSAs) in healthcare reform legislation currently pending in Congress (HR3103).

As you know, Delta Dental Plan of California is the state's oldest and largest dental health plan, covering almost 12 million people in our commercial and government programs throughout California and the nation. We are a member of the nationwide Delta Dental Plans Association, which serves more than 27 million Americans and includes participation of 67 percent of the nation's dentists.

Delta Dental Plan of California supports the primary objectives of the current incremental healthcare reform legislation to provide portability and limit preexisting medical exclusions. It is important to note that dental coverage plays an essential role in our nation's healthcare system. In fact, dental benefits embody the qualities being sought in healthcare reform by emphasizing primary care and preventive services, holding patients responsible for a portion of the services they receive and controlling costs. According to the Institute of Medicine, regular dental care dramatically reduces dental disease, saving \$4 billion annually. As a share of national health expenditures, dental costs have actually declined over the past three decades—from 7.4 percent in 1960 to 5.3 percent in 1990. While medical care costs were skyrocketing, the cost of dental care rose at a rate less than half that of physicians' services and one-third the rate of hospital costs.

While MSAs may help lower healthcare costs for some, they run counter to the principles of a sound dental care program.

MSAs discourage preventive care. Unlike physicians, dentists have an extensive, cost-effective set of preventive procedures to draw upon. By emphasizing preventive services, dental insurance helps improve health and lower treatment costs. MSAs, on the other hand, tend to discourage preventive, routine services. I am concerned that individuals will treat MSAs as cash savings and be more likely to regard dental care as something that can be postponed. By delaying routine care until dental problems are at more advanced stages, the eventual cost of treatment will be higher.

MSAs are less cost-effective. MSAs may actually result in higher employer benefit costs. Most healthcare dollars are spent on a small portion of the population in high amounts. Yet under an MSA option, individuals who are otherwise low utilizers to healthcare would be eligible to receive the full MSA contribution from their employers.

MSAs could lead to adverse selection and higher premiums. Young, healthy and financially well-off individuals are more likely to choose MSAs, leaving the poorer, sicker individuals in the insured population. Under those circumstances, employer premium costs would increase significantly.

I urge you to oppose the inclusion of MSAs in the final healthcare legislation. Should you have any questions or need further information, please feel free to call me.

Thank you for your time and consideration.

Sincerely,  
WILLIAM T. WARD,  
President and Chief Executive Officer,  
Delta Dental Plan of California.

#### DALLAS LOSES A COMMITTED CITIZEN

HON. EDDIE BERNICE JOHNSON  
OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 14, 1996*

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, sadly today, I must report the loss of a friend, supporter, and committed citizen, Elsie Cohen Pearle. Mrs. Pearle, passed away at her Dallas home this past week following a battle with cancer.

Born as Elsie Cohen in Pittsburgh, she graduated from Schenley High School. Shortly afterward, she met and married Stanley Pearle. The couple moved to Texas after Dr. Pearle graduated from optometry school and she became very involved in the family's optometry businesses, which preceded the founding of Pearle Vision optical stores. She worked as an executive for the firm and handled all of the advertising.

Elsie Cohen Pearle was a charter life member of the National Council of Jewish Women, Greater Dallas section and she has been described by her friends and associates as a tireless and inspiring leader in the fundraising efforts of that organization. In Dallas, however, Mrs. Pearle was best known for her love of art and her support of numerous organizations. She was a member of the Dallas Jewish Historical Society, the League of Women Voters, the National Organization for Women, and Emily's List. She also chaired the women's division campaign of the Jewish Federation of Greater Dallas. She has also been active in every national political campaign since 1960. She attended State Democratic conventions and cochaired breakfasts, luncheons, and art shows on behalf of many political candidates.

In 1988 she was honored with the Israel Bonds Woman of Valor Award, and she and her husband were awarded the Torch of Conscience Award by the Dallas Chapter of the American Jewish Congress. Mrs. Pearle formerly served on the aesthetics committee of Temple Emanu-El, where she also served on the board of the music committee. She was to have been honored in November as the first honorary chairwoman of the National Council of Jewish Women's Gala Affair in Dallas.

Elsie, you will be missed.

#### TRIBUTE TO MARIAN KLEBANOFF

HON. KAREN MCCARTHY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 14, 1996*

Ms. MCCARTHY. Mr. Speaker, I rise today to honor Marian Klebanoff who will receive the State of Israel's Heritage Award on Sunday, May 19, 1996, in Wichita, KS. Marian has dedicated her life to her family and to her community and to the State of Israel.

Marian was born in 1916 in Kansas City, MO, the second child of Edith and Benjamin Bell. She graduated from Linwood Elementary School and Central High School. Marian attended the Kansas City Art Institute, the University of Kansas, and the University of Tulsa. In 1940 she married Nathan Wedlan of Kansas City where they lived most of their married life. They had two daughters, Myrna who is married to David Lyons and Bobbi who is married to Larrie Weil.

Marian first visited Israel in 1973 with her husband who died later that year. In 1978 she moved to Wichita, KS, to marry Joseph Klebanoff who has two sons, Gary and Alan. She and Joe have been blessed with seven wonderful grandchildren: Jonathan Wedlan Lyons, Brett Harrison Lyons, Parker Anders Weil, Sarah Marion Weil, Sarah Annie Klebanoff, David James Klebanoff, and Kara Klebanoff.

Marian's devotion to her family is equaled only by her commitment to helping others. She began her public service as a high school student when she volunteered at Congregation Beth Shalom in Kansas City, MO, as a librarian. A great lover of children, Marian taught Sunday school and nursery school and was camp director at Beth Shalom.

Marian has lived several places during her adult life and has always been actively involved in her community. In Kansas City Marian served as the director of Jewish education and art gallery coordinator for the Jewish Community Center; she also was a board member of Congregation Beth Shalom Sisterhood, National Council of Jewish Women, Hadassah, and Jewish Federation. While living in Tulsa, OK, Marian was president of the National Council of Jewish Women and served on the board of directors of Hadassah, Jewish Federation, and ORT.

More recently Marian has served on the board of directors of Jewish Federation of Wichita, Temple Emanu-El Temple, Temple Emanu-El Sisterhood, Hadassah, and B'nai N'rith Women. She has been president of Temple Emanu-El Sisterhood and also has served as chairperson of the Education and Anti-Defamation League communities as well as co-chair of the women's division of the Jewish

Federation. Marian is also a member of the Wichita Gardens Botanica, Wichita Art Museum, Wichita Center for the Arts, Wichita Symphony Association, Wichita-Sedgwick County Historical Museum, American Civil Liberties Union, and the Mainstream Coalition.

I am proud to list the many organizations with which Marian has worked, but Marian's life has been much more than the sum of all the wonderful parts. The Hebrew language has no word which directly corresponds to the English word "charity." The closest word for "charity" in Hebrew is "Tzedakah" which is a Judaic admonition to be righteous, compassionate, and, above all, help one's fellow man. Marian is a most perfect example of this combination of community service and responsibility.

I am honored to rise before this distinguished body to recognize Marian Wedlan Klebanoff who has earned my respect and that of her family and her friends. She is a worthy recipient of the State of Israel's Heritage Award for her devotion to her family, to her synagogue, to her community, and to the State of Israel.

#### A TRIBUTE TO DAVID M. MARSHALL, JR.

HON. MIKE WARD

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 14, 1996*

Mr. WARD. Mr. Speaker, I rise today in tribute to an outstanding citizen in my district, Mr. David M. Marshall, Jr. Mr. Marshall has been a loyal employee of the Louisville Naval Ordnance Station for 38 years and retired as of May 3, 1996.

Mr. Marshall's long years serving at the Naval Ordnance Station are a credit to his dedication to the United States and its Armed Forces. During his long tenure, he was key in developing many defense technologies. His talents as a mechanical engineer will surely be missed. I would like to personally thank him for his commitment and to extend my best wishes to him and his family as they celebrate his retirement this weekend.

#### POLISH-AMERICAN WAR VETERANS

HON. JERRY F. COSTELLO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, May 14, 1996*

Mr. COSTELLO. Mr. Speaker, I rise today in tribute to the Polish-American War veterans in my congressional district, who are celebrating their 50th Anniversary as a veterans organization in the Metro East and will celebrate that distinguished anniversary on June 1, 1996.

This local Polish-American War veterans organization was formed immediately after World War II, when so many local Polish-Americans living in Southwestern Illinois left their homes and families to fight to free Europe and preserve democracy here in America. Upon their return, these veterans decided to form their own local PAWV organization.

According to the local organization, these original ideas were nurtured at the S.M. (Steve