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Statement of Craig Holman, Legislative Representative, Public Citizen's Congress Watch

RE: Lack of Action by House Committee on Standards of Official Conduct

March 2, 2004

The American public has been hearing more and more about scandals involving the federal government, especially scandals involving current and former members of Congress. Several pressures are at work that have added to the potential for corruption in recent years.

Among these pressures are:

- The financial stakes of government services and contracts are at an all-time high. The federal budget has grown 22% over the last four years, to \$2.3 trillion in 2004. Similarly, government contracts have ballooned a whopping 43% over the same time period, to \$2.4 billion today.¹
- Competing for these contracts is an army of lobbyists hired by special interest groups. Corporations, labor unions and special interest groups hired more than 25,500 lobbyists and spent \$1.6 billion lobbying the federal government in 2002 – that amounts to about 48 lobbyists and \$3 million per member of Congress.²
- Among this army of lobbyists is a cadre of about 150 former members of Congress making use of the “revolving door” between public service as legislators and private profit as lobbyists.³
- Even within the ranks of current members of Congress, at least 17 senators and 11 congressional members have family relatives lobbying federal or state governments.⁴

In between the business interests seeking lucrative policies and contracts from the government, and the expansive yet close-knit lobbying community, lies the urge to buy and sell favors.

Despite the numerous charges of ethical violations in government, the U.S. House of Representatives has closed down the means to enforce ethical behavior among its members. The

¹ U.S. Department of Treasury, Annual Budgets, 2000-2004.

² PoliticalMoneyLine, a Washington, D.C. research and consulting organization.

³ List of former members of Congress serving as lobbyists, year 2000, compiled by the Center for Responsive Politics.

⁴ Los Angeles Times (June 22, 2003).

House severely weakened its already weak ethics rules in closed session last year. The 108th Congress revised House ethics rules to allow lobbyists to provide catered meals to congressional staff and to pay for vacation trips billed as charity events. More importantly, the House has crippled the Committee on Standards of Official Conduct from receiving and acting upon ethics complaints. No one but a member of the House has the authority to file an ethics complaint with the House ethics committee, and all members of the House have informally agreed not to file complaints against each other.

This leaves American citizens on the outside when it comes to monitoring and complaining about the ethical behavior of our representatives. And it has resulted in some gross injustices.

Take, for example, the Westar Corp. scandal – of which Public Citizen filed a complaint with the House ethics committee and which remains unacknowledged to this day. It, like other complaints filed by citizens, fell into the black hole of the ethics committee, never to be heard of again.

The Westar scandal is a particularly brazen violation of ethics. Although federal prosecutors have charged two former executives of Westar Energy, the largest electric utility in Kansas, with looting \$32 million from the company, no action has yet been taken on evidence indicating a possible criminal bribery scheme by these same Westar executives and certain members of Congress.

The two indicted Westar executives, David Wittig and David Lake, were part of a scheme in 2002, revealed through e-mails released by the company's board of directors, to obtain "a seat at the table" in an energy bill conference committee by giving money to a number of congressional campaigns. The campaigns included those of House Majority Leader Tom DeLay (R-Texas); Rep. Billy Tauzin (R-La.), who co-chaired the energy conference in 2002 and 2003; and Rep. Joe Barton (R-Tex.), an influential member of the conference both years.

According to internal corporate e-mails, Lake was asked to give money to several congressional campaigns, none of them in Kansas. He sent a return e-mail asking, "What is our connection?" and was answered that these were for the "immediate needs" of key members of the conference committee who would decide whether an exemption for Westar, allowing it to sell off utility assets, would be included in the 2002 energy bill.

A total of \$63,200 in campaign contributions were made by Westar executives, including a \$25,000 soft money contribution to DeLay's TRMPAC, and the Westar exemption was included in the GOP bill by Barton. When Democrats in conference committee moved to take out the special company exemption, Barton and seven other Republican members defeated the motion and kept it in. Finally, shortly after the Securities and Exchange Commission bank loan investigation became public, the Republican leaders agreed to remove the Westar exemption.

The various e-mails clearly revealed an attempt to exchange campaign contributions for legislation. Since the exemption being sought for Westar was in fact inserted in the GOP conference bill and kept there when challenged by a vote of members who had either received

the campaign contributions or designated them for others, Public Citizen and other groups sought a member of Congress willing to file an ethics complaint, but none could be found.

While some of the Westar executives are facing corporate fraud charges by the Department of Justice, none are facing charges of violating campaign finance or ethics rules – and none of the members of Congress who okayed the Westar exemption are under investigation for even the appearance of corruption.

If it is to mean anything at all, ethics must not simply serve at the pleasure of legislators; ethics must be a code of behavior capable of earning the confidence of the American public.

Public Citizen recommends that:

- The House ethics committee formally accept and, when warranted, act upon complaints filed by citizens inside *and* outside of the halls of Congress.
- House members end their informal agreement not to hold other members of Congress accountable before the ethics committee for violations of ethics rules.
- The House ethics committee address formal complaints in a proper and open fashion, so as to cease the veil of absolute secrecy that now insulates our elected representatives.

