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## The Special Interest Dealings of Rep. Bob Ney

Rep. Robert W. Ney (R-Ohio), as the chairman of the powerful House Administration Committee, has oversight of the entire U.S. Capitol, including providing office space and other perks to Members. In that capacity he is known as “the Mayor of Capitol Hill.”

Ney’s committee also has jurisdiction over all federal campaign finance laws, and he has long been an opponent of pro-reform legislation. For example, he voted against the Bipartisan Campaign Reform Act (BCRA), and sponsored an alternative, watered-down measure with Rep. Albert Wynn (D-Md.) – known then as the “Ney-Wynn” bill – in order to siphon support from BCRA.

In recent months Ney has become enveloped in allegations of corruption and favoritism stemming from legislation benefiting an Indian tribe he had promoted and luxurious trips he took at the expense of lobbyists and special interest groups. These include a \$150,000 golf trip to Scotland for Ney and his friends and casino gambling in London, all paid for by special interests seeking legislative deals. In one gambling excursion – it is not clear who paid for this particular trip – Ney won \$34,000, enough to pay off his mounting credit card debt.

These allegations of scandal are described in more detail below:

### **Gambling Money May Have Been Used to “Buy” a Favor in Legislation Controlled by Ney**

In 2002, super-lobbyist Jack Abramoff sought to have Ney insert a provision into an unrelated bill that Ney controlled that would have aided one of Abramoff’s clients – the Tigua tribe of Texas – in re-opening its casino that Texas authorities had closed on the grounds that the tribe’s charter did not permit the opening of a casino. Apparently Abramoff hit the jackpot because on March 20, 2002 he e-mailed Michael Scanlon, his lobbying partner and former aide to House Majority Leader Tom DeLay (R-Texas): “Just met with Ney!!! We’re f’ing gold!!!! He’s going to do Tigua.”<sup>1</sup>

Ney, along with Sen. Chris Dodd (D-Conn.), co-chaired the conference committee that was trying to resolve House and Senate differences over the Help Americans Vote Act (HAVA).

Shortly afterwards, Abramoff then engineered \$32,000 in contributions to Ney from the Tigua tribe. He made his request through Marc Schwartz, the tribe’s lobbyist, in a March 26, 2002 e-mail: “He is the chairman of the committee doing election reform. Please get us the following checks for him asap.”<sup>2</sup> The tribe ended up being Ney’s biggest campaign contributor in the 2002

election by providing \$25,000 and \$5,000, respectively, to the soft and hard money accounts of his leadership PAC, and another \$3,000 to his personal campaign committee – all in April 2002.<sup>3</sup>

Ney's then-chief of staff, Neil Volz, was Abramoff's point of contact for the deal. Volz later left Ney's office to work for Abramoff's firm Greenberg-Taurig, according to *National Journal*.<sup>4</sup>

Ney met with Dodd on July 25, 2002 and raised the issue of Dodd's support for the Tiguas. As recorded by Abramoff in an e-mail to Scanlon: "I just spoke with Ney who met today with Dodd on the bill and raised our provision. Dodd looked at him like a 'deer in the headlights' and said he has never made such a commitment and that, with the problems of new casinos in Connecticut, it is a problem!!!"<sup>5</sup>

Nevertheless, shortly after returning from an Indian tribe-financed trip to Scotland with Abramoff in August 2002 (see next section), Ney held a 90-minute meeting with Tigua tribal leaders in his office. As Schwartz testified at a Senate Committee on Indian Affairs investigation into the scandal, "We were told about the impending success of Mr. Abramoff's legislative plan and how much the Congressman wanted to help."<sup>6</sup>

At that hearing Schwartz also contended, "Bob Ney has got to be at the center of this. There can't be the perpetuation of a fraud of the Tigua tribe unless Bob Ney has that meeting with us ... To raise the hopes of a tribal people when he knew the deal was dead leaves me no doubt that he is a heartless individual devoid of integrity."<sup>7</sup>

Dodd released his own statement on the Tigua provision: "Congressman Ney's staff did approach my office during the waning hours of negotiations over the HAVA legislation to inquire whether recognition provisions for the Tigua tribe could be included in the bill. The suggestion was summarily rejected."<sup>8</sup>

### **Gamblers Payback: Ney's \$150,000 Scotland Golfing Trip with Abramoff**

In the midst of the Tigua tribe initiative, on June 7, 2002 Abramoff e-mailed the tribe's lobbyist Schwartz saying, "our friend asked [if] we could...cover a Scotland golf trip for him and some staff...and members in August." Schwartz later testified before the Senate Committee on Indian Affairs that he believed "our friend" referred to Ney.<sup>9</sup>

Two months later, in August 2002, Ney, Abramoff and others traveled to Scotland on a congressional golfing junket. Ney listed a nonprofit called the National Center for Public Policy Research, on whose board Abramoff sat, as the trip's sponsor in his disclosure form filed with the House clerk. The group's president, Amy Ridenour, said that the National Center "did not sponsor, nor did we pay for, a 2002 trip reportedly taken by Rep. Ney and others. We were not even aware that such a trip had taken place."<sup>10</sup>

In fact, the trip, which reportedly cost \$150,000 counting travel on a private jet,<sup>11</sup> was paid for by Abramoff's tribal clients.<sup>12</sup>

After Ney's name came up in the Senate committee hearing, he released a statement claiming he had been deceived by Abramoff.<sup>13</sup> Ney has suggested that Abramoff lied to his office by alleging that the 2002 trip to Scotland would benefit a charitable organization that he founded and would involve meetings with Scottish Parliament officials. The charitable organization in question, the Capital Athletic Foundation, was a foundation controlled solely by Abramoff and his wife Pamela.<sup>14</sup>

### **Ney's London Gambling Trip and the Appearance of Impropriety**

According to a recent *NBC News* investigation,<sup>15</sup> in February 2003, Ney took a three-day trip to London. As revealed in disclosure reports filed by Ney's office, the trip reportedly cost \$2,707 and was paid for by FN Aviation.<sup>16</sup> (This may have been a violation of House rules, which requires that travel paid for by corporate interests cover only "necessary expenses" and that the trip be "in connection with official duties.")

FN Aviation's director, Nigel Winfield, is "a three-time convicted felon who spent more than six years in prison ... cheated on his taxes and was involved in a deal to swindle Elvis Presley."

Winfield reportedly held discussions with Ney about a business venture to sell airplanes in the Middle East. Later on, Ney convened a meeting at a London casino with another FN Aviation director, "a Syrian-born businessman who happens to be 'one of London's biggest gamblers.'" That same year, Ney reported that he won \$34,000 off a \$100 bet from the very same London casino.

In 2002, Ney had reported at least \$30,000 in credit card debt. In 2003, the debt had disappeared. Ney's lawyer maintains that he won that money gambling on a separate trip to London, not the one involving FN Aviation. Ney's lawyer refused to discuss the details of Ney's trip abroad with *NBC News* because of "national security implications."

### **Ney Aids Lobbyist Abramoff in the Congressional Record**

On two separate occasions, Ney came to the aid of super-lobbyist Abramoff by inserting statements into the *Congressional Record*. The first occasion was when Abramoff was busy trying to engineer a purchase of SunCruz Casinos, which operated casino gambling ships in Florida and South Carolina, by himself and his old acquaintance and business partner Adam Kidan. The federal government was forcing the company's owner, Gus Boulis, to sell because he was not a U.S. citizen.<sup>17</sup>

Boulis, Abramoff and Kidan agreed on terms of the sale in January 2000. But shortly thereafter Boulis demanded additional terms that the purchasers objected to. So on March 30, 2000, at the request of Ney's aide Scanlon, who later went to work for Abramoff, Ney inserted the following statement into the *Congressional Record*:

“Mr. Speaker, how SunCruz Casinos and Gus Boulis conduct themselves with regard to Florida laws is very unnerving. ... There should be clear codes of conduct that are adhered to by every casino owner and operator. ... I don’t want to see the actions of one bad apple in Florida, or anywhere else to affect the business aspect of this industry or hurt any innocent casino patron in our country.”<sup>18</sup>

In June, a final deal was struck with Boulis, who sold the company to Kidan and Abramoff and a third partner for \$147 million, the bulk of which Boulis lent to the purchasers. But Kidan later refused to make his loan payments because he said ships were in disrepair. In Oct. 2000 Boulis wrote letters demanding to be paid, which forced Abramoff to go back to Ney.<sup>19</sup>

On Oct. 26, 2000, Ney once again used the *Congressional Record* to aid his friend Abramoff:

“Since my previous statement, I have come to learn that SunCruz Casinos now finds itself with new ownership and, more importantly, that its new owner has a renowned reputation for honesty and integrity. The new owner, Mr. Adam Kidan, is most well known for his successful enterprise Dial-A-Mattress, but he is also well known as a solid individual and a respected member of his community.

While Mr. Kidan has his hands full in his efforts to clean up SunCruz’s reputation, his track record as a businessman and as a citizen lead me to believe that he will easily transform SunCruz from a questionable enterprise to an upstanding establishment that the gaming community can be proud of.”<sup>20</sup>

The only problem was Kidan had been disbarred in New York for misappropriating funds and questions had been raised about his ties to organized crime.<sup>21</sup>

Boulis and Kidan continued their fights for the next few months. By February 2001, Boulis “was killed gang-land style.”

### **Ney’s Failure to Disclose Campaign Contributions from Lobbyist Abramoff**

Ney failed to report the in-kind costs of at least two fundraisers at super-lobbyist Abramoff’s MCI Center skybox in 2002 and 2003.<sup>22</sup> Only after Ney’s relationship with the Tigua tribe was revealed during a Senate hearing in November 2004 did his office amend its filings to reflect in-kind contributions for events held at Abramoff’s skybox. The contributions totaled \$1,470, and came from Neil Volz, a former top aide to Ney who had joined Abramoff at Greenberg-Traurig.<sup>23</sup> At the time, Abramoff was lobbying Ney for his Indian casino clients.

The amended campaign reports revealed that in February 2003, Ney held a campaign fundraiser at a Washington Wizards game in a \$1,500 luxury suite at the MCI Center but failed to disclose information that the event was hosted by the Morongo Band of Mission Indians of Banning.<sup>24</sup> The tribe operates a casino, resort, and spa near Palm Springs, and contributed \$5,164 to Ney’s American Liberty PAC in 2004. Tribe lobbyist Scott Dacey also contributed \$500 to the PAC and attended the MCI Center fundraiser.

## **Ney's Failure to Act on a Franking Violation**

In October 2004, Public Citizen filed a complaint with the Commission on Congressional Mailing Standards chaired by Ney, also known as the “Franking Commission.” Public Citizen objected to a \$68,081 mailing sent at taxpayer expense by Rep. Richard Pombo (R-Calif.), chairman of the House Resources Committee.<sup>25</sup> Pombo’s mailing promoted a Bush administration decision to allow snowmobilers access to national parks. House rules explicitly forbid members from using taxpayer money to send mass mailings within 90 days of an election. The only exception is for mailing coordinated by a Committee chairman, but this may only be for the purpose of sending “normal and regular business,” such as hearing schedules and committee press releases.

The flier in question read: “The House Resources Committee is working with President Bush to ensure that snowmobilers have access to our National Parks and recreation areas. You can rest assured that the House Resources Committee and the Bush Administration are working together to protect your right to ride.”<sup>26</sup>

The fliers were sent to 166,000 residents in Minnesota and Wisconsin, both election battleground states, and to 9,658 residents in Montana and Wyoming.

Months later, under pressure from Democrats and groups such as Public Citizen and news reports documenting Ney’s own ethics problems, Ney continued to claim that Pombo had done nothing wrong. But then he shifted gears and followed the lead of a Democratic colleague and supported a set of amendments to the franking rules clarifying that even committee franked mail cannot be sent out within 90 days of an election and placing a \$5,000 limit on franking for House committees (although committees can still request additional funds) – the same rules that apply to all other members of the House and which served as the basis of Public Citizen’s complaint.<sup>27</sup> At this point, the Franking Commission chaired by Ney still has not taken up a full-fledged investigation into Public Citizen’s complaint against Pombo, and the committee appears prepared to bury the issue.

## Endnotes

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- <sup>1</sup> Josephine Hearn, "Rep. Ney says he was 'duped' by Abramoff," *The Hill*, Nov. 18, 2004; John Bresnahan, "Ney, Abramoff Have Long Ties," *Roll Call*, Dec. 6, 2004.
- <sup>2</sup> Josephine Hearn, "Rep. Ney says he was 'duped' by Abramoff," *The Hill*, Nov. 18, 2004.
- <sup>3</sup> Editorial, "Operation Open Doors," *Washington Post*, Dec. 3, 2004.
- <sup>4</sup> Peter Stone, "Abramoff's Ney Contact," *National Journal*, Dec. 4, 2002.
- <sup>5</sup> Josephine Hearn, "Rep. Ney says he was 'duped' by Abramoff," Nov. 18, 2004.
- <sup>6</sup> Brody Mullins and John Bresnahan, "Ney Linked to Abramoff Deal," *Roll Call*, Nov. 18, 2005.
- <sup>7</sup> Art Levine, "The Super-Lobbyist's 'Friend,'" *American Prospect*, May 10, 2005.
- <sup>8</sup> Brody Mullins and John Bresnahan, "Ney Linked to Abramoff Deal," *Roll Call*, Nov. 18, 2005.
- <sup>9</sup> Josephine Hearn, "Rep. Ney says he was 'duped' by Abramoff," *The Hill*, Nov. 18, 2004.
- <sup>10</sup> Chuck Neubauer and Walter F. Roche Jr., "Golf, and Playing by the Rules," *Los Angeles Times*, March 9, 2005.
- <sup>11</sup> John Bresnahan, "Ney, Abramoff Have Long Ties," *Roll Call*, Dec. 6, 2004.
- <sup>12</sup> Chuck Neubauer and Walter F. Roche Jr., "Golf, and Playing by the Rules," *Los Angeles Times*, March 9, 2005.
- <sup>13</sup> John Bresnahan, "Ney, Abramoff Have Long Ties," *Roll Call*, Dec. 6, 2004.
- <sup>14</sup> Chuck Neubauer and Walter F. Roche Jr., "Golf, and Playing by the Rules," *Los Angeles Times*, March 9, 2005.
- <sup>15</sup> Lisa Meyers, "Congressman's Trip Raises Ethical Flags," *NBC News*, available on the web at <http://msnbc.msn.com/id/7833922/> May 12, 2005.
- <sup>16</sup> House Rule 26, clause 5(b).
- <sup>17</sup> Susan Schmidt and James V. Grimaldi, "Untangling a Lobbyist's Stake in a Casino Fleet," *Washington Post*, May 1, 2005.
- <sup>18</sup> "The Gaming Industry," Remarks by Hon. Robert W. Ney Of Ohio In The House Of Representatives, *Congressional Record – Extension of Remarks*, p. E469, March 30, 2000.
- <sup>19</sup> Susan Schmidt and James V. Grimaldi, "Untangling a Lobbyist's Stake in a Casino Fleet," *Washington Post*, May 1, 2005.
- <sup>20</sup> John Bresnahan, "Ney, Abramoff Have Long Ties," *Roll Call*, Dec. 6, 2004.
- <sup>21</sup> John Bresnahan, "Ney, Abramoff Have Long Ties," *Roll Call*, Dec. 6, 2004.
- <sup>22</sup> Susan Schmidt and Jeffrey H. Birnbaum, "Tribal Money Linked to GOP Fundraising," *The Washington Post*, Dec. 26, 2004.
- <sup>23</sup> Editorial, "'Operation Open Doors'," *Washington Post*, Dec. 3, 2004.
- <sup>24</sup> John Bresnahan, "Ney Omitted '03 Tribal Donation," *Roll Call*, April 20, 2005.
- <sup>25</sup> Complaint of Public Citizen V. Rep. Richard Pombo To House Commission On Mailing Standards; available on the web at <http://www.citizen.org/documents/FrankingComplaintwithexhibits.pdf> , Oct., 2004.
- <sup>26</sup> Public Citizen V. Rep. Richard Pombo To House Commission On Mailing Standards, Exhibit 1; available on the web at <http://www.citizen.org/documents/FrankingComplaintwithexhibits.pdf> , Oct., 2004.
- <sup>27</sup> David Whitney, "House Changes Rules After Pombo Mailing Flap," Scripps Howard News Service, April 22, 2005.