APPENDIX V

U.S. House of Representatives

COMMITTEE ON ETHICS

Washington, DC 20515

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVES JOHN CAMPBELL, JOSEPH CROWLEY, JEB HENSARLING, CHRISTOPHER LEE, FRANK LUCAS, TOM PRICE, AND MELVIN WATT

January 26, 2011

FOR IMMEDIATE RELEASE

Pursuant to Committee Rule 7(g), the Chairman and Ranking Member of the Committee on Ethics determined on January 26, 2011, to release the following statement:

Pursuant to House Rule 11, clauses 3(b)(8)(A) and 3(b)(8)(E), and Committee Rules 17A(b)(2) and 17A(g), the Chairman and Ranking Member of the Committee on Ethics (Committee) determined to release the attached report of the Committee's nonpartisan, professional staff. The staff report provides analysis of and recommendations about the matters regarding Representatives John Campbell, Joseph Crowley, Jeb Hensarling, Christopher Lee, Frank Lucas, Tom Price, and Melvin Watt, which were transmitted to the Committee by the Office of Congressional Ethics either on September 1, 2010, or November 3, 2010. In light of the recommendations of the staff, the Committee will take no further action regarding these seven matters.

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COMMITTEE ON ETHICS

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FOR RELEASE: Upon Receipt

May 2, 2011

STATEMENT ON SELECTION OF ETHICS STAFF DIRECTOR

Chairman Jo Bonner and Ranking Member Linda T. Sánchez are pleased to announce the selection of Daniel A. Schwager to serve as the Committee on Ethics' Staff Director and Chief Counsel. The Committee unanimously agreed to the appointment of Mr. Schwager who begins his service with the Committee today.

"Dan's nonpartisan professional experience and proven leadership will ensure that the Committee provides a fair procedural framework for the conduct of its activities and serves the people of the United States and the Members and staff of the House of Representatives in an impartial manner," Chairman Bonner stated. "After a challenging end to the 111th Congress, the Committee is anxious to move forward with the business of the 112th Congress and is confident that Dan will serve the Committee with integrity and without bias."

"Throughout his impressive legal career, Dan has demonstrated a commitment to ethics and to public service," Ranking Member Sánchez said. "Dan's longstanding dedication to ensuring that our public servants meet the highest ethical standards and his wealth of experience make him the right person to lead the Committee's nonpartisan staff and help it fulfill its vital responsibilities to the House and to the American people."

Mr. Schwager added, "I am truly honored by the Committee's vote of confidence in me and the mission of impartial integrity. I am excited to work with the Members, staff, and the entire House community in the best traditions of supporting and promoting the ethical conduct of the House of Representatives."

The Chairman and Ranking Member noted that the Committee has received more than 400 resumés for vacant counsel positions with the Committee, and chose Mr. Schwager from many candidates. The Committee will continue its efforts to hire several additional attorneys in the coming weeks.

Mr. Schwager most recently served as Counsel to the Senate Select Committee on Ethics. His distinguished public service also includes more than five years with the Department of Justice, Criminal Division, Public Integrity Section where he received the Attorney General's Award for Fraud Prevention and numerous meritorious awards. Mr. Schwager also served for more than five years with the New York County District Attorney's office, both in its Investigation Division, Official Corruption Unit and its Trial Division.

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FOR RELEASE: Upon Receipt

June 28, 2011

STATEMENT ON COMMITTEE ON ETHICS STAFFING

Chairman Jo Bonner and Ranking Member Linda T. Sánchez are pleased to announce that the Committee has filled a significant number of remaining staff positions. The Committee has hired six new counsel, including Deborah S. Mayer to be director of investigations, and made four internal appointments, including Carol Dixon to be director of advice and education.

"After months of interviewing, I am excited to finally fill out the Committee team and am confident that our nonpartisan staff will support – with integrity and without bias - the Committee's important service to each Member, officer and staffer of the House," Chairman Bonner stated. "These changes will enable the Committee to move forward with its duties."

"It has been a top priority to fill the many counsel vacancies on the Committee staff as soon as possible. Since we hired an exceptional staff director and chief counsel last month, the Chairman and I have worked extensively with him to identify outstanding candidates to serve on the Committee's nonpartisan staff," Ranking Member Sánchez said. "Each of these talented attorneys is uniquely qualified, and I am confident in their ability to help the Committee proceed with its important work."

Deborah Mayer's distinguished public service includes three years with the Department of Justice, Criminal Division, Public Integrity Section, and five years as a prosecutor with the U.S. Attorney's Office for the Eastern District of New York. She also served as a Navy judge advocate, is currently an officer in the Navy Reserve, and has extensive teaching and training experience. Mayer will oversee the Committee's investigative responsibilities.

Carol Dixon is a nine-year veteran of the Committee and is the Committee's longest serving counsel. Her institutional knowledge is unparalleled and her advice is regularly sought out by Members and staff from all corners of the House community. Dixon will oversee the Committee's responsibilities to provide training and guidance regarding the House Code of Official Conduct and other areas of the Committee's jurisdiction.

To help fill out the investigations and advice and education teams, the Committee also announces the hiring of the following counsel, who will start over the course of the coming weeks:

Miguel Toruño will join the investigations staff as senior counsel. Toruño most recently served as a senior integrity officer for the Inter-American Development Bank, where he conducted investigations of fraud and corruption related to activities financed by the bank. He began his career as a prosecutor in the District Attorney's office for the County of New York under Robert M. Morgenthau.

Robert Eskridge will join the advice and education staff as counsel. Eskridge has served as an assistant attorney general for the state of Ohio for four years.

Patrick McMullen will join the investigations staff as counsel. McMullen has been an associate in the litigation and financial services practice in the Washington, D.C., office of O'Melveny & Myers LLP.

Tamar Nedzar has joined the advice and education staff as counsel. Nedzar has worked for six years for the U.S. Election Assistance Commission, where she was acting deputy general counsel.

Christopher Tate will also join the investigative staff as counsel. Tate has been an associate whose practice focused on white collar criminal defense and environmental litigation in the Washington, D.C., office of K&L Gates LLP.

Finally, the Committee has made the following internal appointments: Heather Jones is now a senior counsel in the Committee's financial disclosure office; Tom Rust is now a senior counsel in advice and education; and Clifford Stoddard is now a senior counsel in investigations.

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FOR RELEASE: Upon Receipt **July 1, 2011**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING MR. MICHAEL COLLINS, MR. GREG HILL, REPRESENTATIVE GREGORY MEEKS, AND REPRESENTATIVE JEAN SCHMIDT

Pursuant to House Rule XI, Clause 3(a)(8)(A) and Committee Rules 17A(b)(1)(A) and 17A(c)(1), the Chairman and Ranking Member of the Committee on Ethics have jointly decided to extend the matters regarding Mr. Michael Collins, Mr. Greg Hill, Representative Gregory Meeks, and Representative Jean Schmidt, which were transmitted to the Committee by the Office of Congressional Ethics on May 18, 2011.

The Committee notes that the mere fact of a referral or an extension, and the mandatory disclosure of such an extension and the name of the subject of the matter, does not itself indicate that any violation has occurred, or reflect any judgment on behalf of the Committee.

The Committee will announce its course of action in these matters on or before August 16, 2011.

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U.S. House of Representatives

COMMITTEE ON ETHICS

Washington, DC 20515

FOR RELEASE: Upon Receipt **July 15, 2011**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING FORMER REPRESENTATIVE ERIC MASSA

On July 14, 2011, the Committee voted to re-authorize an investigative subcommittee for the 112th Congress that had been previously authorized during the 111th Congress for the matter involving former Representative Eric Massa.

Representative Jo Bonner will serve as Chairman of the investigative subcommittee, and Representative Zoe Lofgren will serve as Ranking Member. The other two members of the subcommittee are Representative Michael Conaway and Representative Ben Chandler.

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U.S. House of Representatives

COMMITTEE ON ETHICS

Washington, DC 20515

FOR RELEASE: Upon Receipt **July 20, 2011**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING THE MATTER OF REPRESENTATIVE MAXINE WATERS

After a long, careful, and competitive process, Chairman Jo Bonner and Ranking Member Linda Sánchez are pleased to announce that the Committee on Ethics voted unanimously to hire highly respected Washington, D.C., attorney Billy Martin, as an outside counsel to the Committee to review, advise, and assist the Committee in completing the matter of Representative Maxine Waters.

The Committee's decision reflects the high priority of this unique matter and the need to resolve it with the utmost care, diligence, and integrity. The Committee is firmly and unanimously resolved to protect both the rights of Representative Waters and all respondents, as well as the responsibilities of the Committee on Ethics to the House community at large. Representative Waters and her counsel were informed of the committee's decision immediately upon approval of the contract.

Serious allegations have been made about the Committee's own conduct in this matter by Representative Waters and others. The Committee has not taken these allegations lightly. The entire Membership of the Committee on Ethics believes that its work must always comport with the highest standards of integrity. The entire Committee has therefore directed that a thorough review of all of these serious allegations will be the very first task of the outside counsel's engagement, including providing an additional opportunity for Representative Waters to clarify her concerns to the Committee and outside counsel. Outside counsel will then report his findings and conclusions to the full Committee, which will then determine whether the matter should proceed. Should the matter proceed, outside counsel will continue to make appropriate recommendations and provide appropriate assistance to the Committee to complete the matter as quickly as possible.

An adjudicatory hearing on allegations against Representative Waters was postponed on November 18, 2010, when the Committee voted to recommit the matter to an investigative subcommittee for further review. The 111th Congress ended with the matter unresolved. In the 112th Congress, the Committee waited until a new staff director and chief counsel was hired before deciding the proper course of action in this matter. Since that time, the Committee, the staff director and chief counsel, and the Committee staff have worked tirelessly to review and carefully consider the most appropriate options for resolving this matter.

The hiring of an outside counsel will allow for an independent review and a faster resolution than if the Committee staff were to handle it alone. The outside counsel's review will also help assure all respondents and the entire House community of the integrity of the Committee's process for all matters. The Committee's decision will also allow the Committee and its staff to continue to work diligently on its large and growing number of other pending investigative matters, as well as its substantial ongoing work within its advice and education, financial disclosure, travel, and training responsibilities.

Mr. Martin was hired under Committee Rule 6(g), which states the Committee may retain outside counsel when it determines it is "necessary and appropriate," subject to approval by the Committee on House Administration. There is precedent for the Committee to retain the services of outside counsel in resolving a matter, and the Committee has done so a number of times in its history.

The Committee considered numerous excellent candidates for the job. Mr. Martin, a partner in the Washington office of Dorsey & Whitney LLP, brings extensive credentials and experience to this task. In addition to his respected criminal defense practice, which has included representing elected officials on both sides of the aisle, Mr. Martin has also had a wide-ranging and impressive government service career. Starting as a local prosecutor in Cincinnati, Ohio, Mr. Martin became an Assistant United States Attorney, and then, at 29 years old, became the managing attorney in the Dayton branch of the United States Attorney's office for the Southern District of Ohio. In 1981, while serving in San Francisco, California, as a federal prosecutor in the Organized Crime Strike Force, Mr. Martin was appointed by the Department of Justice to serve as a specially assigned prosecutor for a high-profile and sensitive matter in Alaska, when the entire staff of the United States Attorney's office for the District of Alaska was recused. Later, after moving to the United States Attorney's office for the District of Columbia, Mr. Martin rose to the level of Executive Assistant United States Attorney for Operations, overseeing the review of all criminal matters, including complaints in the office against sitting members of Congress, as well as the prosecution of the then-mayor of the District of Columbia, Marion Barry.

Mr. Martin plans to begin work immediately, leading an impressive team of partners and associates, and working closely, where appropriate, with the permanent Committee staff. Mr. Martin will operate under the Committee's rules of confidentiality, which are an essential element of assuring fairness to all respondents and the integrity of all investigations. While the Committee takes its adherence to these rules seriously as a matter of integrity and principle, the Committee does make significant information about its matters publicly available for scrutiny at the appropriate times and in the appropriate circumstances. Until the next such appropriate time, however, neither the Committee nor outside counsel will have further public comment on this matter.

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FOR RELEASE: Upon Receipt **August 5, 2011**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE GREGORY W. MEEKS

Pursuant to Committee Rules 7(d) and 7(g), the Committee on Ethics (Committee) determined on August 1, 2011, to release the following statement:

On May 18, 2011, the Committee received a referral from the Office of Congressional Ethics (OCE) regarding Representative Gregory W. Meeks. The Committee, pursuant to Committee Rule 18(a), conducted a further review of the matter.

After further review, the Committee has unanimously voted to accept the OCE's recommendation to dismiss an allegation that Representative Gregory W. Meeks received an improper loan in 2010. According to the referral from OCE, although it was not a commercial loan, it was made on commercially reasonable terms. The loan was supported by a recorded written agreement establishing an interest rate, collateral, and repayment terms.

The Committee has also accepted the OCE's recommendation for further review of an allegation that Representative Meeks failed to disclose a payment he received in 2007 in a timely manner. The Committee is continuing to review that allegation pursuant to Committee Rule 18(a). The Committee notes that the mere fact of conducting further review, and any mandatory disclosure of such further review, does not itself indicate that any violation has occurred, or reflect any judgment on behalf of the Committee.

In order to comply with Committee on Ethics Rule 7 regarding confidentiality, which is based on fairness to all respondents and the assurance of the integrity of its work, the Committee will refrain from making further public statements on this matter pending completion of its review.

Pursuant to Committee Rule 17A(c)(2), the Committee on Ethics hereby publishes OCE's Report and Findings regarding Representative Gregory W. Meeks and Representative Meeks' response.

###

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FOR RELEASE: Upon Receipt **August 5, 2011**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING MICHAEL COLLINS

Pursuant to Committee Rule 7(d) and 7(g), the Committee on Ethics (Committee) determined on August 1, 2011, to release the following statement:

On May 18, 2011, the Office of Congressional Ethics (OCE) forwarded to the Committee on Ethics (Committee) a Report and Findings related to the receipt of outside earned income by Michael Collins, which he failed to report on his 2009 federal income tax return and his 2007, 2008, and 2009 Financial Disclosure Statements. OCE further indicated in its referral that Mr. Collins received income in 2009 that exceeded the outside earned income limit for senior staff. OCE recommended that the Committee further review the matter.

The Committee, pursuant to Committee Rule 18(a), conducted further review of the matter, as recommended by OCE. On August 1, 2011, the Committee unanimously determined that Mr. Collins violated House rules, laws, regulations or other standards of conduct and brought discredit upon the House of Representatives. Mr. Collins, as he has acknowledged, failed to report $54,000 in outside earned income he received for work on the John Lewis for Congress campaign from 2005 through 2010 on both his Financial Disclosure Statements and his federal income tax returns.

The Committee has therefore unanimously voted to issue a letter of reproval to Mr. Collins and require that he pay a $1,000 fine. In addition, Mr. Collins must take certain steps to remedy the violations, including amending the relevant Financial Disclosure Statements and income tax returns and paying all unpaid taxes, penalties, and interest. Mr. Collins has agreed to waive all further procedural steps and rights he may be entitled to in this matter under House and Committee rules and to accept these sanctions and remedies. Mr. Collins' conduct, as well as the sanctions and remedies, are described in more detail in the attached Report and letter of reproval.

Pursuant to Committee Rule 17A(c)(2), the Committee on Ethics hereby publishes the attached Report, which includes OCE's Report and Findings regarding Michael Collins and Mr. Collins' response.

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FOR RELEASE: Upon Receipt **August 5, 2011**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE LUIS V. GUTIERREZ

Today, the Committee transmitted the attached Report to the House regarding Representative Luis V. Gutierrez, who was arrested on July 26, 2011, in Washington, D.C., during a protest outside of the White House.

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FOR RELEASE: Upon Receipt **August 5, 2011**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE JEAN SCHMIDT

Pursuant to Committee Rule 7(d) and 7(g), the Committee on Ethics (Committee) determined on August 1, 2011, to release the following statement:

On May 18, 2011, the Committee received a referral from the Office of Congressional Ethics (OCE) regarding Representative Jean Schmidt. The Committee, pursuant to Committee Rule 18(a), conducted a further review of the matter as recommended by OCE. Following the conclusion of the Committee's further review, the Committee unanimously voted on August 1, 2011, to release a public Report finding that Representative Schmidt did not knowingly violate any provision of the Code of Official Conduct or any law, rule, regulation, or other standard of conduct with respect to the receipt of gifts.

Since the spring of 2009, Representative Schmidt has been involved in litigation regarding statements made about her by an opponent in her 2008 re-election campaign. That dispute has involved proceedings before an Ohio state agency, in Ohio state court, and in federal court.

According to the OCE referral, Representative Schmidt received an impermissible gift from the Turkish Coalition of America (TCA) when lawyers provided legal services to Representative Schmidt in at least three related matters and then sent bills for their fees to the TCA, which paid those bills on an ongoing basis. According to OCE's referral, between 2008 and 2010 TCA actually paid her lawyers, who claimed to be acting as the Turkish American Legal Defense Fund (TALDF), a project of TCA, approximately $500,000 for legal services provided to Representative Schmidt. Neither the Committee nor, according to the evidence, Representative Schmidt was aware of these payments when the Committee previously provided advice to Representative Schmidt regarding her options for paying legal fees in the various proceedings.

The Committee's review of the matter indicated that Representative Schmidt did, in fact, receive an impermissible gift from TCA as OCE has alleged, and therefore the Committee did not dismiss the OCE matter. However, the Committee has found that Representative Schmidt's lawyers failed to inform her of their payment arrangement with TCA, and made false and misleading statements to her about their relationship with TCA and TALDF. Because Representative Schmidt did not know she was receiving a gift from TCA, the Committee has

determined that no sanction is appropriate in this case. However, the gift was impermissible, and Representative Schmidt must now disclose and repay the gift. Representative Schmidt has worked in good faith with the Committee since September 2009 to determine the appropriate ways to pay her lawyers.

Through a letter to Representative Schmidt issued contemporaneously with the Committee's Report, the Committee has given her guidance on how to appropriately repay the bills which were paid by TCA. In sum, Representative Schmidt must: 1) ensure that TCA does not pay for any further legal services on her behalf; 2) pay from a permissible source the lawyers associated with TALDF for all legal services they performed to date; 3) amend her 2009 and 2010 Financial Disclosure Statements to disclose the gifts from TCA; and 4) disclose any unpaid legal fees from TCA as liabilities on her future Financial Disclosure Statements, until the lawyers associated with TALDF have been repaid in full. This remedy requires any attorney who was actually paid with TCA funds to first agree that they will repay the fees TCA originally paid to them.

Pursuant to Committee Rule 17A(c)(2), the Committee on Ethics hereby publishes the attached Report, which includes OCE's Report and Findings regarding Representative Schmidt and Representative Schmidt's response.

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FOR RELEASE: Upon Receipt **August 5, 2011**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING GREGORY HILL

Pursuant to Committee Rule 7(d) and 7(g), the Committee on Ethics (Committee) determined on August 1, 2011, to release the following statement:

On May 18, 2011, the Committee received a referral from the Office of Congressional Ethics (OCE) regarding Gregory Hill. The Committee, pursuant to Committee Rule 18(a), conducted a further review of the matter as recommended by OCE. Following the conclusion of the Committee's further review, the Committee has unanimously voted to release a public Report finding that Mr. Hill did not knowingly violate any provision of the Code of Official Conduct or any law, rule, regulation, or other standard of conduct with respect to the acceptance of excess outside income. Representative Michael T. McCaul, at his request, did not participate in consideration of or voting on this matter, as Gregory Hill is Chief of Staff to Representative McCaul.

According to the referral from OCE, Mr. Hill received $32,000 in compensation for his work on the McCaul for Congress campaign during 2009. In 2009, the outside earned income limit for House senior staff was $26,550. The Committee's review of the matter indicated that Mr. Hill did, in fact, receive income in excess of the limit as OCE has alleged, and therefore the Committee did not dismiss the OCE matter. However, based on the Committee's review of the evidence in this matter, the Committee has found that when Mr. Hill became aware of the violation, he took appropriate and immediate steps to remedy it. Though his initial attempts to remedy the situation were unsuccessful, due to misinformation from the campaign's financial agents, when he was made aware that the remedy had not been successful, he took further steps, and has now satisfactorily disgorged himself of the excess income. For these reasons, the Committee has determined that no sanctions are warranted.

Accordingly, the Committee will take no further action and considers this matter closed.

Pursuant to Committee Rule 17A(c)(2), the Committee on Ethics hereby publishes the attached Report, which includes OCE's Report and Findings regarding Gregory Hill and Mr. Hill's response.

###

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FOR RELEASE: Upon Receipt **October 18, 2011**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE JESSE JACKSON, JR.

Pursuant to House Rule XI, Clause 3(a)(8)(A) and Committee Rules 17A(b)(1)(A) and 17A(c)(1), the Chairman and Ranking Member of the Committee on Ethics have jointly decided to extend the matter regarding Representative Jesse Jackson, Jr., which was transmitted to the Committee by the Office of Congressional Ethics (OCE) on August 6, 2009 and deferred, pursuant to Committee Rule 17A. After the recent withdrawal of the request for deferral, the Committee voted on October 13, 2011 to end the deferral period. Pursuant to Rule 17A, the Committee has refrained from taking action during the deferral period.

The Committee notes that the mere fact of a referral or an extension, and the mandatory disclosure of such an extension and the name of the subject of the matter, does not itself indicate that any violation has occurred, or reflect any judgment on behalf of the Committee.

The Committee will announce its course of action in this matter on or before December 2, 2011.

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FOR RELEASE: Upon Receipt **November 4, 2011**

STATEMENT OF THE CHAIRMAN AND ACTING RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE LAURA RICHARDSON

In accordance with Clause 3 of House Rule XI and Committee Rules 14(a)(3) and 18, the Committee on Ethics (the Committee) unanimously voted on November 3, 2011, to establish an investigative subcommittee. Pursuant to the Committee's action, the investigative subcommittee shall have jurisdiction to determine whether Representative Laura Richardson violated the Code of Official Conduct or any law, rule, regulation, or other applicable standard of conduct in the performance of her duties or the discharge of her responsibilities, with respect to alleged use of official House resources and personnel for work related to campaign activities and other non-official purposes.

The Committee-initiated action follows a discretionary review of the allegations, pursuant to Committee Rule 18(a), authorized by the Chair and Ranking Republican Member of the Committee during the 111th Congress. Prior to any decisions made in the 112th Congress, in light of uncertainties related to the redistricting process in California, at her initiative Ranking Member Linda T. Sánchez recused herself from consideration of this matter to avoid even the appearance of a conflict of interest. Representative Sánchez designated Representative John A. Yarmuth to act as Acting Ranking Member for purposes of this matter.

The Committee notes that the mere fact of establishing an investigative subcommittee does not itself indicate that any violation has occurred.

Representative Charles W. Dent will serve as the Chair of the investigative subcommittee, and Representative John A. Yarmuth will serve as the Ranking Member. The other two members of the subcommittee are Representative Rob Bishop and Representative Ben Ray Luján. No other public comment will be made on this matter except in accordance with Committee rules.

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Jo Bonner, Alabama
Chairman
Linda T. Sánchez, California
Ranking Member

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K. Michael Conaway, Texas
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Gregg Harper, Mississippi

John A. Yarmuth, Kentucky
Donna F. Edwards, Maryland
Pedro R. Pierluisi, Puerto Rico
Joe Courtney, Connecticut

ONE HUNDRED TWELFTH CONGRESS

U.S. House of Representatives

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FOR RELEASE: Upon Receipt **November 28, 2011**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE ALCEE L. HASTINGS AND REPRESENTATIVE DON YOUNG

Pursuant to House Rule XI, Clause 3(a)(8)(A) and Committee Rules 17A(b)(1)(A) and 17A(c)(1), the Chairman and Ranking Member of the Committee on Ethics have jointly decided to extend the matters regarding Representative Alcee L. Hastings and Representative Don Young, which were transmitted to the Committee by the Office of Congressional Ethics on October 13, 2011.

The Committee notes that the mere fact of a referral or an extension, and the mandatory disclosure of such an extension and the name of the subject of the matter, does not itself indicate that any violation has occurred, or reflect any judgment on behalf of the Committee.

The Committee will announce its course of action in these matters on or before Wednesday, January 11, 2012.

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FOR RELEASE: Upon Receipt **December 2, 2011**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE JESSE JACKSON, JR.

Pursuant to Committee Rule 7(g), the Chairman and Ranking Member of the Committee on Ethics (Committee) determined on December 2, 2011, to release the following statement:

On August 6, 2009, the Committee received a referral from the Office of Congressional Ethics (OCE) regarding Representative Jesse Jackson, Jr. The Committee's review of the OCE referral was deferred under Committee Rule 17A, pursuant to a request by the Department of Justice, until October 13, 2011. Pursuant to House Rule XI, Clause 3(a)(8)(A) and Committee Rules 17A(b)(1)(A) and 17A(c)(1), the Chairman and Ranking Member of the Committee jointly decided on October 18, 2011 to extend the Committee's review of the matter until December 2, 2011. In order to gather additional information necessary to complete its review, the Committee will continue to review the matter pursuant to Committee Rule 18(a). The Committee notes that the mere fact of conducting further review of a referral, and any mandatory disclosure of such further review, does not itself indicate that any violation has occurred, or reflect any judgment on behalf of the Committee.

In order to comply with Committee Rule 7 regarding confidentiality, out of fairness to all respondents, and to assure the integrity of its work, the Committee will refrain from making further public statements on this matter pending completion of its initial review.

Pursuant to Committee Rule 17A(c)(2), the Committee on Ethics hereby publishes OCE's Report and Findings regarding Representative Jesse Jackson, Jr., and Representative Jackson's response.

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FOR RELEASE: Upon Receipt **December 16, 2011**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER

OF THE COMMITTEE ON ETHICS

REGARDING THE MATTER OF REPRESENTATIVE MAXINE WATERS

The Committee on Ethics has voted unanimously to extend the contract of William R. Martin to continue his service as outside counsel to the Committee in the matter of Representative Maxine Waters. The Committee's goal has been and remains to resolve this matter as expeditiously as possible, but due to unavoidable delays, additional time is needed for outside counsel to complete his initial review and report his findings and conclusions to the full Committee, which will then determine whether the matter should proceed. The Committee's decision to extend the contract does not indicate that the Committee has made any findings or reached any conclusions, or reflect any judgment on behalf of the Committee.

In July 2011, the Committee announced that it had retained Mr. Martin to review, advise, and assist the Committee in completing this matter. The decision to retain outside counsel reflected the high priority of this unique matter and the need to resolve it with the utmost care, diligence, and integrity. Hiring an outside counsel allowed for an independent review and a faster resolution than if the Committee staff were to handle it alone. In addition, retaining outside counsel in this matter has allowed the Committee and its staff to continue to work diligently on its large number of other pending investigative matters, as well as its substantial ongoing work within its advice and education, financial disclosure, travel, and training responsibilities.

To date, Mr. Martin and his team have performed a substantial amount of work to move this matter forward. Mr. Martin has reviewed tens of thousands of pages of documents, interviewed numerous witnesses, and conducted extensive legal research regarding the nature of due process rights which attach to Members of Congress appearing before this Committee. While significant progress has been made, Mr. Martin's review and recommendations regarding due process allegations will not be complete by the end of the first session of the 112th Congress, which is the termination date of the initial contract. Mr. Martin has suggested to the Committee that he not present his recommendations regarding substantive issues of due process, including

whether any fact witnesses should consider recusal from this matter, until the factual review is complete.

The new contract has an expiration date of July 31, 2012, and authorizes expenditures of between $50,000 and $500,000. The Committee has not concluded either that the entirety of the matter will be completed by that date or that outside counsel will need the full amount of time and/or funding to complete his initial review and any subsequent work, if necessary.

Instead, both the expiration date and amount of funding are intended to provide both outside counsel and the Committee with the flexibility to finish this matter as promptly as a thorough, diligent, and fair review of the allegations and relevant facts will allow. As with the initial contract, pursuant to Committee rules, any cancellation, further extension, or amendment to the contract must be approved by a majority vote of the Members of the Committee, acting consistent with integrity and fairness.

The Committee notes that the initial contract with Mr. Martin also authorized expenditures of between $50,000 and $500,000, but that to date, the cost of services provided under the initial contract is approximately $300,000. The range designated in the new contract was fully contemplated in the Committee's request to the Committee on House Administration for funding in the second session of the 112th Congress. The Committee on House Administration has approved both the funding request and the new contract with Mr. Martin, consistent with its rules. Representative Waters and her counsel were informed of the new contract.

At the end of each stage in the matter, the Committee will consider what, if any, statement is appropriate to keep the House and the public informed of the activities of the Committee. Until the next such appropriate time, however, neither the Committee nor outside counsel will have further public comment on this matter.

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FOR RELEASE: Upon Receipt **December 20, 2011**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE DON YOUNG

Pursuant to Committee Rule 7(d) and 7(g), the Committee on Ethics (Committee) determined on December 14, 2011, to release the following statement:

On October 13, 2011, the Committee received a referral from the Office of Congressional Ethics (OCE) regarding twelve $5,000 contributions to Representative Don Young's legal expense trust fund (LEF). The Committee, pursuant to Committee Rule 18(a), conducted a further review of the matter as recommended by OCE. Following the conclusion of the Committee's further review, the Committee unanimously voted on December 14, 2011, to release a public Report finding that Representative Young did not violate any provision of the Code of Official Conduct or any law, rule, regulation, or other standard of conduct with respect to the receipt of these contributions.

According to the OCE referral, twelve corporations owned and operated by the same group of individuals each made $5,000 contributions to Representative Young's legal expense trust fund. OCE concluded that if the twelve contributions came from a single source, the contributions may have exceeded the annual $5,000 contribution limit provided for in House Rules and Committee regulations.

The Committee's review of the matter indicated that the twelve companies that contributed to Representative Young's legal expense trust were in fact owned by Gary Chouest, his wife, and his five children, or some combination of those seven individuals. However, each company was a distinct legal entity that was separately registered with the Louisiana Secretary of State a number of years before the contributions in question were made. The companies provide different services or products related to the maritime industry and each company has a unique tax identification number. Therefore, the Committee found that the companies were, in fact, separate legal entities and that the 1996 LEF Regulations clearly permitted contributions from multiple entities owned by the same individual or individuals.

Because the contributions by the twelve LLCs were permissible under the Committee's 1996 LEF Regulations, the Committee dismissed the allegations in the OCE referral. However, the Committee is concerned that the identical ownership of the twelve entities challenges the principles of the contribution limits of the 1996 LEF Regulations. To that end, the Committee

has simultaneously adopted revised LEF Regulations that, among other changes and clarifications, attributes contributions by certain types of entities, such as LLCs, to the owners of those entities. The revised LEF Regulations will take effect on January 1, 2012, and will apply to all existing legal expense funds and all legal expense funds approved by the Committee in the future.

Pursuant to Committee Rule 17A(c)(2), the Committee on Ethics hereby publishes the attached Report, which includes OCE's Report and Findings regarding Representative Young and Representative Young's response.

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FOR RELEASE: Upon Receipt **December 22, 2011**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE VERN BUCHANAN

Pursuant to House Rule XI, Clause 3(a)(8)(A) and Committee Rules 17A(b)(1)(A) and 17A(c)(1), the Chairman and Ranking Member of the Committee on Ethics have jointly decided to extend the matter regarding Representative Vern Buchanan, which was transmitted to the Committee by the Office of Congressional Ethics on November 8, 2011.

The Committee notes that the mere fact of a referral or an extension, and the mandatory disclosure of such an extension and the name of the subject of the matter, does not itself indicate that any violation has occurred, or reflect any judgment on behalf of the Committee.

The Committee will announce its course of action in this matter on or before Monday, February 6, 2012.

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FOR RELEASE: Upon Receipt **January 11, 2012**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE ALCEE L. HASTINGS

Pursuant to Committee Rule 7(g), the Chairman and Ranking Member of the Committee on Ethics (Committee) determined on January 11, 2012, to release the following statement:

On October 13, 2011, the Committee received a referral from the Office of Congressional Ethics (OCE) regarding Representative Alcee L. Hastings. Pursuant to House Rule XI, Clause 3(b)(8)(A) and Committee Rules 17A(b)(1)(A) and 17A(c)(1), the Chairman and Ranking Member jointly decided on November 28, 2011, to extend the Committee's review of the matter until January 11, 2012. In order to gather additional information necessary to complete its review, the Committee will review the matter pursuant to Committee Rule 18(a). The Committee notes that the mere fact of conducting further review of a referral, and any mandatory disclosure of such further review, does not itself indicate that any violation has occurred, or reflect any judgment on behalf of the Committee.

In order to comply with Committee on Ethics Rule 7 regarding confidentiality, out of fairness to all respondents, and to assure the integrity of its work, the Committee will refrain from making further public statements on this matter pending completion of its initial review.

Pursuant to Committee Rule 17A(c)(2), the Committee on Ethics hereby publishes OCE's Report and Findings relating to allegations against Representative Alcee L. Hastings, and Representative Hastings' response.

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FOR RELEASE: Upon Receipt **February 6, 2012**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE VERNON G. BUCHANAN

Pursuant to Committee Rule 7(g), the Chairman and Ranking Member of the Committee on Ethics (Committee) determined on February 6, 2012, to release the following statement:

On November 8, 2011, the Committee received a referral from the Office of Congressional Ethics (OCE) regarding Representative Vernon G. Buchanan. Pursuant to House Rule XI, clause 3(b)(8)(A) and Committee Rules 17A(b)(1)(A) and 17A(c)(1), the Chairman and Ranking Member jointly decided on December 22, 2011, to extend the Committee's review of the matter until February 6, 2012. In order to gather additional information necessary to complete its review, the Committee will review the matter pursuant to Committee Rule 18(a). The Committee notes that the mere fact of conducting further review of a referral, and any mandatory disclosure of such further review, does not itself indicate that any violation has occurred, or reflect any judgment on behalf of the Committee.

In order to comply with Committee on Ethics Rule 7 regarding confidentiality, out of fairness to all respondents, and to assure the integrity of its work, the Committee will refrain from making further public statements on this matter pending completion of its initial review.

Pursuant to Committee Rule 17A(c)(2), the Committee on Ethics hereby publishes OCE's Report and Findings relating to allegations against Representative Vernon G. Buchanan.

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FOR RELEASE: Upon Receipt **February 17, 2012**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS

Pursuant to Committee Rules 7(d) and 7(g), the Chairman and Ranking Member of the Committee on Ethics determined on February 17, 2012, to release the following statement and attached letter:

Today, Speaker Boehner laid before the House the attached letter from the Chairman of the Committee regarding the voluntary recusal of six members of the Committee from the Matter of Representative Maxine Waters.

The Speaker also appointed the following substitute members for this Matter: Representative Bob Goodlatte, Representative Michael K. Simpson, Representative Steven C. LaTourette, Representative Shelley Moore Capito, Representative Tim Griffin, and Representative John P. Sarbanes. Representative Bob Goodlatte will serve as Acting Chairman and Representative John A. Yarmuth will serve as Acting Ranking Member for this Matter.

Until the next such appropriate time, the Committee will have no further public comment on this Matter.

Jo Bonner, Alabama
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Ranking Member

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FOR RELEASE: Upon Receipt **March 22, 2012**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING ARRESTS OF MEMBERS OF THE HOUSE DURING A PROTEST OUTSIDE THE EMBASSY OF SUDAN IN WASHINGTON, D.C., ON MARCH 16, 2012

Today, the Committee transmitted the attached Report to the House regarding the arrests of Members of the House during a protest outside the Embassy of Sudan in Washington, D.C., on March 16, 2012.

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FOR RELEASE: Upon Receipt **March 23, 2012**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE SHELLEY BERKLEY

Pursuant to House Rule XI, Clause 3(a)(8)(A) and Committee Rules 17A(b)(1)(A) and 17A(c)(1), the Chairman and Ranking Member of the Committee on Ethics have jointly decided to extend the matter regarding Representative Shelley Berkley, which was transmitted to the Committee by the Office of Congressional Ethics (OCE) on February 9, 2012.

The Committee notes that the mere fact of a referral or an extension, and the mandatory disclosure of such an extension and the name of the subject of the matter, does not itself indicate that any violation has occurred, or reflect any judgment on behalf of the Committee.

Pursuant to House Rule XI, clause 3(b)(8)(D) and Committee Rule 17A(j), the Committee will announce its course of action in this matter on or before Monday, July 9, 2012.

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FOR RELEASE: Upon Receipt **March 23, 2012**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE VERN BUCHANAN

Pursuant to House Rule XI, Clause 3(a)(8)(A) and Committee Rules 17A(b)(1)(A) and 17A(c)(1), the Chairman and Ranking Member of the Committee on Ethics have jointly decided to extend the matter regarding Representative Vern Buchanan, which was transmitted to the Committee by the Office of Congressional Ethics on February 9, 2012.

The Committee notes that the mere fact of a referral or an extension, and the mandatory disclosure of such an extension and the name of the subject of the matter, does not itself indicate that any violation has occurred, or reflect any judgment on behalf of the Committee.

The Committee will announce its course of action in this matter on or before Wednesday, May 9, 2012.

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FOR RELEASE: Upon Receipt **May 9, 2012**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE VERNON G. BUCHANAN

Pursuant to Committee Rule 7(g), the Chairman and Ranking Member of the Committee on Ethics (Committee) determined on May 9, 2012, to release the following statement:

On February 9, 2012, the Committee received a referral from the Office of Congressional Ethics (OCE) regarding Representative Vernon G. Buchanan. Pursuant to House Rule XI, clause 3(b)(8)(A) and Committee Rules 17A(b)(1)(A) and 17A(c)(1), the Chairman and Ranking Member jointly decided on March 23, 2012, to extend the Committee's review of the matter until May 9, 2012. In order to gather additional information necessary to complete its review, the Committee will review the matter pursuant to Committee Rule 18(a). The Committee notes that the mere fact of conducting further review of a referral, and any mandatory disclosure of such further review, does not itself indicate that any violation has occurred, or reflect any judgment on behalf of the Committee.

In order to comply with Committee on Ethics Rule 7 regarding confidentiality, out of fairness to all respondents, and to assure the integrity of its work, the Committee will refrain from making further public statements on this matter pending completion of its initial review.

Pursuant to Committee Rule 17A(c)(2), the Committee on Ethics hereby publishes OCE's Report and Findings relating to allegations against Representative Vernon G. Buchanan, and Representative Buchanan's Response.

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U.S. House of Representatives

COMMITTEE ON ETHICS

Washington, DC 20515

FOR RELEASE: Upon Receipt **June 6, 2012**

STATEMENT OF THE ACTING CHAIRMAN AND ACTING RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING THE MATTER OF REPRESENTATIVE MAXINE WATERS

Today, acting Chairman Bob Goodlatte, and acting Ranking Member John Yarmuth, informed Representative Waters of the unanimous findings of the Committee on Ethics that no due process rights of Representative Waters have been violated by the Committee in the previous or current Congress.

The Committee, pursuant to Committee Rule 7(d), has unanimously authorized the public disclosure of the Committee's letter to Representative Waters addressing the concerns raised regarding Representative Waters' due process rights.

U.S. House of Representatives

COMMITTEE ON ETHICS

Washington, DC 20515

June 6, 2012

The Honorable Maxine Waters
U.S. House of Representatives
2344 Rayburn House Office Building
Washington, DC 20515

Re: In the Matter of Representative Maxine Waters

Dear Colleague:

As you are aware, the Committee on Ethics (the "Committee") hired attorney Billy Martin to assist the Committee as outside counsel in your matter, which is currently pending before the Committee. One of the tasks assigned to Mr. Martin was to conduct a thorough review of the allegations you raised through counsel regarding the possible deprivation of your due process rights. Indeed, the Committee invited you to submit all allegations you felt warranted review by the outside counsel. In addition to the due process allegations you raised, the Committee identified additional issues that outside counsel reviewed.

The Committee has now completed the due process review. Throughout the process, outside counsel reviewed over 100,000 pages of documents, conducted legal research, and interviewed 26 individuals with potentially relevant information, including all Members of the Committee from the 111th Congress, all Members of the Investigative Subcommittee ("ISC") in this matter, staff, and former staff. The Committee has concluded that the due process to which Respondents before this Committee are entitled is notice and the opportunity to be heard, as embodied in the House and Committee Rules. During your matter, you were afforded these rights. Outside counsel has concluded, and this Committee has unanimously found, that none of the individual allegations raised, nor the totality of the circumstances of those claims, amount to a deprivation of your due process rights.

In conducting this review, the threshold question to be addressed was whether a Member of the House of Representatives has constitutional due process rights in House disciplinary proceedings. Such a question has no clearly established legal answer; there are arguments on both sides of the issue and the Committee has not attempted to provide a legal answer to this constitutional question. Rather, outside counsel recommended, and the Committee agrees, that there are compelling reasons for this Committee to assume that the Fifth Amendment does apply to congressional disciplinary proceedings, and we followed that assumption during the review of this matter.

Even assuming the Fifth Amendment applies to House disciplinary proceedings, under the Rulemaking Clause of the Constitution, Congress clearly has the right to establish its own rules, provided those rules do not violate the Constitution. Both Congress and this Committee have, in fact, established procedural rules governing disciplinary proceedings and we have concluded that these rules are constitutionally sufficient. Specifically, the House and Committee rules meet the constitutional requirements of notice and an opportunity to be heard. It is, therefore, concluded that the specific due process arguments you raised do not establish any constitutional violation.

As part of the due process review, the Committee considered twelve allegations. The first eight allegations were understood to be contentions that certain of the Committee's procedures were unconstitutional, regardless of whether they were permitted by House or Committee Rules. Specifically, the allegations were that (1) the ISC responded to your motions for a bill of particulars and to dismiss too quickly; (2) the ISC denied your request for oral argument on your motions; (3) the Committee announced the formation of the Adjudicatory Subcommittee ("ASC") without simultaneously announcing an initial hearing date for the ASC; (4) Committee counsel collected evidence after the ISC transmitted the Statement of Alleged Violations ("SAV") to the full Committee; (5) the ASC proposed to conduct a *de novo* review of the facts and law; (6) Committee counsel submitted an unreasonable volume of pre-hearing disclosures; (7) the Committee recommitted the matter to an ISC after the ASC had been formed; and (8) the Committee has not acted on the matter since recommitment to the ISC.

The Committee has found that none of the alleged conduct violated Committee Rules. Moreover, none of these objections concern the essential constitutional requirements of notice and the opportunity to be heard, which we determined you have received. Even at the investigatory stage, the House and Committee Rules provide for written notice of significant Committee actions and the disclosure of relevant evidence. The rules also guarantee a Respondent's right to make a statement to the ISC. In this case, you received notice of the Office of Congressional Ethics' ("OCE") report and were given an opportunity to respond to that report. You were also given notice of the SAV, and provided with an opportunity to make a presentation before the ISC with your counsel present. You also had the opportunity to file, and have the ISC consider, both a motion for bill of particulars and a motion to dismiss.

At the adjudicatory stage, the House and Committee Rules require, among other things, pre-hearing disclosure of all evidence, compulsory process to obtain additional evidence, and the right to cross-examine witnesses, should you choose to do so. As these rules provide for notice and an opportunity to be heard, there is no constitutional entitlement to any procedural protections beyond those afforded by the existing House and Committee Rules.

You also argued that this matter has been unduly delayed, but did not articulate a violation of either the Constitution, or of House or Committee Rules. As this Committee has previously advised you through your counsel, the Sixth Amendment does not apply to Committee proceedings, and you thus do not have the same right to a speedy "trial" that a criminal defendant has. While an unreasonable delay could in theory amount to a due process violation, here the delay has resulted primarily from the legitimate need for further investigation, and in any event the proceedings are within the time limit established by the House itself.

You also raised three allegations which we understood to assert both violations of Committee Rules and your constitutional due process rights. These alleged violations include: (1) confidential documents were leaked to persons outside the Committee; (2) improper *ex parte* communications occurred; and (3) the ASC authorized subpoenas on incomplete representations.

With respect to the first allegation of disclosure of confidential Committee documents in violation of House and Committee Rules, the Committee is aware of three instances in which confidential Committee information was disclosed. One of these was your own August 13, 2010, press conference, in which you disclosed documents containing significant evidentiary information regarding your matter. The review has not uncovered the identity of the person(s) who disclosed confidential Committee documents to the press in the other two instances. However, during the course of witness interviews, one witness, who was a former member of the staff of the Committee, invoked the Fifth Amendment right against self incrimination when responding to questions regarding the leaked documents. Therefore, for purposes of our analysis only, and without drawing any final conclusion, the Committee must assume that a staff member may have violated an agreement to keep Committee information confidential, as well as House and Committee Rules. With that assumption, the Committee has unanimously made the following findings regarding the unauthorized disclosures.

First, the unauthorized disclosures occurred after the issuance of the SAV. Therefore, the Committee finds that the SAV could not have been affected by any alleged rules violation.

Second, even though apparently a violation of Committee Rules, the unauthorized disclosures in this case could only raise constitutional concerns if they led to prejudice or bias among Committee or House Members so as to deprive you of a fundamentally fair hearing. There is no reason to suspect that they did or will do so. Members of Congress can be expected to abide by their duty to base any decision only on appropriate information, just as in bench trials when members of the judiciary are presumed to act appropriately when they make determinations regarding admissibility of evidence and still ultimately decide the case based only on admitted evidence. Moreover, while clearly not mandated by law or factually necessary in this case, Members of the Committee who were on the Committee in the 111th Congress have voluntarily recused themselves from this matter in the 112th Congress. Consequently, any further investigation and possible hearing will be conducted by a new panel of Members.

Finally, it must be noted that the Committee's violation of one of its own rules would not necessarily constitute a deprivation of constitutional due process. Rules of Congress and committees are of course binding, but their violation does not necessarily amount to a violation of the Constitution. Ordinarily, unless the rules in question are themselves constitutionally required or necessary to protect constitutional fairness, their violation does not raise a constitutional issue. While the Committee takes its confidentiality rules very seriously, it does not believe that they are constitutionally mandated.

For all these reasons, even though the Committee assumes that a former staff member may be responsible for some of the unauthorized disclosures, we find that such disclosures do not amount to a violation of your due process rights.

The next allegation involves improper *ex parte* communications, which allegedly occurred between staff and Members of the Committee. You cited no Committee or House rule that prohibits such communications. Indeed, the concept of an *ex parte* communication in the judicial branch evolved in the United States because of the tri-partite system that exists. Here, however, the Committee is not part of the judicial system, so any comparison to judicial *ex parte* communications is not appropriate in this setting.

Your *ex parte* communications argument seems to be based on the assumption that during the ASC phase of an investigation, the staff becomes a party to the adjudication akin to prosecutors, separate and apart from the ASC Members. Such an assumption is not only incorrect, but wholly improper under House Rules. Staff members work for the Committee Members. Staff does not and cannot become independent operators pursuant to House Rules. As such, an *ex parte* rule would be unworkable in this Committee, since the non-partisan staff must serve all Members, as the Members (other than the Chairman and Ranking Member) are not allowed to have assistance from staff in their personal offices on Committee matters. It is, therefore, clear that Members of the Committee must be permitted to speak with Committee staff regarding Committee matters.

Such communications occurred in this matter. Some of those communications were between staff and Members of only one party or the other. While such communications can raise concerns about the appearance of staff partisanship, such concerns do not override the requirement that the Members must be able to communicate with staff. Outside counsel and this Committee have considered these issues and the communications in this matter and have determined that the communications did not impact the ability of the Members to provide you a fair hearing of the allegations against you. The Committee has, therefore, concluded that none of these communications constitute either a violation of House or Committee Rules or of your due process rights.

The Committee also authorized outside counsel to consider whether subpoenas were authorized on incomplete representations. During the course of the review, it was determined that all Members who voted to authorize the subpoenas had adequate information to approve the subpoenas. Consequently, this allegation does not support a finding that either your due process rights or House or Committee Rules were violated.

The final allegation that was reviewed, at the request of the Committee, was whether any inappropriate and/or racially insensitive remarks may have biased the investigation of this matter. The investigation revealed some evidence of insensitive remarks by a former Committee staff member. While the Committee finds such remarks to be inappropriate, the outside counsel concluded, and the Committee unanimously found, that any such insensitivity did not affect any decision-making of the Members of the Committee with respect to your case.

As discussed, the outside counsel has concluded, and the Committee has unanimously found that you have been afforded notice and the opportunity to be heard. As such, there has been no violation of the due process rights to which you are entitled. Even when the allegations are considered in their totality, there is still no violation of the process which you are due, and the Committee is entitled to continue its consideration of your matter.

Sincerely,

Robert Goodlatte
Acting Chairman

John Yarmuth
Acting Ranking Member

cc: Stanley Brand, Esq.

U.S. House of Representatives

COMMITTEE ON ETHICS

Washington, DC 20515

FOR RELEASE: Upon Receipt **June 8, 2012**

STATEMENT OF THE ACTING CHAIRMAN AND ACTING RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING THE MATTER OF REPRESENTATIVE MAXINE WATERS

Today, all 10 members of the Committee on Ethics in the Matter of Representative Maxine Waters sent the attached response to a letter received on June 7, 2012, from colleagues.

###

U.S. House of Representatives

COMMITTEE ON ETHICS

Washington, DC 20515

June 8, 2012

Dear Colleagues:

We have received your letter dated June 7, 2012, related to the Committee on Ethics' (Committee) letter of June 6, 2012 regarding the Matter of Representative Maxine Waters. We appreciate this opportunity to respond to your concerns.

To begin, we remind you that all current members of the Committee and staff who were involved in the investigation of Representative Waters' conduct in the last Congress have recused themselves from any further consideration of this matter. In their place a new Committee, still evenly bipartisan, with no prior connection to this matter, has addressed Representative Waters' arguments and concerns, and has done so with unprecedented thoroughness. In fact, six of the ten Members of this Committee were appointed solely for this case, and do not constitute the Ethics Committee for any other purpose.

Furthermore, we believe that our letter of June 6 addresses all the factual concerns you raise in a far more thorough manner than your letter seems to take into account. While you are not correct that "Committee staff generally did engage in the leaking of confidential information, and *ex parte* communications," we have objectively dealt with and acknowledged all the areas of concern you raise, and even assumed facts to the benefit of Representative Waters' arguments. We carefully considered and explained the proper analysis of such conduct, in the context of principles of constitutional law applicable to this Committee's proceedings. For example, the Committee acknowledged that a former member of the staff made inappropriate remarks related to race. We do not minimize such conduct. However, as a matter of fact and constitutional principle, the Committee's outside counsel, Mr. Martin, concluded, and the Committee unanimously found, that the conduct in question did not affect the investigation, or impact the decision-making process in this case. The Committee has now announced its unanimous findings and conclusions, which were entirely consistent, in all ways, with Mr. Martin's advice and recommendations.

It is also simply incorrect to assume that Mr. Martin "issued" a "report" in this matter. He did not. While his tremendous experience and reputation in the community assure the House and public that the Committee is receiving independent advice, Mr. Martin was retained to advise and assist the Committee, as staff to the Committee. In that role, Mr. Martin provided confidential and thorough advice to the Committee, just as congressional staff advise Members and House committees on a daily basis, so that the Members and committees may make their own informed findings and conclusions.

In addition, Mr. Martin's engagement was not limited to a single task. Rather, Mr. Martin was engaged to advise and assist the Committee in all phases of the investigation of allegations of misconduct against Representative Waters. The first phase of his assignment was an unprecedented, thorough, and fair review of the due process complaints of the Respondent in the matter. However, that was only the first phase. Therefore Mr. Martin's role has not yet concluded and the Committee has not considered any reports in the matter for which he is engaged. Indeed, Mr. Martin and the Committee are trying to provide as prompt a resolution to the entire matter as possible.

By Committee rule, Committee proceedings are confidential. This includes the work of all staff–including outside counsel–in providing advice to the Committee. The confidentiality rules are crucial to the Committee's work and protect all Members and staff of the House of Representatives during ongoing investigations, as well as the integrity of the investigation itself. If the ongoing work of the Committee's professional staff, including outside counsel, were made public prior to completion, it would defeat the purpose of having a nonpartisan, confidential process - keeping matters of House discipline free from political or outside influence.

Instead, when public matters before the Committee conclude, the Committee often releases a carefully detailed final report, with supporting evidence, for the scrutiny of the House community and the public at large. If the Committee does so in this matter, it will be at the conclusion of the matter. However, the Committee has considered the Respondent's concerns and arguments in this matter, and has issued its judgment on those questions. This phase is therefore complete. There is no justification for releasing the confidential details of staff advice to the Committee at this time.

Accordingly, we respectfully decline to provide the internal advice and memoranda of staff in this, or any, open and ongoing matter.

Sincerely,

Robert Goodlatte
Acting Chairman

John Yarmuth
Acting Ranking Member

Michael K. Simpson

Donna F. Edwards

Steven C. La Tourette

Pedro R. Pierluisi

Shelley Moore Capito

Joe Courtney

Tim Griffin

John P. Sarbanes

Enclosure

U.S. House of Representatives

COMMITTEE ON ETHICS

Washington, DC 20515

June 6, 2012

The Honorable Maxine Waters
U.S. House of Representatives
2344 Rayburn House Office Building
Washington, DC 20515

Re: In the Matter of Representative Maxine Waters

Dear Colleague:

As you are aware, the Committee on Ethics (the "Committee") hired attorney Billy Martin to assist the Committee as outside counsel in your matter, which is currently pending before the Committee. One of the tasks assigned to Mr. Martin was to conduct a thorough review of the allegations you raised through counsel regarding the possible deprivation of your due process rights. Indeed, the Committee invited you to submit all allegations you felt warranted review by the outside counsel. In addition to the due process allegations you raised, the Committee identified additional issues that outside counsel reviewed.

The Committee has now completed the due process review. Throughout the process, outside counsel reviewed over 100,000 pages of documents, conducted legal research, and interviewed 26 individuals with potentially relevant information, including all Members of the Committee from the 111th Congress, all Members of the Investigative Subcommittee ("ISC") in this matter, staff, and former staff. The Committee has concluded that the due process to which Respondents before this Committee are entitled is notice and the opportunity to be heard, as embodied in the House and Committee Rules. During your matter, you were afforded these rights. Outside counsel has concluded, and this Committee has unanimously found, that none of the individual allegations raised, nor the totality of the circumstances of those claims, amount to a deprivation of your due process rights.

In conducting this review, the threshold question to be addressed was whether a Member of the House of Representatives has constitutional due process rights in House disciplinary proceedings. Such a question has no clearly established legal answer; there are arguments on both sides of the issue and the Committee has not attempted to provide a legal answer to this constitutional question. Rather, outside counsel recommended, and the Committee agrees, that there are compelling reasons for this Committee to assume that the Fifth Amendment does apply to congressional disciplinary proceedings, and we followed that assumption during the review of this matter.

Even assuming the Fifth Amendment applies to House disciplinary proceedings, under the Rulemaking Clause of the Constitution, Congress clearly has the right to establish its own rules, provided those rules do not violate the Constitution. Both Congress and this Committee have, in fact, established procedural rules governing disciplinary proceedings and we have concluded that these rules are constitutionally sufficient. Specifically, the House and Committee rules meet the constitutional requirements of notice and an opportunity to be heard. It is, therefore, concluded that the specific due process arguments you raised do not establish any constitutional violation.

As part of the due process review, the Committee considered twelve allegations. The first eight allegations were understood to be contentions that certain of the Committee's procedures were unconstitutional, regardless of whether they were permitted by House or Committee Rules. Specifically, the allegations were that (1) the ISC responded to your motions for a bill of particulars and to dismiss too quickly; (2) the ISC denied your request for oral argument on your motions; (3) the Committee announced the formation of the Adjudicatory Subcommittee ("ASC") without simultaneously announcing an initial hearing date for the ASC; (4) Committee counsel collected evidence after the ISC transmitted the Statement of Alleged Violations ("SAV") to the full Committee; (5) the ASC proposed to conduct a *de novo* review of the facts and law; (6) Committee counsel submitted an unreasonable volume of pre-hearing disclosures; (7) the Committee recommitted the matter to an ISC after the ASC had been formed; and (8) the Committee has not acted on the matter since recommitment to the ISC.

The Committee has found that none of the alleged conduct violated Committee Rules. Moreover, none of these objections concern the essential constitutional requirements of notice and the opportunity to be heard, which we determined you have received. Even at the investigatory stage, the House and Committee Rules provide for written notice of significant Committee actions and the disclosure of relevant evidence. The rules also guarantee a Respondent's right to make a statement to the ISC. In this case, you received notice of the Office of Congressional Ethics' ("OCE") report and were given an opportunity to respond to that report. You were also given notice of the SAV, and provided with an opportunity to make a presentation before the ISC with your counsel present. You also had the opportunity to file, and have the ISC consider, both a motion for bill of particulars and a motion to dismiss.

At the adjudicatory stage, the House and Committee Rules require, among other things, pre-hearing disclosure of all evidence, compulsory process to obtain additional evidence, and the right to cross-examine witnesses, should you choose to do so. As these rules provide for notice and an opportunity to be heard, there is no constitutional entitlement to any procedural protections beyond those afforded by the existing House and Committee Rules.

You also argued that this matter has been unduly delayed, but did not articulate a violation of either the Constitution, or of House or Committee Rules. As this Committee has previously advised you through your counsel, the Sixth Amendment does not apply to Committee proceedings, and you thus do not have the same right to a speedy "trial" that a criminal defendant has. While an unreasonable delay could in theory amount to a due process violation, here the delay has resulted primarily from the legitimate need for further investigation, and in any event the proceedings are within the time limit established by the House itself.

You also raised three allegations which we understood to assert both violations of Committee Rules and your constitutional due process rights. These alleged violations include: (1) confidential documents were leaked to persons outside the Committee; (2) improper *ex parte* communications occurred; and (3) the ASC authorized subpoenas on incomplete representations.

With respect to the first allegation of disclosure of confidential Committee documents in violation of House and Committee Rules, the Committee is aware of three instances in which confidential Committee information was disclosed. One of these was your own August 13, 2010, press conference, in which you disclosed documents containing significant evidentiary information regarding your matter. The review has not uncovered the identity of the person(s) who disclosed confidential Committee documents to the press in the other two instances. However, during the course of witness interviews, one witness, who was a former member of the staff of the Committee, invoked the Fifth Amendment right against self incrimination when responding to questions regarding the leaked documents. Therefore, for purposes of our analysis only, and without drawing any final conclusion, the Committee must assume that a staff member may have violated an agreement to keep Committee information confidential, as well as House and Committee Rules. With that assumption, the Committee has unanimously made the following findings regarding the unauthorized disclosures.

First, the unauthorized disclosures occurred after the issuance of the SAV. Therefore, the Committee finds that the SAV could not have been affected by any alleged rules violation.

Second, even though apparently a violation of Committee Rules, the unauthorized disclosures in this case could only raise constitutional concerns if they led to prejudice or bias among Committee or House Members so as to deprive you of a fundamentally fair hearing. There is no reason to suspect that they did or will do so. Members of Congress can be expected to abide by their duty to base any decision only on appropriate information, just as in bench trials when members of the judiciary are presumed to act appropriately when they make determinations regarding admissibility of evidence and still ultimately decide the case based only on admitted evidence. Moreover, while clearly not mandated by law or factually necessary in this case, Members of the Committee who were on the Committee in the 111th Congress have voluntarily recused themselves from this matter in the 112th Congress. Consequently, any further investigation and possible hearing will be conducted by a new panel of Members.

Finally, it must be noted that the Committee's violation of one of its own rules would not necessarily constitute a deprivation of constitutional due process. Rules of Congress and committees are of course binding, but their violation does not necessarily amount to a violation of the Constitution. Ordinarily, unless the rules in question are themselves constitutionally required or necessary to protect constitutional fairness, their violation does not raise a constitutional issue. While the Committee takes its confidentiality rules very seriously, it does not believe that they are constitutionally mandated.

For all these reasons, even though the Committee assumes that a former staff member may be responsible for some of the unauthorized disclosures, we find that such disclosures do not amount to a violation of your due process rights.

The next allegation involves improper *ex parte* communications, which allegedly occurred between staff and Members of the Committee. You cited no Committee or House rule that prohibits such communications. Indeed, the concept of an *ex parte* communication in the judicial branch evolved in the United States because of the tri-partite system that exists. Here, however, the Committee is not part of the judicial system, so any comparison to judicial *ex parte* communications is not appropriate in this setting.

Your *ex parte* communications argument seems to be based on the assumption that during the ASC phase of an investigation, the staff becomes a party to the adjudication akin to prosecutors, separate and apart from the ASC Members. Such an assumption is not only incorrect, but wholly improper under House Rules. Staff members work for the Committee Members. Staff does not and cannot become independent operators pursuant to House Rules. As such, an *ex parte* rule would be unworkable in this Committee, since the non-partisan staff must serve all Members, as the Members (other than the Chairman and Ranking Member) are not allowed to have assistance from staff in their personal offices on Committee matters. It is, therefore, clear that Members of the Committee must be permitted to speak with Committee staff regarding Committee matters.

Such communications occurred in this matter. Some of those communications were between staff and Members of only one party or the other. While such communications can raise concerns about the appearance of staff partisanship, such concerns do not override the requirement that the Members must be able to communicate with staff. Outside counsel and this Committee have considered these issues and the communications in this matter and have determined that the communications did not impact the ability of the Members to provide you a fair hearing of the allegations against you. The Committee has, therefore, concluded that none of these communications constitute either a violation of House or Committee Rules or of your due process rights.

The Committee also authorized outside counsel to consider whether subpoenas were authorized on incomplete representations. During the course of the review, it was determined that all Members who voted to authorize the subpoenas had adequate information to approve the subpoenas. Consequently, this allegation does not support a finding that either your due process rights or House or Committee Rules were violated.

The final allegation that was reviewed, at the request of the Committee, was whether any inappropriate and/or racially insensitive remarks may have biased the investigation of this matter. The investigation revealed some evidence of insensitive remarks by a former Committee staff member. While the Committee finds such remarks to be inappropriate, the outside counsel concluded, and the Committee unanimously found, that any such insensitivity did not affect any decision-making of the Members of the Committee with respect to your case.

As discussed, the outside counsel has concluded, and the Committee has unanimously found that you have been afforded notice and the opportunity to be heard. As such, there has been no violation of the due process rights to which you are entitled. Even when the allegations are considered in their totality, there is still no violation of the process which you are due, and the Committee is entitled to continue its consideration of your matter.

Sincerely,

Robert Goodlatte
Acting Chairman

John Yarmuth
Acting Ranking Member

cc: Stanley Brand, Esq.

Jo Bonner, Alabama
Chairman
Linda T. Sánchez, California
Ranking Member

Michael T. McCaul, Texas
K. Michael Conaway, Texas
Charles W. Dent, Pennsylvania
Gregg Harper, Mississippi

John A. Yarmuth, Kentucky
Donna F. Edwards, Maryland
Pedro R. Pierluisi, Puerto Rico
Joe Courtney, Connecticut

ONE HUNDRED TWELFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON ETHICS

Daniel A. Schwager
Staff Director and Chief Counsel

Joanne White
Administrative Staff Director

Kelle A. Strickland
Counsel to the Chairman

Daniel J. Taylor
Counsel to the Ranking Member

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STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE SHELLEY BERKLEY

July 9, 2012

In accordance with Clause 3 of House Rule XI and Committee Rules 14(a)(3) and 18, the Committee on Ethics (the Committee) unanimously voted on June 29, 2012, to establish an investigative subcommittee. Pursuant to the Committee's action, the investigative subcommittee shall have jurisdiction to determine whether Representative Shelley Berkley violated the Code of Official Conduct or any law, rule, regulation, or other applicable standard of conduct in the performance of her duties or the discharge of her responsibilities, with respect to alleged communications and activities with or on behalf of entities in which Representative Berkley's husband had a financial interest.

The Committee has determined to take this action based upon a discretionary review of the allegations, as well as evidence obtained pursuant to Committee Rule 18(a), authorized by the Chairman and Ranking Member of the Committee for the 112th Congress. During the course of the Committee's independent investigation, the Committee received a referral from the Office of Congressional Ethics regarding this same matter. As provided by House Rule X, clause 1(g) and Committee Rule 17A, the Committee has exclusive jurisdiction over the interpretation, administration, and enforcement of the Code of Official Conduct. Consistent with the Committee's rules, it reviews OCE's report and findings without prejudice or presumptions as to the merit of the allegations.

The Committee notes that the mere fact of establishing an investigative subcommittee does not itself indicate that any violation has occurred.

Representative K. Michael Conaway will serve as the Chair of the investigative subcommittee, and Representative Donna F. Edwards will serve as the Ranking Member. The other two members of the subcommittee are Representative Robert E. Latta and Representative Adam Schiff. No other public comment will be made on this matter except in accordance with Committee rules. Pursuant to House Rule XI, Clause 3(b)(8)(B)(iii), and Committee Rule 17A(f)(1), no documents will be released at this time.

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Jo Bonner, Alabama
Chairman
Linda T. Sánchez, California
Ranking Member

Michael T. McCaul, Texas
K. Michael Conaway, Texas
Charles W. Dent, Pennsylvania
Gregg Harper, Mississippi

John A. Yarmuth, Kentucky
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ONE HUNDRED TWELFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON ETHICS

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Kelle A. Strickland
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FOR RELEASE: Upon Receipt **July 10, 2012**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE VERNON G. BUCHANAN

Pursuant to Committee Rule 7(g), the Committee on Ethics (Committee) determined on July 10, 2012, to release the following statement:

On November 8, 2011, the Office of Congressional Ethics (OCE) forwarded to the Committee on Ethics (Committee) a Report and Findings related to Representative Vernon G. Buchanan's alleged failure to report certain information regarding positions he held with certain entities, as well as income from those entities on his annual Financial Disclosure Statements for 2007 through 2010. The Committee released OCE's Report and Findings on February 6, 2012, and the Chairman and Ranking Member of the Committee announced the Committee's intention to continue to review the matter pursuant to Committee Rule 18(a).

The Committee adopted a Report on June 29, 2012, based on its independent review, which resolves the allegations addressed by OCE in its November 8 referral. The Committee has determined that Representative Buchanan did not accurately report all of the positions or ownership interests he held with several entities on his Financial Disclosure Statements for 2007, 2008, 2009, and 2010, and that he did not accurately report certain income received from those same entities in the same years. However, the Committee found no evidence that the errors were knowing or willful and unanimously determined that the errors were not substantively different from the hundreds or thousands of errors corrected by amendment at the requirement of the Committee every year.

In fact, between 30% and 50% of all Financial Disclosure Statements reviewed by the Committee each year contain errors or omissions. Such errors and omissions are not uncommon and are typically corrected through amendments to Financial Disclosure Statements, and do not involve any further Committee action.

Representative Buchanan has now corrected the errors and omissions in his Financial Disclosure Statements by his subsequent amendments. Therefore, no further action by the Committee is warranted and the Committee considers the matter closed.

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Jo Bonner, Alabama
Chairman
Linda T. Sánchez, California
Ranking Member

Michael T. McCaul, Texas
K. Michael Conaway, Texas
Charles W. Dent, Pennsylvania
Gregg Harper, Mississippi

John A. Yarmuth, Kentucky
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ONE HUNDRED TWELFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON ETHICS

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FOR RELEASE: Upon Receipt **July 17, 2012**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE ROBERT ANDREWS

Pursuant to House Rule XI, Clause 3(b)(8)(A) and Committee Rules 17A(b)(1)(A) and 17A(c)(1), the Chairman and Ranking Member of the Committee on Ethics have jointly decided to extend the matter regarding Representative Robert Andrews, which was transmitted to the Committee by the Office of Congressional Ethics on April 2, 2012.

The Committee notes that the mere fact of a referral or an extension, and the mandatory disclosure of such an extension and the name of the subject of the matter, does not itself indicate that any violation has occurred, or reflect any judgment on behalf of the Committee.

The Committee will announce its course of action in this matter on or before Friday, August 31, 2012.

###

Jo Bonner, Alabama
Chairman
Linda T. Sánchez, California
Ranking Member

Michael T. McCaul, Texas
K. Michael Conaway, Texas
Charles W. Dent, Pennsylvania
Gregg Harper, Mississippi

John A. Yarmuth, Kentucky
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ONE HUNDRED TWELFTH CONGRESS

U.S. House of Representatives

COMMITTEE ON ETHICS

Daniel A. Schwager
Staff Director and Chief Counsel

Joanne White
Administrative Staff Director

Kelle A. Strickland
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Daniel J. Taylor
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FOR RELEASE: Upon Receipt **August 1, 2012**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING ALLEGATIONS RELATING TO REPRESENTATIVE LAURA RICHARDSON

Pursuant to House Rule XI Clause 3(q)(2)(D), today the Chairman of the Committee on Ethics, Representative Jo Bonner, and the Ranking Member, Representative Linda T. Sánchez, submitted a report to the House of Representatives in the Matter of Allegations Relating to Representative Laura Richardson. The full Committee report includes the report of the Investigative Subcommittee (ISC) in this matter, along with the responsive views of Representative Richardson. The full Committee report also addresses the concerns and arguments made by Representative Richardson in her views.

At the completion of its investigation, the ISC unanimously concluded that there was substantial reason to believe that Representative Laura Richardson violated the Purpose Law, 31 U.S.C. § 1301; House Rule XXIII clauses 1, 2, and 8; Clause 2 of the Code of Ethics for Government Service; and other standards of conduct, by improperly using House resources for campaign, personal, and nonofficial purposes; by requiring or compelling her official staff to perform campaign work; and by obstructing the investigation of the Committee and the ISC through the alteration or destruction of evidence, the deliberate failure to produce documents responsive to requests for information and a subpoena, and attempting to influence the testimony of witnesses.

As part of a resolution Representative Richardson negotiated with the ISC, Representative Richardson agreed to admit to all seven counts in the Statement of Alleged Violation, accept all other terms of the ISC's recommendations, and waive all further procedural rights in this matter provided to her by House or Committee Rule. On July 31, 2012, the full Committee unanimously accepted the ISC's recommendations that the Committee submit a public report to the House, and that the adoption of that report by the House serve as a reprimand of Representative Richardson for her misconduct and impose a fine in the amount of $10,000 to be paid no later than December 1, 2012. Further, the full Committee unanimously agreed to strongly discourage Representative Richardson from permitting any of her official staff to perform work on her campaign (either on a paid or volunteer basis), but to the extent any of her

official staff do perform work on her campaign, that said staff be required to sign a waiver asserting that such work will be provided voluntarily and is not being compelled by Representative Richardson.

Therefore, the Committee on Ethics has unanimously recommended that the House of Representatives adopt the report, and with it, a reprimand of Representative Richardson for the conduct described therein.

Finally, the report also addresses the two employee respondents in this matter. The Committee issued separate letters of reproval as part of negotiated resolutions with each of the employees. All of the materials discussed above are now available on the Committee's Web site at www.ethics.house.gov.

###

U.S. House of Representatives

COMMITTEE ON ETHICS

Washington, DC 20515

FOR RELEASE: Upon Receipt **August 2, 2012**

STATEMENT OF ACTING CHAIRMAN BOB GOODLATTE AND ACTING RANKING MEMBER JOHN YARMUTH

The Committee on Ethics in the Matter of Representative Maxine Waters has voted unanimously to extend the contract of William R. Martin as outside counsel to the Committee in this matter. That contract has been approved by the Committee on House Administration. Pursuant to the contract, Mr. Martin will continue to work closely with the Committee as it attempts to complete this matter. We are fully committed to resolving this matter as early in the remainder of this Congress as is possible to do in a thorough, fair and deliberate manner.

The contract has a termination date at the end of the Congress, and a maximum amount of $500,000. It is the intent of the Committee in this matter that the final resolution and report should thoroughly address the many questions that have been raised.

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U.S. House of Representatives

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FOR RELEASE: Upon Receipt **August 7, 2012**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING S. 3510 AND PERIODIC TRANSACTION REPORTS

Last Thursday, Congress passed S. 3510, which, when signed into law, would make two limited changes to the STOCK Act (S. 2038). Due to misleading press reports about S. 3510, the Committee heard from numerous filers who thought that the implementation of the entire STOCK Act had been delayed, and therefore they mistakenly believed they could postpone compliance with the STOCK Act in general.

This impression is NOT correct. NO current filing obligations have been postponed. Instead, S. 3510 will 1) allow for a one-month delay of online publication of reports by the Clerk of the House (and other designated offices), and 2) increase periodic transaction report (PTR) requirements for House filers beginning September 30, 2012.

Specifically, provided S. 3510 is signed into law before September 30, 2012, beginning September 30, all House filers will be required, for the first time, to include certain transactions in stocks, bonds, and other securities owned by their spouses and dependent children on periodic transaction reports (PTRs). As originally signed into law, the STOCK Act only required Members and senior staff to file periodic reports of those certain transactions in stocks, bonds, and other securities that they themselves owned or shared an interest in. This obligation began with transactions occurring on July 3, 2012. That obligation continues today, and has not been postponed or delayed by S. 3510.

In the meantime, and regardless of when S. 3510 is signed into law, all other provisions of the STOCK Act remain in effect. For example, the STOCK Act limits participation by filers in Initial Public Offerings and clarifies and reaffirms the pre-existing prohibitions on "insider trading."

If any House filers remain confused about the effect of last week's legislative action, the Committee is always available to assist. Upon the signing of S. 3510, the Committee will issue revised instructions for completing PTRs.

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FOR RELASE: Upon Receipt **August 31, 2012**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE ROBERT ANDREWS

Pursuant to Committee Rule 7(g), the Chairman and Ranking Member of the Committee on Ethics (Committee) determined on August 31, 2012, to release the following statement:

On April 2, 2012, the Committee received a referral from the Office of Congressional Ethics (OCE) regarding Representative Robert Andrews. Pursuant to House Rule XI, clause 3(b)(8)(A) and Committee Rules 17A(b)(1)(A), 17A(c)(1), and 17A(j), the Chairman and Ranking Member jointly decided on July 17, 2012, to extend the Committee's review of the matter until August 31, 2012. In order to gather additional information necessary to complete its review, the Committee will review the matter pursuant to Committee Rule 18(a). The Committee notes that the mere fact of conducting further review of a referral, and any mandatory disclosure of such further review, does not itself indicate that any violation has occurred, or reflect any judgment on behalf of the Committee.

In order to comply with Committee on Ethics Rule 7 regarding confidentiality, out of fairness to all respondents, and to assure the integrity of its work, the Committee will refrain from making further public statements on this matter pending completion of its initial review.

Pursuant to Committee Rule 17A(c)(2), the Committee on Ethics hereby publishes OCE's Report and Findings relating to allegations against Representative Robert Andrews.

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U.S. House of Representatives

COMMITTEE ON ETHICS

Washington, DC 20515

FOR RELEASE: Upon Receipt **September 20, 2012**

STATEMENT OF THE ACTING CHAIRMAN AND ACTING RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING THE MATTER OF REPRESENTATIVE MAXINE WATERS

Acting Chairman Bob Goodlatte and Acting Ranking Member John A. Yarmuth announce that the Committee on Ethics will hold a public hearing in the Matter of Representative Maxine Waters tomorrow, Friday, September 21, at 9:15 a.m. in Room 1310 of the Longworth House Office Building.

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U.S. House of Representatives

COMMITTEE ON ETHICS

Washington, DC 20515

FOR RELEASE: Upon Receipt **September 25, 2012**

STATEMENT OF THE ACTING CHAIRMAN AND ACTING RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE MAXINE WATERS

Pursuant to Committee Rule 7(g), the Committee on Ethics (Committee) determined on September 25, 2012, to release the following statement:

On July 24, 2009, the Office of Congressional Ethics (OCE) forwarded to the Committee on Ethics (Committee) a Report and Findings related to Representative Maxine Waters' alleged violation of House rules and precedent regarding conflicts of interest with respect to certain actions taken on behalf of OneUnited Bank, in which Representative Waters' husband held stock and for which he had previously served on the Board of Directors.

On September 21, 2012, the Committee adopted, by a unanimous 10-0 vote, a Report based on its independent review, which resolves the allegations addressed by OCE. The Committee has unanimously determined that the evidence does not establish, to the standard of clear and convincing evidence, that Representative Waters violated House rules. It appears that Representative Waters recognized and made efforts to avoid a conflict of interest with respect to OneUnited. However, the Committee has also unanimously determined that Representative Waters' Chief of Staff, Mikael Moore, took certain actions on behalf of OneUnited when he knew, or should have known, of Representative Waters' personal financial interest, despite Representative Waters' instructions to avoid the conflict. Accordingly, the Committee unanimously voted to issue a letter of reproval to Mr. Moore for his conduct. The Committee, in reaching its conclusions, relied heavily on the work performed by outside counsel William R. "Billy" Martin, who conducted a thorough and impartial investigation into the facts of this matter, as well as allegations regarding the Committee's own conduct in the course of the investigation of Representative Waters during the 111th Congress. Mr. Martin has submitted a report, which concludes that Representative Waters' due process rights were not violated by the Committee's investigation, and contains findings and recommendations regarding the facts of this case which are consistent with the Committee's conclusions. The Committee has unanimously agreed to release Mr. Martin's report.

Before the Committee concludes this matter – and the six substitute Members selected to serve on the Committee solely for this matter conclude their service – we take note of certain lessons learned in the course of this investigation, and make the following nine recommendations to the House community.

First, the proper function of this Committee requires individual Members to act and rely on their individual expertise and background in shaping their opinions regarding matters pending

before the Committee. Unlike any other Committee, this Committee avoids partisan legislative concerns and policies, and must have bipartisan cooperation for the Committee to fulfill its constitutional mandate to police the Members, officers and employees of the House. That mission calls upon Members to step out of their partisan framework and approach the work of the Committee without regard to their party. It is our recommendation for any Member that serves on this Committee that he or she constantly evaluate their actions on the Committee, to ensure that they are living up to the highest standards of this Committee.

Second, while the nonpartisan professional staff of the Committee is, and must be, available to Committee Members for the internal work of the Committee, we recommend that Committee Members be sensitive to appearances that may be created if only particular staff members are routinely relied upon by Members of a particular party. Accordingly, if Committee Members find that distrust is arising along party lines with respect to particular staff members, that distrust should raise a red flag – and frank bipartisan discussions within the Committee should occur.

Third, in a similar vein, the principle of open, frank communication should also apply to allegations of inappropriate remarks by Committee staff, whether the remarks are racially insensitive or otherwise improper. At the point the Committee's leadership or staff become aware of insensitive or inappropriate comments related to bias, it is incumbent on them to deal with such allegations in an open, frank, and bipartisan or nonpartisan manner.

Fourth, we recommend that the Committee follow the recommendations of the Investigative Subcommittee in *The Matter of the Investigation into Officially Connected Travel of House Members to Attend the Carib News Foundation Multinational Business Conferences in 2007 and 2008*, and establish written policies and procedures as to the duties and responsibilities of the designated counsels to the Chairman and Ranking Member of the Committee. These policies should reduce the possibility or the appearance that the nonpartisan work of the Committee might be improperly impacted by the partisan considerations, backgrounds, or suspicions of the designees.

Fifth, because one of the causes of suspicion and distrust within the Committee during the 111th Congress was the former Chief Counsel's association with partisan political activity, we recommend that the Committee avoid hiring professional staff who have previously served as partisan staff. Even if both Committee leaders and the individuals themselves believe they could serve on the nonpartisan, professional staff in a fair and unbiased fashion, Members or other staff are far more likely to begin to view any disagreement as a partisan issue, leading to suspicion and distrust.

Sixth, we believe the full Committee, or the House, should consider adoption of policies or Rules such that, in instances where a Member has determined that they should no longer be involved in advocacy on behalf of a particular person or entity because of a potential conflict of interest, the Member should take steps to inform all members of their staff, as well as the entity concerned, of the decision to recuse their office from further action. We recognize that the office may provide the entity with contact information for a Senator, a Representative of any other district in which that entity is a constituent, or a Committee.

Seventh, we believe the full Committee, or the House, should consider adopting policies or Rules to the effect that a Member should proactively notify staff of any financial or other conflicts of interest with constituent entities, so that staff does not take inappropriate official action on behalf of such entities or persons. This is even more important where a Member is intimately involved in representing a particular industry, policy interest, or other defined constituency, and the Member holds a personal financial interest in an entity within that constituency.

Eighth, we recommend that the Committee on Ethics provide a greater focus on conflicts of interest in their training and education materials. While the guidance that currently exists was certainly clear enough to make plain that the conflicts at issue should have been avoided, as Representative Waters recognized, an even greater focus may still be warranted.

Ninth, we believe that the full Committee, or the House, should consider adopting policies that recognize that employer/employee relationships with grandchildren can be just as fraught with risk as other familial relationships in the workplace, some of which are prohibited within the House by rule or statute.

We hope that the report and result in this matter, the significant attention to the matter in the House and the public, and the recommendations we have shared, will result in greater attention being paid to the issue of conflicts and, thereby, greater trust by all of our constituents. Given the adoption of the Committee's Report, no further action is warranted, and the Committee considers this matter closed.

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FOR RELEASE: Upon Receipt **October 12, 2012**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE SILVESTRE REYES

Pursuant to House Rule XI, Clause 3(b)(8)(A) and Committee Rules 17A(b)(1)(A) and 17A(c)(1), the Chairman and Ranking Member of the Committee on Ethics have jointly decided to extend the matter regarding Representative Silvestre Reyes, which was transmitted to the Committee by the Office of Congressional Ethics on August 30, 2012.

The Committee notes that the mere fact of a referral or an extension, and the mandatory disclosure of such an extension and the name of the subject of the matter, does not itself indicate that any violation has occurred, or reflect any judgment on behalf of the Committee.

The Committee will announce its course of action in this matter on or before Wednesday, November 28, 2012.

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FOR RELEASE: Upon Receipt **November 26, 2012**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE MICHAEL GRIMM

Pursuant to Committee Rule 7(g), the Chairman and Ranking Member of the Committee on Ethics (Committee) determined on November 26, 2012, to release the following statement:

On June 29, 2012, the Committee received a referral from the Office of Congressional Ethics (OCE) regarding whether Representative Michael Grimm may have violated federal campaign finance laws by soliciting and accepting prohibited campaign contributions, caused false information to be included in campaign finance reports, and improperly sought assistance from a foreign national in soliciting campaign contributions in exchange for offering to use his official position to assist that individual in obtaining a green card. Pursuant to House Rule XI, clause 3(b)(8)(A) and Committee Rules 17A(b)(1)(A), 17A(d), and 17A(j), the Committee unanimously voted on July 31, 2012, to extend the Committee's review of the matter until November 26, 2012.

OCE's referral of this matter recommended dismissal because it could not establish with a sufficient certainty that a violation occurred after Representative Grimm became a Member of Congress. However, in prior Congresses, the Committee has held that it may investigate conduct that violated laws, regulations, or standards of conduct, which occurred during an initial campaign for the House of Representatives. Based on this precedent, notwithstanding OCE's view, on November 15, 2012, the Committee unanimously voted to continue to assert jurisdiction over matters relating to a successful campaign for election to the House of Representatives. Accordingly, the Committee authorized an inquiry into these matters pursuant to Committee Rule 18(a).

The Department of Justice has asked the Committee to defer consideration of this matter and the Committee, following precedent, unanimously voted to defer consideration of this matter at this time. At least annually, the Committee will make a public statement if it continues to defer taking action on the matter. The Committee notes that the mere fact of conducting further review of a referral, and any mandatory disclosure of such further review, does not itself indicate that any violation has occurred, or reflect any judgment on behalf of the Committee.

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FOR RELEASE: Upon Receipt **November 28, 2012**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE SILVESTRE REYES

Pursuant to Committee Rule 7(g), the Chairman and Ranking Member of the Committee on Ethics (Committee) determined on November 28, 2012, to release the following statement:

On August 30, 2012, the Committee received a referral from the Office of Congressional Ethics (OCE) regarding Representative Silvestre Reyes. Pursuant to House Rule XI, Clause 3(b)(8)(A) and Committee Rules 17A(b)(1)(A) and 17A(c)(1), the Chairman and Ranking Member jointly decided on October 12, 2012, to extend the Committee's review of the matter until November 28, 2012.

Pursuant to Committee Rule 17A(c)(2), the Committee on Ethics hereby publishes OCE's Report and Findings relating to allegations against Representative Silvestre Reyes, and Representative Reyes' response. The Committee notes that the mere fact of a referral, and any mandatory disclosure of such a referral, does not itself indicate that any violation has occurred, or reflect any judgment on behalf of the Committee.

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FOR RELEASE: Upon Receipt **December 14, 2012**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE BILL OWENS

Pursuant to House Rule XI, Clause 3(b)(8)(A) and Committee Rules 17A(b)(1)(A), 17A(c)(1), and 17A(j), the Chairman and Ranking Member of the Committee on Ethics have jointly decided to extend the matter regarding Representative Bill Owens, which was transmitted to the Committee by the Office of Congressional Ethics on August 30, 2012.

The Committee notes that the mere fact of a referral or an extension, and the mandatory disclosure of such an extension and the name of the subject of the matter, does not itself indicate that any violation has occurred, or reflect any judgment on behalf of the Committee.

The Committee will announce its course of action in this matter on or before Monday, January 28, 2013.

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FOR RELEASE: Upon Receipt **December 14, 2012**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE AARON SCHOCK

Pursuant to House Rule XI, Clause 3(b)(8)(A) and Committee Rules 17A(b)(1)(A), 17A(c)(1), and 17A(j), the Chairman and Ranking Member of the Committee on Ethics have jointly decided to extend the matter regarding Representative Aaron Schock, which was transmitted to the Committee by the Office of Congressional Ethics on August 30, 2012.

The Committee notes that the mere fact of a referral or an extension, and the mandatory disclosure of such an extension and the name of the subject of the matter, does not itself indicate that any violation has occurred, or reflect any judgment on behalf of the Committee.

The Committee will announce its course of action in this matter on or before Monday, January 28, 2013.

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FOR RELEASE: Upon Receipt **December 20, 2012**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE GREGORY W. MEEKS

Pursuant to Committee Rule 7(g), the Committee on Ethics (Committee) determined on December 18, 2012, to release the following statement:

On May 18, 2011, the Committee received a referral from the Office of Congressional Ethics (OCE) regarding Representative Gregory W. Meeks. The Committee, pursuant to Committee Rule 18(a), conducted a further review of the matter and voted to accept the OCE's recommendation for further review of an allegation that Representative Meeks failed to disclose a loan he received in 2007 from Edul Ahmad (the Ahmad loan) in a timely manner.

The Committee adopted a Report on December 18, 2012 based on its independent review, which resolves the allegation regarding the Ahmad loan. The Committee has unanimously determined, based on the Committee's review of this allegation, that Representative Meeks failed to disclose the Ahmad loan as a liability on his 2007, 2008, and 2009 Financial Disclosure Statements. The Committee found no credible evidence that the errors were knowing or willful.

The Committee recognizes that unknowing failures to report such items are not uncommon. Such errors and omissions are typically corrected through amendments to Financial Disclosure Statements, and do not involve any further Committee action. Representative Meeks has since corrected the errors and omissions in his Financial Disclosure Statements by his subsequent amendments, which were filed in June 2010. Therefore, no further action by the Committee is warranted.

Although it was not the basis of the OCE referral, the Committee also investigated the allegation that the Ahmad loan was not accompanied by a written document and stated loan terms, and constituted an impermissible gift. The Committee determined that the evidence did not establish that the Ahmad loan was an impermissible gift.

Representative Meeks has consistently represented that the loan was memorialized in writing and had a set repayment schedule and rate of interest, but that he cannot produce the loan document now because he has misplaced it. Representative Meeks repaid the loan in June 2010, and stated that he ultimately paid an interest rate of 12.5%.

While counsel to Mr. Ahmad has represented that there was no loan document signed by Representative Meeks and no fixed interest rate, the Committee staff has been unable to confirm this allegation due to the inability to interview Mr. Ahmad. Mr. Ahmad has pleaded guilty to fraud charges in an unrelated federal criminal case. Mr. Ahmad's attorney has informed Committee staff that Mr. Ahmad would decline any request for a voluntary interview with the Committee, and, if subpoenaed, Mr. Ahmad would invoke his Fifth Amendment rights unless the Committee gave him immunity from criminal prosecution. Mr. Ahmad's attorney has also informed the Committee that no additional documentary evidence exists relating to the Ahmad loan.

Considering the highly compromised credibility of Mr. Ahmad, unless he could provide some documentary evidence indicating that the payment to Representative Meeks was not a loan—which his attorney has stated he cannot do—it would be unreasonable for the Committee to conclude, on the basis of his testimony alone, that Representative Meeks had been untruthful to the Committee in his sworn statement that such a document had accompanied the loan. Therefore, the Committee has decided to close its investigation regarding the allegation that Representative Meeks received an improper gift from Mr. Ahmad.

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FOR RELEASE: Upon Receipt **December 20, 2012**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESNTATIVE TIM RYAN

Today, the Committee transmitted the attached Report to the House regarding the charge filed against Representative Tim Ryan in Lexington, Virginia, on August 25, 2012.

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FOR RELEASE: Upon Receipt **December 20, 2012**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING REPRESENTATIVE SHELLEY BERKLEY

Pursuant to Committee Rule 7(g), the Chairman and Ranking Member of the Committee on Ethics (Committee) determined on December 20, 2012, to release the following statement:

In early 2012, the Chairman and Ranking Member of the Committee for the 112th Congress authorized Committee staff to conduct an inquiry pursuant to Committee Rule 18(a) into allegations that Representative Shelley Berkley improperly used her official position for her financial interest, dispensed special favors or privileges to her husband, and allowed her husband to contact her or members of her staff on behalf of a third party. On February 9, 2012, during the course of the Committee's independent investigation into the allegations, the Committee received a referral from the Office of Congressional Ethics (OCE) regarding allegations that Representative Berkley violated House rules and standards regarding conflicts of interest by taking official action on behalf of the University Medical Center of Southern Nevada (UMC) to prevent the Centers for Medicare and Medicaid Services (CMS) from revoking UMC's kidney transplant program's Medicare approval.

On June 29, 2012, based on information obtained during the Committee's initial investigation of this matter, the Committee unanimously voted to empanel an Investigative Subcommittee (ISC) to investigate the allegations. During the course of its investigation, the ISC met on 16 occasions and interviewed ten witnesses, including Representative Berkley and her husband, Dr. Lawrence Lehrner. The ISC also issued three subpoenas for the collection of documents resulting in the production of over 108,000 pages of materials.

On December 13, 2012, the ISC voted to issue its Report to the full Committee, finding that Representative Berkley had violated House Rules and other laws, rules, and standards of conduct with respect to some, but not all, of the allegations it had investigated. Specifically, the ISC found that that the evidence did not demonstrate a violation of House Rules or other laws, rules, and standards of conduct related to Representative Berkley's activities on behalf of the kidney transplant center at UMC, which was the subject of the OCE referral.

The ISC found, however, that Representative Berkley violated House Rules and other laws, rules, and standards of conduct by improperly using her official position for her beneficial interest by permitting her office to take official action specifically on behalf of her husband's practice. Finally, the ISC concluded that the evidence indicated that Representative Berkley did not violate House Rules and other laws, rules, and standards of conduct by dispensing special favors or privileges to her husband, Dr. Lawrence Lehrner, or with respect to her husband's contact with her office on behalf of third parties.

The ISC also noted a number of facts that, in the opinion of the Committee, provide context for the disposition of these violations. First, the ISC noted that there was no evidence that Representative Berkley acted with the intent to unduly enrich herself. Representative Berkley had a legitimate concern, raised at the time that these issues were ongoing, that failures on the part of government insurers to reimburse providers in a timely fashion might result in the providers opting not to see patients insured by those programs. Second, Representative Berkley testified credibly that she provided her husband with no assistance in seeking future benefits (as opposed to assisting with claims for services already rendered), and that the level of assistance was not unusual when compared to the assistance her office provided to other physicians. Ultimately, she was mistaken when she applied these facts to the ethics rules and determined that her course of action was proper, but the Committee takes note of the lack of any corrupt intent and believes that this mitigates the severity of the violations in question.

The ISC noted for the record that Representative Berkley was entirely cooperative with the investigation, and credited her testimony both in terms of candor, and in terms of her objective lack of malicious intent in violating the rules. The Committee, having reviewed the transcript of her testimony, concurs in that positive assessment of Representative Berkley's candor and cooperative nature. The Committee wishes to thank Representative Berkley for her forthright and proactive participation in this process.

Finally, the ISC noted in its Report the need for clearer guidance regarding conflict of interest rules to be provided to the House community. The ISC recommended that the conflict of interest rules be committed to a task force for review, and that the task force issue clear, thorough, and comprehensive rules pertaining to conflicts of interest that the House community can readily understand and abide by.

The Committee agreed with the ISC's Findings and Conclusions. Accordingly, on December 20, 2012, pursuant to Committee Rule 21(a) and 17A(c)(2), the Committee voted unanimously to adopt the ISC's Report and issue its own Report, along with OCE's Report and Findings regarding Representative Berkley, as well as Representative Berkley's response to the OCE referral.

In no small part based upon Representative Berkley's cooperative approach to this process and her candor, the Committee finds that no further action is necessary. Therefore, upon the submission of its Report to the House, the Committee considers this matter closed.

The Committee wishes to thank the members of the Investigative Subcommittee for their hard work, dedication, and service to the Committee and to the House. Representative K. Michael Conaway served as the Chair of the Investigative Subcommittee, and Representative Donna F. Edwards served as the Ranking Member. Representatives Robert E. Latta and Adam B. Schiff also served on the Subcommittee. Each of these Members devoted substantial time and effort to this matter, and the Committee thanks each of them for their service.

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Jo Bonner, Alabama
Chairman
Linda T. Sánchez, California
Ranking Member

Michael T. McCaul, Texas
K. Michael Conaway, Texas
Charles W. Dent, Pennsylvania
Gregg Harper, Mississippi

John A. Yarmuth, Kentucky
Donna F. Edwards, Maryland
Pedro R. Pierluisi, Puerto Rico
Joe Courtney, Connecticut

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U.S. House of Representatives

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FOR RELEASE: Upon Receipt **December 27, 2012**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING ALLEGATIONS CONCERNING THE "V.I.P." LOAN UNIT OF COUNTRYWIDE FINANCIAL CORPORATION

Today we announce the conclusion of the Committee on Ethics' review of the allegations related to the "V.I.P." program of the Countrywide Financial Corporation (Countrywide). In accordance with Committee Rules, this review was conducted in order to determine whether the allegations presented warranted further investigation by the Committee. After a lengthy and deliberate review, including over 2,000 of pages of documentation provided by Countrywide or its successor, Bank of America, as well as giving careful and serious consideration to the submission and reports of the Chairman of the Committee on Oversight and Government Reform, the Committee has unanimously agreed to end its review with the publication of this statement, and the issuance of a general advisory issued simultaneously on the subject of the use of one's position in the House of Representatives for personal gain or benefit.

Numerous allegations have been made that certain Members and employees of the House of Representatives acted improperly when they received "discounts" on personal residential or vacation property loans, or when their loan applications were handled by an office within Countrywide called the "V.I.P Loan Unit," or handled as "Friends of Angelo," referring to Angelo Mozilo, the former CEO of Countrywide. In addition, the evidence suggested that certain House employees made explicit requests to Countrywide lobbyists or spoke to a Countrywide lobbyist about their personal loan needs, and that the lobbyists then facilitated those loans.

While these allegations concern serious matters, almost all of the allegations concerned actions taken outside, or well outside, the jurisdiction of this Committee, as designated in House Rule XI, clause 3(b)(3), because they occurred before the third Congress prior to the current Congress. In addition, several of the Members and employees mentioned in the allegations are no longer serving in or employed by the House, and therefore are outside the Committee's jurisdiction pursuant to House Rule XI, clause 3(a)(2).

However, while there are no allegations of actual violations that fall within the Committee's jurisdiction, we take this opportunity to provide the House community and the

public at large with an analysis of these allegations, and guidance that may be helpful in considering future conduct and avoiding even the appearance of impropriety.

To begin with, the Committee conducted its own analysis of the role and practices of the Countrywide V.I.P. loan unit to determine if participation on its own indicated something improper had occurred. The Committee reached largely the same conclusion as the Senate Select Committee on Ethics, which indicated in 2009, in public letters to Senators also involved in the V.I.P. unit, that:

> It appears the V.I.P. Loan unit was initially established for the purposes of originating, processing, and funding home loans as a courtesy to senior-level employees and V.I.P. customers, but it increasingly grew in scope and size. A large subset of V.I.P. loans referred by Angelo Mozilo, former Countrywide C.E.O., were known as the "Friends of Angelo" or F.O.A. During the mortgage boom that occurred from late 2002 through 2004, the V.I.P loan unit handled thousands of loans worth billions of dollars for a very broad spectrum of individuals, large numbers of whom had never met, let alone befriended, Mr. Mozilo.
>
> Overall it appears that V.I.P.s were often offered quicker, more efficient loan processing and some discounts. However, it also appears that all V.I.P. loans, including F.O.A. loans, were required to meet the same underwriting standards and conditions for resale on the secondary market as non-V.I.P. loans. Furthermore, there is evidence on the record that the discounts offered to V.I.P.s and F.O.A.s were not the best deals that were available at Countrywide or in the marketplace at large. In sum, participation in the V.I.P. or F.O.A. programs did not necessarily mean that borrowers received the best financial deal available either from Countrywide or other lenders.

Therefore, mere inclusion in one of these programs is not, in and of itself, a violation of any rules, laws, or standards of conduct governing Members, officers, or employees of the House of Representatives. In addition, insofar as the widely available and indisputable evidence indicates that loan "discounts" or "discount points" are labels applied to standard and publicly available terms in every day arms-length negotiations with commercial lenders, they are not the kind of "gift" which would be, in and of itself, outside the realm of reasonable market rates for commercially available loans. Finally, given that the standard market practices on negotiating for desirable loan customers varies widely, it is not evident that any of the fee structures presented by the evidence are outside of reasonable market rates for commercially available loans, even if those loans were within the jurisdiction of the Committee.

To be clear, however, whether terms are within or without a commercially reasonable range, it is improper to knowingly use one's position or influence within the House of Representatives to obtain a personal benefit. Therefore, if a Member, officer, or employee has reason to believe there was such an explicit connection between their position and some personal business transaction, it is incumbent on that Member, officer, or employee to take steps to ensure they are being treated no differently than a member of the public who is similarly situated in other relevant ways. Without doubt, there is a wide range of possible and appropriate steps. For

instance, while the steps reportedly taken by Representative Pete Sessions, rejecting any offers of negotiated discounts, are an excellent way to avoid even the appearance of impropriety, there is still no requirement that a Member, officer, or employee refuse to participate in normal negotiations, or refuse to accept terms of negotiation regularly available to a member of the public.. In other words, while Members, officers, and employees must not personally benefit in a manner directly caused by their position, they also need not suffer financially due to nothing but their position.

Instead, other steps that may be taken if and when a Member or employee is given specific reason to believe they may be treated differently based on their position include receiving reasonable assurances or certifications that the offered terms are commercially reasonable and would be available to the borrower based entirely on reasons unrelated to the individual's position in the House. Another option that is always available to all Members, officers and employees is calling the Ethics Committee for assistance in examining the nature of the loan offer and negotiations.

While these are just some of the steps that may be taken to avoid the appearance of impropriety, they would not be required under normal commercial circumstances when one visits or calls a commercial institution for a loan, indicates their place of employment onlyon a loan application (as is almost always required) and continues to be handled by the regular loan department. In this matter, for instance, with one exception occurring well outside the Committee's jurisdiction, there has been no evidence presented that the Members or employees of the House of Representatives were aware of their inclusion in the V.I.P. unit or that they were labeled "Friends of Angelo." If, however, they were referred by, or handled by, persons who were not regular loan officers, or, more significantly, persons involved in congressional affairs, then steps should have been taken to ensure that no improper connection was being made between their sphere of influence and their personal loan negotiations.

Of greatest concern to the Committee, therefore was email evidence regarding the specific conduct of some employees of the House of Representatives who may have reached out to lobbyists or other government affairs officials at Countrywide for assistance with their personal loans (there was no such credible evidence that Members engaged in this kind of conduct). Had any of these actions occurred within the Committee's jurisdiction, further investigations would have been conducted that may have led to disciplinary action against these staffers or former staffers. This is because, as most Members, officers, and employees understand, it is improper to, for instance, take a meeting with a representative of an outside organization or a constituent seeking some action or general assistance, and then immediately make a request for assistance with one's own personal finances at the same meeting. This conduct is not made any less improper merely because there is some separation in time between a past or future meeting and the personal request.

Therefore, every member of the House community should understand that, when your relationship with a representative of a particular business or outside organization is based on your power to affect that person's organization, and their efforts to influence you or your office in the exercise of that power, that is a relationship that should never be used for your personal benefit. Where there is credible evidence of such conduct within the jurisdiction of this Committee, the Committee will act to enforce this standard.

However, for all the reasons indicated above, and after lengthy and careful consideration, it does not appear that there is any specific credible evidence of actual violations that remain within the jurisdiction of the Committee. The Committee therefore has unanimously determined to end its consideration of allegations related to improper participation in Countrywide's V.I.P. program.

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FOR RELEASE: Upon Receipt **December 27, 2012**

STATEMENT OF THE CHAIRMAN AND RANKING MEMBER OF THE COMMITTEE ON ETHICS REGARDING CHANGES TO TRAVEL REGULATIONS

Pursuant to House Rule 25, clause 5(i), on December 18, 2012, the Committee on Ethics voted unanimously to adopt new regulations for the acceptance and approval of privately sponsored, officially related travel. This action was the result of more than three years of hard work by Members of the Committee and staff assigned to the Travel Working Groups over the course of the 111th and 112th Congresses. The Committee thanks the members of the Working Groups for their service. Representative Charles Dent served in the 111th and 112th Congresses, Representative Peter Welch served in the 111th Congress, and Representative Donna Edwards served in the 112th Congress. As part of the process, the Working Groups met with other Members of Congress and representatives of the ethics community, with interests in privately sponsored congressional travel.

The new regulations seek to provide a greater level of clarity into the requirements and conditions for receiving the Committee's approval to accept privately sponsored travel. The Working Group for the 112th Congress ("The Working Group") and The Committee took into account both the significant benefit the public receives when their Representatives and their Representatives' staff receive hands-on education and experience, as well as the mandate that outside groups be appropriately limited in what gifts and support they are allowed to provide to Members of Congress and congressional staff.

With both of those interests in mind, the Committee adopted detailed regulations regarding all aspects of privately funded travel, including the approval process. Many policies have not changed, but some have been modified in significant ways. For instance, the Committee adopted more realistic guidance on how various types of entities may provide financial or logistical support for trips or events, such as trade shows or conferences, that may be a part of appropriate congressional fact finding opportunities.

The Committee also gave significant consideration to the question of whether nonprofit organizations operating pursuant to section 501(c)(3) of the Internal Revenue Code should be

distinguished by their relationship to other groups, including groups which retain lobbyists. The Committee took note that the IRS has strict rules for the operation of such organizations which are in place to ensure an appropriate level of independence. Beyond these strict requirements for independence, the Committee did not identify a fair way to distinguish between different non-profits with legitimate interests in providing appropriate fact finding opportunities to Members of Congress. The Committee took note that members of the ethics community who addressed the issue with the Working Group could not articulate a specific and fair manner in which the Committee could draw such distinctions, either. In addition, they generally acknowledged that legitimate privately sponsored travel is beneficial for Members of Congress because it can provide multiple perspectives, information, direct contact, and outside-the-Beltway conversations regarding the many important topics they address on a regular basis.

Instead, the Committee will add to the disclosure requirements in new certification forms to increase the significant transparency that has already led to abundant reporting and comment on these trips. With the improved processes, the Committee will continue to examine the growth of groups related to organizations that retain lobbyists, and will continue to consider whether there is a need and fair manner to regulate further, beyond the significant transparency already in place.

In addition, the Committee ***increased the deadline for submitting travel approval requests to the Committee from 14 days before travel, the current deadline, to 30 days before travel.*** This will significantly increase the ability of the Committee staff to continue the already thorough and detailed review they perform of all travel approval requests. It will also help the Committee provide a more timely response to those Members and staff who submit their requests ahead of the deadline.

These new regulations will become effective for all trips taking place on or after April 1, 2013. This will give sponsors, travelers, and the House community time to digest and adjust to the new regulations. Prior to that time, the Committee will provide training on these regulations and will be available to discuss them with potential travelers and sponsors or their representatives. Note that the effective date, with the new deadline for filing travel paperwork, means that the request to travel on a trip departing on April 1, 2013, will be required to be submitted to the Committee no later than Friday, March 1, 2013. Any request to travel on or after the April 1, 2013, effective date of the new regulations, must be on the new forms issued by the Committee, which will be available on the Committee Web site (www.ethics.house.gov) on or before February 15, 2013.

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