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IN THE MATTER OF REPRESENTATIVE
GEORGE V. HANSEN

R E P O R T
OF THE
COMMITTEE ON STANDARDS OF OFFICIAL
CONDUCT
HOUSE OF REPRESENTATIVES



JULY 19, 1984.—Referred to the House Calendar and ordered to be printed

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(III)

IN THE MATTER OF REPRESENTATIVE GEORGE V. HANSEN

JULY 19, 1984.—Referred to the House Calendar and ordered to be printed

Mr. STOKES, from the Committee on Standards of Official Conduct,
submitted the following

REPORT

The House Committee on Standards of Official Conduct submits this Report to the House of Representatives to summarize its proceedings in the Committee's investigation of Representative George V. Hansen in support of its recommendation, pursuant to Article I, Section 5, Clause 2 of the United States Constitution and Rules 14, 16, and 17 of the Committee's Rules, that Representative Hansen be reprimanded by the House.

A. PROCEDURAL HISTORY

On April 7, 1983, Representative George V. Hansen of Idaho was indicted by a federal grand jury in the United States District Court for the District of Columbia charging four counts of filing statements in violation of 18 U.S.C. § 1001 based on his financial disclosure statements under the Ethics In Government Act ("EIGA"). After the Congressman's motions to dismiss the indictment were denied and such denial was affirmed on appeal, a trial began in March, 1984. On April 2, 1984, after a 10-day trial, the jury in the case returned a verdict of guilty on all four counts.*

Following the verdict, pursuant to Rule 14 of the Committee's rules, the Committee commenced a preliminary inquiry into whether any of the offenses for which Congressman Hansen was convicted constituted a violation over which the Committee had jurisdiction under House Rule X, cl. 4(e)(1) of the Rules of the House of Representatives. The Committee advised Congressman Hansen of its action by letter dated April 4, 1984. On April 5, 1984 the committee appointed Special Counsel, who immediately commenced review of the full trial transcript and exhibits, the pre- and post-trial motions and memoranda, as well as correspondence and sub-

*The transcript of trial proceedings is contained in Part 2 of ** report.

missions from Congressman Hansen's counsel. In addition, Special Counsel met with respondent's counsel on a number of occasions and engaged in numerous telephone conversations respecting various aspects of the case, the Committee's procedure, and the scope of the preliminary inquiry.

On April 18, 1984, Special Counsel contacted counsel to Congressman Hansen to advise them that, pursuant to Rule 11(a)(2)(A) of the Committee Rules, the Congressman would have the right to present a written or oral statement with respect to the subject matter of the preliminary inquiry and requesting that counsel designate relevant portions of the trial transcript as the Committee's record in the matter.

On May 17, 1984, Congressman Hansen appeared personally before the Committee to give a sworn statement and respond to questions from Members and Special Counsel. During the May 17 hearing, the Congressman's counsel also was given an opportunity to address the Committee and respond to inquiries. At this same time, counsel for respondent and Special Counsel stipulated that the trial transcript and exhibits obtained by the Committee would be considered true and accurate copies so that the Committee need not await certification of the trial transcript to make it part of the Committee record. Following this hearing, Special Counsel prepared a report upon completion of the preliminary inquiry which was submitted to the Committee on June 12, 1984.

On June 14, 1984, the Committee, after consideration of Special Counsel's report and the record of the entire case, adopted by a vote of 10-0 a resolution as follows:

Pursuant to Rule 14 of the Committee's Rules, the Committee, having reviewed the evidence relating to the conviction of Representative George V. Hansen in the United States District Court for the District of Columbia for offenses of violating Section 1001 of Title 18 of the United States Code; and upon consideration of the Report of Special Counsel Upon Completion of Preliminary Inquiry filed June 12, 1984 and all relevant evidence, including the exhibits and record herein, now determines that the evidence of his failure to file a complete disclosure constitutes violations of rules over which the Committee is given jurisdiction under Clause 4(e) of Rule X of the rules of the House of Representatives, including House Rule XLIV, XLIII cls. 1, 4, 7, and it is hereby:

Resolved, That the Committee shall proceed promptly to hold a disciplinary hearing for the sole purpose of determining what sanction to recommend that the House of Representatives impose on Representative Hansen for these offenses and violations; and that it be further

Resolved, That Representative Hansen and his counsel shall be promptly advised of this action and informed of the Member's rights pursuant to the Rules of this Committee, and that it be further

Resolved, That the Special Counsel's report in this matter be made public after service upon Representative Hansen and his counsel.

Congressman Hansen and his counsel were advised that day of the Committee's action, and a disciplinary hearing was scheduled for June 20, 1984 at 10:00 A.M. Pursuant to Committee Rules 14, 16, 17, the sole purpose for the disciplinary hearing was to determine what sanction, if any, to recommend to the House. On June 15, 1984 counsel for Congressman Hansen requested that the Committee reconsider its June 14, 1984 Resolution, reopen its proceedings and take additional testimony including testimony from staff. By letter dated June 19, 1984 the Committee denied that request. Special Counsel submitted their recommendation, as required by Rule 16, as to the sanction the Committee should recommend to the House. On June 20, 1984 the Committee held a disciplinary hearing and heard both from Congressman Hansen and his counsel. Special Counsel was also heard on the recommendation, and the questioning by Members of the Committee was directed to both sides. By a vote of 11 to 1, the Committee passed the following resolution:

Resolved, That after consideration of the original trial evidence in federal court, the Committee finds that Representative George V. Hansen is in violation of Rule XLIV and recommends that he be reprimanded.

B. BRIEF SUMMARY OF CASE

As described in detail in Special Counsel's Report on the Completion of the Preliminary Inquiry, Congressman Hansen's indictment and conviction for filing false statements were based on the financial disclosure forms required under the Ethics in Government Act ("EIGA"). The transactions involved were a loan of \$50,000 by a Dallas bank to Mrs. Hansen, the pay-off of that loan by Nelson Bunker Hunt, Mrs. Hansen's receipt of \$87,000 from a silver commodities transaction, and loans of \$135,000 to the Congressman from three Virginia men.

Congressman Hansen did not deny failing to report the financial transactions involved in the indictment. Rather, he contended that he justifiably relied on the advice of counsel and the House Select Committee on Ethics in determining not to report these transactions. It is the Committee's view that the legal advice defense was not supported by the evidence at trial or upon review of the facts.

As more extensively discussed in the Special Counsel's report, to rely on advice of counsel (and the analogous reliance on advice from the Committee), the advice must be sought in good faith, all material facts must be given to the attorney and the person seeking advice must then follow the advice given.

The Committee concluded that the Congressman failed all three tests in requesting the advice with prejudice toward nondisclosure, in not following that advice by keeping the Committee "totally advised" of the facts, as instructed by his attorney, and by failing to tell his attorneys material facts on which they based their advice.

At the June 20 hearing both Congressman Hansen and his attorney asserted that the correspondence from the House Select Committee on Ethics, including a June 15, 1978 draft letter to Congressman Hansen which was never finalized, supported his defense and might even cause him to file for a new trial. Putting aside the fact

that the correspondence was ruled to be beyond the court's reach because of the Speech and Debate Clause, the Committee's view and that of Congressman Hansen's is totally opposite. The Committee concluded that Congressman Hansen's witnesses at trial and Congressman Hansen at the Committee implied that the House Ethics Committee never responded to the Congressman's request for advice. The letters which were found indicate that the Select Committee on Ethics and its staff gave the Congressman and/or his attorneys advice that the Congressman's filings were incomplete. Despite Congressman Hansen's recent assertions to the contrary, the evidence contemporaneous with the letters in question clearly indicate that the Congressman himself or his attorney was aware of the contents of the letters. This conclusion results from the fact that the Congressman's attorney called the staff to argue about the contents of the correspondence and from the fact that a staff memorandum written at the time confirms the fact that the letter was sent and received. The Congressman's attempt to explain why he continued not to file complete financial statements does not conform with the actual evidence which was uncovered.

C. RECOMMENDATION

The Committee took two separate and independent actions in this matter. On June 14, it unanimously found that Congressman Hansen's conduct violated House of Representatives Rules governing standards of conduct. These related to financial disclosure, failing to reflect creditably on the House and others. A week later, on June 20, the Committee then voted 11 to 1 to recommend that Congressman Hansen be reprimanded for his violations of House Rule XLIV. The recommendation of discipline was predicated on Rule XLIV, the financial disclosure rule, because that was the basis of his conviction. The adoption of this report by the House shall constitute such a reprimand.

Accordingly, the Committee recommends that the House adopt a resolution in the following form:

HOUSE RESOLUTION

Resolved, That the House of Representatives adopt the report by the Committee on Standards of Official Conduct dated July 19, 1984, in the matter of Representative George V. Hansen of Idaho.

This report was approved by the Committee on Standards of Official Conduct on June 28, 1984 by a vote of 9 yeas, 0 nays.

STATEMENT UNDER RULE XI CLAUSE 2 (1) (3) (A) OF THE RULES OF THE HOUSE OF REPRESENTATIVES

The Committee made no special oversight findings on this resolution.