

ADOPTED BY THE COMMITTEE ON ETHICS ON JULY 19, 2013

**113TH CONGRESS, 1st SESSION
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON ETHICS**

**IN THE MATTER OF ALLEGATIONS RELATING TO STAFF TRAVEL
PROVIDED BY THE TURKISH COALITION OF AMERICA IN AUGUST 2008**

July 26, 2013

Mr. CONAWAY from the Committee on Ethics submitted the following

REPORT

COMMITTEE ON ETHICS

K. Michael Conaway, Texas
Chairman

Charles W. Dent, Pennsylvania
Patrick Meehan, Pennsylvania
Trey Gowdy, South Carolina
Susan W. Brooks, Indiana

Linda T. Sánchez, California
Ranking Member

Pedro R. Pierluisi, Puerto Rico
Michael E. Capuano, Massachusetts
Yvette D. Clarke, New York
Ted Deutch, Florida

REPORT STAFF

Daniel A. Schwager, *Chief Counsel/Staff Director*
Thomas A. Rust, *Acting Director of Investigations*
Jackie M. Barber, *Counsel to Chairman*
Daniel J. Taylor, *Counsel to the Ranking Member*

Clifford C. Stoddard, Jr., *Senior Counsel*
Brittany M. Bohren, *Investigative Clerk*

K. Michael Conaway, Texas
Chairman
Linda T. Sánchez, California
Ranking Member

Charles W. Dent, Pennsylvania
Patrick Meehan, Pennsylvania
Trey Gowdy, South Carolina
Susan W. Brooks, Indiana

Pedro R. Pierluisi, Puerto Rico
Michael E. Capuano, Massachusetts
Yvette D. Clarke, New York
Ted Deutch, Florida



ONE HUNDRED THIRTEENTH CONGRESS

U.S. House of Representatives

COMMITTEE ON ETHICS

July 26, 2013

Daniel A. Schwager
Staff Director and Chief Counsel

Joanne White
Administrative Staff Director

Jackie M. Barber
Counsel to the Chairman

Daniel J. Taylor
Counsel to the Ranking Member

1015 Longworth House Office Building
Washington, D.C. 20515-6328
Telephone: (202) 225-7103
Facsimile: (202) 225-7392

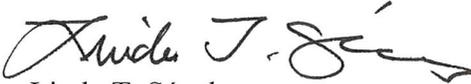
The Honorable Karen L. Haas
Clerk, U.S. House of Representatives
Washington, DC 20515

Dear Ms. Haas:

Pursuant to clauses 3(a)(2) and 3(b) of rule XI of the Rules of the House of Representatives, we herewith transmit the attached report, "In the Matter of Allegations Relating to Staff Travel Provided by the Turkish Coalition of America in August 2008."

Sincerely,


K. Michael Conaway
Chairman


Linda T. Sánchez
Ranking Member

CONTENTS

I. INTRODUCTION	1
II. HOUSE RULES, LAWS, REGULATIONS, OR OTHER STANDARDS OF CONDUCT	1
III. BACKGROUND	3
IV. CONCLUSION.....	6
V. STATEMENT UNDER RULE XIII, CLAUSE 3(c) OF THE RULES OF THE HOUSE OF REPRESENTATIVES	7

APPENDIX A: REPORT AND FINDINGS OF THE OFFICE OF CONGRESSIONAL ETHICS (Review No. 13-5845)

APPENDIX B: REPORT AND FINDINGS OF THE OFFICE OF CONGRESSIONAL ETHICS (Review No. 13-6123)

APPENDIX C: SUBJECT RESPONSE TO THE REPORT AND FINDINGS OF THE OFFICE OF CONGRESSIONAL ETHICS (Review No. 13-6123)

**113TH CONGRESS, 1ST SESSION
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON ETHICS**

**IN THE MATTER OF ALLEGATIONS RELATING TO STAFF TRAVEL
PROVIDED BY THE TURKISH COALITION OF AMERICA IN AUGUST 2008**

JULY 26, 2013

Mr. CONAWAY from the Committee on Ethics submitted the following

R E P O R T

I. INTRODUCTION

Beginning in the last Congress, the Committee on Ethics (Committee) undertook a review of a multi-day, privately-sponsored trip to Turkey in August 2008 that was paid for, in part, by the Turkish Coalition of America (TCA). Five House employees sought and received Committee approval to participate in the trip. However, the Committee later learned that at the time of the travel, TCA employed or retained a federally-registered lobbyist, making it ineligible to sponsor a multi-day trip under the House's privately-sponsored travel rules.

The Committee's review found that the employees who traveled acted in good faith, relied on the Committee's review and approval of the trip, and had no knowledge that TCA employed or retained a lobbyist. The Committee determined that no investigation or further action was necessary. After concluding its review, the Committee received three referrals from the Office of Congressional Ethics (OCE) regarding the same matter on June 13, 2013. In its referrals, OCE also determined that the employees acted in good faith, were not aware that TCA employed a lobbyist, and thus did not knowingly accept an impermissible gift.

Accordingly, after careful consideration, the Committee has unanimously voted to dismiss the matters referred by OCE, determined that no further action is required, and agreed to end its review of this matter with the publication of this Report, which includes the materials referred to the Committee by the OCE.

**II. HOUSE RULES, LAWS, REGULATIONS, OR OTHER
STANDARDS OF CONDUCT**

House Rule XXV, clause 5 (the Gift Rule), permits Members and staff to accept travel paid for by a private source under certain circumstances and only after pre-

approval by the Committee.¹ The rule provides that if the traveler receives advance authorization from the Committee, the necessary travel costs “shall be considered a reimbursement to the House and not a gift prohibited by” the Gift Rule.² One of the restrictions to the acceptance of such travel is that federally-registered lobbyists or registered foreign agents are banned from being involved in the planning, organizing, requesting, or arranging of most trips.³ Additionally, travel paid for by private sponsors who retain or employ lobbyists is limited to one day of officially-connected activity.⁴

House Rule XXIV prohibits a Member, Delegate, or Resident Commissioner from maintaining an unofficial office account. This prohibition applies to accounts maintained by third parties for a Member’s benefit, even if they are not maintained for the Member’s direct use. It further extends to any process whereby funds are received or expended regardless of whether an actual account or repository is maintained.⁵ Thus, private, in-kind contribution of goods or services for official purposes are banned under House Rule XXIV.⁶ However, one exception to this rule allows Members to use funds from their principal campaign accounts for official expenses with some restrictions. For example, expenses for officially-connected travel may be reimbursed out of the principal campaign account and not violate the unofficial office account prohibition. Additionally, a Member may use personal funds to pay any official expenses.⁷ However, House employees may not reimburse official expenses from their own funds. For this reason, although Members may repay the costs for privately-sponsored travel out of their personal or campaign funds, were employees to do so, they might run afoul of House Rule XXIV.

When a Member or employee receives a gift that is unacceptable under the gift rule, and for which a gift waiver is not available, the recipient generally must either return the gift or pay the market value of the gift.⁸ In a case where travel was an impermissible gift, the Committee has traditionally requested the recipients pay back the cost of the travel to the original sponsors or to the United States Treasury if the sponsors could not be specifically identified.⁹

¹ House Rule XXV, clause 5(d)(2). *See also, House Ethics Manual (2008)* at 89.

² House Rule XXV, clause 5(b)(1)(A) and (C).

³ House Rule XXV, clause 5(c)(2). *See also, House Ethics Manual (2008)* at 89.

⁴ House Rule XXV, clause 5(b)(1)(C)(ii). *See also, House Ethics Manual (2008)* at 89.

⁵ *House Ethics Manual* at 328.

⁶ *Id.* at 328.

⁷ *Id.* at 329.

⁸ *House Ethics Manual* at 73.

⁹ *See* Committee on Standards of Official Conduct, *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*, H. Rpt. 111-422, 111th Congress (February 25, 2010).

III. BACKGROUND

A. Committee Practice

In 2007, the House Rules were amended to require House Members and employees to seek prior written approval of the Committee before accepting travel paid for by a private source, and the Committee adopted regulations to implement this new requirement. Pursuant to those rules and regulations, the Committee has conducted a thorough review of each proposed privately-sponsored trip. Committee staff recommends changes where necessary to bring trips into compliance with relevant laws, rules, or regulations and, on occasion, informs House Members and employees that a proposed trip is not permissible.¹⁰

In 2008, the Committee's practice for multi-sponsor trips was to require only one private sponsor of a trip, not all private sponsors, to sign and complete the Sponsor Form. The Committee has since changed its policy to now require all sponsors of a multi-sponsor trip to complete and sign the Sponsor Form in most cases. A private sponsor is required to complete a Private Sponsor Travel Certification Form and must certify that the information on the form is true, complete, and correct to the best of their knowledge. The Committee was relying on the representations made on the travel forms as certified by the trip sponsor. At the time of this trip, just over one year after the mandatory approval process began, the Committee did not independently verify a sponsor's assertion that it did or did not retain or employ a federally-registered lobbyist or registered foreign agent.

Since that time, as the Committee has seen various concerns arise, such inquiries, and other similar extra steps, have become a regular part of the Committee's review of privately-sponsored travel. These changes to the Committee's process for review of privately-sponsored travel reflect the Committee's constant effort to improve its work and better serve the House community and the public. The Committee recognizes 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.

B. Committee Review

The Committee found that five House employees participated in a privately-sponsored, officially connected trip to Turkey from August 2, 2008, through August 8, 2008.¹¹ The trip was sponsored by the American Turkish Coalition (ATC) and TCA. At

¹⁰ The time-consuming nature of this thorough review is one of the reasons the Committee found it necessary at the end of the 112th Congress to amend the travel regulations to push back the deadline for submission of privately-sponsored travel forms to the Committee from 14 days before the trip to 30 days before the trip.

¹¹ Of the five employees who attended the trip, two had left their employment with the House before OCE began its review. A third employee was employed during the OCE review, but informed OCE that he

the time of the trip, TCA employed or retained a federally-registered lobbyist, but ATC did not. Under the privately-sponsored travel rules and regulations, entities that employ or retain lobbyists may sponsor travel for House Members and employees, but such travel may only be for a one-day trip.

Prior to participating in the trip, the five House employees sought and received the Committee's approval of the trip.¹² Following the Committee's privately-sponsored travel regulations, the employees each submitted to the Committee both the Privately Sponsored Travel: Traveler Form (Traveler Form) and the Private Sponsor Travel Certification Form (Sponsor Form). While the Sponsor Form, which was prepared by ATC, correctly identified both ATC and TCA as sponsors of the trip, only ATC completed the Sponsor Form. Thus, when ATC responded to question 9 on the Sponsor Form by indicating that "[t]he sponsor of the trip does not retain or employ a federally registered lobbyist or registered foreign agent," this statement was correct for ATC, but it was not true of TCA.

Because the Committee was not aware that TCA employed or retained a lobbyist at the time of the trip, and all other information reflected that the trip was permissible, the Committee granted approval to all travelers who had sought to attend the trip. There is no indication that any of the travelers knew or had reason to know that TCA employed or retained a lobbyist.

C. OCE Referral

As noted above, the OCE also reviewed three employees' acceptance of the 2008 trip to Turkey. On June 13, 2013, the OCE sent three referrals to the Committee recommending further review of allegations regarding two current House employees and one former House employee who participated in the 2008 trip to Turkey that was paid for in part by TCA. Consistent with the Committee's findings, the OCE determined that there was no evidence that any of the House employees knew that TCA retained a lobbyist at the time of the trip. Instead, the OCE found that all three travelers relied on ATC's "pre-travel disclosure form" in "good faith." The OCE also found that TCA only learned of the potential House rule violation after the August 2008 trip, and that, when TCA became aware of the change in the House Rules regarding sponsorship of privately-sponsored travel by entities that employ or retain lobbyists, TCA terminated its

would be leaving his House employment before OCE voted on that employee's referral. However, he apparently did not provide written confirmation of his impending departure to OCE. That employee left the House on June 1, 2013, one day after OCE voted to refer the matter to the Committee. Because House Rules appear to intend that the Committee only be required to publish referrals if the subject is a Member, officer, or employee of the House on the day of (or at least the day before) the publication deadline, the Committee is not releasing the report of the third subject of OCE's referral at this time. See House Rule XI clause 3(b)(8)(A)(ii). However, the Committee concluded that the facts regarding that individual's travel were indistinguishable from the other two House employees, and that it would have dismissed that referral had he remained within the Committee's jurisdiction.

¹² As of July 2013, only two of the travelers on this trip are still employees of the House, and only one of those travelers still works for the same employing Member. The employing Members at the time of travel for the other employees are no longer Members of the House.

relationship with its lobbyist and contacted Committee staff to receive advice about how to address the August 2008 trip. TCA told the OCE that Committee staff informed TCA that they would get back to TCA about the issue but never did. The Committee has no record of any such communications with TCA.

Despite the lack of evidence of wrongdoing, OCE referred the matter to the Committee with a recommendation for further review because “pursuant to precedent of the Committee on Ethics, a person’s ignorance of the true source of travel expenses is not an absolute shield from liability for receipt of travel expenses from an improper source.” While this is a true statement, such precedents are distinguishable from this case for several reasons.

D. Relevant Precedent

The most significant Committee precedent holding that a traveler may need to repay privately-sponsored travel from an improper source is the Committee’s investigation and conclusion in the “*Carib News*” matter.¹³ In the *Carib News* matter, the travel did not conform to the facts addressed in the Committee’s approval, because there were numerous unnamed sponsors of the trip. In addition, the Committee concluded that individuals associated with the sponsor made false statements to the Committee. (Ultimately, the Department of Justice obtained a conviction against the signator of the Sponsor Form for false statements to the Committee about that trip.) Still, despite the Committee’s finding that all but one of the travelers in that case had no reason to be aware of the false information, the Committee did determine that the travelers all needed to refund to the Treasury the cost of the impermissible trip.

The Committee’s determination in the *Carib News* matter that House travelers needed to refund the costs of the trip, however, was based to a large extent on the fact that two of the improper trip sponsors were foreign governments. The U.S. Constitution prohibits federal government officials from receiving “any present . . . of any kind whatever” from a foreign state or representative of a foreign state without the consent of Congress. Congress has primarily consented through two statutes, the Foreign Gifts and Decoration Act and the Mutual Educational and Cultural Exchange Act, but neither statute applied to the circumstances of that matter and the Committee does not have the discretion to waive this constitutional prohibition. Thus, the Committee requested that the travelers in the *Carib News* matter repay the costs of the trip, largely to keep them from being in violation of the U.S. Constitution.

Another important distinction between this matter and the *Carib News* matter is that the travelers in *Carib News* were Members, whereas the travelers in this case were all staffers. House Rule XXV provides that if a traveler receives advance authorization from the Committee to accept privately sponsored travel, the necessary travel costs “shall be considered a reimbursement to the House and not a gift prohibited by” the House Gift

¹³ See Committee on Standards of Official Conduct, *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*, H. Rpt. 111-422, 111th Congress (February 25, 2010).

Rule. For this reason, any reimbursement of privately-sponsored travel costs would be considered a gift to the House. Such support by an employee for official activities of the employing Member could potentially run afoul of House Rule XXIV, which generally prohibits outside or staff financial support for official activities. Thus, while the use of a Member's own personal funds to supplement the work of the House does not violate House Rule XXIV, the use of staff funds to do so would. For this reason, Members may repay the costs for privately-sponsored travel out of their personal funds, but were employees to do so, they might run afoul of House Rule XXIV. Therefore, when a House employee participates in an improper trip, it is generally the employing Member at the time of the trip that is asked to refund the improper gift.

IV. CONCLUSION

Only two of the travelers on this trip are still employees of the House, and only one of those travelers still works for the same employing Member. The employing Members at the time of travel for the other employees are no longer Members of the House, and thus, are outside of the Committee's jurisdiction. Therefore, were the Committee to require refunding the cost of this trip, only one of five applicable Members would be required to produce the funds. To be clear, nothing in either the Committee's review or OCE's three referrals suggested that any Member acted improperly or inadvertently violated any House Rule.

While TCA should not have been permitted to sponsor a trip of this length while they retained a lobbyist, because the House employees made a good faith effort to comply with the travel regulations and neither the other sponsor nor the House employees knowingly submitted misleading travel approval forms, the Committee has determined that the employees may rely on the Committee's pre-travel approval and that they did not themselves violate any House Rules, laws, or regulations. Further, because there is no prohibition on the trip that is outside of the Committee's discretion to waive, the Committee has determined to waive the gift rule in this unique circumstance and not require the one remaining Member to refund the cost of the trip to Turkey.

Finally, while TCA should not have sponsored the trip, they did not themselves make any false statements to the Committee. The Committee can neither confirm nor dispute that TCA made efforts to self-report and remedy their violation when they discovered it. TCA did indeed terminate their relationship with a registered lobbyist effective December 31, 2008. For all these reasons, the Committee will take no further action regarding TCA with respect to the August 2008 trip.

For all these reasons, and after careful consideration, the Committee has unanimously voted to dismiss the matters referred by OCE, determined that no further action is required, and agreed to end its review of this matter with the publication of this Report.

Pursuant to House Rule XI, clause 3(b)(8)(A) and Committee Rules 17A(c)(2), the Committee hereby publishes the OCE's Report and Findings related to the allegations

that the two current House employees participated in a privately-sponsored, officially connected trip, that was paid for in part by TCA.

The Chair is directed, upon providing the notices required pursuant to House Rule XI, clause 3(b)(8)(A), and Committee Rule 17A(a)(2), to file this report with the House, together with copies of OCE's Reports and Findings in this matter.¹⁴ The filing of this report, along with its publication on the Committee's Web site, shall serve as publication of OCE's Reports and Findings in this matter, pursuant to House Rule XI, clause 3(b)(8)(A), and Committee Rule 17A(b)(3) and 17A(c)(2).

**VI. STATEMENT UNDER RULE XIII, CLAUSE 3(c) OF THE RULES
OF THE HOUSE OF REPRESENTATIVES**

The Committee made no special oversight findings in this report. No budget statement is submitted. No funding is authorized by any measure in this report.

¹⁴ House Rule XI, clauses 3(a)(2) and 3(b).