tion relating to one $4,700 check which went from a special bank account to a joint bank account.

There is no indication that those funds were not used entirely for the purposes for which they were collected. That one question was asked. Frankly, as trial counsel I thought it was quite irrelevant to the charges in court. I never thought that it was necessary to rebut it in anyway. If we had thought that there was going to be any charge before this committee or before that court that turned on that $4,700 check, we could have met it.

It would have been explained, that it was used for the four purposes that were permissible under the solicitation, and yet on the basis of that really two lines of testimony essentially, Special Counsel has said to this committee; conclusion appears at page 46, that Mrs. Hansen admitted that some funds were taken out of her special accounts and placed in hers and the Congressman's joint account.

Special Counsel has then gone on to say, without any transcript reference, that careful accounting of what money was spent for which debts was neither kept nor possible to keep, and that commingling probably occurred.

There is no transcript reference to that. That was never a charge in the criminal case. It has never been a charge anywhere that the Congressman, or I on his behalf, could meet.

He speaks of loose financial practices concerned with that solicitation. No evidence of that anywhere, anywhere, not in the court record, not in this record. And he concludes: "The evidence clearly * * *"—I emphasize "clearly"— * * * shows that this was not done, that they did not implement the plan carefully, and the resulting practice therefore violated House Rule XLIII. The evidence doesn't clearly show that. The evidence doesn't show it at all, gentlemen of the committee. It is simply a charge that was never made in court. It was never confronted in court. It was simply an incidental question asked on cross-examination of Mrs. Hansen, and suddenly it is being presented to you as the basis for discipline of the Congressman.

The same is true with regard to a claim that there was an acceptance of gifts from Mr. Hunt, acceptance of a gratuity, which appears at pages 47 through 49 of the Special Counsel's report. He says, correctly, that it is improper for a Congressman to accept directly or indirectly, from any person having a direct interest in legislation, any gift. Now, there is no evidence of any gift from Mr. Hunt.

There is evidence of loans. But that is not the point. The point is that question of whether there was any gift received from Mr. Hunt by way of this loan is something which even the prosecutors didn't allege at trial. There was no claim at trial that Mr. Hunt had an interest in any specific legislation. There was no legislation that was named in the trial, specified in the trial. There has been no legislation, indeed, that is even named or specified in the Special Counsel's report.

The words that appear in the report are: "Nelson Bunker Hunt obviously is a person with a direct interest in legislation" or "Nelson Bunker Hunt's interest is open and notorious," in all legis lation presumably. In other words, if one receives a gift exceeding

$100 from anybody who is a well-known figure in the business world, presumably there is legislation before the Congress at any time affecting people in the business world, that violates the Special Counsel's rules that he has suggested to this committee were violated by the Congressman.

There is, again, I say, no charge that was ever made, no charge that we ever had an opportunity to meet that there was any gift. Indeed, even the language which is quoted in the report says, from the Committee on Standards, says "that a large gift from the head of an energy company during the pendency of an energy company divestiture bill would be barred, but a similar gift from the same source during the pendency of general minimum wage or economic stimulus legislation might not amount to a direct interest."

I submit to you that the fact that Nelson Bunker Hunt, if he gave a gift—and he never gave a gift to the Congressman; but even if the loan were in some way viewed as a gift, there is nothing more than this kind of general interest in some undefined legislation. It is totally unfair, totally without notice, totally without an opportunity to provide a defense, and totally without evidence that you are proceeding against Congressman Hansen on a charge that he accepted a gift from Nelson Bunker Hunt. Never presented at trial, never presented before this committee, simply made up by Special Counsel on his own unilateral determination of what he believes the evidence to show. And it is wrong.

But even more than that, of course, is the fact that with regard to all these things, including the appearance of a conflict, which is based on this meeting with the Secretary of the Army, where the claim is that he obtained some benefit from persons for whom the Member was seeking to expedite or advance Government decision-making, and the evidence again at trial demonstrated only that the Congressman was present for a brief introductory section of a meeting with the Secretary of the Army, that he did not seek to advance this in any way, and, again, that was not an issue in that sense at the trial.

The question of whether there was a quid pro quo, (a) was not an issue at the trial, (b) to the extent it was even peripherally involved we think was rebutted by the testimony of the witnesses who said that they had provided the funds. They said over and over again that there was no quid pro quo of any kind.

Beyond not being presented, it was contrary, we submit, and we believe, to an explicit understanding we did have with Special Counsel, where before the meeting of May 17, he told us, because we had argued vigorously that anything beyond the charges in court were things as to which we had no opportunity to defend, and he told us before that hearing that is not going to be gone into.

Now, maybe there is a failure of recollection. Maybe there is a failure of understanding, but I will represent to this committee that that was my understanding, and it was on that basis that Congressman Hansen didn't deal with any of these questions at that hearing. All we are saying is that you can't condemn him without giving him the opportunity to be heard on those kinds of charges.

All right, let me talk then for a minute, if I can, about the new evidence, because that is the second premise, that the evidence that

is presented in court is the evidence that the Congressman and his attorneys had a chance to meet.

Until May 17, we thought the procedures were perfectly appropriate. We addressed the evidence that was presented in court. We presented to this committee both our briefing book and the underlying exhibits, so that the committee would have its own view. We didn't know what the Special Counsel was going to say, but we thought the committee ought to have our view of what the evidence presented in court.

Then we were suddenly told that with regard to one aspect of material that was testified to in court, in other words with regard to the question of whether the House Select Committee on Ethics or this committee, at its very early stages, had in any way responded to the Congressman's letter of May 1978, and had told him that he may not do what he was then doing. With regard to that, Special Counsel said he had found some additional new documentation.

Now again, what was the issue? The issue was whether Congressman Hansen, as of 1978, 1979, 1980, 1981, and 1982, had reasonable grounds to believe, from the nonresponse, from the failure of the committee to respond to his request, which said, "I am not reporting my wife's liabilities because there is a property settlement agreement," did he have reason to believe that he could continue doing that during those next 4 years?

The committee did not send him any letter during that period of time.

Now, Special Counsel advised me on June 4th that he had found certain correspondence in the files of the committee and that correspondence appears as exhibits 1 through 5 attached to the Special Counsel's report.

My own view of that correspondence, once I saw it, was that, if anything, it corroborated the Congressman's defense, and I will explain that in a moment, but that is really beside the point just for this minute because, with regard to those letters, or that documentation, certainly the spirit of Rule 14 required that this committee hear the Congressman and hear what he had to say about that. That was not something that was presented at the trial.

To the extent that is being used with regard to him, that is material which is like any evidence of a new charge which would be subject to Rules 11 and 12, and in fact Rule 18 of this committee's rules very specifically says that:

> Upon the request of a respondent, the committee may permit the respondent to inspect, copy or photograph books, papers, documents, photographs or other tangible objects which the committee intends to use as evidence against the respondent in a disciplinary hearing, and which are material to the preparation of the defense of the respondent.

It says the committee may do that. It doesn't say the committee must do it, but, of course, what it contemplates is a fair hearing to somebody so that if these documents become available he sees them and he can deal with them.

We asked for copies. We were not given copies. I was shown them for 10 to 15 minutes and after I was shown them, and I explained to Mr. Lowell why I thought they were corroborative of the Congressman's defense, I received no further information of what was being done and, at that point, Mr. Lowell apparently conducted a

wholly independent investigation. He spoke to some people, but he did not report, as I see it, to the committee, either verbatim or by summaries or memoranda of interviews what the interviews had disclosed, but just simply stated his conclusions to the committee.

I submit the committee has not at that point done anything itself with regard to these new documents. They have simply said Special Counsel has conducted his investigation and whatever conclusion he has come to is his conclusion and the committee then adopts it simply on the basis of his say-so.

That, we submit, is not the proper procedure, particularly when what the special report does is, it creates a strawman, and then proceeds to knock it down. If you will note page 26 of the report says, and then there are several pages of underlined testimony, "There is an implication in the testimony of Mr. Runft and Mr. McKenna," who testified as defense witnesses in the trial, "that the committee did not respond to the May 1978 inquiry."

In other words, that the committee didn't deal with it at all and that the letter got lost.

Well, if one reads the testimony, I submit that is a totally false characterization of the testimony. The testimony provided no such implication.

What it did say was the committee never told the Congressman that he couldn't do what he said he was doing, and that is absolutely accurate. If you will look at the exhibits, the exhibits indicate in fact that the committee thought about it within the staff, that they proposed a draft that they sent to the Congressman, that following that sending of the draft to the Congressman there was a conversation between the Congressman's attorney and a member of the committee staff, Mr. Terry, and then that the letter was not sent.

I have had several years of experience with the Government. When the Government proposes to do something, no matter whether it is an executive agency or someone else, and an attorney or someone says OK, we will discuss it with you, and then the bottom line is that they don't do what they propose to do or they don't send out a draft letter, it means that they are not disagreeing with you, and that was the conclusion that Mr. Runft came to, as he told Mr. Lowell, and that consequently Congressman Hansen could come to based on what was done.

A letter was drafted. Nothing was done, but there is more to it than that.

It is clear that, for example, one of the signers of the letter that was sent to the Congressman, exhibit 4, I believe it is, which is attached, is former Congressman Charles Wiggins.

Now, there is no mention in the Special Counsel's report of what Mr. Wiggins says happened to all this. I mean, there is talk about the staff saying that they didn't agree with Mr. Runft. There is no mention about what Mr. Wiggins thought, and yet Mr. Lowell did have a conversation at some length with Mr. Wiggins, and I don't know whether he reported it to the committee.

I spoke with Mr. Wiggins yesterday and Mr. Wiggins told me that he had a very vague recollection of all this. He didn't particularly recall the letter, but, from the fact that that letter was drafted and was not sent out, he had two possible explanations, which are speculation, but there are two possible explanations.

One, he said to me, it is possible that the explanation given by Congressman Hansen's counsel was sufficient to allay the concerns of the committee.

Two, his second explanation to me was that to the extent our rules permitted a property settlement agreement, we had no reason to be critical of him on the basis of that discussion, and that is why that letter didn't go out.

Now, I told former Congressman Wiggins that I was going to report exactly that to the committee today and he said that is fine. And what I am saying to you, gentlemen of the committee, is how is it possible for you to form any judgment or to approve the judgment of the Special Counsel, which says that these documents in some way reflect adversely on the credibility of these attorneys who testified for the Congressman, without even hearing from Mr. Wiggins, or without even knowing what he said to the Special Counsel.

These issues which go to procedure and which go to the new evidence that was prepared after the time that we had an opportunity to appear before the committee it seems to me undercut the Special Counsel's conclusions which are based very much on this new evidence because that is given substantial prominence in his report and particularly what is given prominence, for example, at page 32, is the statement in which he says that—

> Congressman Hansen and at least one of his attorneys knew that the Ethics Committee staff and Congressmen Preyer and Wiggins did not concur in their judgment about not having to disclose Mrs. Hansen's liabilities.

As to Mr. Wiggins, that, I submit to you, is plainly false.

As to the Ethics Committee staff, the other thing about the report is staff is responsible about in the generic term. The staff says that it does not agree with Mr. Runft, with no specific statement of which staff member, if any, contradicts Mr. Runft, and to what extent, and I will tell you that on June 4, when Mr. Lowell called me, he said to me, Mr. Terry's recollection, and he doesn't recall who he talked to, Mr. Terry's got a very vague recollection and I think he talked to Mr. McKenna.

He doesn't recall who he talked to.

Now, if the staff person who says he was not persuaded by Mr. Runft didn't even know whom he talked to and thought he was talking to Jim McKenna here in Washington, whom he well knew and whom he had known many years thereafter, and that he did not have the conversation with Mr. Runft, I submit to you it is simply not credible, if he is telling Mr. Lowell today, if indeed he is, that he was not persuaded by Mr. Runft. He doesn't recall that conversation in any way, any part of it.

Finally, what you have to depend on is whether the report is fair, whether the report that is being given you by the Special Counsel is a fair report, and I submit to you that there is no way, no way in which the summary of evidence that is written out in that report can be viewed as a fair summary of evidence.

It is a prosecutor's summation. I was there at the trial. It doesn't describe the trial that I was present at and in the limited period of time that I have and I have very little time left because Congressman Hansen wants to address the committee directly too, but in

the very limited time I have left, let me point up one or two illustrations.

There is discussion for example, if one starts at page 12, about these loans from the Virginia businessmen, and the entire discussion is written up as if the Congressman met Mr. McAfee in late 1979 or 1980, he was representing the family of one of the Iranian hostages, Congressman Hansen was active in the Iranian crisis, Mr. McAfee was a business partner of Mr. John Meade, and the next paragraph begins, "Congressman Hansen told Mr. McAfee of his debts and asked him for some money."

Well, that is plainly a mischaracterization of the record. At the time he met Mr. McAfee in 1979 and 1980, and did a lot of things for Mr. McAfee, the testimony is clear there was not a request for funds for one iota of time.

It was years later when Congressman Hansen was interested in the Association of Concerned Taxpayers and had published his book that he first spoke to Mr. McAfee about funds for that project specifically.

That is what the record talks about.

The prosecutor, if he wrote up this summation, could not have written this kind of mischaracterization. The judge would have known it was false. The jury would have known it was false, and yet the Special Counsel has done it for you in this report.

Special Counsel, in this report, also questions the notes or the loans that were the basis for the original need for solicitation.

He says with regard to them, for example, just in terms of background, at the bottom of page 5—"Mrs. Hansen too was somewhat vague about the source of the debts," as if there were no debts at all that Congressman Hansen had undertaken, and Mrs. Hansen was vague.

Mrs. Hansen was not vague about the source of the debt. He cites the transcript page. The very last question that is asked Mrs. Hansen after the prosecutor has gone through a whole series of questions on cross-examination with regard to the property separation agreement:

Question: Mrs. Hansen, what liabilities were there that are not presented by the financial statements that you have seen?

These are the financial statements that were submitted to banks that were presented to Mrs. Hansen and she really had not seen before, but they were put before her. She answers:

Mr. Weingarten, there were numerous ones, but I can't relate it all to you right now.

Mr. WEINGARTEN. Thank you, ma'am.

And at that point the prosecutor sits down and ends his cross-examination. No uncertainty, no vagueness. She says "There were a lot of debts. I can't tell them all to you."

If he had said, name me some, she was prepared to name some. We had talked about that before her testimony. But for the Special Counsel to say because that is what he wants to tell you, that Mrs. Hansen was vague about the source of the debts is a misstatement of the record.

"The Hansens' trial counsel told the court that there was no documentation of these debts." I told the court that we were not in

that trial going to be presenting any documentation of the debts. We said the debts had been established.

We thought there was an invasion of privacy of the individuals if we were going to present any documentation. There was not going to be any presentation of any documentation of any debts. Nobody said there was no documentation.

But, anyway, the main point is, this report is rife, completely rife with misstatements, with mischaracterizations of the evidence, and we have not had an opportunity to deal with that.

When we asked for a copy of the report in advance of your considering it, so we might be able to correct it, and that was the purpose of my letter to the chairman, we were told no, you can't see it.

So what happens is there is a hearing at which you go on the basis of representations that are made to you by the Special Counsel and then you go on to consider discipline when there is no opportunity for us to even rebut, which we could do in detail because a host of allegations that are made in here are misstatements.

What are the reasons for that? I don't know. I don't want to, and I certainly would avoid making, casting any aspersions on Special Counsel, but what leads me really to raise this is an observation that Justice Brandeis made years ago in the famous original wiretapping case, *United States* v. *Olmstead.* He said there that "The greatest dangers to liberty lurk in insidious encroachment by men of zeal, well-meaning but without understanding."

I have no doubt that Special Counsel is zealous, but I submit to you that the report that he has given you is a report of a prosecutor. It is unremitting tirade with none of the details regarding the defense case that was presented at the trial.

He may be a man of zeal, and I have no question, and I don't wish, as I say, to raise any questions about why that has been done, but I submit it is wrong. It is not a report on which you should rely.

That brings me finally to the question of the sanction. On the basis of all these factors, we submit that the committee should reopen its hearings. We realize that the committee has decided it will not do so, but nonetheless, we ask it to consider that again and provide an opportunity for testimony and written submission.

If not, then we direct the committee's attention to the fact that Rule 17(c)(2) provides specifically that there may be, in appropriate cases, simply a report of technical violations to the House with no adverse finding of any kind and no adverse recommendation. Regarding any sanctions of 17(c)(2) for technical violations "The committee may direct that the violation be reported to the House without a recommendation for a sanction," and we submit that what is involved here, given the fact that if one eliminates these other three things which Special Counsel threw in without giving us an opportunity to respond, and one views only the question of disclosure of his wife's liabilities and disclosure of the loans regarding the Virginia businessmen, we submit that that is a technical violation.

Maybe that should have been reported on the EIGA form but, if so it is the kind of thing which can be reported to the House and simply left exactly as it is.

There is no basis on this record, we submit, for a reprimand. There is certainly no basis for a fine. The suggestion that this is a violation to secure a financial benefit, if anything, what it shows is the enormous debt that Congressman Hansen was under during that period of time.

The nonpayment—one of the things that is totally omitted from the report, for example, is the reason for the nonpayment of the Hunt loans. There was testimony at trial and Special Counsel well knows because we told it to him, was due to the fact that counsel, including myself, had advised the Congressman, don't pay those Hunt loans while the case is pending. It is going to look like you are trying to do something to affect his testimony, and therefore it was not paid on the advice of counsel.

Those loans are outstanding.

Mr. Hansen intends to pay them and there is no financial benefit from loans which carry an interest that is certainly a very substantial interest by any current or past standards for loans given by financial institutions.

On the basis of all those factors, we submit that the committee should reopen, should reconsider, and, if it does not do that, should do nothing more than simply report this violation to the House.

Now, I would like to provide the Congressman an opportunity.

The CHAIRMAN. The Chair would inquire as to how much time has been consumed by the gentleman.

Mr. SWANNER. Thirty minutes, Mr. Chairman.

Mr. GEORGE HANSEN. May I address the Chair?

The CHAIRMAN. In just a moment.

First the Chair wants to acknowledge the fact that under phase 2 of the rules for disciplinary hearing, the rules actually are silent with reference to respondent addressing the committee. Actually it refers only to counsel for the committee and counsel for the respondent. However, the Chair recognizes respondent certainly has a very real vested interest in this matter, and for that reason the Chair is going to recognize respondent for such time as he may consume.

STATEMENT OF HON. GEORGE V. HANSEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IDAHO

Mr. GEORGE HANSEN. Thank you, Mr. Chairman. I am very grateful to you and to the members of this committee for this opportunity to be heard, and I appreciate the meeting being open to the public in the spirit of full disclosure, as I had requested.

Mr. Chairman, I fully appreciate the agony of members of this committee, how they must feel in being responsible for judging of a fellow Member of Congress. Likewise, I am sure you understand my difficulty in challenging certain policies, procedures and decisions of this committee in my own defense.

It is my life and future which are at stake.

Individually I honor and respect you as my colleagues and friends, and this has also been the case with your predecessors, and let me assure you that what I say here today is not intended to reflect personally upon anyone.

However, I think it is time to get the facts on the table, not the convoluted facts presented by Special Counsel like a prosecutor's memo, but the real honest-to-goodness story, and in fairness to the Special Counsel it is sometimes difficult to make an analysis of things happening the way they do, and I have personal respect and some association with them to have achieved that perspective and respect. But there have been things reported to me recently which did cause me to have some concern about, whether intentional or otherwise, there was something called politics that crept in, and I know that that would not be true of this body, which is organized with six and six, but it can happen, I guess, when you don't intend to have it happen, but I have reports coming from my congressional district directly from my opponent that this committee was going to be acting, he was assured by the chairman of the Democratic Congressional Campaign Committee, that this committee was going to be acting at a specific time in order to cause influence to that election, and, second, is that when you wire that together with reports that we had which apparently had some merit to them, that Special Counsel had had some contact with that committee, and there could have been some conversation which could have been passed on, that it causes some concern to me.

Third, when Special Counsel resurrects a person who brings by that so-called smoking gun, that document that never was signed and never was sent, and it was done by a person who is partisanly employed again in the Democrat Study Committee, then I think that you have some cause to wonder just how objective things are being done in terms of reports being prepared.

I have no problem with the members of this committee, but I want to be sure that what you get is the facts and not something that is distorted for one reason or another, whether it is political or whether it is zeal, or whether it is some attitude toward the defendant or anything else, and that is why I feel it is important to be sure that is on the table.

Mr. Chairman, I play by the rules and I want to assure you, as I assured the judge the other day in court, that I handled my reports correctly and honestly, and I think Mr. Lewin has pointed that out, I think very carefully, this morning, but I would like to reiterate some of the points.

I came to this committee in 1977 to request permission to solicit funds to retire a large personal debt forced on me by political dirty tricks. The problem of debt was not unique. Other Congressmen at the time were converting political funds to pay personal debts without asking. Our distinguished majority leader, Jim Wright, and former colleague, Tom Steed, were among those publicly reported to have handled personal financial problems in this manner, and I don't question it or criticize it. It was a fact.

But, to exercise caution, I asked first. In other words, I didn't just do it and then let you hit me with it. I asked this committee and was surprisingly told by the committee that this would not be permitted for me under the rules. This was even after my proposal had been successfully cleared with the Federal Election Commission.

Seven years later, Mr. Chairman, and I say this respectfully, but it was publicly reported that you also elected to solve your own

debt problem this way and for good reason, as you stipulated. I have no quarrel with what another Member does, but the point was, I was steered by this committee into a certain course of action and that course of action has been an absolute disaster for me.

We have tried to get the cooperation of this committee time after time, letter after letter, visit after visit between the attorneys, to try to be sure that we knew what we were doing and we could rely on the committe and that I could honestly rely on counsel.

Now it has been stated, gentlemen, in the court, by a court that disallowed any information from this committee for me to defend myself with, it has been stated that we didn't keep close enough contact with the committee.

Well, they don't have access to the files which show that we did have contact with the committee and that is the point.

Now, am I going to be condemned for my cooperation with this committee? Is that the point? What have you got to do to establish that you have done things right?

I hired not one, but two attorneys, and I had others too that helped me in the meantime. I haven't brought them in because they weren't that consequential; I had the main line ones, and they advised me under the circumstances I should do such, but contrary to what the court said when they determined that somehow I hadn't pursued that, that I had shortcut it, and given my attorneys partial information and then not followed it up with the committee; that is an absolute lie.

I gave my attorneys full information. In fact, one of them practically lives with me on my staff and the other practically lived with me through the process that was going on, and they knew, and they did the talking with the committee, not me, so they had to know. They pursued this and there is no reason anybody can say that I was hiding, shortcutting or anything else. And, while you are at it, talk about what that loan of Bunker Hunt's would have been. It was a loan from a bank to my wife.

Now, what does the disclosure report show? It shows Bank A, ABC, Bank BABC, Bank CABC, one more bank and a whole list of banks, would that have scared me putting it down? Ask yourself. Nobody was hiding anything. In fact, there was a real problem to me.

How do I handle this thing? Because the committee, I had to come to the committee because I didn't get to do what Mr. Wright did, or what Mr. Steed did, and what others have done.

I had to come to the committee and find another way to try to solve the same kind of problem, and my wife stepped in when I was told no, and she said, well, I am a free and independent person and that committee sits over there and they talk about human rights and individual rights and civil rights and women's rights, and they don't have a right to saddle me with a politically incurred debt, me and the children, and I deserve to find a way out before it is a disaster. And that is all she did.

Are you going to condemn somebody for that? My wife bravely took this thing on. She addressed the committee, told them what she was going to do. She told them not only in 1977, she told them in 1978. How much do you have to tell people before they understand what we are doing. And the attorneys were here, and we had

a document prepared, and it is right in the Washington Post, gentlemen, of 1977, December 3.

And the Washington Post quotes on the front page: "Committee sources said that because Mrs. Hansen assumed the debts and the fund-raising was not explicitly on her husband's behalf, the Congressman was not technically in violation of the House rule." And it was even reported publicly we weren't in violation.

Now, what have you got to do? And I don't know where this is in the committee counsel's report. And they said they were so objective.

The committee accepted it. Now, yes, true, that was for solicitation purposes, but then the court, the prosecutors tried to color this thing by making it look like we had tried to get around something to keep from reporting. They lied to the court, because the document was done for solicitation purposes 2 years before the first EIGA report had to be made, and we must keep this all in perspective. A lot of people look at history like a wall.

It all happens at the same time. It happened in retrospect, and we had the permission first for solicitation. Now comes the report. What am I supposed to do—admit to this body that my wife is not really separate from me, so I report her and undermine myself before, make myself vulnerable to the committee and say, well, she really is part of me, I will report her too? I had a problem. And I went to legal counsel to ask what to do about that problem. Do I report it or not.

And as I said, it was not an embarrassment to report that, and committee counsel is just sucking hot air when they are saying it. There was no problem with reporting because it would have been adding one more bank and when you had an acknowledged public debt which I had been catching hell for for a whole period of time—most people catch it in this town for ripping off something—I come to town and have all kinds of problems because I honestly try to pay my debts. Hubert Humphrey—and I don't dishonor the man at all—he ended up with a huge political debt and he settled for so many cents on the dollar. Well, that was his way of solving it.

In my own moral framework, I felt paying your debts is important and we have done it at all costs even though it meant ridicule, derision, and all kinds of problems, my wife being called "Tin Cup Connie," myself being called "Tin Cup." It's no fun to try to be responsible in an irresponsible atmosphere in this Nation's capital when ripoff seems to be the name of the game, and that is exactly what disturbs me, is why an individual can't come to town and honestly try to pay a debt without catching hell, and that is all we have done.

Mr. Chairman, we wrote to this committee, and we asked, we challenged the committee, tell us if we are not doing right. And the committee accepted the challenge. That is what that smoking gun was these guys talk about. The smoking gun was there, was a draft memo that was never signed or sent, and it was saying that we don't think you should do it, written by some staff member, and upon reflection, apparently, and as Mr. Wiggins told Mr. Lewin, upon some reflection the document apparently was found to be invalid and left in the files unsigned and unsent, and am I to be con-

demned because some staff member had some kind of a wrong idea of what we were doing and wrote a memo and it was never sent?

That is what we are talking about. Nothing was ever sent. We advised the committee we had an ongoing flow of traffic, that we were doing certain things, we were filing our reports a certain way, we were collecting money a certain way. We never hid it, and we invited them to put up a stoplight if they wanted to. They constructed one stoplight and didn't put it up. That was that memo. Nothing else has been done. I have never had a stoplight thrown at me. I have never had a letter from this committee telling me that I have done wrong, or that I am doing wrong, or that I should change my practices.

Sure there have been some questions, because any time you do something that is different and unorthodox somebody wonders what the heck you are doing, and if you don't think that that is true, not only did you not send that document, that memo.

The next thing, Mr. Chairman, is that every year Mr. Swanner called Mr. McKenna from my office, or one of my attorneys, over to discuss that so-called separation document, and so ongoing, ongoing, it never did get into the dark files. It always stayed out on the table.

Well, I feel I have a right to rely on this committee as well as good lawyers, and I have had people say: Why don't you fire your lawyers; why don't you sue your lawyers?

Well, my lawyers apparently did things well enough that this committee accepted them in 1977, and they didn't disavow them in 1978, 1979, 1980, and all the way through. Now, are you going to take me to the floor of the House, gentlemen, and throw a $10,000 fine at me, and give me a reprimand because I have diligently tried to live up to the rules of this committee, even to the point of following a convoluted course of action made apparently just for my benefit?

Mr. Spence, I remember you and I at times back in those days—and we talked about the problems that we both had, my problem, and you at the time had a very unfortunate problem of a terminal illness in the family, and about the problem of servicing such a huge debt that that incurred. And you were talking about how were you doing it, and we talked about it. I don't know whatever happened. I am sure it was a burden to you. But you knew, and you know, what the problem is to a Congressman.

Well, Mr. Chairman, I don't know how to really state what I feel, but I want you to know this. When you talk about a fine, you talk about correcting something, you talk about getting something out of all this.

How many of you, how many Members of Congress would go out and borrow $135,000 to put into your legislative program at your own risk, and you pay the interest and everything else? Am I getting something out of it? You ought to pay me, not fine me. And that is what we are talking about. I put my own money, whether it was a trip to Iran or whether it was $135,000 or whatever, I put my money into this job. I am not taking you.

My wife works for free in a job that could pay 60-something thousand dollars per year. In 10 years she has given this country $500,000. Is that being on the take? Because that is what one of the

charges are, Mr. Chairman, and I am tired of hearing it. It's bad enough to hear it downtown where I suppose they don't understand, but it is a heck of a lot worse to hear it up here where you know better.

Mr. Chairman, I would like to address those four points, five points these gentlemen make. The Secretary of the Army. Any Member of Congress up here, you know that to get an appointment with the Secretary of the Army is a routine thing. Mr. McAfee was a friend of the Secretary of the Army. They were fellow Virginians. He happened to be in a town way down South. I happened to be here. He said, "Will you get me an appointment?" That is a courtesy. I do it all the time. You do it all the time. Is that a bribery? Is that doing something for my benefit?

And what he wanted the appointment for was something absolutely absurd, and the only reason I even involved myself in it anymore was the fact that some of those people in the Army and the ridiculous bureaucratic chain of command started picking on each other over the fact that some of them listened to what these guys were saying, and I didn't care whether anybody did anything about what they did or not, but I didn't want one bureaucrat taking it out on another bureaucrat.

I think I have a responsibility to see that Government employees treat each other fairly. And that is what we are talking about, and that didn't come out in this great objective report they are talking about, either.

I would like to also tell you, Mr. Chairman, that Bunker Hunt, the Justice Department sat right in on my couch in my office, and they told me that because of the blackmail letter, they told me that they went out and they looked, and I can tell you they looked because I have a few friends around town, and they went into every agency in town.

They went thoroughly through the Department of Agriculture to see if I had ever done anything that could be construed to be helpful on a personal basis to Nelson Bunker Hunt, and they came up emptyhanded and the prosecutor sat on my couch in my office and he said, "We found the quid." That means that Mr. Hunt apparently helped my wife a little bit. "But we can't find the quo on a quid pro quo." And they didn't find it so decisively that they didn't bring it in the charges, and they also didn't find it with the Secretary of the Army so they didn't bring it in the charges.

Mr. Chairman, the one thing I did for Carl McAfee is I got him in with a hostage mother into Iran when even no other public official in this country could get in, for her to see her son, an American hostage. Now, if that is a misuse of office, I will take that one, because that is the one thing I did for him that he couldn't or didn't do totally for himself. Beyond, that, the rest of it is absolutely poppycock.

Now this business of gifts over $100, Bunker Hunt. I was advised not to pay the loan. My wife was advised not to pay the loan, either one of us, to get it off the books, because it was still part of an ongoing problem, and I should stay away from it. It is not because we wanted to take a gift, and in fact I can have one of my counsel tell you that we are being hit by them several times, where is the money? We want the money. And there I have to go along

and not pay the money, which doesn't make me feel very good, because of the fact that I am supposed to stay away from them until litigation is finished.

Direct mail? Mr. Lewin said my wife takes a little money out of her account, set up for her in her direct mail. She puts it in a joint account, and they jump and say "Aha, you got the benefit."

My wife still signs those joint accounts, gentlemen. Did that mean I got anything out of it? And if I did, the gift laws in this country allow it anyway. But the second thing is that I have full power of attorney on her and she has full power of attorney on me, and we have had since 1971 or 1972, and we can help each other, work for each other, sign for each other, and it doesn't mean that we are mixing up in somebody else's business. She can give me permission to do things and I can give her permission to do things, and it doesn't mean you have necessarily contaminated your accounts.

Reflecting credibly upon the House, which is under clause 1, I ask, I comply, I have borne the burden of this in order to be credible, in order to comply, and I resist that one very strenuously.

As far as the disclosure of transactions, your own files, gentlemen, your own files show what happened, and if you can tell me that after all the efforts we made, and with Mr. Wiggins' own testimony and with the documents that are there and everything else, if you can tell me that we tried to cover up anything, or tried to have some kind of a process that didn't disclose, then I will eat your hat.

Now, the Justice Department, because they found this, they couldn't find bribery, they couldn't find anything else, and they were out on a limb. And so what do they do? They create a law for me. They piggyback a criminal provision on a reporting requirement on 1001, and put it on a law that you never intended in this Congress to have been criminalized. It was supposed to be civil penalties, if you didn't file, civil penalties; if you file wrongfully they criminalized it. They concocted something just for me but they didn't just concoct it for me, they concocted it for you too because you also sit in the same kind of a position. You also file reports.

Now, do you know what they wanted to do to me, if it makes it mean anything to you? They wanted to take the fact that my wife had a transaction of a $50,000 loan from Mr. Hunt for all the help she got when his broker helped her lose $33,000, that is a lot of help, and she ends up with the bill, they want to give me, wanted to give me 5 years in jail and a $10,000 fine for not listing that loan on my form, with all the reason we had for not listing it.

And then when Mr. Hunt had to assume that because she didn't get going fast enough to pay for it so she owed him, not the bank; they wanted to give me another 5 years and another $10,000. And then they wanted next time when a transaction worked a little better, and we didn't report it, because it was still hers, they wanted to give me another 5 years and another $10,000. Well, the judge didn't go along with all of that, but if the prosecutors had had their way I would have been away for 15 years and $30,000 just for not listing my wife's stuff when we had an understanding with this committee.

Now, is that fair? Is that right? And to go through this horrendous process that has cost me, gentlemen, $350,000 so far, and when you are going through trial, and it is not to say anything about legal counsel, believe me, if you have got to have brain surgery you don't want anything less than the best surgeon. But $50,000 a month is a hell of a price to pay to prove you are honest and that you are right.

It is almost your yearly salary every month. Can you handle it? That is what we are talking about. You go ahead and fine me another $10,000. It's like a flea after all of that, but it is baloney.

Mr. Chairman, I should have robbed a bank. I would have had the money. I wouldn't have had probably as big a penalty as screwing up a Government form. Are we keeping things in perspective? I didn't screw up the form. We did it right. We did it with counsel. We did it with the permission or at least the tacit permission of this committee, and I am not going to take that rap. I am not going to take it here and I am not going to take it anywhere else.

Mr. Chairman, I am absolutely not guilty, and I think this committee—and you can ask Tom Foley, you can ask Speaker O'Neill, you can ask Trent Lott, who have also been familiar with this case, ask them how they feel about it. Ask them what their public pronouncements have been or their pronouncements to the probation officer or whatever. Ask them.

They said this law should never have been criminalized. They said this was a railroad job. They have said all kinds of things. They said, if anything, if anything, this was a purely technical thing, but they didn't even think it was that.

I am just telling you that the leadership of the House doesn't even buy this, and I don't think that you can buy it. And the worst part of it is, Mr. Chairman, who is it going to be next.

I have something here that I think is very interesting. We did some research to find out is George the only guy that seems to be out of step around here or have a problem? I didn't even amend the report. I didn't leave anything blank. There was an argument down in court from a downtown expert on EIGA, not a Hill expert but a downtown expert, a Chevrolet expert on a Ford, so to speak, and he couldn't even answer which way it should be under different sets of circumstances.

But let me just tell you that for the 1978 year, filed in 1979, that the following reports of Members of incomplete entries for one or more sections from 1 through 7, there were 53, Mr. Chairman, 53 people in this body that could technically be called downtown for an investigation or to a grand jury because of the fact they have aberrations in their reports. And there are also 11 who asserted a rationale for not reporting information about another family member.

And in the next year there were 42 more who had problems with sections 1 through 7, and then section 8 on the family, there were 34 Members of this body that didn't answer the question, and four more who didn't answer it correctly. And then the next year, 1981, for the year 1980, 52 more, Mr. Chairman, 52 more who didn't answer the first seven parts correctly or fully, and 40 who left a blank entry for the family aspect, and a couple of Members who didn't report it correctly.

The next year you have 49 Members who didn't answer 1 through 7 correctly, or fill them out completely, and on section 8, 45 Members who left the family out, and four Members who didn't answer correctly, and then the U.S. News & World Report, right after my indictment in June 1983, ran the following article saying, "The charges against Idaho's Representative George Hansen for filing a false financial statement have not gone unnoticed by his colleagues. At least 140 House Members have filed amended statements since mid-May, mostly correcting details of money they earned making speeches."

Well, that doesn't sound too good, but the point is you have 140 after some research shows there are 156. Just to give you an example, there were 74 amendments in 1979. There were 76 in 1980. There were 80 in 1981, 53 in 1982, and 157 in 1983. Now tell me that if you had some overzealous, ambitious prosecutor, he could call the whole House of Representatives down and you could have a quorum call down at the grand jury. That is exactly what we are talking about.

And here we added it up, and this is only for the 4 years in question on mine and 1 subsequent year on amendments, 243 sitting Members of Congress, Mr. Chairman, have that kind of problem with their reports, some very simple, some just a simple amendment, some totally remaking the reports, and I could go into some detail, but I don't think that is necessary. I think the point is made.

I might mention that that includes more than half of the Members of this committee, more than half of the Members of the leadership of the House, and I just don't think that you want to set up a wholesale type of operation for the Justice Department at the grand jury by making the House of Representatives vulnerable to what is going on.

Mr. Chairman, the one thing I think that is even bigger than George Hansen in this is the fact that by allowing the Justice Department to get away with this, to criminalize something that was not intended to be criminalized by your accepting jurisdiction, what you have done is set every Member of Congress up for being very vulnerable to criminal charges, and I think the time is right now with a case as clean as mine, where we have done it right, we have done it with the full knowledge of your committee, to reject this thing and send it back downtown and give them a message that you are not going to knuckle under to a police state.

The people's representatives, you, the Congressmen of the United States and myself, we have a right to be able to work freely up here, without the intimidation of some badge-happy cop at the Justice Department, and that is what is happening, is that you are going to have to start asking, Mr. Chairman, and all of you gentlemen, you are going to have to start asking the Justice Department what it wants in legislation before you start voting, because it may get you on the wrong side of somebody. Is that what we want in this country?

Well, Mr. Chairman, I think I have pretty much had my say. I appreciate it. I would like to just say this. I think we have built ourselves a paper trap. I think we are in trouble here on Capitol Hill. I think the Department of Justice is rummaging around like a

bull in a china closet. I think they are guilty of not being able to come up with the facts any better than somebody trying to find a zipper in a button factory.

They don't understand what they are looking for. I think they are glory hungry and they are doing it at our expense and I strongly urge this committee to have the courage to clean this thing up, to reconsider what you have done, to take control of the procedure of the EIGA reports so that the Justice Department doesn't have the Members of Congress under its thumb in something akin to a police state.

And if you can't do that, maybe you might want to consider the authority which Mr. Lewin cited that allows you to simply send this to the House of Representatives with no recommendation, or a recommendation that nothing happen, because, gentlemen, I haven't done anything wrong. We have handled our reports correctly, and if we get to a point where running for a term in Congress is tantamount to a term in jail, I think you are going to have a pretty hard time finding anybody to serve the public of this country.

Thank you very much.

The CHAIRMAN. Let the record show that the gentleman from Idaho, Mr. Hansen, has consumed 30 minutes. The Chair now recognizes Special Counsel for the balance of their time. You have 20 minutes not consumed.

REBUTTAL ARGUMENT BY MR. LOWELL

Mr. LOWELL. Thank you, Mr. Chairman, members of the committee, Congressman Hansen and Mr. Lewin. As much as we would like, we can't obviously respond to all that has been said in the last hour. Suffice to say at this point Special Counsel is satisfied that the record of the proceedings, all of the proceedings, the executive sessions, will show that Special Counsel's role has been to guide the committee fairly, to characterize Congressman Hansen's defenses thoroughly and to provide him every benefit that both the law and the precedents of the House have provided. Nevertheless, we are compelled to respond in at least a few ways to some of the procedural points, mostly addressed by Mr. Lewin, because they go and they strike at the very essence and fabric of fairness that you have been challenged to reconsider.

When you cut through it all, the last hour or so of the procedural points and charges and questions of motive, you are still left, members of the committee, with the following: That on at least four occasions Congressman Hansen failed to disclose assets and liabilities of him or his wife, and that there was abundant evidence in the record that there was sufficient motivation for those failures to disclose.

You are left with the fact that having asked the committee and the House twice for advisory opinions on whether he or his wife could solicit funds on his behalf he did so, and contrary to the opinions of the House Ethics Committee, did so in a way which resulted in at least one provable occasion of a commingling of those funds in direct contravention of advice which had been rendered.

You are left with the fact, as we sit here today on June 20, 1984, there is a $62,000 loan outstanding to Mr. Hunt. "Loan" is the term used by Mr. Hansen, and has been outstanding for a number of years. You are left with the fact that an already made $87,000 silver commodities transaction was provided the Hansen family virtually after it had been completed and the risk had been taken out.

You are left with the fact that the House precedents on what amounts to a gift, what amounts to conflict and appearance of conflict of interest, and try as they might to say to raise the stakes of this to allege that what we were trying to show were quid pro quos and gratuities, specifically our report does not include that.

To the contrary, what it includes, somebody with an interest in legislation is somebody who fits the definition of Nelson Bunker Hunt. Try as they might to persuade you to the contrary, the precedents of the House show that when you accept a $25,000 first loan payment with very favorable terms on the day that you go to the Pentagon on behalf of people, people in this country can reasonably question whether that is the proper thing to do.

Turning to the issue of the evidence and the subsequent evidence of the congressman's solicitation of the Ethics Committee, it is important to put this all in very specific perspective: What Congressman Hansen and his attorney may not understand is that we did not put the staff or Congressman Wiggins on the stand because their testimony really is not relevant to the proceedings.

What is relevant, however—and you must as we told you before make your own judgment about this—is whether or not Congressman Hansen and his side were injecting the House Ethics Committee into the defense of his case to justify the actions he took. And if it is your judgment that they did, then you must evaluate what the House Ethics Committee did in response.

The staff testimony, the statements by Mr. Wiggins either to me or to Mr. Lewin, were solicited by us for one purpose and one purpose only. It was to find out in complete fairness to Congressman Hansen whether or not documents we found in the records of the House Ethics Committee including a June 15 letter, yes, in draft form, but, no, completely unambiguous as to its conclusion that Mr. Hansen had to include the liabilities of his wife in his disclosure forms was actually sent.

Mr. Hansen and Mr. Lewis both have said on a number of occasions that this was a draft letter, never signed and never sent. I don't know if they actually mean to say that it was never sent, but clearly the testimony from all the people that we spoke to was that it was sent, and 6 years after the fact. If there is any question about that, you use what your common sense dictates.

And if in 30 days after that letter was sent there is, as we found, a memorandum to the file from a staff person who at the time had no reason to consider the possibility of a controversy 6 years later, which says quite precisely draft letter was sent on June 15, and we got a phone call back to argue the points of it, then you have to put that in perspective as well.

The evidence that they are now complaining about only was brought into this case because of what Special Counsel believes is the very clear implication from the defense side of the table that the House Ethics Committee has some culpability in this whole

mess, that because they on May 9, 1978, wrote the House Ethics Committee and in one sentence said, "We have decided not to include Mrs. Hansen's liabilities, please confirm if that is the right thing to do," and then give what we consider to be a very clear implication that there was not a single response, oral or written, formal or informal, the fact that the record does indicate that there were responses must be considered by the committee, as you did at your last time for whatever weight it brings you.

Whatever the staff may say today, 6 years after the event, cannot deny the fact that those letters and correspondence, memos to the file and explanations exist at the time contemporaneous when the actions that we are trying to sort out and find out what they all mean, those correspondence, as we advised you at the meeting, cannot be overemphasized but yet they can't be underemphasized either.

They stand simply for the proposition that House staff and House members put Congressman Hansen's attorneys on notice at that time that their interpretation of financial disclosure rules was incorrect, and they expected a different course of conduct in the future.

We will never know for sure why that letter was not put in the final form, but we will know that the message was communciated at the time.

As to the other main point, which is the other rule violations which Special Counsel has concluded, a final word has to be said. Special Counsel, as you know, thought hard about whether when a trial is for a particular statute, how far the breadth of a preliminary inquiry must go.

We note again for the record that footnote 12 of our report defines the breadth we think in a way which is both usable and is fair to the committee. This is to say that in this particular case it was very much at issue as to whether Congressman Hansen had any motivation not to report those transactions which he admitted were not reported.

Prosecution and defense in the trial addressed those points. Indeed, many pages in the transcript deal not with financial disclosure but all the various transactions themselves, the relationship to the Virginia gentleman, the relationship to Nelson Bunker Hunt, et cetera.

It is on the basis of that having been debated, if you will, at trial that it is not unfair to raise those issues in a preliminary inquiry. The same as to the acceptance of what the committee deems to be a gift. If it weren't at trial, if it wasn't so fundamentally related to what the trial was about, Congressman Hansen's attorney might have a point that it was unfair surprise, or in one of his letters he quotes "trial by ambush" to bring those other violations up, but they themselves addressed it. They themselves offered the evidence at trial on many of these same issues, and then to use the Congressman's own words, the issue of fairness occurs.

Is it fair to the House of Representatives, to this committee, to the American public, to ignore such clear violations of advisory opinions, and such clear directions of the one thing that he is said to have solicited and relied on? Is it fair to ignore the facts of what Nelson Bunker Hunt and what he does on a daily basis on Capitol

Hill under the precedents of the House that say you don't have to solicit a piece of legislation. You just have to be actively engaged in the House's business.

Is it fair to ignore all of those related things which explain why Congressman Hansen would choose not to report those transactions he chose not to report? And as we asked you once before, the question still remains: Did Congressman Hansen choose not to put on his disclosure forms the things that he did not out of some sense of principle about EIGA, some sense of privacy for his wife's or his affairs, some type of general principle, or was he concerned with how it would look that he solicited, in Bunker Hunt's own words, money for his debts, and then got money in one way or another, that he got loans from the Virginia gentleman at the same time that he was actively engaged in a project of theirs. That is the question we posed to you before. It is the question that remains on the record. Difficult as it may be, we believe the record speaks for itself.

Let me conclude by saying Special Counsel has endeavored to be fair, but we have also endeavored to be thorough, and if we are guilty of zeal, it is zeal for just those two propositions, fairness and zealousness for the proposition of honesty in government, for trying to steer the committee through its difficult task, and making sure that the House rules written over time mean something. On that basis let the record speak for the fairness of our activities. Thank you very much.

The CHAIRMAN. The gentleman has consumed 10 additional minutes. All time has now expired on both sides. The Chair would at this time entertain questions from members of the committee to either Special Counsel or to counsel for the respondent or the respondent himself. Mr. Spence.

Mr. SPENCE. Mr. Chairman, if I might, I think, just to make the record clear, statements have been made by counsel on both sides relative to this committee, and I think it should be made clear that there were two committees involved in this whole thing over the years. Most of the information that passed back and forth with any contact had to do with the Select Committee on Ethics, chaired by former Congressman Richardson Preyer, and the opinions that were being issued during that period of time were those opinions issued by that committee and not this committee.

It should be made clear because there were too many statements about this committee and that committee, and it should be made clear there were two committees and that committee is no longer in existence.

Mr. LEWIN. Might I just make one reference in response to the Congressman's statement. The one thing, though, that should also be borne in mind is that the key letter that Congressman Hansen sent in May of 1978 was addressed to Congressman Preyer, but had copies to the ranking member and the chairman of this committee, so that he presented that issue at the time both to the Select Committee on Ethics and to this committee as well, and of course, the subsequent discussions of various ones were with Mr. Swanner on behalf of this committee, so it is not as if it was only presented to the Select Committee on Ethics.

The CHAIRMAN. Mr. Brown.

Mr. BROWN. Thank you, Mr. Chairman. I would like to address an inquiry to the respondent or his attorney. Certainly you should feel no compulsion to answer this, but I guess I am wondering at this point if you have any doubt in your minds that the committee feels you should file a disclosure form that includes the transactions involving Mrs. Hansen. Is there any question that this committee feels you should do that?

Mr. LEWIN. With regard to the present filings, if what you are referring to, Congressman, are the filings for this year and last year, when the Congressman has advised the committee that because of the pendency of these various actions he is not in a position to file with regard to that I certainly do have a question in the sense that I would think, given the position that he has taken in the litigation, that at the time he was certainly advised, and was advised by counsel, that he was not under responsibility to file Mrs. Hansen's liabilities, that he could not file today without that being used against him in some way, if this case ever went to a retrial. So I do think that there is a substantial problem in terms of his filing today with regard to those liabilities.

If your question is whether there is some legal inhibition, I think there is legal inhibition. If your question is as to whether the committee's view is that those liabilities are covered, there has not been any formal statement, but I can only assume from the fact that the committee has voted as it has on the Special Counsel's report that there appears to be some consensus on the committee that probably as to a legal judgment, Mr. Runft's judgment that it ought not to be, it need not be reported is erroneous.

I can assume that, but as I say, there is a problem with his actually filing anything today, and I think he would present a problem for himself if he did file.

Mr. BROWN. I guess with regard to the prior years, because I understand the matters with regard to 1982 and 1983 are being handled separately through a communication from the ranking member and the chairman. But with regard to the prior years that we are approaching here, if it is clear—and at least I think the committee has done what it can to make it clear—that the transactions of Mrs. Hansen should be filed, or disclosed, I guess my question is will complete filings, will that information be filed? Are you willing to follow up and provide that filing as the committee has made clear is required?

Mr. GEORGE HANSEN. I have never had any compunction about filing any way the committee wanted, Mr. Brown. My problem is that I thought I was doing that, and when we filed the way we did, it was because we felt that we had an arrangement with the committee that was compatible with the committee's wishes, and so that is the way we filed.

Now, if the committee wants to shift gears 5 years later and say go back and redo it, I suppose we can do what we can to comply.

After we get our litigation out of the way, because right now if we do some of these things it could complicate our problem in winning our case in court. We feel we are going to win that case in court, but I don't think that it is fair for the committee or anyone else to jeopardize us in court with the request that we do a certain thing in a certain timeframe.

As far as the 2 years that I received a letter from Mr. Stokes and Mr. Spence on yesterday about the two recent years of filings, I have notified the committee, and I think Mr. Stokes and Mr. Spence know that I have notified the committee what my legal situation was, and what I had to do under those circumstances.

I have also left a paper trail a foot high of trying to keep the committee informed as to what is going on, so they wouldn't think that we were hiding in a closet and not being responsive. And so I am willing to do anything reasonable to comply with the committee's wishes on full disclosure. Full disclosure has never been my problem. I might even remind you that it was I who brought the material to the attention of the Justice Department in the first place. I went over and exposed a blackmail attempt.

They gave the blackmailer a suspended $2,000 fine, a suspended jail sentence and suspended community service proposition. Now, the blackmailer gets that kind of a thing after stealing $220,000 and blackmailing for $440,000. I have an argument over a Government form; they want to actually send me to jail and fined me $40,000 downtown, and you people are considering similar action.

Now, you know this is just absolutely preposterous. I will do what the committee needs and feels they need consistent with the rules and whatever, but I think you have to recognize that we are somewhat handicapped because of our legal situation.

Mr. BROWN. Let me just put a definition on it, a clear definition on it, if we could. I think you can appreciate the fact that in weighing what is appropriate here, the committee has heard your concerns that there was some question about whether a filing was required.

I am suggesting that that certainly has to be resolved at this point, that it has to be very clear that the committee feels you should file completely, and I guess my question is, knowing that, are you prepared to say you will file, and when will you file?

Mr. GEORGE HANSEN. Mr. Brown, I don't think it was even that tenuous as you say. I felt that it was very clearly evident that I should not file my wife's or I would have filed them. I had no problem, as I have stipulated, and this business about trying to make it sound like I didn't dare file—my gosh, I went to the Justice Department and reported the Bunker Hunt thing.

I went to Jack Anderson and told him about it because the Justice Department was dragging their feet. I have never been afraid of Bunker Hunt. It may be a problem in Newark, NJ, or something, but he is no problem in Idaho. And this is a bunch of poppycock about whether somebody is a political liability for you to report or not.

And as far as disclosure, certainly I will, but I think I have answered you in that as soon as legal counsel says I am not impairing the case, I will be very pleased to sit down with committee counsel and work out whatever is full disclosure to your satisfaction, absolutely.

Mr. BROWN. Obviously you have made your statement. I don't mean to press you beyond that, but I can tell you in our conversations the fact that you are willing to complete the disclosure makes a difference. If I understand your statement, you are indicating

that you are not willing to do that at this point, and can't give us a time when you will.

Mr. GEORGE HANSEN. Well, would it be fair if I came and told you that I would absolve you from a bankruptcy suit today if you would just jump off the cliff? That is what you are asking me to do is legally jump off the cliff. Mr. Brown, it is not a problem of doing it, it is a problem of doing it under the circumstances; and I don't know what I have to do to impress some of you who don't have the guillotine hanging over your head that I have a problem besides you.

Mr. LEWIN. Let me get some clarification, though, from the Congressman. Are you asking, Congressman, whether Congressman Hansen would be prepared to file amended forms for 1979, 1980, and 1981, listing the liabilities that were discussed in the case? Is that the question?

Mr. BROWN. The requirement under the disclosure Act, which I understood would involve assets and liabilities and perhaps transactions.

Mr. GEORGE HANSEN. Mr. Brown, if you are asking specifically would I amend my forms because the committee feels that somehow there was a misunderstanding before and that we should to it, if I would amend my forms and put the loan to the Dallas bank and the other matters that are under litigation, put them on the forms, it has been so fully disclosed that it would be the easiest thing in the world for me to do, if that is what you are talking about.

Mr. BROWN. That is precisely what I am talking about, and I am wondering if you will do that, and, if you will, when you will get those revised forms in.

Mr. GEORGE HANSEN. I could send that to you today if that is what the problem is, because the newspapers have had it. Why don't you?

Mr. BROWN. Thank you.

The CHAIRMAN. Mr. Hansen, you made a comment a few moments ago that you have left a paper trail a mile long keeping this committee informed. Is that your statement?

Mr. GEORGE HANSEN. During the last 2 years, year and a half, when we are talking about reporting for 1983 and 1984, I did send you material, material and material, Mr. Chairman, to let you know, No. 1, that we weren't able to file, and No. 2 to keep you informed as to what the process was, so that you could have some idea when we could file.

The CHAIRMAN. Can you tell us specifically what you sent to us, what written documents you sent to us?

Mr. GEORGE HANSEN. I can send them to you because I have a stack that high in my office of material that I have sent to you, which includes cover letters and then all sorts of court documents; appeals procedure went on for a long period of time.

Finally, when it was obvious that you were into it and getting information, then I ceased to send you the volumes, but I still tried to keep you informed at every juncture, yes, sir.

The CHAIRMAN. Then you can provide the committee with copies of these documents which you say fall in the category of being paper a mile long?

Mr. GEORGE HANSEN. Yes, indeed.

The CHAIRMAN. Second, with reference to Mr. McKenna, are you aware of the fact that on several occasions Mr. Swanner did request of Mr. McKenna copies of the separation agreement and that such a separation agreement has never been provided to the committee through Mr. Swanner?

Mr. GEORGE HANSEN. I am aware that Mr. Swanner asked for the separation agreement on several occasions, and I also am aware that Mr. McKenna talked to Mr. Swanner, and that it was my understanding, and maybe I was too far removed, it was my understanding that Mr. Swanner was apprised of why the separation agreement, because of my wife's part of the thing, that she had her right to privacy and there were some very intimate things as far as the family is concerned in it, why we were not providing the document, which we also did not provide to the prosecutors until we got into the court, but it was for no other reason, and my attorney, Mr. Runft, discussed it at length with Mr. Terry and my counsel one time or another stated exactly what was in it.

In fact, it was almost verbatim written in the press from time to time because Mr. Runft told them time and again what was there, and I have press clippings that you couldn't put in a volume as big as this table, Mr. Chairman, about what has been said publicly about that document and my filings.

Mr. MYERS. Mr. Chairman, a question of clarification.

Your question asked for a separation agreement. Is that the same as a property settlement agreement? Is that the same document you are referring to?

The CHAIRMAN. Yes.

Mr. GEORGE HANSEN. Financial separation agreement, not my wife and I.

Mr. MYERS. I thought there was something new being injected here.

Mr. GEORGE HANSEN. I feel one thing in Washington, if she and I had been divorced, we would have been a lot better off as far as this kind of thing is concerned.

Mr. LEWIN. Mr. Chairman, might I also say one additional thing with regard to that property settlement agreement?

The correspondence that is attached to the Special Counsel's report, which indicates the internal memoranda as well that the committee was interested in, the questions that the committee was interested in back in 1978 disclose that at that time there was no interest and no request for any further details regarding the property settlement agreement. In fact, exhibit 1 says that a committee staff member says, "I was reasonably familiar with your property division with your wife," this is a letter to the Congressman.

Apparently there was no interest specifically in the details of that property settlement agreement.

Now, if there was a subsequent request for the text itself, I am not sure how that bore on the issue if there was subsequent request for the text. Mr. Runft did testify that it was his view that the contents of various things in that property settlement were private, and consequently he did not think it ought to be disclosed, but there is no indication that that was relevant to any decision that the committee was making in 1978.

They asked for information. They talked with the Congressman. They never said we want to know what else the property settlement agreement says.

Mr. GEORGE HANSEN. I never had a letter, Mr. Chairman, officially on it.

The CHAIRMAN. I think, Mr. Lewin, the assertion has been made that the committee was kept informed through Mr. McKenna's conversations with Mr. Swanner, the staff director for this committee, and I would think that if in fact those conversations did take place, and obviously they did, and part of those discussions was a request on behalf of Mr. Swanner to have the committee provided with the separation agreement, then that becomes an issue. Of course, as I understand it from the respondent, the request was in fact made by Mr. Swanner, and the request was denied by the respondent, for whatever reasons.

Mr. LEWIN. The property settlement agreement, the text of the property settlement agreement was not provided. Of course, the committee had full knowledge, I think, of the fact that there was a property settlement agreement and if there is some question or there was some question about what the consequence——

The CHAIRMAN. That is not the point. The point is that there was a request made and the request was denied.

Mr. LEWIN. Never a formal request, Mr. Chairman.

The CHAIRMAN. The Chair recognizes Mr. Jenkins.

Mr. JENKINS. Thank you, Mr. Chairman. I want to direct a question to committee counsel.

In your recommendations you make a recommendation for a reprimand plus a fine, a $10,000 fine. Under Rule 17 dealing with a fine, a recommendation of a fine is appropriate "in a case in which it is likely that the violation was committed to secure a financial benefit."

Now, if I understand the situation correctly, Mr. Hansen was convicted of a violation of 18 U.S.C. 1001, making a false statement in violation of that code section.

Is there any evidence that that violation had anything to do with securing a financial benefit, a specific violation which would give rise to the fine? I don't understand that recommendation.

Mr. BRAND. In at least one instance, Congressman, and several others we think, and as I related in my presentation, the violation of Advisory Opinions 4 and 11 permitted the Congressman to convert in effect moneys for personal use through the direct mail solicitation, because some of that money found its way into a joint account which Mr. Hansen stipulated at trial he was given access to and checks on which account he had written.

Mr. JENKINS. But how did the violation of the 1001 have anything to do with securing a financial benefit?

Mr. BRAND. Well, the violation spoken of here is a violation of the House Rule, and that is the construction which we are in in Rule 17 as I read it, not limited to what is provided for under Rule 14 as a triggering mechanism, but what is provided for under Rule 17 as to a violation of House Rule or standard of conduct applicable to Members. That is at least my reading of rule 17.

Mr. JENKINS. It appears to me that the intent, and I being a relatively new member of the committee, but it appears to me that

under this particular rule 17, in discussing a fine, a recommendation of a fine, "is appropriate in a case in which it is likely that the violation was committed to secure a financial benefit."

It would appear to me that if a violation of the rules was committeed in order to obtain a financial benefit by the member or the employee, whichever case it is, that it would have to be something more than a violation of simply making a false statement.

Mr. BRAND. As I said, and maybe I haven't said it clearly, it is more than that. It was a violation of House advisory opinions and committee rules, at least in our view, and the rule on its face speaks only of violation.

Mr. JENKINS. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Bliley.

Mr. BLILEY. Thank you, Mr. Chairman.

I have a couple of questions for Congressman Hansen or his attorney.

In reading the report of the Special Counsel, I am curious about what happened to the difference between the debt for the soybean transaction and the total amount of the loan. I believe it was about $15,000 more, the loan was, than the actual amount of the debt.

In this report it seemed to indicate that this money was put into a joint account and that it was used by you, Mr. Congressman. Is that true?

Mr. GEORGE HANSEN. Mr. Bliley, I think 6 years is a long time, but from reconstruction of the records, what it appears is that my wife came back with a $50,000 check, which was put into a Virginia bank, and that a sum of money was withdrawn at the time of deposit, and I don't know, we didn't follow through; it didn't get that far in trial to find out what the money was used for. I couldn't tell you.

It could have been used for any type of family debt or whatever. I can tell you, we haven't bought anything like snowmobiles or campers or anything, so it had to be for a debt. I can't tell you exactly how it went.

I can tell you I was the errand boy. I took the check in and deposited it so my signature is on the back along with hers, and I did the chore of pulling the money out.

Now, I can't tell you beyond that exactly what happened, but I can tell you that whatever happened, my wife being a rather strong-willed woman, I think, like maybe some of you live with, well, it would have only been done, whatever happened would have only been done with her approval and request, so other than that, I would have to research it, if you want to go into it further than that.

Mr. BLILEY. The second is along the same line. What happened to the $87,000 profit from the silver transaction that records also apparently show went into a joint account, and the report further states that this money was used by you, or at least some of it.

Mr. GEORGE HANSEN. That is not true, Mr. Bliley. I think what the court record shows is this:

First, I helped my wife with the transaction. We didn't get totally divorced with this thing. I do a few chores for her, but the money used to service that transaction came out of her sole account, and then when the money came back in, it came into a bank

in which we had a joint account, and so the money was immediately just deposited in that account and money given back to her accountant who replaced the money where he got it, you know, on the individual account, but the point that I get is that I think the only thing that was established in court, and I can't tell you beyond that because I haven't looked, is that the money went from one joint account to another joint account, but she didn't lose constructive control of the money, so I can't tell you beyond that.

Mr. BLILEY. Special Counsel, is that your recollection?

Mr. LOWELL. It is clear in my recollection, Congressman Bliley, in our recollection, I am sorry, that the Congressman has the statement he cannot reconstruct where the $16,000 surplus of the Dallas loan and the soybean transaction is untraceable. That is where, for example, we make the point in the record that an accounting of these funds is impossible to keep, an assertion which Mr. Lewin strenuously objects to, I might add parenthetically, but I would like you to direct this question perhaps back to Mr. Hansen because he did say something now which I think does shed some light on your line of inquiry.

Mr. Hansen, I understand, just said that the $16,000, whatever she did with it, it went to family debt, and also it is his assertion that it is Mrs. Hansen's loan. It is my understanding of the property settlement agreement that political debts were transferred to Mrs. Hansen. That was the $372,000 amount, and that Mr. Hansen was supposed to take on the family debts.

Mr. Hansen is saying that funds went for family debts, that Mrs. Hansen acquired, then he is indeed sustantiating precisely the point that Special Counsel's report makes.

Mr. GEORGE HANSEN. May I respond to that, Mr. Bliley?

I think this is typical of the nitpicking that counsel has been doing. I make a general statement of family debt, and my wife and I and our children, one way or the other, we are still saddled with that debt, political or otherwise, and so when I said family debt, I just used the term generally.

If he wants to get down into legal specifics, I guess I can. I apologize if I used the term too generally, but I hate to get hung on technicalities like that and that is what has been going on.

Mr. BLILEY. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Hansen of Utah.

Mr. JAMES HANSEN. Thank you, Mr. Chairman. I would like to direct a question to Special Counsel if I may.

In this exchange that you became involved in, also in your response, also Congressman Hansen, in his response regarding this memorandum, apparently someone on staff in Ethics is determined to write a memo to the file where they stated that they had responded, and that apparently prompted a response from someone on Congressman Hansen's staff, a telephone response.

Am I stating that correctly?

Mr. LOWELL. The order of inquiry, Congressman Hansen, the order of the procedure is somewhat different if I can reconstruct it at least in terms of what we assert is the sequence. The sequence was as follows:

According to the papers which exist, and I want to emphasize that just because again 6 years after the fact Congressman Hansen

will put a blush on it and somebody else will put another blush on it, but this is what the papers show.

On May 9, 1979, Congressman Hansen wrote the House Ethics Committee. In that letter—among other things, he asked for confirmation of the way he was reporting his wife's transactions.

In addition, that letter was a criticism of the House Ethics staff, for that staff having talked to press about Congressman Hansen's situation.

On May 12, the staff member who was involved as speaking to the reporter, wrote a letter of apology back to Congressman Hansen explaining why he was misinterpreted by the press and also reestablishing what his view of the law was.

Somewhat later, on May 17, I believe, and you have the exhibits part of the report, staff wrote a memorandum to both Congressman Preyer and to Congressman Wiggins, setting out the fact that Congressman Hansen had asked for a memorandum opinion or asked for advice, and going through a recitation of what the law required.

It is not ambiguous what that memorandum concludes.

The memorandum written about a week after the inquiry from Congressman Hansen concludes that his interpretation was incorrect for two principal reasons.

The first was the rule under which his counsel was asserting was an old rule which only went to assets and not liabilities, and the second reason was the old rule had been superseded by a new rule which had a different test.

Then, and the most part of what you are saying, on June 15, Congressman Preyer and Congressman Wiggins sent a cover letter over a draft response to Congressman Hansen.

The draft response included the substance of the staff memorandum. That letter apparently was sent to Congressman Hansen.

It was after that June 15 letter that Mr. Runft called or visited or both in some period of time the staff to debate with them what the draft said.

Mr. JAMES HANSEN. He did contact the staff and they did have a verbal exchange over the contents of that memorandum, is that a correct statement?

Mr. LOWELL. Yes. In fairness to Mr. Runft, I want to point out Mr. Runft says he has no memory of ever receiving or seeing a draft letter, but he does clearly remember being communicated with in one way or another the substance of the staff's first view. He then says, "I got in touch with the staff to debate,"—I am using the word debate in its broadest form, but to at least discuss what I thought was their misunderstandings of Congressman Hansen's situation, and that all occurs in the period of time between June 15 and the beginning of August.

Mr. JAMES HANSEN. Is there a question in your mind that Mr. Runft had to have the information in that draft in order to call staff and discuss it?

Mr. LOWELL. Not at all. It is my clear belief, as we sit here 6 years after the event, that that letter was sent, that it was received by Congressman Hansen, and that, if not the letter itself, at least its substance was communicated to his staff and his attorneys.

It is the only way to explain how Mr. Runft would be able to call the committee and articulate his opposition to the points of the

letter. How else would he do that if he did not have the letter or the substance of it?

Mr. JAMES HANSEN. May I just quickly go over another thing?

I have been going through and reading all of these things. There is a question in my mind, and Congressman Hansen raised it again in his presentation, and that runs to the idea of the defense of advice from counsel.

In this particular instance, what was the explicit advice that Mr. Runft gave Mr. Hansen?

If I have read this right, and I surely stand to be corrected by either side on this thing, one of those things is that the Ethics Committee would be advised of all transactions. Is that a correct statement? Am I wrong there?

Mr. LOWELL. That is correct. On both occasions you have to do separate times, Mr. Congressman. He asked Mr. Runft's advice in May 1978 after the property settlement agreement was first put into effect the year before, and at that time EIGA had not yet been passed, so the only applicable law was the House rules.

The advice that Mr. Runft gave at that point was, I don't think you have to report it, but you must keep the committee totally advised.

Mr. JAMES HANSEN. That would be every financial transaction that the Congressman would get involved in?

Mr. LOWELL. It is open to interpretation what he meant by kept advised, but it was that you should keep the committee advised and make sure that everything happens, I believe his phrase was, "totally aboveboard" was the phrase.

Now, at that point of the advice, the transactions which had occurred were the Hansen soybean transactions, the ultimate loss of that transaction, the first loan of the Dallas bank, and perhaps one of the extensions, but at the time of the advice, that is what had occurred.

The silver transaction and the other loans had occurred after the May 1978 advice. EIGA was then passed, and it became effective, and Mr. Hansen's testimony—I am sorry, his defense—is that he went back to Mr. Runft for new advice under EIGA and Mr. Runft gave two points of advice.

I don't think EIGA changes anything. You still don't have to report Mrs. Hansen's, but you must tell the committee about what we have decided because it is a new act. There are no interpretations. My advice could be wrong.

Mr. JAMES HANSEN. Thank you.

Mr. Chairman, in fairness, may I ask Mr. Hansen or his counsel to respond to either one of those points?

The CHAIRMAN. Certainly.

Mr. LEWIN. Let me respond first to the second question because that is freshest in mind. The specific testimony of Mr. Runft regarding the advice he gave appears, we had reproduced it at pages 52 and 53 of this briefing book that we had given the committee earlier. He said in 1978: my opinion was that under those particular conditions that the fact that Mrs. Hansen pursued her own separate right, paid her own separate debts, was not an item that needed to be reported by Congressman Hansen in his report required under the ethics rule.

Furthermore, and always under this advice, my opinion was that the committee had the authority and the duty to review these reports with knowledge and advise Congressman Hansen if he was wrong in any way.

Mr. Hansen, in my opinion, had a right to rely on this. That is what he said in 1978. Put that in the context now of the correspondence that has been found. In 1978, he says that, Congressman Hansen then does not report these items on the 1978 report.

The papers in Idaho say he has failed to report his wife's liabilities. He then writes a letter because he has relied on Mr. Runft. He writes a letter which Mr. Runft testifies he helped draft to the committee saying: "Look, confirm the fact that my report is correct."

At that point the committee initially says, well, maybe. Maybe it is not correct, but the key thing is that what they rely on, the draft opinion relies on and it appears in the third paragraph of that draft letter is:

> We have no indication that the affected creditors released you from your personal liability to them at the time of the transfer.
> Accordingly, it is probable that you remain in some way ultimately liable for the debts originally incurred by you.

There was a very specific reason why, and this is Congressman Wiggins' theory, because that is what the earlier memoranda indicate, Congressman Wiggins' view was he may still be liable on those debts, and therefore we are writing him a letter saying since he may still be liable on those debts, he can't say they are his wife's debts.

At that point, the substance of that information is known to Mr. Runft. Mr. Runft told Mr. Lowell, as he told me. He doesn't recall seeing any draft letter, but he recalled a conversation with Mr. Terry. Mr. Terry appeared to be reading or doing something which was quite detailed. That was his recollection and I submit to you that what happened is Mr. Terry said to Mr. Runft: "Look, so long as your client is still liable on those debts, he still probably has to report them."

The memorandum that appears in the file as exhibit 5 says that Mr. Runft told Mr. Terry:

> Well, now look, before they entered the property settlement agreement, Congressman Hansen and his wife frequently went to many of these creditors and told them they are going to do it, and the creditors agreed.

And it was in the press as well, as the Congressman reminded me. So the fact is, I submit to you the natural inference is that the attorney told the staff;

> Your premise which your entire opinion is based on, which is that he was still personally liable on those debts to those creditors is wrong. The creditors agreed that only Mrs. Hansen was liable.

That certainly applies to the $50,000 obligation. This relates back to Mr. Bliley's question.

The $50,000 obligation, don't forget, was incurred before the property settlement agreement. The excess was spent before the property settlement agreement. It was an obligation that was incurred only by Mrs. Hansen. It was a loan to Mrs. Hansen, only she signed on it. The Congressman was never liable on that note,

except to the extent that the Idaho community property laws may have made him liable by operation of law, but otherwise it was totally hers.

The property settlement agreement said it was hers, so with regard to that particular loan it was all hers, and with regard to that, the premise of the proposed draft letter was totally destroyed by what Mr. Runft had told Mr. Terry, and what the documents indicate, which is why it appears to me again that if we had the opportunity to address these documents in a submission before the committee, I think frankly this is evidence which I am considering, and I don't know whether I will. I am going to follow it up, but I think this is evidence which I may use in a motion for a new trial with the court because we didn't have access to it and it indicates, if anything, that the Congressman was having discussions with the committee about the very theory on which the committee was saying you have to report it.

His attorney talked to the committee and persuaded the committee that they were wrong, so they didn't send the letter, and the memo which appears as exhibit 5 states specifically that point, that the attorney told the committee that Mr. Hansen didn't specifically ask anyone to be personally released, but nonetheless they knew about it from the various conversations, so the inference that I would draw from this correspondence is that the attorney talked to the staff, and persuaded them, or at least had the Congressman, whether it was Congressman Preyer, or Congressman Wiggins, or both, persuaded that he was right in terms of his interpretation of what could or what should or should not be reported in 1978.

Then along comes 1979 and in 1979 this committee becomes vested with the authority under the statute to tell a Member of Congress whether his report is complete. That is under section 105(a), to determine whether the reports are filed in a timely manner, are complete, and are in proper form.

If the committee knows about the property settlement agreement as it apparently does from this correspondence, if it knows whatever theories the staff has prior to that, when the 1979 report is filed, without any indication of Mrs. Hansen's liabilities, the committee then, without any request for an advisory opinion, the committee has an obligation on the basis of the information that is in the file to say to Congressman Hansen, your report isn't complete. You don't have your wife's liabilities.

We have all this stuff in the file. We think your wife's liabilities have to be in there.

They never did that, and I think it is on that basis that that entire history has to be looked at.

Mr. GEORGE HANSEN. May I add one sentence to the statement there?

Just on the letter attached to the special report, in item 3 it talks about Mr. Runft's notes or his entries about his telephone log and so forth, and there he notes that telephone conference with George regarding proposed House Ethics Committee ruling.

It is my recollection that I was contacted by Mr. Terry, who came around frequently, and he said something to the effect that we have a ruling. I am not sure it is going to be helpful to you—

something to this effect, but I probably should talk it over with your attorney.

I said I will have him call you or something to the effect, and so one of them got in touch with the other one, and Mr. Runft refreshed my memory that he said I don't recall seeing it, but I know he was talking from some detail in front of him, and then his telephone note states regarding a rough draft of the opinion, so apparently he knew during the conversation there was a rough draft that existed because it is right in his notes, but there is nothing to suggest that I sent any rough draft to him in the first part of the notes, and his notes are pretty accurate generally, so I think that what we are talking about is the fact that Mr. Terry—and we are not saying there wasn't a rough draft, but that it didn't necessarily get mailed to me.

That wasn't the process, but Mr. Runft was aware there was a rough draft that is right here.

Mr. JAMES HANSEN. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Lewin, let me ask you something.

Did Mr. Runft testify at Mr. Hansen's criminal trial?

Mr. LEWIN. Yes, sir.

The CHAIRMAN. And in the course of his testimony before the jury did he testify with reference to the conversations he had had with the staff?

Mr. LEWIN. I think he did not testify to conversations he had with the staff. Nobody asked him, and I think if he had been asked then I suppose there might very well have been an objection either on speech or debate grounds, but certainly nobody asked him about conversations with the staff. I don't know whether he recalled at the time that he had conversations with the staff.

After this correspondence came out, I called Mr. Runft and I said, well, what about conversations with the staff. He said: let me check with my diary and my billing notes, and he checked back on that and that indicated that he had had conversations in June with Mr. Terry.

The CHAIRMAN. Who was Mr. Runft called by, prosecution or defense?

Mr. LEWIN. Defense. He was a defense witness.

The CHAIRMAN. He was your witness?

Mr. LEWIN. He was our witness, absolutely.

The CHAIRMAN. Thank you.

Mr. LOWELL. Mr. Chairman, if I might further clarify the record, I wanted to do two points. One was to try to put everything in focus of the second phase of the disciplinary hearing which may be all this goes to in the way of mitigation, but, having said this, I think it is important to clarify. I know Mr. Lewin is a very skilled attorney, one of the better ones I know. I know he can come up with a legal factual explanation, but let's be blunt. To accept Mr. Lewin's explanation of what was in Mr. Terry's mind after this letter occurred, in conversation, there is one basic premise.

Congressman Hansen's view and Mr. Runft's argument is based on the concept of constructive control. To accept that Mr. Terry or anybody on the staff would have changed their mind as to what exists in a draft letter on the basis of the point that it wasn't really his debts and they weren't really released would have to assume

that even though in March of 1977 the House changed the rules so that constructive control was no longer the operable test, but the transaction was whether or not the Member derived benefit from the spouse's transactions, and then in December when the House Ethics Committee opined quite specifically that Advisory Opinion 12 had the superseding effect, to accept Mr. Lewin's premise that Mr. Runft was able to persuade the staff that they were erroneous must also accept the following.

That, even though those two changes occurred, and it was opined and it was sent to the Members, in May of 1978, 6 months after the Advisory Opinion, staff was still debating with the Congressman's attorneys on the issue of constructive control.

Mr. LEWIN. May I make one point on this?

I am sorry. The main question here is whether Congressman Hansen should be disciplined. The issue was what was in his mind and what his attorney would have told him at the time. If his attorney told him at the time, look, they mistakenly assumed that you were still liable on these debts, and I persuaded them otherwise, is he supposed to second-guess that?

That is really what the atttorney has said to Mr. Lowell and to me. That he talked to Mr. Terry and that he satisfied Mr. Terry that Mr. Terry was wrong. Now, if that is what he communicated to the Congressman, it is extraordinary to say that on that basis the Congressman did something wrong when the letter never came.

The CHAIRMAN. Mr. Myers.

Mr. MYERS. Thank you, Mr. Chairman.

It seems to me that his committee has to make some decision on the direction or instruction that Congressman Hansen received from this committee in the past, and I am worried about a number of voids that are very glaring in the testimony we have heard and read.

Where should that burden of proof rest?

Mr. LOWELL. The burden of proof clearly rests on the committee itself to show that a Member violates rules.

Remember, however, that there are some nuance differences between this and a criminal proceeding, a significant one being that you need not find a fact beyond a reasonable doubt, but you must find a fact has been established by clear and convincing evidence which, if you can measure the nuances below that of a reasonable doubt.

Mr. MYERS. I think we have to go to this alleged memorandum of which there was one, but whether the Congressman and his attorneys ever saw it is still in question. In fact, there was a draft, and even a draft letter sent in June of 1978 to Mr. Hansen by the Chairman and ranking member, there seems to be a question whether that was ever received.

Why was it only a draft form and what transpired after the draft form?

Mr. LOWELL. To answer your question, Mr. Myers, I don't think anybody knows why—well, I don't know why it was never formalized. The committee heard at its last session, as you know, that the practice of the staff of Ethics and the Standards Committee is very often sending a Member a draft giving the Member the advice and seeing what the Member chooses to do as part of the House colle-

gial relationship with those Members, but I want to put this in very precise perspective.

It is Special Counsel's view that the House, the committee, could act had there been no evidence of a June 15 response, had there been no evidence of a subsequent phone conversation, because you have to remember the sequence, and that is why I keep saying that you can't put too much emphasis on this one piece of correspondence.

In May 1978, when EIGA was not the law, but the House rule had just been changed the year before, Congressman Hansen solicited advice from the committee. He may or may not have personally received the response according to what he is saying now, but something was sent and his lawyer got the substance of it.

In judging Congressman Hansen's defense of advice of counsel, and looking at the three prongs of whether he sought the advice in good faith, he told his lawyers everything they needed to know, and they followed the advice in good faith; this is one piece. It is not the whole puzzle, because you must also put into perspective the fact that after this transaction between staff and Mr. Hansen occurred in May 1978, a number of things occurred.

The first thing that occurred is that you passed EIGA, which made it very clear what the standard of spouse was, and the second third, fourth, and fifth things that happened was that Mr. Hansen engaged in the rest of the transactions which he came under criticism and then indictment for at his trial.

The $87,000 was afterward. The $135,000 was afterward. The extension on the Dallas bank loan was afterwards. Those are events which occurred after the exchange of counsel in May of 1978, so, however you look at May 1978, you must also look at the subsequent events.

When you look at the subsequent events, should any of those events made Congressman Hansen do anything that he did not do, and they reflect on the three-pronged test, in 1979, 1980, and in 1981, did Congressman Hansen seek advice in good faith?

Did he tell his lawyers about those transactions or all the things that they would need to know to give the advice, and did he follow the advice that he was given, so the June 15 response is just one small part?

Mr. MYERS. Relative to whether he followed his attorney's advice, how much information he gave his lawyer, we are talking about Mr. Hansen now, there is evidence that the attorney went beyond the relationship between client/attorney. He went to the staff of this committee to verify or to get more advice, did he not?

Mr. LOWELL. He went back in May, I am sorry, perhaps—May, June, or July of 1978, to argue with the staff that their interpretation——

Mr. MYERS. He. Now, who is he?

Mr. LOWELL. Mr. Runft. That their interpretation of the then existing Rule XLIV was wrong.

Mr. MYERS. So he didn't rely completely, he—now I am saying his attorney, Mr. Runft, when he gave the advice to Mr. Hansen, didn't really rely completely on the information Mr. Hansen provided. He went beyond that, came to the committee itself, is that correct?

Mr. LOWELL. I don't know if one follows the other, Congressman. I know that he got whatever he got from the Congressman and then he also got whatever he got from the committee and then he came to argue the point. That is the case as it exists in the summer of 1978.

It is interesting, as well, that with the passage of EIGA, and the subsequent events, that was the last time Congressman Hansen or his attorneys asked any question in writing, orally or anywise to either the Ethics Committee or the Standards Committee about financial disclosure requirements.

Mr. MYERS. Now, the questionable draft memorandum and the questionable letter that was allegedly sent to Mr. Hansen, did Special Counsel examine the records of this committee to see if they could verify whether that actually was mailed?

Mr. LOWELL. Yes, sir. I guess there is a very important point because again it is Congressman Hansen and his attorneys' view that there has been a lot of outside of the record evidence that was not at trial.

We did, when we received the House Ethics Committee file, and discovered these documents, do what was obvious to do, to the best of our ability 6 years later—find out what was the circumstances that these letters were drawn and were they sent.

To do that, we spoke to anybody who had information, which included the two staff people who would have been representing Congressman Preyer and the staff person for this committee and Congressman Wiggins, and Congressman Wiggins himself, and we have concluded to our very best satisfaction that the draft was sent to Congressman Hansen and that the events which took place after that only confirmed that that had to be the case.

Whether it was not Congressman Hansen or Mrs. Hansen or Mr. Runft or Mr. McKenna, somebody in Mr. Hansen's repertoire must have received the essence of that June 15 letter in order for Mr. Runft to be able to call and argue the point thereafter.

Mr. MYERS. Did Special Counsel find that the committee took any action after that discussion about that proposed memorandum and letter?

Mr. LOWELL. As far as we can tell, the Ethics Committee took no action, and the Standards Committee was still devoid of jurisdiction.

Mr. MYERS. Thank you.

Mr. LEWIN. Mr. Chairman, might I also just address two of the points that have been raised in the colloquy?

Mr. Lowell referred to the three prongs of the advice of counsel defense.

The fact of the matter is that both counsel testified at the trial and are prepared to testify today, that they were advised of all material facts; that in fact their advice was followed, and the only reasons why Special Counsel says that their testimony ought not to be accepted appears at page 42 of his report.

"That the testimony is too self-serving to be adopted on its face," whatever that means. Any attorney who then testifies, it ends up being too self-serving.

Second, "there is evidence, assertions about correspondence with the committee which raised questions about the credibility of those witnesses."

That is an extreme allegation to make about members of the bar, and I submit it is totally unsubstantiated about correspondence with the committee. The underlinings that are attempted in Mr. Runft's and Mr. McKenna's testimony are in no way contradicted by the material that has been produced from the file, so that it appears that there is no basis really for not accepting the fact that the attorneys say we were told everything that we had to know, and we gave the advice based on everything that we then considered, and consider today to be relevant.

You also asked, Congressman Myers, and Mr. Lowell addressed the question of whether there was any further inquiry after 1978. There was no reason for there to be any further inquiry by Congressman Hansen. All the facts for a judgment, a separate property agreement or property settlement agreement were in the hands of the Ethics Committee and ultimately of this committee.

Any further inquiry that they wanted to make they could have made in future years, and it was their burden, it appears to me, under the statute, to say we have to have some further information to know whether your reports are complete.

The CHAIRMAN. Does any other Member of the committee seek recognition?

Mr. BROWN. Mr. Chairman, I know we are short on time and I would follow up very quickly with counsel if I could.

Directing you to page 2 of your recommendations, you have a paragraph that says, "In addition, the committee concluded that the receipt of loans" and so forth, with the reference to the Code of Ethics for Government Service. I am referring to the resolution that the committee passed. I don't find that the committee made a judgment in that area. Is that a correct conclusion?

Mr. BRAND. I think we are confused, Congressman, about which memo of ours you are reading from.

The CHAIRMAN. Thank you.

Mr. BRAND. June 19?

The CHAIRMAN. This is the recommendation of the Special Counsel concerning sanctions.

Mr. BRAND. OK, I am with you. That is on page 2?

Mr. BROWN. On page 2 halfway down in the first paragraph, where you have reiterated some of the things that the committee has found.

Mr. LOWELL. What sentence is it?

Mr. BROWN. It is the sentence which begins, "In addition, the committee concluded that the receipt of loans and interest payments by Congressman Hansen from persons he was assisting before Federal departments violated the House Concurrent Resolution 175" and goes on.

I am looking back at the resolution draft that we have in front of us. I don't find in the action of the committee a reference to that.

Mr. LEWIN. We haven't been served with a copy of that. Could we? I don't know whether we participated in that, but could we have a copy of this memorandum? Has counsel got a copy?

The CHAIRMAN. Counsel can be provided with a copy of it.

Mr. BRAND. Mr. Chairman, I know you have a vote. If you want me to address this question, I will.

The CHAIRMAN. Off the record.

[Discussion off the record.]

[Recess.]

The CHAIRMAN. We are back on the record. The committee will come to order.

Mr. Brand, at the time we recessed you were about to reply to a question posed by a Member.

Mr. BRAND. Thank you, Mr. Chairman. I think, Congressman Brown, in answer to your question, the House Concurrent Resolution 175, the Code of Ethics for Government Service, has been deemed incorporated by reference into House Rule XLIII, clause 4, the prohibition on receipt of gifts from persons with direct interest in legislation.

It has been deemed an analogous standard which has been applied by the committee in previous cases with respect to Members, and that was one of the violations which the committee found to have existed last time it met.

Mr. BROWN. In that regard, would you point out to me in our resolution where that is recited?

Mr. BRAND. Yes; I guess it is the first full paragraph, the penultimate sentence, including House Rule XLIV, XLIII, clause 1, 4 and 7.

Mr. BROWN. Thank you.

The CHAIRMAN. Are you finished, Mr. Brown?

Mr. BROWN. Thank you, Mr. Chairman.

Mr. LEWIN. Might I point out in that regard, Mr. Chairman, it appears to me just from looking at page 2 that the matters that are XLIII, clause 1, 4 and 7, are referred to at the top of page 2, whereas the specific reference to House Concurrent Resolution 175 does not appear in the resolution, but it does appear on page 2.

The CHAIRMAN. Mr. Lowell.

Mr. LOWELL. Mr. Chairman, it doesn't matter in the sense that they are mixing apples and oranges to a certain extent. The Special Counsel report found a violation of the rule on accepting gifts which is precisely what clause 4 states, and then also found a violation of the Code of Ethics for Government Service, which has been incorporated as analogous and tantamount to clause 4, so it is two different ways it gets into 4. The reference that Mr. Lewin makes to the top is the specific finding of the gift; the reference later on is the analogous provision.

The CHAIRMAN. Mr. Brown

Mr. BROWN. Mr. Chairman, I raise that because I was a little surprised to see our resolution come out this way. I thought our action involved determining that there was evidence to indicate that he had failed to complete the disclosures, and that that constituted a violation of our rules which, of course, is the language in the resolution.

The recitation of these additional areas were not I thought the specific findings of this committee. There was discussion, but I hadn't, at least my understanding was that we hadn't decided on those specifics.

The CHAIRMAN. I would think that during the course of deliberations which will be the next phase, that the committee will define in what manner it makes any findings.

Does any other Member of the committee seek recognition? If not, then this completes this phase of the disciplinary hearing, and at this time the Chair will recognize Mr. Spence for a motion.

Mr. SPENCE. Mr. Chairman, pursuant to rule XI 2(k)(5) and 2(g)(2)(B), I move we go into executive session.

The CHAIRMAN. You have heard the motion. The roll call is automatic. The Clerk will call the roll.

Mr. SWANNER. Mr. Stokes.

The CHAIRMAN. Aye.

Mr. SWANNER. Mr. Spence.

Mr. SPENCE. Aye.

Mr. SWANNER. Mr. Rahall.

Mr. RAHALL. Aye.

Mr. SWANNER. Mr. Conable.

[No response.]

Mr. SWANNER. Mr. Jenkins.

Mr. JENKINS. Aye.

Mr. SWANNER. Mr. Myers.

Mr. MYERS. Aye.

Mr. SWANNER. Mr. Dixon.

Mr. DIXON. Aye.

Mr. SWANNER. Mr. Brown.

Mr. BROWN. Aye.

Mr. SWANNER. Mr. Fazio.

Mr. FAZIO. Aye.

Mr. SWANNER. Mr. Hansen.

Mr. JAMES HANSEN. Aye.

Mr. SWANNER. Mr. Coyne.

Mr. COYNE. Aye.

Mr. SWANNER. Mr. Bliley.

Mr. BLILEY. Aye.

Mr. SWANNER. Eleven members vote aye, one member absent.

The CHAIRMAN. Eleven members having voted in the affirmative, this committee meeting is now in executive session. All members of the public are requested to absent themselves from the room.

The Chair would like to thank Special Counsel, Mr. Lowell and Mr. Brand, for their presentation, their presence, also Mr. Lewin, and respondent, our colleague, Mr. Hansen, we appeciate your attendance and your presentation.

Mr. GEORGE HANSEN. Mr. Chairman, may I express my appreciation for your patience. All the time that you and the committee have devoted to this this morning I think was extraordinary and certainly we are very appreciative.

The CHAIRMAN. Thank you, sir.

Mr. DIXON. Mr. Chairman, will Special Counsel be on call for us?

The CHAIRMAN. They will be available in the anteroom.

[Whereupon, at 1 p.m., the committee proceeded to further business in executive session.]

RECOMMENDATION OF SPECIAL COUNSEL CONCERNING SANCTION COMMITTEE SHOULD RECOMMEND TO THE HOUSE

A. BRIEF STATEMENT OF THE CASE

On June 14, 1984, the Committee adopted a resolution by a vote of 10–0 finding that the evidence of Representative Hansen's conviction for violating 18 U.S.C. § 1001 constituted violations over which the Committee is given jurisdiction under Clause 4(e) of Rule X of the House rules and resolved to proceed to hold a disciplinary proceeding to determine what sanction to recommend that the House impose on Representative Hansen.

Committee Rule 14, under which the Committee acted in this matter, provides that after determining whether the evidence at trial establishes violations over which the Committee has jurisdiction, as it did find, the Committee "shall hold a disciplinary hearing for the sole purpose of determining what action to recommend to the House" and that "such hearing shall be held in accordance with Rule 16 of the Committee rules applicable to the second phase of a disciplinary hearing . . ."

As part of the "second phase of a disciplinary ruling," Rule 16 requires that counsel for the Committee shall present an "oral and/or written submission" as to the sanction the Committee should recommend to the House.

Based on Special Counsel's Report and review of the evidence at trial, the Committee found that Representative Hansen's failure to disclose certain transactions by himself and his spouse under the Ethics in Government Act constituted violations of various House rules, including Rule XLIV requiring disclosure of commodities transactions and loans made by the Hansen's, as well as House Rule XLIII, cl.1 (failure to reflect credibly upon the House), cl.4 (accepting gifts over $100 in value from persons with a direct interest in legislation) and cl.7 (raising monies by direct mail which inured to personal benefit of the Member). In addition, the Committee concluded that the receipt of loans and interest payments by Congressman Hansen from persons he was assisting before federal departments violated House Concurrent Resolution 175, 72 Stat. pt.2, B12 (July 11, 1958) the Code of Ethics For Government Service, which prohibits Members from accepting benefits under circumstances which might be construed as influencing the performance of his governmental duties.

B. THE SANCTIONS AVAILABLE TO THE COMMITTEE AND THE HOUSE

Pursuant to Rule 17 of the Committee's rules, the Committee has specified the sanctions which may be imposed "[w]ith respect to any violation with which a Member . . . was charged." These include: (1) expulsion; (2) censure; (3) reprimand; (4) fine; (5) denial or limitation of any right, power, privilege or immunity available to Members; and (6) any other appropriate sanction. *See* Committee Rule 7(b)(1)(A)–(F)

In addition, but only as "general guidelines" to be considered, the Committee has stated in its rules that "reprimand is appropriate for serious violations, censure is appropriate for more serious

violations, and expulsion of a Member . . . is appropriate for the most serious violations." *See* Committee Rule 17(c)(3). Finally, a fine has been deemed "appropriate in a case in which it is likely that the violation was committeed to secure a financial benefit . . ." *Id.* [1]

The source of the power of the Committee to recommend and the House to impose these sanctions is the Constitution, which provides that each House may "punish its Members for disorderly behavior, and, with the concurrence of two thirds, expel a Member." Art. I, § 5, cl.2.[2]

Because of the constitutional source of the self-disciplinary power, and its plenary exercise by the House is a matter of discretion, e.g., 2 Hinds' *Precedents of the House of Representatives,* §§ 1275, 1276 (1907), it has been greatly debated within the House precedents, but no bright and clear lines define with anything like that found in the criminal code the precise boundaries of these sanctions. In order to arrive at the appropriate recommendation, it is necessary to briefly review the sanctions imposed for various kinds of ethical breaches by Members in the past.

Prior Committee and House Precedents

Expulsion from the House has been reserved for only the most egregious behavior by Members and only four (4) times in our history has the extreme penalty been imposed, three (3) times for treason during the civil war, 2 Hinds' *Precedents, supra* §§ 1261–62, and once for bribery in accepting money in the performance of official duties as a Member of Congress. H.R. Res. 794, 96th Cong., 2d Sess. 126 Cong. Rec. H10309 (daily ed., Oct. 2, 1980).[3]

The Constitution is silent on defining offenses which are subject to expulsion, except to require a super-majority to do so. *But see* U.S. Const., Art. II, § 4 (President, Vice President and all civil officers of the United States impeachable for "treason, bribery or other high crimes and misdemeanors") and *In Re Chapman,* 166 U.S. 661, 669–70 (1897) (right to expel extends to all cases in which offense is such as in judgment of body is inconsistent with trust and duty of member). Review of these standards would appear immediately to render expulsion in this case too serious a penalty and unavailable as a matter of precedent.

The next form of punishment—censure—has been exercised some nineteen (19) times in the history of the House, most recently

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[1] The rule goes on to state that denial or limitation of a right, power, privilege or immunity of a Member is appropriate when "the violation bears upon the exercise or holding of such right, power, privilege or immunity." *Id.*

[2] Read in *pari materia* with the Speech or Debate Clause protection under Art. I, § 6, cl.1, for any legislative actions, the self-disciplinary power constitutes a jurisdictional grant to Congress to review and sanction conduct which may be shielded from scrutiny by the judicial branch. *United States* v. *Helstoski,* 442 U.S. 477, 488 n.7 (1979); *United States* v. *Dowdy,* 479 F.2d 213, 227 (4th Cir. 1973) (the House or Senate has jurisdiction to try and punish legislative conduct shielded by the Clause). This power is particularly relevant in this case, where communications between Congressman Hansen and the House Ethics Committee were unavailable to the court or prosecution based on pre-trial rulings determining that they were protected by the Clause, but which were available to Special Counsel and the Committee in reviewing Congressman Hansen's solicitation of advice. *See* Special Counsel's Report Upon Completion of Preliminary Inquiry, Exhibits 2, 3, 4 and 5.

[3] Because bribery is "the equivalent of an attempt to secure a particular course of action by the legislature through duress," it has been regarded as the highest form of legislative misconduct. Landis, *Constitutional Limitations on the Congressional Power of Investigation,* 40 Harv.L.Rev. 153, 157 (1926).

in the investigation into sexual misconduct and use of drugs by Members and employees, H.R. Rep. No. 559, 98th Cong., 1st Sess. (1983).[4] In addition, censure has been approved by the House in circumstances where Members have violated House rules in misappropriating official allowances, unjustly enriching themselves through their staff in connection with the disbursement of clerk-hire funds, In the Matter of Representative Charles C. Diggs, Jr., H.R. Rep. No. 351, 96th Cong., 1st Sess. 17, 19 (1979) or have received money from a person with a direct interest in legislation in violation of Clause 4, Rule XLIII and for transferring campaign funds into office and personal accounts. In The Matter of Representative Charles H. Wilson, H.R. Rep. No. 930, 96th Cong., 2d Sess. 4–6 (1980).

If there is any discernible distinction between those rules offenses for which censure has been imposed and those for which the somewhat lesser punishment of reprimand has followed, it is that disclosure-related offenses have generally been confined to reprimand, even when the failure to disclose reveals a related violation of a substantive rule of the House concerning the appearance of conflict of interest embodied in, for example, the Code of Ethics for Government Service. In The Matter of Representative Robert L.F. Sikes. H.R. Rep. No. 1364, 94th Cong., 2d Sess. at 21 (1976). *See also,* In The Matter of Representative Edward R. Roybal, H.R. Rep. No. 1743, 95th Cong., 2d Sess. 1 (1978) (failing to report a campaign contribution, converting a campaign contribution to personal use and giving false testimony under oath).

Reduced to their essentials, the offenses for which Representative Hansen was convicted and found by the Committee to be in violation of House rules were disclosure-related. Even the other rules violations found, based on acceptance of gifts or the appearance of conflict, relate to the failure to disclose. Indeed, Special Counsel found that it was to avoid explaining his relationship with Nelson Bunker Hunt and the Virginia men that Congressman Hansen failed to list various transactions.

Nor does the solicitation campaign and the violation of Advisory Opinion Nos. 4 and 11, by which the Hansens transferred solicited funds to a joint account from which monies were drawn by Congressman Hansen for his personal use change the character of the offenses. The House has previously deemed such "conversion" offenses to be subject to reprimand even when coupled with other misconduct, including false testimony before the Committee, H.R. Rep. No. 1743, *supra,* and 124 Cong. Rec. 37017 (1978) (House reduced censure recommended by Committee to reprimand).

As these precedents indicate, it has been the *character* of the offense—disclosure and conversion—which establish the level of punishment imposed, not the cumulative nature of the offenses. H.R. Rep. No. 1361, *supra,* and H.R. Rep. No. 1743, *supra.* Accordingly, the appropriate punishment in this case would appear to be a reprimand under these precedents.

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[4] The principal difference between censure and reprimand is that censure is inflicted by the Speaker and the words are entered on the Journal. 2 Hinds' *Precedents, supra* §§ 1259, 1251. Since the House proceedings are now televised, H.R. Rule I, ¶ 9, Rules of the House of Representatives, § 634c, H.R. Doc. No. 271, 97th Cong., 2d Sess. 310 (1983), censure subjects a Member to greater public opprobrium than reprimand.

As previously discussed, Committee Rule 17(b)(1)(D) includes a fine as an appropriate sanction and Committee Rule 17(c)(3) states that a fine is appropriate in a case in which it is likely that the violation was committed to secure a "financial benefit." The imposition of fines is a relatively recent innovation in the House's disciplinary panoply, but it has been used in two (2) cases. *Powell* v. *McCormack,* 395 U.S. 486, 500 and 563 n.7 (1969) ($25,000) H.R. Rep. No. 351, *supra,* at 17 ($40,000). *See* McLaughlin, *Congressional Self-Discipline: The Power To Expel, To Exclude and To Punish,* 41 Ford.L.Rev. 43, 61 (1972) ("The power to fine is a traditional penal sanction and reasonably inferable from the power to punish").

Although Committee Rule 17(c)(3) seems to speak of fine as appropriate for offenses where the Member obtains pecuniary benefit, it is fair to say that some degree of pecuniary benefit was derived by Representative Hansen's non-disclosed transactions. Representative Hansen derived a financial benefit from the favorable loan terms and no pay back aspect of the Nelson Bunker Hunt guarantee, as well as the interest paid on the loans from the three Virginia men by them. In Special Counsel's view, fine is an appropriate sanction in this case for these reasons and we recommend that the Committee impose, in addition to reprimand, a fine of $10,000.

Moreover, Representative Hansen has contended throughout his case that the criminalization of the Ethics In Government Act through prosecution under the federal false statements statute is inappropriate based on the legislative history of EIGA and principles of statutory construction. While we express no view on this issue, which has been and will no doubt continue to be litigated in his case, it is certainly appropriate to impose a fine under the theory that a statute which was intended to have civil fines only should be treated by the House in a way which is consistent with EIGA, particularly where EIGA has been incorporated into House rules.

RECOMMENDATION

Based on what the record reveals were Representative Hansen's offenses and on the applicable House precedents, Special Counsel recommends that the Committee vote for the sanction of a reprimand and a fine of $10,000.

CORRESPONDENCE

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT
Washington, D.C. 20515
April 4, 1984

Honorable George Hansen
U.S. House of Representatives
1125 Longworth House Office Building
Washington, D. C. 20515

Dear Representative Hansen:

We have recently obtained confirmation from the U.S. District Court that you have been convicted in U.S. District Court for the District of Columbia on four charges of violation of 18 U.S.C. Section 1001.

These convictions bring into operation paragraph 10 of Rule XLIII of the Rules of the House over which this Committee has jurisdiction.

For your edification, I am enclosing a copy of House Report 94-76 which amplifies and explains the terms as they are used in paragraph 10 of Rule XLIII. If you have any further questions regarding this matter, please contact the Committee Staff Director at 57103.

Sincerely,

Louis Stokes
Chairman

Floyd D. Spence
Ranking Minority Member

Enclosure

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT
Washington, D.C. 20515

April 18, 1984

HAND DELIVERED

Honorable George V. Hansen
U.S. House of Representatives
1125 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Hansen:

This is to inform you that pursuant to Rule 14 of the Rules of the House Committeee on Standards of Official Conduct ("the Committee") a preliminary inquiry has been commenced as a result of your recent conviction in the United States District Court for the District of Columbia.

Pursuant to Rule 11(a)(2)(A) of the Committee's Rules, you have the right "to present to the Committee, orally or in writing, a statement respecting the allegations with respect to which the inquiry is being held." Such a statement should address itself to whether the offenses for which you were convicted are ones over which the Committee has jurisdiction under Rule X of the Rules of the House of Representatives.

If you wish to present a written statement, it must be received by the undersigned by 5:00 p.m., Friday, April 27, 1984. If you wish to appear before the Committee to present oral testimony under oath, you must so inform the undersigned within five days of the date of this letter, and a Committee hearing will tentatively be scheduled for 10:00 A.M. Wednesday, May 9, 1984, for the purposes of receiving that testimony. Failure to respond within these time limits will be deemed a waiver of your rights to present a statement during the preliminary inquiry.

Sincerely,

Stanley M. Brand

Stanley M. Brand

Abbe David Lowell

Abbe David Lowell

Special Counsel to
the Committee

cc: Nathan Lewin, Esq.
Frank Campbell, Esq.

U.S. House of Representatives
COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT
Washington, D.C. 20515

April 18, 1984

HAND DELIVERED

Nathan Lewin, Esq.
Miller, Cassidy, Larocca & Lewin
2555 M Street, N.W.
Washington, D.C. 20037

Re: Representative George V. Hansen

Dear Mr. Lewin:

It is our understanding that you will be representing Congressman George V. Hansen in connection with the proceedings that commenced under Rule 14 of the Rules of the House Committee on Standards of Official Conduct. We are enclosing a letter which was sent to Congressman Hansen concerning the initiation of a preliminary inquiry under the provisions of Rule 14 of the Committee's Rules of Procedure. We are also enclosing a copy of the full Committee Rules.

In connection with the Special Counsels' Report on the conclusion of the preliminary inquiry, we are currently reviewing the transcript and exhibits from the trial of Congressman Hansen in the United States District Court for the District of Columbia. If you would like to desginate any portions or exhibits for inclusion in our Report, please let me know as soon as possible, but no later than April 27, 1984.

If you have any questions about the preliminary inquiry or other procedures which the Committee has undertaken or will undertake in the future, please do not hesitate to contact us.

Sincerely,

Stanley M. Brand

Stanley M. Brand

Abbe David Lowell SB

Abbe David Lowell

Special Counsel to the
Commimttee

cc: Frank Campbell

U.S. House of Representatives
COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT
Washington, D.C. 20515

April 20, 1984

Nathan Lewin, Esq.
Miller, Cassidy, Larocca & Lewin
2555 M Street, N.W.
Washington, D.C. 20037

Dear Mr. Lewin:

This will confirm our telephone conversation of April 20, 1984, relating to your request, due to your observance of the intervening religious holidays, for an extension of time within which to inform us whether Congressman Hansen will present a written or oral statement to the Committee during its preliminary inquiry.

We will agree to extend from Friday April 27, 1984, to Wednesday May 2, 1984, the time for submitting a written statement to the Committee, should you wish to present one. In the event that you chose instead to present oral testimony under oath, please so inform us no later than Wednesday April 25, 1984. As previously established, a hearing has been set for 10:00 A.M. Wednesday, May 9, 1984, to present any oral testimony.

Sincerely,

Stanley M. Brand

Stanley M. Brand
Special Counsel to the
Committee

cc: Honorable George V. Hansen
Frank Campbell, Esq.

SMB:laf

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT

Washington, D.C. 20515

April 25, 1984

HAND DELIVERED

Nathan Lewin, Esq.
Miller, Cassidy, Larocca & Lewin
2555 M Street, N.W.
Washington, D.C. 20037

Dear Mr. Lewin:

This will confirm our understanding over the telephone today that you again require additional time within which to advise us whether Congressman Hansen will submit a statement in writing, or testify, during the preliminary inquiry. We have agreed to grant an additional extension to the close of business on Friday, April 27, 1984, to so inform us. We want to emphasize that this is the last such extension to which we can agree during this phase of the Committee's proceedings and that, since our initial April 20, 1984 letter, all the time which is reasonably necessary to determine whether the Congressman will testify or submit a statement in writing has been granted.

Sincerely,

Stanley M. Brand

Stanley M. Brand

Abbe David Lowell

Abbe David Lowell

Special Counsel
to the Committee

cc: Honorable George V. Hansen
Frank Campbell, Esq.

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April 27, 1984

BY HAND

Stanley M. Brand, Esq.
Abbe David Lowell, Esq.
Special Counsel to the Committee on
Standards of Official Conduct
United States House of Representatives
Washington, D.C. 20515

Dear Messrs. Brand and Lowell:

The purpose of this letter is to advise you that our client, Congressman George V. Hansen, elects, pursuant to Rule 11(a)(2)(A) of the Rules of Procedure of the Committee on Standards of Official Conduct, to present to the Committee an oral statement concerning the allegations with respect to which the inquiry is being held. We understand that a hearing has been scheduled for May 9, 1984, at 10 a.m. for the purpose of receiving such a statement.

Pursuant to telephone discussions we have had, we will also be submitting to the Committee, as counsel for Congressman Hansen, written submissions with relation to these allegations.

Sincerely yours,

Nathan Lewin

NL/clb

BRAND, LOWELL & DOLE
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WASHINGTON, D.C. 20005
(202) 662-9700

STANLEY M. BRAND
ABBE DAVID LOWELL
GREGORY S. COLE

CABLE ADDRESS
"BLEND"

Hansen

May 3, 1984

HAND-DELIVERED

Nathan Lewin, Esq.
Miller, Cassidy, Larocca & Lewin
2555 M Street, N.W.
Washington, D.C. 20037

Dear Mr. Lewin:

This will confirm yesterday's telephone conversation with Frank Campbell postponing the hearing scheduled for Wednesday, May 9, 1984 due to the anticipated absence of the ranking Republican Member of the Committee.

The hearing has been rescheduled for Thursday, May 17, 1984 at 10:00 a.m.

Sincerely,

Stan Brand

Stanley M. Brand

SMB:dre

cc: Honorable George V. Hansen
Frank Campbell, Esq.

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT
Washington, D.C. 20515

May 14, 1984

HAND DELIVERED

Nathan Lewin, Esq.
Miller, Cassidy, Larocca & Lewin
2555 M Street, N.W.
Washington, D.C. 20037

Dear Nat:

This will respond to your request that Congressman Hansen be given the opportunity to review and reply to special counsel's report on the completion of the preliminary inquiry. As you know, the Committee's practice has not included a response to a preliminary inquiry report prior to the Committee's consideration and action. Of course, the Congressman and you will be able to review the report after it is presented to the Committee and before any additional action is taken. In addition, in this matter, the Congressman and you have had and will continue to have numerous opportunities for input into the preliminary inquiry process. These include the meetings and telephone conversations we have had, the chance to put something in writing before the Committee members prior to the Congressman's appearance and the Congressman's appearance itself.

Consequently, the Committee's staff has decided not to break with past practice of limiting a member's participation after the preliminary inquiry report to addressing the issues raised by any disciplinary hearing the Committee may order. Therefore, should special counsel's report recommend further Committee action, and should the Committee vote that action to occur, Congressman Hansen would be given a new opportunity to submit any writing to the

Committee and to appear at any further hearing. The submissions and appearance, in that eventuality, should address the disciplinary issues raised in Rules 16 and 17 of the Rules of Procedure for the Committee on Standards of Official Conduct.

Sincerely,

Stanley M. Brand

Abbe David Lowell

Special Counsel
to the Committee

1116 Longworth Building
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Tel.: (202) 225-5521

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BANKING, FINANCE AND URBAN AFFAIRS
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May 15, 1984

The Honorable Louis Stokes
Chairman
Committee on Standards of Official Conduct
HT2, The Capitol
Washington, D.C. 20515

Dear Mr. Chairman:

Last year, I advised the Committee that due to the unique circumstances in which I found myself, I would be unable to file the EIGA diclosure form for 1982 until the legal matter in which I was involved was finally resolved. Unfortunately, there is still no final resolution of that matter and the annual reporting date is again approaching.

Until last week, I had expected to discuss this matter with your Committee at its meeting scheduled for May 9th for review of my situation. Since that meeting was postponed until May 17th, which is beyond this year's report date, I feel it appropriate to write to you concerning these reports as they relate to pending matters in court.

As I stated last year, to report in 1983, including items for which I have been accused of criminal violations for prior years, could seriously prejudice my contentions in defense of the propriety of my prior filings. Any liability which is reportable on the theory of the Department of Justice would continue to be reportable which creates a problem of consistency in my reporting which I consider to have been properly done.

Apart from the particulars of my case, which will be discussed before the Committee in appropriate circumstances, I wish to bring to your attention some consequences of the intrusion of the Department of Justice in attempting to criminalize the reporting process.

The first consequence of the intrusion of Justice into House business is the loss of the ability on the part of the Committee and of the individual members to work together, as was intended by the statute, to resolve those issues which inevitably will arise in working with such a law as EIGA.

All the items which I am accused of omitting from disclosure are now a matter of public record. They are public because I revealed them to the Department of Justice voluntarily to assist in an investigation which I initiated of a criminal blackmail. I am not and have never been unwilling to cooperate with your Committee in making disclosure appropriate to my financial situation as dictated by the law -- in fact, I have with ongoing legal counsel extensively solicited Committee assistance and approval of my efforts. Even now, after three years of investigation and ten days of trial, neither improper conduct, conflict of interest nor accepting bribes has ever been suggested against me -- the argument is simply one of procedure, not concealment.

My inability to file now is likewise not in any way related to a concealment of any kind. My finances have been poured over by the Department of Justice in detail and they have admitted that there was no basis for any allegation of bribery or conflict of interest. The investigation, however, has been extremely arbitrary and virtually everything which I turned over to the Department of Justice during the period involved was immediately leaked to the press and reported on extensively even before an indictment was returned.

The criminal view of EIGA championed by the Department of Justice at least reduces the ability of members to freely cooperate with the Committee in resolving often real problems in reporting. This is the position in which I now find myself. The second result of the view of Justice on criminal sanctions in EIGA is that a report to the Clerk of the House becomes a lethal weapon, subject to interpretation by criminal attorneys at Justice, without even access to any counsel given a member through the Committee. It creates the situation that a member is safer not reporting, for which omission there is only a maximum civil penalty of $5,000 compared to criminal penalties for an erroneous filing. A maximum fine of $5,000 for non-filing is certainly small compared to the $300,000 bill I have received for defense costs as a result of making a conscientious effort to file.

The law now stands in this posture. The judge in my case has interpreted the law as saying that any misstatement in an EIGA report is sufficient grounds for prosecution. I remind you that this is in spite of the fact that this case is a pure reporting case. There is not any allegation of any misconduct by me. I fear for any Member of Congress in which the Department of Justice takes an interest with such a weapon in hand -- it has made Congressmen extremely vulnerable.

I repeat to you and to the other members of the Committee that I will continue to cooperate with you in resolving this matter in the most fair, expeditious and equitable manner possible.

Sincerely,

GEORGE HANSEN
Member of Congress

GVH:at

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May 15, 1984

BY HAND

Stanley M. Brand, Esq.
Abbe D. Lowell, Esq.
Brand, Lowell, Nickerson & Dole
923 - 15th Street, N.W.
5th Floor
Washington, D.C. 20005

Re: Preliminary Inquiry Into George V. Hansen

Dear Stan and Abbe:

Enclosed please find three copies -- one for each of you and one for John Swanner -- of the Briefing Book and Appendix that we have prepared on behalf of Congressman Hansen. We have also arranged for a set of these books to be delivered to each of the Committee members.

By way of designating the record for the Committee's inquiry, we hereby request that the following materials be included in the record:

1) A complete transcript of the trial testimony, including all bench conferences;

2) A transcript of the closing arguments;

3) Defendant's exhibits 2, 30-41, 46, 73-74 and 86-89 1/;

1/ Because defendant's exhibits 87 and 89 may not be readily available from the court records, we have also enclosed copies of these exhibits with this letter.

4) Government exhibits 9A-E, 10, 13-16, 26, and 28-30 A & B;

5) Defendant's Motion to Exclude Irrelevant and Prejudicial Evidence;

6) Defendant's Memorandum on Materiality; and

7) Defendant's Motion to Dismiss the Indictment.

Sincerely yours,

Nathan Lewin (SLR)

NL/aa
Enclosure

U.S. House of Representatives
COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT
Washington, D.C. 20515

May 17, 1984

HAND-DELIVERED

Nathan Lewin, Esq.
Miller, Cassidy, Larocca & Lewin
2555 M Street, N.W.
Washington, D.C. 20037

Dear Nat:

This will reply to the portion of your May 15, 1984 letter requesting that certain portions of the trial transcript be designated as the Committee's record in the Hansen matter. We readily can agree to including all of the trial testimony. Also, the government's and defendant's exhibits which you chose are fine. In addition to these, however, we also plan to include defendant's exhibits: 9, 18, 22, 23, 51-68, 75, 76 77, 81, and government exhibits: 4a-d, 8a-c, 17-23, 25, 26, 27d, 27e, 35a-b, 36, 37, 38a-d, 39d, 41-55, 63-72, 80-83 and 86.

We also can agree to include counsel's closing arguments, even though they are not evidence in the case. However, your request that all bench conferences be included is too broad. We have discussed these conferences with you in general, and I know you realize they are not technically evidence. Rather than simply asking for all, please designate those handful that you think best demonstrate your point about trial conduct. Finally, we cannot agree to include the defendants' motions and memoranda you request. These really are legal arguments going to issues which you yourself have stated are not within the Committee's concern. I hope you understand the balance we have struck between including everything and accommodating as many of the Congress- man's requests as possible and yet not bringing too many purely legal arguments into the record or spending more resources than necessary.

If you have any questions concerning this letter or the designations, please let us know.

Sincerely,

Stanley M. Brand

Abbe David Lowell

Special Counsel
to the Committee

ADL:sfm

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June 1, 1984

BY HAND

Stanley M. Brand, Esq.
Abbe David Lowell, Esq.
Committee on Standards of
Official Conduct
U.S. House of Representatives
Washington, D.C. 20515

Dear Messrs. Brand and Lowell:

Enclosed for supplementary inclusion in the record of the proceeding involving Congressman Hansen is a copy of an article which appeared in The Washington Post on December 3, 1977, beginning on page A1 and continuing on page A6. This article -- which was recently found by Congressman Hansen in his files -- supports his testimony that he believed since 1977 that the responsible House Committees had impliedly approved his attorney's views concerning the consequences of the Property Settlement Agreement he and his wife signed in September 1977. The relevant facts were known to the House Select Committee on Ethics in 1977 and were viewed as adequate technical basis for treating Mrs. Hansen's debts independently of the Congressman's.

Permit me to direct your attention to several key portions of the article:

First, of prime importance is the concluding paragraph of the article, which states:

> Committee sources said that because Mrs. Hansen assumed the debts and the fund-raising was not explicitly on her husband's behalf, the congressman was not "technically" in violation of the House rule. "Presumably, his constituency will have to decide in their own minds whether it's a violation of the spirit of the rule," one staff member said.

This public statement by "Committee sources" to a highly respected reporter of The Washington Post illustrates the view that was being communicated to Congressman Hansen at the

time. Indeed, from reading this article in The Washington Post, Congressman Hansen and his colleagues could reasonably assume that the House Select Committee on Ethics, having been notified of the Property Settlement Agreement, concurred that the means used by the Hansens to raise funds to cover their debts was permissible.

Second, the publication of the article and the consequent public knowledge of the matter of "personal debts" surely lends substantial added support to the assertion by Congressman and Mrs. Hansen that such debts existed and were a great personal problem. It was amazing, as I have previously indicated, to hear the prosecutors at trial question the existence of the debt. The contemporaneous newspaper article demonstrates that, notwithstanding the public embarrassment, Congressman Hansen publicly acknowledged at the time that there were very substantial debts owed by his family.

Third, the article does not speak at all of any division of assets. Although the Property Settlement Agreement also divided assets, it is clear from the article that the matter of whether assets were jointly owned or were commingled -- a matter emphasized by the prosecutor at trial -- was not a question of significant importance at the time to the Hansens or to the Select Committee.

Fourth, the publication of the article also indicates that the parties were being open and candid with the public. There is no indication that Congressman Hansen refused to speak to the Post reporter or that he concealed any information from the reporter. He discussed the basis for the liabilities and why he believed that it was proper to seek public assistance in paying for them.

To be sure, the article, having appeared in 1977, does not deal directly with the question of financial disclosure. The absence of any discussion of financial disclosure demonstrates, however, that no one was thinking of disclosure problems at the time, and that the Agreement was not a means of avoiding disclosure. It was reasonable for the Congressman and his legal advisers to assume, when the problem of disclosure arose in 1978, that the same reasoning that applied to solicitations would apply to the matter of financial disclosures.

Sincerely yours,

Nathan Lewin

NL/clb
Enclosure

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Credit, Family Farms, and Energy (Ranking Member)
Livestock, Dairy, and Poultry
Domestic Marketing, Consumer Relations, and Nutrition
BANKING, FINANCE AND URBAN AFFAIRS
Domestic Monetary Policy (Ranking Member)
Financial Institutions Supervision, Regulation and Insurance
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June 4, 1984

RECEIVED
1984 JUN 12 PM 11:17
COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

Mr. Benjamin J. Guthrie
Clerk
U.S. House of Representatives
H-105, The Capitol
Washington, D.C. 20515

Dear Mr. Guthrie:

This is to acknowledge your letter of May 25, 1984, concerning reports required under Title 2, U.S.C. Sec. 701(a). I enclose for your file a copy of my May 15, 1984 letter to Chairman Louis Stokes of the House Committee on Standards of Official Conduct on the same subject.

Your assertion in the second paragraph of your letter accurately states the intent of the law when it was passed by the Congress. I regret to advise you, however, that this is not the interpretation imposed on the Ethics in Government Act (EIGA) by the Public Integrity Section of the Department of Justice. As you will become aware from the enclosure, it is precisely the question of criminal penalties as sanctions for alleged EIGA violations which is the basis for my current situation.

I have consistently made every effort to keep the Committee informed until the legal filing requirements are clearly resolved.

Sincerely,

GEORGE HANSEN
Member of Congress

GVH:at
Enclosure

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1984 JUN [illegible]

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SUBCOMMITTEES:
AGRICULTURE
Wheat, Family Farms, and Energy (Ranking Member)
Livestock, Dairy, and Poultry
Domestic Marketing, Consumer Relations, and Nutrition
BANKING, FINANCE AND URBAN AFFAIRS
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Washington, D.C. 20515

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May 15, 1984

RECEIVED
1984 JUN 12 PM 11:17
COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

The Honorable Louis Stokes
Chairman
Committee on Standards of Official Conduct
HT2, The Capitol
Washington, D.C. 20515

Dear Mr. Chairman:

Last year, I advised the Committee that due to the unique circumstances in which I found myself, I would be unable to file the EIGA diclosure form for 1982 until the legal matter in which I was involved was finally resolved. Unfortunately, there is still no final resolution of that matter and the annual reporting date is again approaching.

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Apart from the particulars of my case, which will be discussed before the Committee in appropriate circumstances, I wish to bring to your attention some consequences of the intrusion of the Department of Justice in attempting to criminalize the reporting process.

The first consequence of the intrusion of Justice into House business is the loss of the ability on the part of the Committee and of the individual members to work together, as was intended by the statute, to resolve those issues which inevitably will arise in working with such a law as EIGA.

All the items which I am accused of omitting from disclosure are now a matter of public record. They are public because I revealed them to the Department of Justice voluntarily to assist in an investigation which I initiated of a criminal blackmail. I am not and have never been unwilling to cooperate with your Committee in making disclosure appropriate to my financial situation as dictated by the law -- in fact, I have with ongoing legal counsel extensively solicited Committee assistance and approval of my efforts. Even now, after three years of investigation and ten days of trial, neither improper conduct, conflict of interest nor accepting bribes has ever been suggested against me -- the argument is simply one of procedure, not concealment.

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I repeat to you and to the other members of the Committee that I will continue to cooperate with you in resolving this matter in the most fair, expeditious and equitable manner possible.

Sincerely,

George Hansen

GEORGE HANSEN
Member of Congress

GVH:at

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June 5, 1984

BY HAND

Abbe David Lowell, Esq.
Committee on Standards of
Official Conduct
U.S. House of Representatives
Washington, D.C. 20515

Dear Abbe:

Pursuant to our telephone conversation of last evening and our meeting this morning, I have done some additional investigation and have thought some more about the documents which you have recently found in the files of the House Select Committee on Ethics. Although I do not, at present, have copies of these documents in my possession (because you explained that you would be checking first with the Committee to determine whether they could be released to me), I have a general recollection of their contents. Since I will be unavailable on June 6 and 7 and I know that you are busy preparing the final draft of the report you will be submitting to the Committee, I am taking the liberty of commenting on these newly-raised matters in this letter.

1. I advised you this morning that neither Congressman Hansen nor Mr. Runft has a specific recollection of having seen the draft letter that you showed me this morning. I understand that is consistent with the present memory of others who were involved at the time. For example, you advised me that Don Terry also did not recall that there had been a letter either drafted or sent. It is not surprising, of course, that by this date -- almost six years after the events -- a particular document is not recalled by any of the parties.

2. The attorney with whom Mr. Terry spoke in June 1978 was John Runft. I understand that Mr. Runft called you this morning and told you his recollection of the discussion he had with Mr. Terry. It was Mr. Runft's impression that the conversation ended with Mr. Terry having a more correct understanding of the purpose and effect of the Property Settlement Agreement and its consequence for financial disclosure obligations than he had had prior to their lengthy discussion. Indeed, it was Mr.

Runft's feeling that he had satisfied Mr. Terry that the treatment of Mrs. Hansen's liabilities on the financial disclosure form was correct.

3. I have had Mr. Runft check his time sheets and bills for the month of June 1978. He has advised me that they reflect the following entries:

> 6/23/78 -- Telephone conference with George re proposed House Ethics Committee ruling.
>
> 6/27/78 -- Telephone conference with George re Ethics Committee. Rough draft of opinion; telephone conference with Don Terry of the House Ethics Committee re disction [sic] between property settlement involving vested interest and transfers of property and re verbal agreement; consistent with Property Settlement Agreement consisting [sic] reformation of contract; telephone conference with George re above
>
> 6/30/78 -- Telephone conference with George reviewing House Ethics Committee position and conference with attorney for Committee

These entries make it clear that in the week between June 23, 1978, and June 30, 1978, Mr. Runft had telephone conferences regarding the draft which you found in the House Committee files. Following these conversations, the House Committee determined not to send the letter that it had proposed to send to Congressman Hansen.

4. If anything, this exchange demonstrates that Congressman Hansen did not simply send a letter in the hope that the letter would be filed away and forgotten and could be brought out as a self-serving defense whenever it seemed useful. The letter plainly prompted discussion within the House Committee and provoked questions to the Congressman's attorney. Those questions were answered, apparently to the satisfaction of the Committee members. To my mind, this exchange strengthens -- rather than weakens -- the Congressman's position that he received implied consent from the House Committee for his decision not to report his wife's liabilities. Indeed, requests for a copy of the Property Settlement Agreement made in later years by the staff of the Committee on Standards of Official Conduct indicated that the House Committee did not subscribe to the view expressed in the draft letter that you showed me. If the Committee had agreed with that letter, there would have been no relevance whatever to the language of the Agreement.

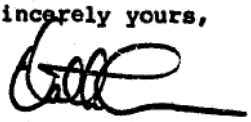
5. I hope it is clear to you that no portion of the Congressman's defense in this matter is intended to criticize the Committee on Ethics or the Committee on Standards of Official Conduct in any way. It is, and always has been, Congressman Hansen's view that he expressed his position to the Committee on Ethics in his correspondence in May 1978, and that the Committee did its job by reviewing that correspondence and determining not to take any action based upon it. The documents that you have now found provide further support for that proposition. The matter was amply discussed, questions were directed to Congressman Hansen's counsel, and the questions were answered. The Committee then determined not to send to the Congressman the letter which a staff member had drafted.

6. In our conversations you have used, at various times, the term "political reasons." I do not assume that the Committee's actions in either preparing the draft which you showed me this morning or in determining not to send it were based on considerations other than those appropriate to the Committee. If one were to take account of "political reasons," it is the Congressman's strong belief that there were more "political reasons" for the Committee to issue an opinion telling him his financial disclosure form was incomplete than not to do so. Indeed, the Committee had shown no hesitation to rule adversely to the Congressman in Advisory Opinion No. 11.

7. You have mentioned that the one individual with a "clear recollection" of the events in 1978 was a staff member by the name of Mr. Dye. You should know, in this regard, that I have been advised that Mr. Dye has been, for the past four years, on the staff of the Democratic Study Group, an organization which lists Congressman Hansen as one of its chief adversaries. I do not mean to impugn anything that Mr. Dye has said. But it is relevant, I believe, for anyone evaluating the facts to know whether the witness with the most "clear recollection" harbors any bias in the matter.

I will try, within the next two days, to have my office get to you any documents that are relevant to this new subject. Please feel free to contact Stephen Braga of my office if any questions do come up tomorrow or the next day.

Sincerely yours,



Nathan Lewin

NL/clb

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June 12, 1984

BY HAND

Hon. Louis Stokes, Chairman
Committee on Standards of
Official Conduct
U.S. House of Representatives
2304 Rayburn House Office Building
Washington, D.C. 20515

Hon. Floyd D. Spence
Committee on Standards of
Official Conduct
U.S. House of Representatives
2466 Rayburn House Office Building
Washington, D.C. 20515

Re: Matter of Congressman George V. Hansen

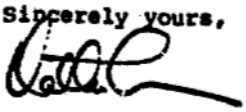
Dear Chairman Stokes and Congressman Spence:

The purpose of this letter is formally to request, as I did orally in a telephone conversation with Mr. Lowell this morning, a copy of the Special Counsel's report in advance of the meeting of the full Committee, which I understand is now scheduled for the afternoon of Thursday, June 14.

The Committee surely wants to be certain that it is proceeding in this matter with all relevant and accurate information. Although we respect the ability of Special Counsel, the history of this matter, in court and elsewhere, has shown that misunderstandings and misstatements frequently derive from one-sided accounts. The Congressman testified in Executive Session and we have provided the Committee with material demonstrating that he did nothing to warrant any proceeding against him. Since the Committee's decision on whether to proceed to the next stage is critical and is, I trust, not foreordained, I hope that Congressman Hansen and I can see the Special Counsel's report in time to bring to the Committee's attention in writing any unintended inaccuracies.

The presentation made on Congressman Hansen's behalf, both written and oral, was made in the presence of Special Counsel and available to him so that he could comment upon it and make any responses he deemed appropriate. Simple justice and equity warrants giving Congressman Hansen an opportunity -- even if limited to writing -- to comment on the Special Counsel's proposed findings and recommendations.

Sincerely yours,



Nathan Lewin

NL/clb
cc: Abbe David Lowell, Esq.

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT
Washington, D.C. 20515

June 12, 1984

Nathan Lewin, Esq.
Miller, Cassidy, Larocca
& Lewin
2555 M Street, N.W.
Washington, D.C. 20037

Dear Mr. Lewin:

This will reply to your June 12 letter requesting a copy of Special Counsels' Report on the Completion of the Preliminary Inquiry before it is considered by the Committee. As Special Counsel explained to you in their May 14, 1984 letter, it has not been the practice of the Committee to provide a member or his or her counsel with the opportuni to respond to the preliminary inquiry report before it is co..idered. The Committee's rules spell out in detail that a member has the right to submit or appear before the Committee pursuant to a Rule 14 inquiry, but nothing in the rules or in the Committee's precedents provides for the inspection and right to reply that you request. We understand from Special Counsel that they have met and spoken with you on a number of occasions, and have invited you to make submissions to them on numerous matters, which you have done.

The preliminary inquiry is now in an internal stage. Having heard from Congressman Hansen and you, the Committee must undertake the difficult task of considering whether it has jurisdiction to act in this matter. If the Committee should decide to act, you can be assured that the Congressman and you will have ample opportunity to further address the Committee. This opportunity includes submission and appearance for any disciplinary hearing which may occur, but also includes your ability to bring to the Committee's attention any errors in the preliminary inquiry report, which in your view require discussion. However, to provide an opportunity to evaluate the Committee's counsels' report, before the members have had the opportunity to review and discuss it, would extend a right not previously granted or deemed necessary in view of the open exchange of information between Special Counsel and respondent's counsel during this phase and unduly encumber the Committee's processes. Since you will have the ability to comment at a later date, we do not view the short delay involved as seriously affecting Mr. Hansen's rights or desire to respond.

On behalf of the Committee, we appreciate Congressman Hansen's and your cooperation with the preliminary inquiry. Again, we hope you understand the need to proceed in the manner set out.

Sincerely,

Louis Stokes
Chairman

Floyd Spence
Ranking Republican Member

LS:cmb

cc: Stanley M. Brand, Esq.
Abbe David Lowell, Esq.

U.S. House of Representatives
COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT
Washington, D.C. 20515

June 12, 1984

Nathan Lewin, Esq.
Miller, Cassidy, Larroca
& Lewin
2555 M Street, N.W.
Suite 500
Washington, D.C. 20037

Re: In the Matter of Representative George V. Hansen

Dear Nat:

This will respond to the June 1 and 5 letters you wrote concerning the above-referenced matter.

With respect to the December, 1977 news article, we would agree that the article confirms that the Ethics Committee knew something about the Hansen's property settlement agreement. However, the article does not shed any light on whether any member or staff actually saw the property agreement, was told any specifics concerning the Hansen's financial operations after the agreement was entered, knew that funds raised by Mrs. Hansen might be or were transferred to one of the Hansen's joint accounts or the significance of any of the above. Finally, as you note, the article does not deal with the issue of disclosure.

With respect to your June 5 letter, I may have not been clear or you may have misunderstood, Don Terry did not recall the substance of the June, 1978 draft, but he did recall that some letter was sent and discussed with John Runft. Second, I appreciate your having Mr. Runft call me. Our conversation was helpful, but I must tell you that his and the staffs' recollections do not coincide. The staff states that they did not acquiesce to Mr. Runft's arguments and continued to hold to their interpretation of Rule 44.

We think you continue to place too much weight on the fact that the June draft was never formalized. There are any number of reasons for that, and it is a little self-serving to argue that it was because Mr. Runft was able to pursuade the Committee that their view was wrong. When I said that the decision may have been "political," I meant

only that it may have had nothing to do with the merits of the issue and reflected other legitimate concerns (e.g. Ethics Committee finishing business before expiring, Chairman Preyer's desire to try to resolve the issue informally owing to his deference to Congressman Hansen or any other collegial reason). The point we emphasize is that it is not productive to speculate about a reason we cannot know for sure.

Finally, your statement that you "do not mean to impugn anything that [Roy] Dye has said," nevertheless does just that. Your letter does not indicate that you spoke with or know Mr. Dye, and we think your suggestion was inappropriate. As a former member of the Ethics Committee staff, Mr. Dye understands the seriousness of the charges against Congressman Hansen and his own responsibility to be forthright. Employment by a recognized legislative support organization sanctioned by the House after his service on the Ethics Committee is not reason enough to doubt Mr. Dye's memory or veracity; indeed, in our view it is wholly irrelevant to the issue whether the Congressman asked for and the Select Committee gave the advice in question.

We very much appreciate your willingness to meet with us and the Committee staff. We have found that our discussions and your submissions helped focus our and the Committee's review. Your oral presentation of May 17 was particularly good in clarifying the issues before the Committee and the questions which had to be considered.

If you have any additional information for the Committee to consider, please let me know. As the schedule now stands, the Committee plans to meet to review our report on the completion of the preliminary inquiry on Thursday afternoon, June 14. Thank you again for your cooperation.

Sincerely,

Stanley M. Brand

Abbe David Lowell

Special Counsel

ADL:sfm

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June 13, 1984

BRAND, LOWELL

JUN 13 1984

AND DOLE

BY HAND

Abbe David Lowell, Esq.
Committee on Standards of
Official Conduct
U.S. House of Representatives
Washington, D.C. 20515

Re: In the Matter of Congressman George V. Hansen

Dear Abbe:

I received yesterday afternoon your letter of June 12 concerning various points raised in my earlier letters to you of June 1 and 5. I hasten to reply to the statements made in your June 12 letter only so that three points can be clearly understood before the Committee's meeting of June 14.

1. While it is interesting to know that "the staff" of the Ethics Committee believes that "they did not acquiesce to Mr. Runft's arguments and continued to hold to their interpretation of Rule 44," the important question, so far as Congressman Hansen's state of mind is concerned, is what he was told. Mr. Runft indicated to you that he believed that he had persuaded Mr. Terry, and obviously that is the message that he communicated to the Congressman. Since it is undisputed that the Committee never formally accepted what the staff now says was its view, and since that staff position was not communicated to the Congressman, he was entitled to proceed on the assumption that the Committee was implicitly confirming his method of reporting.

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3. Much as I regret your view that the information I provided concerning Mr. Dye "was inappropriate," I have to advise you that Mr. Dye worked for the Democratic Study Group both before and after his employment with the House Ethics Committee. While that fact alone is not reason totally to discredit his recollection, it is surely a relevant factor bearing on possible bias. Distasteful as it may be, it is a legitimate subject for consideration by you and by the Committee.

Sincerely yours,

Nathan Lewin

NL/clb

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT
Washington, D.C. 20515

June 14, 1984

Honorable George V. Hansen
U.S. House of Representatives
1125 Longworth House Office Building
Washington, D. c. 20515

Dear Congressman Hansen:

We have been instructed to deliver to you the enclosed Resolution adopted by the Committee on Standards of Official Conduct today, together with the Special Counsels' Report.

Pursuant to Rules 14 and 16, the Committee has scheduled a hearing for Wednesday, June 20, 1984, in Room 2359-A Rayburn House Office Building to begin at 10:00 a.m. for further proceedings pursuant to the Committee's rules.

As you will note, the Resolution also directs that the Special Counsels' Report be made public after delivery to you, and this will be done at 10:00 a.m., Friday, June 15, 1984.

Sincerely,

Stanley M. Brand

Stanley M. Brand

Abbe David Lowell

SPECIAL COUNSEL

cc: Nathan Lewin

UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

IN THE MATTER OF REPRESENTATIVE GEORGE V. HANSEN	98th Congress 2nd Session

RESOLUTION

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 Counsels' report in this matter be made public after service upon Representative Hansen and his counsel.

FAIRBANK, CARRUTHERS, CARRUCA & LEWAN
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WASHINGTON, D. C. 20037

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89-2343

June 15, 1984

BY HAND

Hon. Louis Stokes, Chairman
Committee on Standards of
Official Conduct
U.S. House of Representatives
2304 Rayburn House Office Building
Washington, D.C. 20515

Hon. Floyd D. Spence
Committee on Standards of
Official Conduct
U.S. House of Representatives
2466 Rayburn House Office Building
Washington, D.C. 20515

Re: Matter of Congressman George V. Hansen

Dear Congressmen Stokes and Spence:

The purpose of this letter is to express to you promptly my objection to the flagrant denial of fundamental constitutional rights in your Committee's recent procedures in the matter of Congressman George V. Hansen. I refer specifically to the events that followed the Executive Session held on May 17, 1984, during which Congressman Hansen testified and was questioned and during which I was permitted to make a presentation on his behalf.

1. The Hearing of May 17.

The obvious purpose of permitting the Congressman to appear pursuant to Rule 14 is to entitle him and his attorney to confront the evidence that may be used against him and to answer questions from Members of the Committee relating to that evidence. The Congressman and I left the session of May 17 confident that he had dealt responsibly with the pending allegations and had responded fully to the Committee's questions. We had the impression that the Committee had been satisfied with his testimony. You will recall that two days prior to the Executive Session, we also distributed to members of the Committee and to the Special Counsel copies of a Briefing Book on behalf of the

Congressman (with a volume of Exhibits) which specified why we believed that the Congressman had committed no offense within the Committee's jurisdiction. This procedure was open and above-board. It gave the Special Counsel an opportunity to question the Congressman about his defense and to consider his written submission and oral answers. The Congressman has not, however, received equivalently fair treatment from the Committee. What happened between May 17 and June 14 can only be described as "trial by ambush." I will try to recount the facts briefly.

2. The Events After May 17.

Following the meeting of May 17, we were told that the Special Counsel's report would probably be submitted to the Committee on or about the end of May. Additional telephone inquiries from me to Mr. Lowell produced the same information. In fact, no report was completed by the end of the month.

Suddenly, on the afternoon of June 4, I was called on the telephone by Mr. Lowell who told me that he had very recently discovered some documents which raised suspicions in his mind. He described the documents to me generally, and I indicated that I had never been told of such documents and I would be very interested in seeing them and having copies. In a second conversation shortly after the first, I expressed to him orally my reasons for believing, from his account, that the documents were not as suspicious as he thought. We arranged to meet in his law office on the morning of June 5. It was clear that because of prior commitments, we would have no more than one hour on the morning of June 5 to discuss what he had found. On June 4, I discussed his statements to me with Congressman Hansen, Mr. McKenna and Mr. Runft over the telephone.

In his office on June 5, Mr. Lowell showed me -- but refused to give me copies of -- the documents which now appear as Exhibits 4 and 5 to the Report of the Special Counsel. I had never previously seen those documents or any copies of them, and I had no knowledge that they existed. He did not show me Exhibits 1, 2 and 3. I had approximately 10 to 15 minutes to peruse the documents in his presence.

I advised Mr. Lowell in our meeting of June 5 that I had learned that the attorney who was referred to in Exhibit 5 was probably John Runft, and not Mr. McKenna. (Mr. Lowell had erroneously jumped to the conclusion on the previous day that it had been Mr. McKenna.) I also told him that neither Mr. Runft nor the Congressman specifically recalled seeing any draft letter from the Committee. We agreed that since this had allegedly

occurred six years previously, such a failure of recollection would not be surprising. He advised me that Mr. Terry had also not recalled a draft opinion, and that only Mr. Dye had a clear recollection.

I asked again for copies of the documents so that I could show them to the Congressman and to Mr. Runft to refresh their recollections and for their comment. Mr. Lowell refused to give them to me, and I did not receive copies until I saw them as attachments last evening to the Report of the Special Counsel. I suggested to Mr. Lowell that John Runft would be available to testify before the Committee if there was any question about the events of June 1978. I also told him that I would have Mr. Runft call him on the telephone and answer any questions he might have. Following our meeting, I did ask Mr. Runft to make such a call, and he spoke that morning with Mr. Lowell.

I was given no further information regarding this newly discovered material by Mr. Lowell until I received from him a letter dated June 12, to which I promptly replied. A copy of his letter and mine are enclosed. (I note that my letter was not attached to the Special Counsel's Report, and I do not know whether it was ever given to the Committee.)

3. Our Requests To See the Report.

When I was advised on June 12 by Mr. Lowell that he had submitted the Special Counsel's Report to the Committee, I immediately asked him for a copy so that the Congressman and I could respond to any matters that had not previously been raised and correct any inaccuracies. You will recall that I delivered to you by hand on June 12 a request for a copy of the Report. (A copy of that letter is enclosed.)

My concern, quite frankly, was not merely with what Mr. Lowell might say in his Report on the matters that had been raised prior to May 17, but also what conclusions he would come to -- and what facts he would report to the Committee -- concerning the documents he said he had discovered in early June. It was essential that the new material be fully and fairly presented to the Committee because the Committee had never had an opportunity to ask Congressman Hansen or anyone else about those documents.

My request was refused. In the same vein, Congressman Hansen's request directly to the Committee members -- delivered on the morning of June 14, 1984 -- for an opportunity to see the

Special Counsel's Report if they were to decide, on the basis of it, to take any adverse action, was also refused.

4. The Violation of Constitutional Rights.

The result of this refusal to provide us with copies of the documents and to give Congressman Hansen an opportunity to present his case to the members of the Committee was the biased, unfair and ill-informed recitation that appears at pages 25 to 34 and 37 to 41 of the Special Counsel's Report. I was shocked to see that the matter of the new documents became a critical part of the Special Counsel's Report at these pages. The inferences and conclusions stated there were entirely Mr. Lowell's unilateral speculations, suspicions, and surmises. In the tradition of Star Chamber proceedings, the individual accused of misconduct was given no opportunity to confront the evidence used against him, to explain what his recollection was, or even to examine the documents which were being used to find him culpable.

On the basis of Mr. Lowell's surmises, the Committee has apparently rejected the testimony of two attorneys who testified at Congressman Hansen's trial. And by selective underlining on pages 26 through 29, the testimony of Messrs. Runft and McKenna and of Congressman Hansen are made to appear untruthful because they may not have recalled or known of a draft document dating back to 1978. Congressman Hansen is also condemned on page 31 of the Report because of statements made to Mr. Lowell by unnamed members of "the staff." No individuals are named, no specific testimony is quoted, and no details are provided.

These procedures make a mockery of the process provided by Rule 14. How could the Committee know whether the documents do or do not contradict Congressman Hansen's testimony without hearing from him and his attorneys what their recollections are of the 1978 events concerning those documents? Indeed, how can the Committee know whether the documents are even genuine?

Until the end of the hearing of May 17, 1984, the proceedings conducted by the Committee were fair and beyond reproach. Following that date, the Committee abandoned its responsibilities and allowed one individual to conduct an informal inquiry, find additional documents, speak privately with some witnesses, and then meet with the Committee in a closed session during which he could present to it his jaundiced view of the facts. That does not meet minimal constitutional standards for any agency of government, much less a Committee of the Congress which passes on the integrity of Members of the House.

5. The Addition of New Charges.

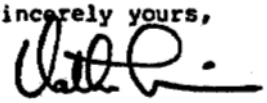
The Congressman and I were greatly surprised to find in the Report six pages (pp. 45-50) devoted to "Other Rule Violations." Whereas Mr. Lowell had advised me and associated counsel at an early meeting that his Report might deal with matters other than the charges pertaining to the EIGA forms that were the basis for the criminal trial, he subsequently represented to us that the Committee had determined that it would be unfair to inquire into these other areas without the full-fledged procedure provided by Rules 11 and 12. For this reason, these other areas were not discussed at all during the Executive Session of May 17.

Following the procedure of "trial by ambush," the Special Counsel thereafter incorporated in his Report these other matters which, by mutual agreement, were not to be covered in this proceeding. The Committee thereby deprived Congressman Hansen not only of the rights granted by Rules 11 and 12, but also of the limited opportunity to state his defense provided in Rule 14.

6. Conclusion.

For the above reasons, I respectfully request, on Congressman Hansen's behalf, that the Committee promptly reconsider its Resolution of June 14 and reopen its proceedings to permit the Congressman to respond to the documents recently found and to the allegations Mr. Lowell has made in his Report. I also request that permission be given for Messrs. Runft and McKenna to appear before the Committee to state their recollections of those events, and that the unnamed "staff" members whose recollections are relied upon in the Special Counsel's Report be required to testify and be made available for cross-examination under oath in a proceeding before the full Committee.

Sincerely yours,



Nathan Lewin

NL/clb
Enclosures
cc: Abbe David Lowell, Esq.

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JONATHAN D. [illegible]
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June 12, 1984

BY HAND

Hon. Louis Stokes, Chairman
Committee on Standards of
Official Conduct
U.S. House of Representatives
2304 Rayburn House Office Building
Washington, D.C. 20515

Hon. Floyd D. Spence
Committee on Standards of
Official Conduct
U.S. House of Representatives
2466 Rayburn House Office Building
Washington, D.C. 20515

Re: Matter of Congressman George V. Hansen

Dear Chairman Stokes and Congressman Spence:

The purpose of this letter is formally to request, as I did orally in a telephone conversation with Mr. Lowell this morning, a copy of the Special Counsel's report in advance of the meeting of the full Committee, which I understand is now scheduled for the afternoon of Thursday, June 14.

The Committee surely wants to be certain that it is proceeding in this matter with all relevant and accurate information. Although we respect the ability of Special Counsel, the history of this matter, in court and elsewhere, has shown that misunderstandings and misstatements frequently derive from one-sided accounts. The Congressman testified in Executive Session and we have provided the Committee with material demonstrating that he did nothing to warrant any proceeding against him. Since the Committee's decision on whether to proceed to the next stage is critical and is, I trust, not foreordained, I hope that Congressman Hansen and I can see the Special Counsel's report in time to bring to the Committee's attention in writing any unintended inaccuracies.

The presentation made on Congressman Hansen's behalf, both written and oral, was made in the presence of Special Counsel and available to him so that he could comment upon it and make any responses he deemed appropriate. Simple justice and equity warrants giving Congressman Hansen an opportunity -- even if limited to writing -- to comment on the Special Counsel's proposed findings and recommendations.

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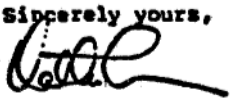

Nathan Lewin

NL/clb
cc: Abbe David Lowell, Esq.

U.S. House of Representatives
COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT
Washington, D.C. 20515

June 12, 1984

Nathan Lewin, Esq.
Miller, Cassidy, Larroca
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Finally, your statement that you "do not mean to impugn anything that [Roy] Dye has said," nevertheless does just that. Your letter does not indicate that you spoke with or know Mr. Dye, and we think your suggestion was inappropriate. As a former member of the Ethics Committee staff, Mr. Dye understands the seriousness of the charges against Congressman Hansen and his own responsibility to be forthright. Employment by a recognized legislative support organization sanctioned by the House after his service on the Ethics Committee is not reason enough to doubt Mr. Dye's memory or veracity; indeed, in our view it is wholly irrelevant to the issue whether the Congressman asked for and the Select Committee gave the advice in question.

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If you have any additional information for the Committee to consider, please let me know. As the schedule now stands, the Committee plans to meet to review our report on the completion of the preliminary inquiry on Thursday afternoon, June 14. Thank you again for your cooperation.

Sincerely,

Stanley M. Brand

Abbe David Lowell

Special Counsel

ADL:sfm

1666 K STREET, N. W. SUITE 500
WASHINGTON, D. C. 20037

June 13, 1984

BY HAND

Abbe David Lowell, Esq.
Committee on Standards of
Official Conduct
U.S. House of Representatives
Washington, D.C. 20515

Re: In the Matter of Congressman George V. Hansen

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Sincerely yours,

Nathan Lewin

NL/clb

8555 16TH STREET, N.W. SUITE 800
WASHINGTON, D.C. 20037

June 13, 1984

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Committee on Standards of
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U.S. House of Representatives
Washington, D.C. 20515

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1. While it is interesting to know that "the staff" of the Ethics Committee believes that "they did not acquiesce to Mr. Runft's arguments and continued to hold to their interpretation of Rule 44," the important question, so far as Congressman Hansen's state of mind is concerned, is what he was told. Mr. Runft indicated to you that he believed that he had persuaded Mr. Terry, and obviously that is the message that he communicated to the Congressman. Since it is undisputed that the Committee never formally accepted what the staff now says was its view, and since that staff position was not communicated to the Congressman, he was entitled to proceed on the assumption that the Committee was implicitly confirming his method of reporting.

2. A second important point relates to what happened after 1978. I noted in my letter of June 5 that Committee staff continued year after year to discuss the Property Settlement Agreement with Congressman Hansen's staff. The consistent interest in that Agreement, along with the publication of newspaper articles throughout the period which demonstrated that it was public knowledge that Congressman Hansen was not reporting his wife's liabilities or assets on his EIGA forms, provided further support for the Congressman's good-faith belief that the Committee knew what he was doing and was not disapproving his conduct.

3. Much as I regret your view that the information I provided concerning Mr. Dye "was inappropriate," I have to advise you that Mr. Dye worked for the Democratic Study Group both before and after his employment with the House Ethics Committee. While that fact alone is not reason totally to discredit his recollection, it is surely a relevant factor bearing on possible bias. Distasteful as it may be, it is a legitimate subject for consideration by you and by the Committee.

Sincerely yours,

Nathan Lewin

NL/clb

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FINANCIAL INSTITUTIONS SUPERVISION, REGULATION AND INSURANCE
INTERNATIONAL TRADE, INVESTMENT AND MONETARY POLICY

JUN 15 1984

Congress of the United States
House of Representatives
Washington, D.C. 20515

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June 15, 1984

RECEIVED
1984 JUN 15 P 1:41
COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

The Honorable Louis Stokes
Chairman
Committee on Standards of Official Conduct
2465 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

I must respectfully inform you that the Resolution your Committee passed yesterday was wrong, both in what was found and in the process by which the Special Counsel led the Committee to pass the Resolution. In the accompanying letter, my attorney points out only the most obvious legal defects in both the substance and the procedure. On May 17, 1984, when I had my only opportunity to answer the accusations made against me, I dealt with the matter clearly and, I think, to the satisfaction of the Committee.

Then, weeks after the Counsel had promised the Report, my attorney was advised of allegedly new material. No one asked me about this "new" material. The Committee itself had no means of testing either the genuineness or the circumstances of this material. Yet, delay approaching sloth on the part of the Special Counsel was now replaced with a previously unfelt need for speed, a speed which had a strange and convenient timing coincidence with the sentencing procedure in the U.S. District Court.

The Report now is based exclusively on matters to which we have had no opportunity whatever to respond. My integrity and that of all my attorneys is arbitrarily attacked, essentially on the word of the Special Counsel. Alleged witnesses to the events of June 1978 are not interrogated. The Special Counsel testifies for them. Nor is the story he tells on their behalf either consistent or believable.

The only witness who claims to remember that the material came to me is a highly partisan assistant director of the Democratic Study Group and even he can only say that he remembers that the material was sent, not that it was received or even seen in our office.

Damaging as the verdict in court was against me, I up to now have felt that the Committee would deal fairly with the issues. This has not happened and my confidence in the non-partisan deliberations of your Committee has been destroyed, and with good reason.

1. It has been brought to my attention that the Special Counsel which the Committee selected to lead the Committee in my case, is and has been during the entire inquiry on retainer to the National Democratic Congressional Campaign Committee. It is ironic to read this Counsel sermonizing on the appearance of conflict of interest while working for a client which is committed to unseating me. I am convinced that neither you, nor the other members of the Committee knew of this liaison when the Counsel was selected, but it certainly was the duty of the Counsel to reveal it to you, if true.

2. Beginning last Monday, I have been in receipt of information from my Congressional District that my opponent has received assurances from the NDCC that the Committee on Standards of Official Conduct would, at the right time destroy my candidacy. This information has been attributed, by Democrats, to the Chairman of that Committee.

Coupled with material of dubious origin, "discovered" only after the Counsel's Report was two weeks overdue, these intimations raise in my mind questions of why my ordinary rights to a fair hearing were so abruptly terminated. Just a few statements will illuminate why I am outraged.

1. If anyone had asked, none of my counsel nor have I ever seen the alleged draft papers relied on by the Counsel. No one asked.

2. All support for the existence of the papers and their delivery to me comes from interested parties. No chance to cross examine or rebut was provided.

3. The story concocted by the Counsel is internally inconsistent and is improbable on its face. A previously unknown document is brought forth.

Its delivery to me is testified to by Counsel. Yet no explanation is even offered as to why such a document was never formalized and issued by the Committee. Even more telling, Counsel puts in his report that my staff man and Committee staffers have been in regular contact over the years, without any

evidence that any of these staff people even hinted at the existence of this "newly discovered material" which they had created, while dealing with my staff on the very issue of the papers.

Put bluntly, I accuse the Special Counsel of direct conflict of interest in bringing about the result of yesterday. They shelter partisan witnesses with an unwonted credibility in order to attack mine. Aside from the nature of our conflict, common Congressional courtesy should have demanded that you give me an opportunity to defend my integrity and veracity.

The whole matter hangs on the word of a DSG employee whose memory of matters six years in the past is not even tested by the Committee.

I overlooked as overzealousness that the staff of your Committee sent an employee to the courtroom during the trial to assist the prosecution. I now wonder whether I should not have been more suspicious of their motivation. If evidence will be twisted and perhaps even manufactured, one wonders what passed between the prosecution and your staff.

As a matter of fairness, I demand that you reopen your hearing and allow this newly discovered and conveniently butressed material to be tested without the assistance of attorneys in conflict of interest.

If your deliberations were a real attempt to reach the truth, you can lose nothing by repairing a blatant injustice.

Given the remarkable sensitivity of the Committee in other matters which have been investigated to death over recent years involving moral matters, I do not think that this request is unreasonable. To exhibit my good faith, I ask that all subsequent hearings of the Committee on my case be public.

Sincerely,

George

GEORGE HANSEN
Member of Congress

GVH:at

cc: The Honorable Floyd Spence, M.C.

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STANLEY M. BRAND
ABBE DAVID LOWELL
GREGORY S. DOLE

CABLE ADDRESS
"BLEND"

June 18, 1984

BY HAND

Nathan Lewin, Esq.
Miller, Cassidy, Larocca & Lewin
2555 M Street, N.W.
Washington, D.C. 20037

Dear Nat:

I do not want to fuel an endless exchange of letters between us, but I am concerned enough about the charges you and Congressman Hansen have made to write.

If I understand the points you made on the telephone and repeated in your June 15 letter, you feel that Special Counsel treated you and your client unfairly in at least two areas -- use of the post-May, 1978 correspondence from the House Ethics Committee to Congressman Hansen and mention in our report of rule violations other than financial disclosure.

On the correspondence, while you may disagree, there was no legal or precedential requirement that I notify you of the discovery of the correspondence and memoranda in response to Congressman Hansen's May 9, 1978 letter. You should know that some on the Committee have expressed concern that the number of conversations and meetings we have had will set a difficult precedent for future Committee proceedings. Nevertheless, I brought the letters and other documents to your attention in an attempt to be as fair as my role of Special Counsel would permit. As you recall, I let you see the documents and we met for more than a half hour about them. You then called and discussed the letters again. John Runft then called me, and he and I discussed the letters for a considerable amount of time. Your explanations and June 5 letter and the substance of my conversation with Mr. Runft all were included in our Report and presentation to the Committee. Your argue that you did not get copies of the letters prior to the completion of the Report. Quite frankly, since the Committee maintained its practice of not providing you a second presentation to address it before it met, there would have been

little point in providing you with the copies prior to that time. Under the circumstances, there would have been little you would have been able to do with them that would have been directed to the Committee.

Also on the correspondence, there is no doubt that we found the existence of a Committee response to the May 9 letter to be relevant. You need only step back from your role as defense advocate to see that the implication clearly was given at trial that there had been no response at all. The discovery of correspondence had the obvious effect of providing some tangible criteria with which to measure Messrs. Runft's and McKenna's advice. It is not surprising that you and I might differ on the conclusions to reach, but I want to remind you that I did solicit your view and communicated it to the Committee.

On the related issue of your addressing the Committee before it met, I want to explain the Rule 14 process. Last Thursday was the first opportunity Special Counsel had to speak to the Committee. We specifically refrained from addressing the members on May 17 to give Congressman Hansen and you the opportunity to make your presentations without distraction and without his statement being measured by our response. Your criticism does not take into account the fact that the House disciplinary process is not completely analogous to a criminal proceeding. Special Counsel is not a prosecutor trying to have the Committee reach some verdict. Similarly, there is not the symmetry of back and forth argument that you are familiar with from other contexts. At some point in a preliminary inquiry, Special Counsel must be able to sit with its client to sort through the record. The difference between the disciplinary process and other forums, I think, goes a long way to explain many of the issues over which you have expressed concern.

With respect to the other rule violations, your recollection of our first meeting and mine does not coincide. I know you recall that Stan and I brought up a range of possible "issues," including financial disclosure, the solicitation scheme itself, bribery, gratuity and misuse of letterhead. You even shrugged your shoulders when Stan mentioned the catch-all standard of conduct contained in the Code of Government Service and said it was one which seemed to be included if any other rule was violated. You expressed strong opposition to the inquiry going into new areas. After that meeting, we spoke again, and I said that the inquiry would not include any statutes which were not

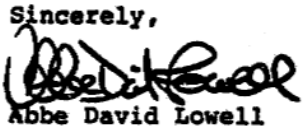
part of the trial. However, I did not say that Special Counsel would, or could, overlook other House rules which were fundamentally related to financial disclosure. Footnote twelve in the Report, we hope, clarifies the extent to which other rules should be considered in the Rule 14 context. In the circumstances of this case, where the solicitation scheme and the Congressman's motives for non-disclosure were at issue at trial and discussed by you and me at some of our meetings, it was not unfair surprise to include those references. Indeed, it would have been unfair to the Committee and to the House of Representatives if they had been left out. As you and I discussed, there were various other statutes and rules which, because of our understanding, were left out of the Report or commented on only in a manner favorable to Congressman Hansen's position. In addition, the final report of the Committee will show that, on more than one occasion, Special Counsel, in order to be fair to the Congressman, kept the Committee's deliberations within the Rule 14 perimeter.

I truly am sorry that you feel that we have been unfair. Fairness was the one thing for which I was striving, but, I had to be fair to the Committee, the House and the public as well as to Congressman Hansen. I believe the record will show that Special Counsel explained Congressman Hansen's position completely and fairly, and that our conclusions fully are supported by the record.

On the subject of fairness, I want to take a moment to tell you how disappointed I am over Congressman Hansen's recent attacks on Stan. I do not know what role, if any, you have played in counseling him in the statements he has been making. However, you should know that his charge simply is wrong. Neither Stan nor the firm is on "retainer" to the Democratic Congressional Campaign Committee. In fact, we have never received any money from the DCCC or any of its leadership. There was only one matter on which Stan gave the DCCC any legal advice, and that concerned libel law. Moreover, unlike the Congressman who waited until he received an adverse decision before raising these charges, we told the Committee all of these facts before we were hired and made sure they were known to both the Democratic and Republican leadership before we would accept the appointment of Special Counsel. In addition, given my role as Special Counsel and my relationship with you, I do not think Congressman Hansen has any grounds on which to complain about how he was treated.

Finally, I cannot help but wondering whether the Congressman Hansen's attacks on the prosecutors' ambition, the judge's partiality and now Special Counsel's "conflict" have not become an obvious pattern which detract from any of the Congressman's defenses on the merits and fuel those of this critics who charge desperation.

Sincerely,



Abbe David Lowell

ADL:dre

cc: Members of the Committee

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT
Washington, D.C. 20515

June 19, 1984

Nathan Lewin, Esq.
Miller, Cassidy, Larroca & Lewin
2555 M Street, N.W., Suite 500
Washington, D. C. 20037

Dear Mr. Lewin:

This responds to that part of your June 15, 1984 letter requesting that the Committee reconsider its Resolution of June 14, 1984 and reopen proceedings to hear testimony from John Runft and Jim McKenna and the staff of the Committee. We understand that other parts of the letter have been addressed by Special Counsel.

It has not been the practice of the Committee to call witnesses in a Rule 14 proceeding absent compelling reason to do so, which we do not find in this case, and we have in the past construed the Rule 14 reference to Rule 11(a) to be limited to the submission of a statement by the respondent under Rule 11(a)(2)(A). The whole purpose of Rule 14 is to provide a truncated procedure which utilizes the trial record and does not re-litigate a Member's case. Complying with your request would be in direct contravention of that purpose. In addition, the discretion provided the Committee under Rule 11(a)(2)(B)-(E) does not require that we hear other witnesses, and we decline to do so. See H.R. Rep. No. 1537, Vol. II, 96th Cong., 2d Sess.

It has also not been our practice to put our staff under oath with respect to matters within the scope of their day to day duties with the Committee, any more than it would be appropriate to do so with respect to the staff of any other committee of the House. Congressman Hansen and you seem to have misunderstood Special Counsels' contacts with the staff. These were for the purpose of authenticating the documents which were found and to insure, in fairness to Congressman Hansen, that letters actually were sent. The documents speak for themselves and raise their own implications, which you already have addressed.

We understand the points in your letter, but, again, must follow long-established House and Committee precedent.

Sincerely,

Louis Stokes
Chairman

Floyd D. Spence
Ranking Minority Member

Congress of the United States
House of Representatives
Washington, D.C. 20515

June 26, 1984

BY HAND

The Honorable Louis Stokes
Chairman
Committee on Standards of
Official Conduct
2304 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

I wish to thank you again, as I have done publicly and personally, for the full hearing I was given on June 20 by your Committee inquiring into the adequacy of my Ethics in Government Act (EIGA) filings. Also, I appreciate the Committee's decision to reject Special Counsel's recommendation that I be cited for violations of various House rules beyond the financial disclosure issue that formed the basis for my fight in federal court.

The Resolution approved by the Committee, based entirely on "consideration of the original trial evidence in Federal Court," concluded that I had violated only Rule XLIV, an issue which I believe can now be resolved with new information available. But it did remove any taint of wrongdoing by rejecting Special Counsel's recommendations regarding Rule XLIII, Advisory Opinion Nos. 4 and 11, House Concurrent Resolution 175, and the federal criminal law.

Now, Mr. Chairman, despite your generosity, a final step is necessary if I am to receive a completely fair hearing before your Committee. This step directly addresses the remaining issue, Rule XLIV, and, from your own files firmly establishes that my conduct has been properly within the Rules of the House.

As you know, my attorney and I advised your Committee at the hearing of June 20 that we were disturbed that we had received no opportunity before the Committee to address the documents and

other new information that Mr. Lowell had discovered at the beginning of June and that he discussed in Special Counsel's Report (pp. 25-32) and appended as Exhibits 1 through 5 to the Report. The Committee implicitly acknowledged that there was merit to our claim by limiting its decision to "the original trial evidence in Federal Court." Plainly the Committee repudiated the negative inferences that Special Counsel had asked the Committee to draw from the "draft opinion" that was never sent and from Mr. Lowell's interviews with anonymous members of the "staff."

Careful examination of the documents, however, along with discussions we have had since their discovery with former Congressman Charles E. Wiggins, who is referred to in Exhibits 2, 3 and 4, and who is the only living signatory of Exhibit 3, have led us to conclude that the events of June 1978 are highly exculpatory and demonstrate that I conducted my affairs in accord with the expressed views of even the staff of the Select Committee on Ethics.

For example, the June 9, 1978 letter to Mr. Wiggins' attention signed by Staff Counsel Don Terry concludes with a paragraph directing attention to a key paragraph in the draft opinion dealing with my "request for an Advisory Opinion" on Rule XLIV which goes to the heart of my case. These paragraphs state:

> Finally, I want to emphasize that the language in the fourth paragraph on page three would provide Congressman Hansen with a response to any critics, both in the media and potential political opponents, concerning this subject, as well as provide Mr. Hansen with a basis for asserting that he has acted properly throughout this entire matter...
>
> Please be assured that we are of the opinion that the treatment you have received in the press concerning this subject is unwarranted, and that we are convinced any failure on your part to list required information under House Rule XLIV was based on your good-faith interpretation of that Rule. Therefore, there would be no grounds for any possible action against you based on an assertion of willful falsification or failure to file required information.

Mr. Chairman, I am bringing this information to the Committee's attention immediately because I believe that it warrants reconsideration of my case and a decision that no disciplinary action whatever should be taken.

1. The Central Point of the Documents

Exhibit 2 indicates that on May 17, 1978, the staff of the Select Committee on Ethics sent a Memorandum to Congressmen Preyer and Wiggins discussing my letter of May 9, 1978, which the staff view-

ed as a request "for an opinion regarding disclosure of spouse liabilities under House Rule XLIV." The Memorandum noted the relevant facts -- i.e., that Mrs. Hansen and I had entered into "a legal property settlement wherein [our] liabilities were separately divided between the two parties." I had contended that since Mrs. Hansen's liabilities were not shared by me and were not under my control, they need not be disclosed.

The Staff then proceeded to discuss the history of the "Old Rules" and the "New Rules" of the House. The Staff concluded, on page 3 of its Memorandum, as follows (emphasis added):

> Under the Select Committee's interpretation, it seems clear that liabilities of a spouse should be listed unless they were acquired independently of the reporting individual. Therefore, it appears the liabilities which were transferred to Mrs. Hansen ought to be disclosed.

The Staff further explained its rationale as follows:

> Although the motivation to enter into this particular property agreement was not to circumvent disclosure, under the interpretation Mr. Hansen has proposed, a reporting individual could literally transfer his liabilities to a spouse on December 30 and thereby circumvent third disclosure rule because it was not his liability "as of the close of the calendar year."

It is entirely clear from the Staff Memorandum that the focus of its attention was whether the "reporting individual" -- i.e., the Congressman -- had "acquired" the liability and whether he had "transferred" it to his spouse. The concern was that reporting of liabilities could easily be avoided by such a "transfer."

Exhibit 3, the letter to Congressman Wiggins' staff member from Don Terry, repeats this theme. It says that the letter drafted by Mr. Terry "follows Mr. Wiggins' suggested response," and it notes that Mr. Terry had called me and asked that my attorney tell him "if there had been any arrangements made with creditors to release Mr. Hansen of any personal liability at the time of the transfer of the debts to Mrs. Hansen." And Exhibit 4 -- the "draft opinion" that was never sent -- emphasizes the same critical concerns as Exhibits 2 and 3. The third paragraph reads as follows:

> However, we have no indication that the affected creditors released you from your personal liability to them at the time of the transfer. Accordingly, it is probable that you remain in some way ultimately liable for the debts originally incurred by you.

In the same vein, the concluding page of the "draft opinion" refers again to the question of whether the liability was "acquired independently of the reporting individual" and discusses "liabilites which were transferred to Mrs. Hansen." The point made by the "draft opinion" is that I must report liabilities which I incurred and which I thereafter "transferred" to my wife. (Indeed, the letter even repeats the fear that if "transferred" liabilities were not reportable, every Congressman could transfer his liabilities to his wife on December 30 so as to avoid his reporting obligation.)

2. The Facts Regarding the Unreported Liabilities

The liabilities which were not reported in 1979 and 1981 were one debt -- the $50,000 loan made by the First National Bank of Dallas to my wife in May 1977, after she lost more than $33,000 in soybean futures transactions. That debt to the Dallas bank was not reported in 1978 and 1979. It was also not reported in 1981, after Nelson Bunker Hunt had made good on his guarantee and had purchased Mrs. Hansen's note from the Dallas bank.

That debt was wholly and exclusively Mrs. Hansen's. It was "acquired independently" of me. I never had that obligation, and I never "transferred" it. In fact, it was specifically enumerated in the Property Settlement Agreement in September 1977 as Mrs. Hansen's "sole and separate" debt that she was retaining. Even under the standard of the "draft opinion" that was never sent, I never had any "personal liability" on that debt that creditors had to release, and I was never "ultimately liable" for that debt. Thus, even if I had applied the legal standard of the "draft opinion" to the question of reporting that liability, I would have been entirely correct in not reporting it.

3. Mr. Wiggins' Recollection

My counsel advised the Committee of his telephone conversation with Mr. Wiggins, in the course of which Mr. Wiggins indicated that he inferred from the decision not to send the "draft opinion" that either my attorney, John Runft, had allayed the Committee's concerns over my nonreporting or that the Committee concluded that I was technically correct in not reporting in view of our Property Settlement Agreement. As a result of further discussion with Mr. Wiggins, including provision to him of Exhibits 2, 3, 4 and 5, he told us that his present recollection, as refreshed by the documents, was that the Select Committee on Ethics was of the opinion in June 1978 that what I had done theretofore by not reporting Mrs. Hansen's liabilities was within the contemplation of Rule XLIV, and that the House Committee could not, under the language of the Rule, challenge the judgment then made by my attorney that her liabilities were not reportable.

Mr. Wiggins also indicated that, to the best of his recollection, details requested by the Committee in 1978 were provided. The Committee did not ask for a copy of the Property Settlement Agreement -- apparently because it did not believe that the document was relevant to its decision. Nor did the Committee ask whether assets were commingled, whether deeds for separate real estate had been recorded, or whether separate bank accounts were maintained. That, too, the Committee understood to be irrelevant.

The relevant facts were whether liabilities had been "transferred" and whether I was obligated to creditors on the debts assumed by Mrs. Hansen. Exhibit 5 demonstrates that Mr. Runft discussed three crucial facts with Mr. Terry, and it appears that they were resolved. The "draft opinion" was never sent.

4. Conclusion

These facts demonstrate that if one goes beyond "the original ... trial evidence in Federal Court," it is clear that when I did not report Mrs. Hansen's liability to the Dallas bank and to Nelson Bunker Hunt I complied with even the view of the staff of the Select Committee on Ethics. It is simply unfair to discipline me for violation of House Rule XLIV when the Select Committee enunciated the standards for disclosure of a spouse's liabilities and I, in applying that standard, did not disclose liabilities which I had not "incurred" or "transferred," and which were not an obligation I had to any creditors.

Mr. Chairman, the new materials are so persuasive that I was in constant contact with the Committee on this matter and that the Committee acted in a clear and decisive manner that my attorneys are exploring the possibility of going back into the trial court with this material and moving a new trial. Thankfully, the publication of this material as an appendix to the Special Counsel's report has made it available to my defense for the first time.

This material impressively rebuts three areas of the prosecutor's case, not adequately rebuttable until now because of the inaccessiblity of Committee records. They are 1) the existence of substantial debts in 1977; 2) my close contact with and request for assistance from the Committee at that time and later; and 3) the Committee's close consideration of my situation.

In the present state of the matter, the Committee is relying on the trial record. That record includes the loan made by my wife in its two forms, i.e., as a direct borrowing from the bank, and as a liability to Nelson Bunker Hunt after he had redeemed his guarantee and bought the loan from the bank. This loan predates the exchange of letters and conferences among me, the Committee and counsel on both sides.

Mr. Chairman, I ask you to reread the following extract from the draft opinion which comes to an exactly opposite conclusion from

the Court as to those items and at least makes the determination very doubtful on the third item related to my wife, the silver transaction.

> Please be assured we are of the opinion that the treatment you have received in the press concerning this subject is unwarranted, and that we are convinced any failure on your part to list required information under House Rule XLIV was based on your good-faith interpretation of that Rule. Therefore, there would be no grounds for any possible action against you based on an assertion of willful falsification or failure to file required information.

Mr. Chairman, I respectfully request the Committee to examine this new evidence -- which I did not have available to me until the Special Counsel's Report -- and revise its recommendation to eliminate any discipline whatever.

Sincerely,

GEORGE HANSEN
Member of Congress

GVH:at

cc: All Members of the Committee

Second District, Idaho

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Congress of the United States
House of Representatives
Washington, D.C. 20515

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June 27, 1984

The Honorable Louis Stokes
Chairman
Committee on Standards of
Official Conduct
2304 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

Your Committee and I have been involved in the complex questions raised by court action against me on April 2, 1984. These questions include whether the Ethics in Government Act ever contemplated criminal sanctions; whether the Committee has jurisdiction over my case under its Rule 14; and whether the Committee acted upon my letter of May 9, 1978 to it and in what manner.

As I have made you aware, I still contend that I have done no wrong either under the statute or the Rule and that even your very limited resolution of June 20 is erroneous. In all that time, I have taken care to demonstrate my confidence in the good faith of the Members of the Committee and in you personally.

Since June 20, I have made known publicly several of the documents upon which the Speical Counsel relied in its Report to the Committee. These documents were unknown to me or my counsel until after the original Committee vote on June 14. We protested their use as the basis of the Special Counsel's recommendation since we had neither seen nor had opportunity to rebut their contents.

I have advised you in my letter of June 26 that their contents are now perceived by us as a major evidentiary proof of my innocence, and I made that assertion in a press communication yesterday. This morning, I am startled to read in the press in my District, in addition to my statements based on that material, assertions by a Paul McNulty, identified as Committee Counsel,

concerning the deliberations of the Committee; the legal limitations controlling its work; what the Committee did and did not find as facts; and an interpretation of the principles of law upon which the Committee acted.

Mr. McNulty has clearly made a major statement on behalf of the Committee in an attempt to offset my disclosures in the public press concerning documents in the possession of the Committee and contents in them which reflect creditably on my character. While I have no quarrel with any announcement which is issued by the Committee, I bitterly protest this substantially political activity by your staff.

Nor is this the first such occurence in matters concerning me. The records show that as long ago as seven years, I complained about public comments made by members of the Committee staff about my filings. Despite that precedent, Mr. McNulty saw fit to give an interview for reporters writing exclusively for my Congressional District. I can't conceive that the political effect of his efforts was not both known and intended by Mr. McNulty.

This would have been bad enough had his comments been restricted to questions of fact. But, in the midst of a not yet concluded matter, Mr. McNulty has delivered legal opinions on the jurisdiction of the Committee and on others of the complex matters in my case, a case described in your own documents as "unique". What Mr. McNulty has delivered to the press in my Congressional District has been denied to my attorneys and to me. We are not given the luxury of probing staff counsel for their reasoning on the issues in the case.

From that interview, we are able to determine for the first time that the documents were never sent to me; and that the Committee has conceded that, because there was no further word from the Committee and because the final opinion was not sent, it could not form the basis of action against me. Since your Special Counsel utilized this documentary material as the sole basis for attacking both the credibility of the advice of counsel defense and the reliance on Committee advice defense, Mr. McNulty's statements take on great significance.

Of even more significance is Mr. McNulty's statement that the Committee "was not asked to decide whether Hansen had made a 'willful falsification', but only whether he violated House rules of conduct." Such a statement of the case verges on the bizarre. Is Mr. McNulty saying on behalf of the Committee that it found that my rule violation was an inadvertant error? If so, it makes the Committee's recommendation of any sanction unjustifiable.

But if Mr. McNulty's statements reflect the advice which he gave the Committee and upon which the Committee relied, then there is a serious defect in the Committee deliberations. Your jurisdic-

tion to judge me at all depends exclusively on your determination that the charges of which I was convicted in Federal Court were, in fact, violations of the Rules over which you have jurisdiction. If they were not, and Mr. McNulty states that either the Committee did not consider the issue or did not resolve it, then the Committee must find under its Rule 14, that it lacks jurisdiction and decline the case.

Not only do this man's statements raise further questions on the manner in which your staff has handled my case, but it appears to confirm an ingrained bias on the staff level against me extending over the past ten years. Mr. James Haltiwanger, Mr. McNulty, Mr. Roy Dye and Mr. Stan Brand have all given public statements on behalf of the Committee -- statements which conflict with the facts and which the Committee has not authorized -- without any attempt by the Committee to control the political activism of its staff members.

In addition to the various interviews given yesterday by Mr. McNulty, I include copies of news interviews, apparently authorized by the Committee, given by Special Counsel to the press in my Congressional District. In order for me to be able to respond to these statements, I would request that, if there is no will to correct this conduct of Committee staff, that at least you require them to identify which of their many statements are personal and which reflect the position of the Committee.

Sincerely,

GEORGE HANSEN
Member of Congress

GVH:at
Enclosure

Second District, Idaho

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Committees-Subcommittees:
AGRICULTURE
Forests, Family Farms, and Energy (Ranking Member)
Livestock, Dairy, and Poultry
Domestic Marketing, Consumer Relations, and Nutrition
BANKING, FINANCE AND URBAN AFFAIRS
Domestic Monetary Policy (Ranking Member)
Financial Institutions Supervision, Regulation and Insurance
International Trade, Investment and Monetary Policy

Congress of the United States
House of Representatives
Washington, D.C. 20515

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Southeastern Idaho
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June 28, 1984

The Honorable Louis Stokes
Chairman
Committee on Standards of
Official Conduct
2304 Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Chairman:

Please find attached an affidavit from former Congressman Charles Wiggins, who was the ranking Republican member of the Select Committee on Ethics of the House of Representatives during 1977 and 1978.

It is offered in support of my request to the Committee to reconsider its resolution concerning my case, adopted on June 20, 1984.

Thank you for your consideration in this matter.

Sincerely,

GEORGE HANSEN
Member of Congress

GVH:at
Enclosure

DECLAPATION OF CHARLES E. WIGGINS

Charles E. Wiggins declares:

1. I served in the United States House of Representatives as a Congressman from the 39th District of California from 1967 to 1979.

2. I served during the years 1977 and 1978 as the ranking Minority Member of the House Select Committee on Ethics of the 95th Congress. In that capacity, I became aware of and participated in the deliberations of the Select Committee concerning two proposals by Congressman Hansen for the solicitation of funds. The first proposal was for a solicitation by his wife, by means of a mass-mailing, to raise funds for the personal use of Congressman Hansen. The second proposal was for an independent group to conduct a fundraising event, the proceeds from which would be made available to Congressman Hansen for his unrestricted use. The Committee responded negatively to both such proposals in its Advisory Opinions Numbers 4 and 11. Although each such proposal involved the unrestricted personal use by the Congressman of the funds, it was my understanding that the funds were to be used for the purpose of retiring certain debts of the Congressman.

Subsequent to the Select Committee's Advisory Opinions Numbers 4 and 11, I was told that Congressman Hansen and his wife had entered into a separation of

property agreement under Idaho law. I did not see a copy of the property settlement agreement but was informed that it was designed to allow Mrs. Hansen to solicit funds in her own name to retire debts which she had assumed pursuant to the property settlement agreement. I was told that Congressman and Mrs. Hansen had executed the property settlement agreement upon the advice of their attorney with the intention of removing the proposed solicitation from the jurisdiction of the House of Representatives and allowing the solicitation to proceed without violating the House Rules as then written and construed by the Select Committee on Ethics.

3. I have recently reviewed copies of the following items:

a) Memorandum dated May 17, 1978 to Congressmen Richardson Preyer and Charles Wiggins from the Select Committee Staff regarding Advisory Opinion Request of Congressman Hansen;

b) Letter dated June 9, 1978 addressed to David Shurtz from Don Terry;

c) Unsigned cover letter dated June 15, 1978 addressed to The Honorable George Hansen from Chairman Richardson Preyer and Ranking Minority Member Charles E. Wiggins of the Select Committee on Ethics;

d) Draft advisory opinion dated June 15, 1978 addressed to George V. Hansen;

e) Memorandum dated August 10, 1978 written for the files of the Select Committee on Ethics.

4. My present recollection, refreshed by my review of these documents, is that the Committee had

determined in June 1978 that if Congressman Hansen failed to report the separate liabilities of Mrs. Hansen, such a failure was not in violation of the reporting Rule as it then existed. This judgment was based upon the assumed existence and validity of the property settlement agreement under Idaho law. The Committee concluded that a valid property settlement agreement would have the effect of removing any "constructive control" of the Congressman over his wife's separate liabilities. In reaching this conclusion, the Committee did not examine the facts regarding any specific transaction. It was concerned only with the effect of a valid property settlement agreement upon the then existing House Rules. Accordingly, the Committee did not examine into the question of whether Congressman Hansen may have asserted actual control, notwithstanding the property settlement agreement, with respect to any particular transaction. The Committee did not condone the use of a property settlement agreement for purposes of circumventing the intent of the House Rules, however, the Committee believed that a Congressman could lawfully exploit any imperfection in the House Rules, as they were then promulgated. I have no present recollection of any such dissatisfaction being communicated by the Committee to Congressman Hansen.

5. In considering the question of the property settlement agreement, the Committee focused upon the question of whether a property settlement agreement would have

the legal effect of relieving Congressman Hansen of his pre-existing liabilities. If it did not, the liabilities of the Congressman continued and would be reportable, notwithstanding the property settlement agreement. It was because of this concern, as I recall, that the draft Opinion states that the Congressman should report all liabilities "transferred" to Mrs. Hansen which had originally been his. I have no present recollection that the Committee focused on future separate assets or liabilities acquired by Mrs. Hansen, after the property settlement agreement. However, as a consequence of our assumption that the property settlement agreement would have the legal effect of relieving Congressman Hansen of any "constructive control" over future liabilities incurred by his wife, it follows that the Congressman would not be required to report any such future liabilities of his wife if, under the facts of a particular transaction, he asserted no actual control over those transactions.

6. I have no present recollection as to whether the June 15, 1978 draft Advisory Opinion .of..the Select Committee was finalized by it, and if not, why not. My present impression, in recalling the Ethics Committee's reaction to the question of the effect of the property settlement agreement upon Congressman Hansen's obligation to report his wife's liabilities, is that the Committee could not justly complain because of actions taken within the

permissible limits of its own imperfectly drafted Rules. It is my recollection that the Committee concluded that any failure by Congressman Hansen to report the genuinely separate liabilities of his wife was not a violation of the Rules as they then existed. It is therefore possible (although I do not state it to be a fact) that the draft Advisory Opinion was not finalized because the Committee concluded that, given the imperfection of the Rule, the legal effect of the separation agreement under Idaho law as explained by Mr. Hansen's attorney removed the obligation to report Mrs. Hansen's separate liabilities on future disclosure reports as well. In reaching these conclusions, and speculations, I emphasize that the Committee was concerned only upon the legal effect of a property settlement agreement, and did not consider the facts and circumstances surrounding any particular future transaction which might affect a Congressman's duty to disclose, notwithstanding a valid property settlement agreement.

Dated this 28th day of June, 1984, in the City of Washington, D.C. I declare under penalty of perjury that the foregoing Declaration is true and correct.

Charles E. Wiggins

U.S. House of Representatives

COMMITTEE ON STANDARDS OF
OFFICIAL CONDUCT
Washington, D.C. 20515

June 29, 1984

Honorable George V. Hansen
U.S. House of Representatives
1125 Longworth House Office Building
Washington, D. C. 20515

Dear Congressman Hansen:

The Committee received your June 28, 1984 request to reconsider its June 20, 1984 decision to recommend reprimand to the House.

The Committee was given, reviewed and discussed Congressman Wiggins' affidavit. The Committee also reviewed your request for a new hearing, and, after due consideration, determined to deny your request.

Sincerely,

Louis Stokes
Chairman

Floyd D. Spence
Ranking Minority Member

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June 29, 1984

The Honorable Louis Stokes, Chairman
The Honorable Floyd Spence
Committee on Standards of Official Conduct
HT2, The Capitol
Washington, D.C. 20515

Dear Chairman Stokes and Congressman Spence:

Within the past two weeks, I have been drawn into the George Hansen matter. I was called by counsel for the Committee who wished to discuss my memory of events occurring six years ago. Thereafter, counsel for Congressman Hansen called to inquire about my conversation with the Committee's counsel, and also my recollection of events occurring in 1978. These calls resulted in requests for conferences, and ultimately, written statements of my recollection.

Throughout, I have not been a volunteer; rather, I felt a responsibility to provide information if requested by an attorney representing a client in an on-going controversy. I have now been requested to write this letter, and I do so out of the same sense of responsibility.

My memory of my actions, and that of the Select Committee on Ethics, concerning the George Hansen matter in 1978 are indistinct. I have retained no written files relating to my actions on that Committee. I have been shown copies of various correspondence and memoranda which have refreshed my recollection somewhat, but my memory of specific details remains unclear. I do have, however, a clear recollection of some things.

1. I recall being advised in 1977 or 1978 that George Hansen had incurred substantial personal debts. I had then, and have now, no personal knowledge concerning the origin of these debts, but I believe I was told by George Hansen that they were, in part, business debts incurred as a result of his inattention to

private business matters during his political campaigns, and, in part, incurred in defending himself against investigations and charges which he alleged were instigated by then Congressman Wayne Hays.

2. Congressman Hansen presented the Ethics Committee with several proposals to raise funds from the general public to discharge these personal debts. The Committee formally reviewed his proposals and rejected a fundraising appeal by his wife and a fundraising event by an independent group to provide funds for his personal use.

3. At some time thereafter, I became aware that Congressman Hansen had entered into a property settlement agreement with his wife purporting to divide their assets and liabilities in a manner consistent with Idaho law. I never saw the property settlement agreement and have no present recollection as to how this information was conveyed to me.

4. At some time in the spring of 1978, the Select Committee on Ethics undertook a review of the question of whether a property settlement agreement would affect the duty of Congressman Hansen to report liabilities transferred by that agreement to his wife. I have no memory of what specific event, or request, may have triggered our review. As I recall, our central concern was whether the property settlement agreement relieved the Congressman of his duty to disclose personal liabilities to his creditors on the disclosure reports filed by him in 1978.

5. My present recollection of the exact sequence of certain events is unclear. I have been told that the former House Rule containing the "constructive control" test did not apply with respect to liabilities existing after October, 1977, and that the duty of a Member to report in April, 1978, was governed by a different rule. Although I may now be confusing earlier Committee discussions with those which occurred in 1978 concerning George Hansen, it is my present recollection that the issue of constructive control was considered by the Committee in light of the Hansen property settlement agreement. As I recall, the Committee concluded that if the Congressman had transferred liabilities to his spouse, and retained no legal obligation with respect to those liabilities, they were not his liabilities and he had no duty to report them, unless, under the facts and circumstances of a given transaction, the Congressman exercised actual control, thereby giving rise to a duty to report, notwithstanding the property settlement agreement.

6. The concern of the Committee, as I recall, thus focused upon pre-existing obligations assumed by Mrs. Hansen under the property settlement agreement, and not upon future obligations incurred by her. However, my memory of the principle adopted by the Committee would obviously be applicable to future obligations as well, unless precluded by a different rule.

7. I have no special memory of signing correspondence addressed to Congressman Hansen in my capacity as Ranking Member of the Committee, however, the form and style of the unsigned correspondence addressed to Congressman Hansen was typical of correspondence by the Committee which I signed on many occasions.

8. I did not approve then, and do not now, the device of a property settlement agreement between a spouse and a Member of Congress, if designed to avoid reporting responsibilities. In the context of Congressman Hansen's difficulties, it appeared to me to be a device intended to circumvent our previous decisions, and I didn't like it. On a number of occasions I expressed my distaste of the "property settlement" device to Congressman Hansen personally. However, as a Committee we were concerned with a fair interpretation of the rules, recognizing that our interpretation would affect others, some of whom may have had a wife or husband conducting truly independent business affairs.

I have recounted the substance of the above to both the counsel to the Committee and the counsel for Congressman Hansen. In my conversations with counsel for the Committee, I made critical comments concerning Congressman Hansen's actions and proposals in 1978. That criticism reflected my views in 1978 and now. In my conversations with counsel to Congressman Hansen, I speculated with him as to why the Congressman may not have received correspondence addressed to him. Without knowing whether the Committee had sent the letters in question or not, I speculated as to possible reasons why the letters might not have been sent. There are any number of possibilities, and I recounted a few. The facts, as distinguished from the possibilities, are unknown to me. There did come a time, however, in 1978 when the Committee felt that it had concluded its consideration of the George Hansen matter, absent a specific complaint submitted to the Committee.

I hope that my memory of events may in some way help the Committee in its evaluation of this matter.

Very truly yours,

Charles E. Wiggins

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