

111TH CONGRESS
1ST SESSION

H. RES. 805

Raising a question of the privileges of the House.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 7, 2009

Mr. CARTER submitted the following resolution

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By motion of the House, referred to the Committee on Standards of Official
Conduct

RESOLUTION

Raising a question of the privileges of the House.

Whereas the gentleman from New York, Charles B. Rangel, the fourth most senior Member of the House of Representatives, serves as chairman of the House Ways and Means Committee, a position of considerable power and influence within the House of Representatives;

Whereas clause one of rule XXIII of the Rules of the House of Representatives provides, “A Member, Delegate, Resident Commission, officer, or employee of the House shall conduct himself at all times in a manner that shall reflect creditably on the House.”;

Whereas The New York Times reported on September 5, 2008, that, “Representative Charles B. Rangel has

earned more than \$75,000 in rental income from a villa he has owned in the Dominican Republic since 1988, but never reported it on his federal or state tax returns, according to a lawyer for the congressman and documents from the resort.”;

Whereas in an article in the September 5, 2008, edition of The New York Times, his attorney confirmed that Representative Rangel’s annual congressional Financial Disclosure statements failed to disclose the rental income from his resort villa;

Whereas The New York Times reported on September 6, 2008, that, “Representative Charles B. Rangel paid no interest for more than a decade on a mortgage extended to him to buy a villa at a beachfront resort in the Dominican Republic, according to Mr. Rangel’s lawyer and records from the resort. The loan, which was extended to Mr. Rangel in 1988, was originally to be paid back over seven years at a rate of 10.5 percent. But within two years, interest on the loan was waived for Mr. Rangel.”;

Whereas clause 5(a)(2)(A) of House Rule 25 defines a gift as, “. . . a gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value” and prohibits the acceptance of such gifts except in limited circumstances;

Whereas Representative Rangel’s acceptance of thousands of dollars in interest forgiveness is a violation of the House gift ban;

Whereas Representative Rangel’s failure to disclose the aforementioned gifts and income on his Personal Financial Disclosure Statements violates House rules and federal law;

Whereas Representative Rangel's failure to report the aforementioned gifts and income on federal, state and local tax returns is a violation of the tax laws of those jurisdictions;

Whereas the Committee on Ways and Means, which Representative Rangel chairs, has jurisdiction over the United States Tax Code;

Whereas the House Committee on Standards of Official Conduct first announced on July 31, 2008, that it was reviewing allegations of misconduct by Representative Rangel;

Whereas Roll Call newspaper reported on September 15, 2008, that, "The inconsistent reports are among myriad errors, discrepancies and unexplained entries on Rangel's personal disclosure forms over the past eight years that make it almost impossible to get a clear picture of the Ways and Means chairman's financial dealings.";

Whereas the House Committee on Standards of Official Conduct announced on September 24, 2008, that it had established an investigative subcommittee in the matter of Representative Rangel;

Whereas after the Ethics Committee probe was underway, The New York Times reported on November 24, 2008, that, "Congressional records and interviews show that Mr. Rangel was instrumental in preserving a lucrative tax loophole that benefitted Nabors Industries, an oil drilling company last year, while at the same time its chief executive was pledging \$1 million to the Charles B. Rangel School of Public Service at C.C.N.Y.";

Whereas the House Committee on Standards of Official Conduct announced on December 9, 2008, that it had ex-

panded the jurisdiction of the aforementioned investigative subcommittee to examine the allegations related to Representative Rangel's involvement with Nabors Industries;

Whereas since then, further serious allegations of improper and potentially illegal conduct by Representative Rangel have surfaced;

Whereas during the recently completed August district work period, Representative Rangel acknowledged his failure to publicly disclose at least half a million dollars in cash assets, tens of thousands of dollars in investment income, and his ownership of two pieces of property in New Jersey;

Whereas corrected financial disclosure statements filed by Representative Rangel on August 12, 2009, now reveal his net worth to be nearly twice as much as he had previously revealed;

Whereas The New York Times newspaper reported on August 26, 2009, that, "United States Representative Charles B. Rangel, whose personal finances and fund raising are the subject of two House ethics investigations, failed to report at least \$500,000 in assets on his 2007 Congressional disclosure form, according to an amended report he filed this month. Among the dozen newly disclosed holdings revealed in the amended forms are a checking account at a federal credit union with a balance between \$250,000 and \$500,000; three vacant lots in Glassboro, N.J., valued at a total of \$1,000 to \$15,000; and stock in PepsiCo worth between \$15,000 and \$50,000.";

Whereas Roll Call newspaper reported on August 25, 2009, that Representative Rangel's corrected filings also re-

vealed “at least \$250,001 in a fund called ML Allianz Global Investors Consults Diversified Port III.”;

Whereas the aforementioned Roll Call story reported that “Rangel also originally misreported that his investments in 2007 netted him \$6,511–\$17,950 in dividends, capital gains and rental income. In his revised filing, that range jumped to between \$29,220 and \$81,200.”;

Whereas these most recent revelations by Representative Rangel have resulted in heightened national news media coverage of alleged impropriety and potentially criminal conduct by one of the most senior Members of the House;

Whereas an editorial in The Washington Times newspaper on September 1, 2009, noted, “Charlie Rangel is one lucky guy. The Democratic congressman from Harlem, N.Y., just discovered that his net wealth is twice what he thought. That’s a pretty good day at the office for a public servant. Mr. Rangel also realized that he made tens of thousands of dollars more than he reported in many different years over the past decade. This is the most recent string in a series of financial bonanzas for Mr. Rangel, who last year admitted he had forgotten about \$75,000 in rental income on his Caribbean resort property.”;

Whereas the same editorial also noted, “The congressman has failed to pay property taxes on two lots in New Jersey, according to the New York Post. That’s not all. In order to avoid taxes and get lower mortgage rates, Mr. Rangel simultaneously claimed three ‘primary residences’.”;

Whereas an editorial in the September 17, 2009, edition of the New Haven Register stated, “The ethics and tax

complaints keep piling up against U.S. Rep. Charles B. Rangel, who as chairman of the House Ways and Means Committee controls writing of the nation's tax laws. The New York Democrat may write those laws, but he apparently feels no obligation to obey them. The investigation appears to have a long way to go. The man who is in charge of writing the nation's tax laws doesn't pay his federal income or local property taxes. He has such a poor grasp of his own finances that he neglects to list half his assets on a disclosure form intended to keep members of Congress accountable and honest. We can already hear the defense of the next tax deadbeat called into court. If Charlie Rangel doesn't have to pay his taxes, why should I?";

Whereas an article in The Washington Post on September 15, 2009, stated, "Rangel is now the chairman of the House Ways and Means Committee and a man of immense importance in Washington. Nonetheless, he has been busy of late revising and amending the record, backing and filling, using buckets of Wite-Out as he discovers or remembers properties he has owned in New York, New Jersey, Florida, the Dominican Republic and God only knows where else. Rangel recently even discovered bank accounts that no one in the world, apparently including him, knew he had. One was with the Congressional Federal Credit Union; another was with Merrill Lynch—each valued between \$250,000 and \$500,000. He somehow neglected to mention these accounts on his congressional disclosure forms, which means, if you can believe it, that when he signed the forms, he did not notice that maybe \$1 million was missing. Someone ought to check the lighting in his office.";

Whereas the same article in The Washington Post stated, “There is something wrong with Charlie Rangel. Either he did not notice that he was worth about twice as much as he said he was—which is downright worrisome in a congressional leader—or he thinks he’s above the law, which is downright worrisome in a congressional leader.”;

Whereas it has been more than one year since an editorial in The New York Times on September 15, 2008, stated, “Mounting embarrassment for taxpayers and Congress makes it imperative that Representative Charles Rangel step aside as chairman of the Ways and Means Committee while his ethical problems are investigated.”;

Whereas at various times during the past twelve months Representative Rangel and Speaker Pelosi have made public statements asserting that the ongoing investigation of Representative Rangel by the Committee on Standards of Official Conduct would soon be concluded;

Whereas the Committee has to date issued no public statements concerning any expected time line for conducting or concluding its investigation of Representative Rangel;

Whereas major daily newspapers, including The New York Times, The Washington Post, and The New York Post have called for Representative Rangel’s removal from his powerful position at least until the House Ethics Committee has completed its ongoing probes of allegations against him;

Whereas Representative Rangel’s powerful position as chairman permits him to participate in high level decisions about critically important issues such as reform of the Nation’s health care system;

Whereas an October 1, 2009, story in The New York Times stated, “Mr. Rangel is one of a small group of House leaders now meeting almost daily behind closed doors with Speaker Nancy Pelosi to distill from the three bills produced in separate committees the one package that will go to the House floor.”;

Whereas an Associated Press story on September 20, 2009, stated, “The ethics committee’s investigation of Rangel is almost a year old. It’s as much a problem for House Democratic leaders as for Rangel himself. Later this year, when Rangel’s committee considers estate tax legislation that could expand into other matters, the headlines will be a version of this message: ‘Tax scofflaw presiding over tax changes.’”;

Whereas the New York Post newspaper reported on September 2, 2009, that, “A review of property records for the borough of Glassboro revealed at least six tax liens levied against Rangel’s property during the past 16 years. Just last year, two separate liens were levied against both properties owned by Rangel.”;

Whereas, on May 24, 2006, then Minority Leader Nancy Pelosi cited “high ethical standards” in a letter to former Representative William Jefferson asking that he resign his seat on the Committee on Ways and Means in light of ongoing investigations into alleged financial impropriety by Representative Jefferson;

Whereas Speaker Pelosi took the aforementioned action while Representative Jefferson was under investigation and the subject of considerable controversy in the news media, but prior to any indictment;

Whereas in April of 2007, Republican Leader John Boehner successfully urged several Republican Members to relinquish their committee assignments after learning that each had become the subject of investigations into possible criminal activity;

Whereas Leader Boehner took the aforementioned actions while the Members in question were under investigation and the subjects of widespread media controversy, but prior to any indictments; and

Whereas in the wake of the most recent allegations against Representative Rangel various editorials and articles in major national newspapers criticizing Speaker Pelosi's continued refusal to remove Representative Rangel as chairman of the Committee on Ways and Means after promising she would preside over "the most ethical Congress in history" have held the House up to public ridicule: Now, therefore, be it

1 *Resolved*, That upon adoption of this resolution and
2 pending completion of the investigation into his affairs by
3 the Committee on Standards of Official Conduct, Rep-
4 resentative Rangel is hereby removed as chairman of the
5 Committee on Ways and Means.

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