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No. 49

House of Representatives

The House met at 12:30 p.m.

MORNING HOUR DEBATES

The SPEAKER. Pursuant to the order of the House of January 21, 1997 the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority and minority leaders and minority whip limited to not to exceed 5 minutes.

SPEAKER TROUBLED BY PARTISAN BEHAVIOR DURING CAMPAIGN FINANCE INVESTIGATION

The SPEAKER pro tempore (Ms. PRYCE of Ohio). Under the Speaker's announced policy of January 21, 1997, the gentleman from Georgia (Mr. GINGRICH) is recognized during morning hour debates for 5 minutes.

Mr. GINGRICH. Madam Speaker, I rise with concern and sadness to report to the House on a letter I am sending the gentleman from Indiana (Mr. BURTON), Chairman of the Committee on Government Reform and Oversight, today. I want to read the letter and then I want to explain why I am sending it and the background of sending it.

"Dear Chairman BURTON: I was deeply troubled by the partisan Democrat behavior shown last week during the vote on granting immunity, to which even the Justice Department is not opposed, to four key witnesses in your campaign finance investigation.

"This is the exact opposite of previous congressional investigations, in which Republican Members worked in a diligent and bipartisan manner with Democrats to uncover the truth. According to David Dorsen, the assistant chief counsel of the Senate Watergate Committee, the 'Watergate Committee

voted consistently and unanimously for immunity.' In fact, even during Iran-Contra the Congressional investigative committees voted unanimously to grant a limited form of immunity to Oliver North, John Poindexter and Albert Hakim. There is no logical reason for the Democrats' stonewalling and sharply partisan actions. Again, even the Department of Justice has clearly stated in writing that they have 'no opposition to the committee granting immunity.'

"The Democrats' efforts to block immunity, despite their own administration's willingness to accept it, cannot withstand the public's demand for the truth. For this reason, I encourage you to vote again on the immunity issue. It is obvious that these four witnesses would provide a great deal of clarification and a better understanding of the illegal campaign finance irregularities that took place in the 1996 election cycle.

"The American people have a right to know exactly what happened during the last election cycle. The very foundations of a democracy are a well-informed populace with the right to know the truth and a rule of law ensuring that all are equal in the eyes of justice. Therefore, at this time I strongly urge you to hold a second vote on granting immunity to the four key witnesses who were denied it last week."

My hope is that by next week the Committee on Government Reform and Oversight could vote. I urge every Democrat who voted no, and it was 19-0, 19 against immunity, to reconsider their vote.

I want to report to the House. Here is what the vote was about. The Department of Justice had cleared, for the purposes of giving testimony, three witnesses, and had cleared for the purposes of testimony in an executive session a fourth witness. Let me report to the House who they are:

Irene Wu, Johnny Chung's office manager and primary assistant at

Automated Intelligent Systems, already immunized by the Department of Justice, testified before a grand jury. Instrumental in better understanding Chung's relationships with foreign nationals with whom he attended political fund-raising events, formed corporations, and from whom he received money.

Nancy Lee, an engineer at Automated Intelligent Systems, Inc. Witnesses say Lee solicited contributions to Clinton/Gore '96 from her colleagues and then reimbursed them. That is, of course, illegal. Already immunized by the Department of Justice; testified before a grand jury.

Larry Wong, close friend of Nora and Gene Lum. Believed to have relevant information regarding conduit contributions, that is, contributions that were not really from the person who made them technically, but they came from somebody else, in this case probably foreign money, made by the Lums and others.

And then under a special arrangement, Kent La, president and registered agent of Loh Sun International. Believed to have direct knowledge of Ted Sioeng's activities. At a minimum, La and Sioeng traveled, attended social functions and at least one fund-raiser, and transacted business together. The Department of Justice does not oppose granting congressional immunity with the understanding that the committee will only depose La in executive session at this time.

I am submitting for the RECORD the letters from the Department of Justice, all of them saying, and I would just read one of them because they are repetitive:

"Dear Mr. BENNETT: I am writing in response to your letter of April 7, 1998, requesting the Department of Justice's position on the granting of immunity to Irene Wu. The Department of Justice has no opposition to the Committee granting immunity to Ms. Wu. We

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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appreciate greatly your coordinating with us in this matter."

Madam Speaker, the letters referred to are as follows:

U.S. DEPARTMENT OF JUSTICE,
CRIMINAL DIVISION,
Washington, DC, April 16, 1998.

Mr. RICHARD D. BENNETT,
Chief Counsel, Committee on Government Reform and Oversight, Rayburn House Office Building, Washington, DC.

DEAR MR. BENNETT: I am writing in response to your letter of April 7, 1998, requesting the Department of Justice's position on the granting of immunity to Irena Wu. The Department of Justice has no opposition to the Committee granting immunity to Ms. Wu. We appreciate greatly your coordinating with us on this matter.

Sincerely,

MARK M. RICHARD,
Acting Assistant Attorney General.

U.S. DEPARTMENT OF JUSTICE,
CRIMINAL DIVISION,
Washington, DC, April 16, 1998.

Mr. RICHARD D. BENNETT,
Chief Counsel, Committee on Government Reform and Oversight, Rayburn House Office Building, Washington, DC.

DEAR MR. BENNETT: I am writing in response to your letter of April 7, 1998, requesting the Department of Justice's position on the granting of immunity to Nancy Lee. The Department of Justice has no opposition to the Committee granting immunity to Ms. Lee. We appreciate greatly your coordinating with us on this matter.

Sincerely,

MARK M. RICHARD,
Acting Assistant Attorney General.

U.S. DEPARTMENT OF JUSTICE,
CRIMINAL DIVISION,
Washington, DC, April 16, 1998.

Mr. RICHARD D. BENNETT,
Chief Counsel, Committee on Government Reform and Oversight, Rayburn House Office Building, Washington, DC.

DEAR MR. BENNETT: I am writing in response to your letter of April 7, 1998, requesting the Department of Justice's position on the granting of immunity to Larry Wong. The Department of Justice has no opposition to the Committee granting immunity to Mr. Wong. We appreciate greatly your coordinating with us on this matter.

Sincerely,

MARK M. RICHARD,
Acting Assistant Attorney General.

U.S. DEPARTMENT OF JUSTICE,
CRIMINAL DIVISION,
Washington, DC, April 22, 1998.

Hon. DAN BURTON,
Chairman, Committee on Government Reform and Oversight, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I am writing in response to your letter of April 7, 1998 requesting the Department of Justice's position on the Committee on Government Reform and Oversight granting immunity to Kent La. As you know, we have met with Dick Bennett, Kenneth Ballen and other members of the Majority and Minority staff in an attempt to accommodate the Committee's desire to obtain Mr. La's testimony and our desire that any action by the Committee not compromise the Department's ongoing criminal investigation. In our view, if Mr. La were to testify publicly at this time, the Department's criminal investigation could in fact be compromised. Even if Mr. La were to testify in a closed session, any disclosure or leak of that testimony, whether intentional or inadvertent, could seriously compromise

the investigation and any subsequent prosecutions, under the rulings of *Kastigar*, *North*, *Poindexter* and related cases.

During our discussions with the Committee staff, most recently on April 20, 1998, we tried to convey to you that our preference would be to avoid any Committee action to immunize him. Because of your strong interest in securing his information at this time, we nevertheless indicated our willingness not to oppose a grant of immunity to Mr. La under certain conditions. The Department of Justice, therefore, is willing to withdraw its objection to the Committee granting immunity to Mr. La if, and only if, it agrees to adhere strictly to the following conditions in examining Mr. La. Based on our discussions with Committee staff, we understand that these conditions are acceptable to the Committee. The conditions that the Committee agrees to follow in return for the Department of Justice withdrawing its objection to the Committee granting immunity to Mr. La are:

1. The Committee will take Mr. La's deposition in a closed executive session attended only by Mr. La, his counsel, one staff member from the Majority, one staff member from the Minority, and a court reporter.

2. The reporter will make only two copies of the deposition transcript.

3. The Committee staff who took the deposition will be provided one copy of the deposition transcript and will maintain that copy at a mutually acceptable secure location under conditions that assure that only authorized persons may have access to the transcript and that no copies of the transcript may be made. The only persons authorized to have access to the transcript are Members of the Committee, the two staff members who took the deposition, and the majority and minority chief counsel, if they are not the same persons who took the deposition. [The persons described in the preceding sentence are hereinafter referred to as "the authorized persons.]"

4. The authorized persons may not copy the transcript, but may take notes, as long as they maintain the notes at the same location and under the same conditions as the transcript is maintained. The authorized persons may discuss the transcript with any other authorized persons, but may not discuss any aspect of the substance of the transcript with any other person, including Committee staff, other Members of Congress, or the public until such time as the Justice Department states that it has no objection to public disclosure of the testimony because release of the transcript or its contents would not compromise the criminal investigation.

5. The second copy of the transcript will be provided to a designated attorney within the Department of Justice, but who is not assigned to the Campaign Financing Task Force, who will review the transcript to determine if public release of the testimony could compromise the Department's ongoing criminal investigations. The designated attorney will maintain the transcript in a secure location. No Department of Justice employee other than the designated attorney will be permitted to review the transcript.

6. The Committee will not present Mr. La's public testimony until and unless the Department of Justice attorney has made the determination, discussed in No. 5, above, that public disclosure of the transcript or its contents would not compromise the investigation.

7. The designated attorney will meet with attorneys and investigators conducting the criminal investigation as necessary in order to obtain the facts needed to evaluate the transcript. The designated attorney will not discuss the transcript or its contents with

any other employee of the Justice Department, or any person other than the two staff members who took Mr. La's deposition or the majority and minority chief counsel, until and unless the designated attorney has made the determination discussed in No. 5, above.

We recognize that under 18 U.S.C. 6005, the Committee has the statutory authority to vote to grant immunity to a witness regardless of the position of the Justice Department. We believe, however, that the terms and conditions set forth above will satisfy the Committee's needs while hopefully protecting the Justice Department's interest in conducting thorough investigations and prosecutions that are not subject to *Kastigar* hearings or related challenges. The Department has determined that if the Committee were to grant Mr. La immunity under 18 U.S.C. 6005 at this time and absent the restrictions outlined above, it would clearly compromise the Department's ongoing criminal investigation and make it more difficult to obtain convictions of any person(s) who might eventually be charged with a crime.

Sincerely yours,

MARK M. RICHARD,
Acting Assistant Attorney General.

So what happened is this: The chairman of the committee and his staff worked very closely with the Clinton Administration Justice Department. They actually got the Justice Department to sign off on granting immunity. Everything was done exactly appropriately. In that setting, at a time when the American people could have learned the truth from eyewitnesses who participated in laundering foreign illegal money, a threat to the entire fabric of our political system, for some reason the Democrats voted 19-0 against allowing immunity. That means they voted 19-0 to cover up this testimony, to block it from getting to the American people, and to prevent the Congress from being informed.

Now, I think there are two principles that we ought to live by. One is that the American people have the right to know when the law has been broken. Period. I cannot imagine why any Member of this House would want to block the American people from having the right to know that the law has been broken and who broke it and under what circumstances.

And when the people breaking the law are foreign nationals trying to corrupt the United States by bringing in foreign money, in some cases in a deliberate effort in collusion with billionaires in Asia, we have every reason as a national security matter to protect our political system from this kind of illegal foreign money.

In addition, the American people have the right to expect that the rule of law will prevail, that no one is above the law.

One of the things that the Committee on Government Reform and Oversight is working on is the fact that Webster Hubbell, former number two person in the Justice Department, one of the most powerful men in terms of the justice system in the United States in the government, Webster Hubbell received

more than \$700,000, and I want to commend the committee because the committee has discovered he received at least \$200,000 more than was previously indicated, after he resigned as Associate Attorney General on March 4, 1994.

Most of the money came from friends of President Clinton and Democratic Party supporters and was coordinated by people such as then U.S. Trade Representative Mickey Kantor, Vernon Jordan, James Riady, the Indonesian who is also implicated in illegal foreign money. By the way, Indonesia is one of the countries involved in the International Monetary Fund bailing out the government which directly involves the Riadys' economic interests and the Lippo Group, which is the conglomerate owned by the Riadys which has large interests across Asia, including in Communist China.

Client records show that Mr. Hubbell did little or no work for most of the money he received from 18 companies and individuals. Now, his government job was \$123,000 a year. His income totaled \$704,000 after he left his government job. Something very wrong is going on.

The Committee on Government Reform and Oversight has an obligation to find the truth for the American people, to have people sworn under oath testifying, to work with the Justice Department to make sure that we do not disrupt their investigation. But when the Clinton Administration Justice Department says this person can be immunized, there is no excuse, none, for any Member of this House to vote against that immunization. I call on the committee next week to have a second hearing.

I hope every newspaper in this country will look carefully at the issue. Why would any Member vote against that kind of opportunity? I think that it is very important that we continue this.

Mr. WAXMAN. Madam Speaker, will the gentleman yield?

Mr. GINGRICH. Madam Speaker, how much time do I have remaining?

The SPEAKER pro tempore. Fifteen seconds.

Mr. WAXMAN. Madam Speaker, I ask unanimous consent that the Speaker be given 5 additional minutes.

Mr. GINGRICH. I do not think that is possible under the rules.

Mr. STEARNS. Madam Speaker, I object.

The SPEAKER pro tempore. The gentleman's time has expired.

RANKING MEMBER OF COMMITTEE RESPONDS TO SPEAKER'S REMARKS ON CAMPAIGN FINANCE INVESTIGATION

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997, the gentleman from Texas (Mr. DOGGETT) is recognized during morning hour debates for 5 minutes.

Mr. DOGGETT. Madam Speaker, I yield to the gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. I thank the gentleman very much for yielding. I raced over to the House floor. I did not know the Speaker was going to raise the issue of the Government Reform and Oversight campaign finance investigation. But I did want to come to the House floor to inform him and my colleagues what has happened with this investigation.

First of all, in February of last year I went to the gentleman from Indiana (Mr. BURTON) and said, "Let's do a bipartisan investigation on campaign finance abuses." I wrote to the Speaker and asked that we have a House and Senate joint investigation so that we in the House would not duplicate the work being done by the Thompson Committee over in the Senate.

I never received a reply from the Speaker, but the response that I did get from the gentleman from Indiana was that he was going to do his own investigation, thank you very much. Now, after a year and a half, we have spent over \$6 million of the taxpayers' money, we have duplicated a great deal of what went on in the Senate committee, and we have nothing to show for it. We have turned up nothing that was not already in the Senate investigation or quite frankly that has already appeared in the press.

The chairman of our committee, the gentleman from Indiana, has had delegated to him unprecedented authority. He had delegated to him powers that no chairman has ever had before. He has the power to unilaterally issue subpoenas.

The gentleman from Indiana has this authority to issue subpoenas unilaterally. He does not have to come to the committee for a vote. He does not have to seek even authorization from his Republican majority. He can just go ahead and issue subpoenas.

Prior to 1997, how many subpoenas were ever issued unilaterally by a chairman of a House committee? Zero. Now, after a year and a half, we have had the gentleman from Indiana issuing 600 subpoenas, all on his own. No one had a review of them. Those subpoenas are part of a thousand subpoenas and information requests issued to Democrats, or Democratic sources, related to Democratic campaign funding issues.

How many has he issued with regard to Republican abuses in the 1996 election? Fourteen. We have not had a single subpoena authorized by the chairman at our request, even though there are important issues to investigate.

The Haley Barbour national review, national committee, whatever it was, that was a source of foreign funding has never been reviewed by our committee. Fund-raising abuses on public property by Republicans, we cannot get the chairman to pay any attention to that. The strange \$50 billion tax break for the tobacco companies, the Speaker knows may know something about that because he and Mr. LOTT were the ones who put that through in the middle of

the night. We thought that ought to be investigated. None of these things have been investigated.

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The Democrats have been closed out by an effort by the Republicans to do a partisan, reckless investigation. Notwithstanding that, we went along on the only vote where our votes count, and that is on the issue of immunity for witnesses at the request of the chairman once before, and we were all embarrassed by that. The Democrats gave our votes for immunity for a witness who turned out not to have given us honest and credible testimony and a witness who used the immunity granted to him to avoid possible immigration and tax crimes for which he now will never be prosecuted.

Now we are being asked to give immunity to four more people, fairly low-level people. I do not think they have all that much to add to the investigation, but why should we give immunity to these witnesses?

We have not received a proffer from them which would tell us what they know and what they have to say, what to add to the information already available. We have no written proffer from these four people. We have no guarantee that the chairman will conduct the investigation any other way than what he has done up to now.

We wrote to the chairman after that last immunity vote and we said to him, "We gave you the votes for immunity, and we regret it. We've been embarrassed, as should you be, having given a man immunity for possible offenses that none of us ever knew about. The investigation wasn't done adequately by the majority party staff; and, in the future, if we're going to give immunity to witnesses, we want certain assurances. We want, first of all, the assurances we are going to know what these witnesses are going to say, that work will be done in advance so we don't find giving immunity when it's improper. And, secondly, we want this committee to be conducted the way every other congressional investigation has been conducted."

Madam Speaker, in the Watergate investigation, in the Iran-Contra and any other investigations, there have always been traditional procedures which are not being followed in this investigation.

The SPEAKER pro tempore (Ms. PRYCE of Ohio). The time of the gentleman from Texas (Mr. DOGGETT) has expired.

Mr. WAXMAN. Madam Speaker, I ask unanimous consent for one additional minute.

The SPEAKER pro tempore. The Chair will clarify for the RECORD that recognition during Morning Hour debate proceeds upon designations by the respective party leaders, and the Chair does not entertain unanimous consent requests to extend debate time.