

CHAPTER II

COUSHATTA TRIBE OF LOUISIANA

ABRAMOFF: Can you let me know how much more (than the current +/- 660K) we would each score should Coushatta come through for this phase, and Choctaw continue to make the transfers. I need to assess where I am at for the school's sake.

SCANLON: Coushatta is an absolute cake walk. Your cut on the project as proposed is at least 800k ... Total [:] 1.5. mil on top of the 660. For a toal [sic] of 2.1. Not bad :) :) [sic]

ABRAMOFF: How can I say this strongly enough: YOU IZ DA MAN.

SCANLON: Ill [sic] take the man title for now—but not tomorrow, you return to being the man at midnight! Let's grow that 2.1 to 5!!! We need the true give me five!

ABRAMOFF: Amen!!

Email between Jack Abramoff and Michael Scanlon, September 10, 2001

ABRAMOFF: I'm actually in a bad cash position ... I need [the expected payment from the Agua Caliente] badly. Other than [that Tribe], what next on the money train? [The Choctaw] coming through soon?

SCANLON: The next big money we have coming our way is Coushatta, and that will be in early January—the exact amounts I'm still hammering out.

Email between Jack Abramoff and Michael Scanlon, December 17, 2002

A. INTRODUCTION

By February 22, 2004, when *The Washington Post* published its article entitled, “A Jackpot From Indian Gaming Tribes; Lobbying, PR Firms Paid \$45 Million Over 3 Years,” Abramoff and Scanlon's scheme to defraud several Native American tribes out of tens of millions of dollars was beginning to unravel.

Soon after the article's publication, former Abramoff associate Kevin Ring emailed a colleague, “I know more than [the] article and the truth is worse.”¹

Ring continued, “Now what do you think of my partner Jack? Not too shady, eh?”²

Referring to how much the Tribes covered in the article reportedly paid Abramoff and Scanlon, Ring's colleague could only reply, “that's a lot of cake.”³

¹ Email between Kevin Ring, Greenberg Traurig, and Matt DeMazza (GTG-E000257509) (February 22, 2004).

² *Id.*

³ *Id.*

Among all of Abramoff's Tribal clients, the Coshatta Tribe of Louisiana ("Louisiana Coshatta") paid Scanlon the most. Between 2001 and 2003, Abramoff and Scanlon successfully had the Tribe pay them (or entities owned or controlled by them) about \$32,000,000: about \$27,000,000 to Capitol Campaign Strategies ("CCS"); another \$3,600,000 to the American International Center ("AIC"); \$1,000,000 to the Capital Athletic Foundation ("CAF") through a Scanlon-controlled entity called Atlantic Research & Analysis ("ARA"). Of the \$27,000,000 the Tribe paid to CCS, Scanlon appears to have kicked back roughly a third to Abramoff in "referral fees." This constituted about one-half of Scanlon's net profit. In addition, of the \$3,600,000 the Tribe paid to AIC, Scanlon diverted almost \$1,000,000 to an entity called Kaygold, which Abramoff privately described to his tax advisor as "really me."⁴

In the course of their three-year business relationship with the Tribe, Abramoff and Scanlon were indifferent to the trust that the Louisiana Coshatta put in them as its paid representatives and advocates. At no time did they ever tell the Tribe that Abramoff had a financial interest in CCS or that Abramoff received a hefty percentage of the millions of dollars that the Tribe paid CCS or AIC.⁵ Similarly, the Tribe never knew that the cost of services charged by Scanlon was dramatically inflated so that Abramoff could get a big piece of a big pie.⁶ The Tribe likewise never knew most of the money it paid Scanlon actually went to finance Scanlon's private investments and to float Abramoff's business ventures.⁷

In addition, at no time was the Tribe ever told that any of the money it paid Scanlon would be diverted to Abramoff's private charity—for distribution mostly to Abramoff's Jewish boys' school.⁸ The Tribe was also never told that any of its payments to Scanlon would actually be used to conduct public relations activities for other Tribes, on matters wholly unrelated to the Louisiana Coshatta.⁹ Abramoff and Scanlon also concealed from the Tribe their representation of the Ysleta del Sur Pueblo of Texas ("Tigua"), whose interests the Louisiana Coshatta hired Abramoff and Scanlon to oppose.¹⁰ Abramoff or Scanlon also deceived the Tribe into making a sizeable "contribution" to an obscure environmental advocacy group.¹¹ Regrettably, there was much the Tribe did not know about the activities of Abramoff and Scanlon—it's "trusted" advisors.

This Chapter will, drawing from evidence that the Committee has already released to date and new information that the Committee is now releasing in conjunction with this Report, attempt to explicate the foregoing activities.

⁴ Email from Jack Abramoff, Greenberg Traurig, to Gail Halpern, May & Barnhard (GTG-E000012336) (December 23, 2001).

⁵ See Interview of William Worfel, former Vice-Chairman, Coshatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005).

⁶ See *Id.*

⁷ See *Id.*

⁸ See *Id.*

⁹ See *Id.*

¹⁰ See *Id.*

¹¹ A fuller discussion of this transaction is contained in Part III, Chapter 1, Section A, entitled, "Council of Republicans for Environmental Advocacy: Background."

B. BACKGROUND ON THE TRIBE

The Louisiana Coushatta's traditional homelands are in Alabama; however, in the late 18th Century a group of approximately 100 Coushatta led by a tribal leader named Red Shoes moved to Louisiana around the Red River.¹² Since then, its population has grown to over 850 enrolled members.¹³ Traditionally, the Louisiana Coushatta belonged to the southern section of the Creek Confederacy, a loose association of Muskogee family tribes occupying and controlling a vast area across the South.¹⁴ The Tribe is composed of seven large clans and several more smaller clans, which form the foundation of its society.¹⁵ As members of the Creek Confederacy, the Coushatta lived in an agriculturally based economy.¹⁶ It grew corn, peas, beans, squash, potatoes, and rice.¹⁷ Sophisticated trade networks were developed covering thousands of miles.¹⁸

In 1898, the Federal Government took land into trust for the Tribe.¹⁹ In 1953, during the Termination Era, during which the government terminated its trust relationship with certain tribes, the Bureau of Indian Affairs ("BIA") ended its trusteeship with, and discontinued its services to, the Louisiana Coushatta.²⁰ However, after twenty years of struggle, the Louisiana Coushatta's federal recognition as a tribe was restored in 1973 and it held its first elections in 1985.²¹ In 1980, the current reservation near Elton, Louisiana was formally established.²²

Over the past twenty years, the Tribe has increased its reservation land base from the original 35 acres of land to 154 acres.²³ This land is used for Tribal housing, economic development projects such as crawfish farming and cattle-raising, and to house its numerous governmental programs and services.²⁴ The Louisiana Coushatta have established a Tribal police department; community, health and learning centers; and other social programs.²⁵ The Tribe has enjoyed economic prosperity largely due to the success of its Grand Casino in Kinder, Louisiana, which opened in 1995.²⁶ The

¹² *Early Records Show Coushatta Living in Northern Alabama*, (visited March 20, 2006) <http://www.carencrohighschool.org/LA_Studies/indian/coushatta/alabama.htm> (discussing the early history of the Coushatta); *A History of the Sovereign Nation of the Coushatta Tribe of Louisiana*, (visited March 19, 2006), <http://www.coushattatribe.org/history.html>.

¹³ "Tribal Lobbying Matters," *Hearings before the Committee on Indian Affairs*, 109th Cong. at 11 (November 2, 2005) (testimony of Kevin Sickey, Chairman, Coushatta Tribe of Louisiana).

¹⁴ *Id.* at 10.

¹⁵ *The Culture of the Coushatta Tribe of Louisiana*, (visited March 20, 2006) <<http://www.coushattatribela.org/culture1.html>> (describing the culture and social organization of the Louisiana Coushatta).

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ "Tribal Lobbying Matters," *Hearings before the Committee on Indian Affairs*, 109th Cong. at 10 (November 2, 2005) (testimony of Kevin Sickey, Chairman, Coushatta Tribe of Louisiana).

²⁰ *Id.* at 10-11.

²¹ *Id.* at 11.

²² *The Sovereign Nation of the Coushatta Tribe of Louisiana*, (visited March 20, 2006) <http://www.coushattatribela.org/history_chrono.html> (providing a chronology of Louisiana Coushatta history).

²³ *The Government of the Sovereign Nation of the Coushatta Tribe of Louisiana*, (visited March 20, 2006) <<http://www.coushattatribela.org/government.html>> (describing the governing structure of the Louisiana Coushatta).

²⁴ *The Sovereign Nation of the Coushatta Tribe of Louisiana*, (visited March 20, 2006) <http://www.coushattatribela.org/history_chrono.html> (providing a chronology of Louisiana Coushatta history).

²⁵ *Id.*

²⁶ *Id.*

Louisiana Coushatta currently employs 2,800 people, with a total annual payroll in the range of \$80 million.²⁷ In addition, they contribute approximately \$7 million per year to state and local governments.²⁸

C. ABRAMOFF AND SCANLON GET THE LOUISIANA COUSHATTA'S BUSINESS

By the Spring of 2001, the Louisiana Coushatta was set to renegotiate its gaming compact with the State of Louisiana, which it needed to continue operating its casino in the State legally.²⁹ Its compact was due to expire later that summer and the Tribe wanted to get a 25-year compact with the State as the Cherokees had obtained in North Carolina, to avoid having to renegotiate with the Governor's office every seven years.³⁰ But, with 2001 being a gubernatorial election year, the Tribe was concerned about its prospects for success with then-Governor Mike Foster.³¹ The Tribe was expecting a "very vigorous fight"³² and had doubts about whether its lobbyists at the time were aggressive enough to get the best deal.³³

Sometime during this same period, two members of the Louisiana Coushatta's Tribal Council, William Worfel and Bertney Langley, called Kathryn Van Hoof, the Louisiana Coushatta's outside counsel, from a meeting of the United South and Eastern Tribes ("USET").³⁴ They told her that they had just spoken with Terry Martin, a representative of the Chitimacha Tribe of Louisiana ("Chitimacha").³⁵ Martin recommended to Worfel and Langley that they contact a prominent Washington, D.C. lobbyist and a public relations consultant his Tribe had used and with whom they were very satisfied.³⁶ Their names: Jack Abramoff and Michael

²⁷ "Tribal Lobbying Matters," *Hearings before the Committee on Indian Affairs*, 109th Cong. at 10–11 (November 2, 2005) (testimony of Kevin Sickey, Chairman, Coushatta Tribe of Louisiana).

²⁸ *Id.* at 10–11.

²⁹ Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005). See also "Tribal Lobbying Matters," *Hearings before the Committee on Indian Affairs*, 109th Cong. at 17 (November 2, 2005) (testimony of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana).

³⁰ Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005).

³¹ Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

³² "Tribal Lobbying Matters," *Hearings before the Committee on Indian Affairs*, 109th Cong. at 17 (November 2, 2005) (testimony of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana).

³³ Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

³⁴ *Id.*

³⁵ Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

³⁶ Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005); Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005). Worfel understood that Martin and Abramoff were "tight." *Id.* He recalls that "[Abramoff and Scanlon] would talk about Terry [Martin] a lot to me" and Martin "promoted [Abramoff and Scanlon] a lot." *Id.* See also "Tribal Lobbying Matters," *Hearings before the Committee on Indian Affairs*, 109th Cong. at 17 (November 2, 2005) (testimony of William Worfel, former Vice-Chairman).

Scanlon.³⁷ Martin suggested that they might be able to help with the Tribe's compact.³⁸

So, Worfel and Langley asked Van Hoof to meet with Martin in Marksville, Louisiana that day.³⁹ At that meeting, Martin told Van Hoof about Abramoff's history with his Tribe.⁴⁰ He also discussed Abramoff's successful representation of the Mississippi Band of Choctaw Indians ("Choctaw") on several funding issues and noted how happy that Tribe was with Abramoff's representation.⁴¹ He told Van Hoof that Abramoff was well-connected and a friend of former Congressman Tom DeLay.⁴² Martin discussed the possibility that Abramoff could help the Louisiana Coushatta with its compact renegotiations.⁴³

Van Hoof returned to the Louisiana Coushatta Tribal Council, which was then comprised of not only Worfel and Langley but also Chairman Lovelin Poncho and councilmen Leonard Battise and Harold John, and conducted some basic due diligence on Abramoff.⁴⁴ She then delivered an oral report to the Tribal Council on her meeting with Martin about Abramoff.⁴⁵ Van Hoof described how hiring Abramoff could help the Tribe implement a strategy to convey, in particular to the Governor and the State legislature, that it had political "stroke" in Washington.⁴⁶ After Van Hoof's presentation, the Tribal Council asked Van Hoof to invite Abramoff to meet with the council about possibly representing the Louisiana Coushatta as its lobbyist in Washington, D.C.⁴⁷ Van Hoof complied.⁴⁸

In anticipation of his meeting with the Tribal Council, Abramoff spoke with Van Hoof more fully about the Louisiana Coushatta's lobbying interests.⁴⁹ He was preparing a formal plan and budget proposal for the Tribal Council.⁵⁰

About a week or two after Van Hoof's presentation to the Tribal Council, probably in March 2001, Abramoff and Scanlon went to Louisiana to meet with the Tribal Council at the Tribe's administration building.⁵¹ During the meeting, Abramoff described his

³⁷ Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005); Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005).

³⁸ Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005); Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005).

³⁹ Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005). See also "Tribal Lobbying Matters," *Hearings before the Committee on Indian Affairs*, 109th Cong. at 17 (November 2, 2005) (testimony of William Worfel, former Vice-Chairman).

⁴⁰ Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

⁴¹ *Id.*

⁴² *Id.*

⁴³ *Id.*

⁴⁴ *Id.*

⁴⁵ *Id.*

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ *Id.*

⁴⁹ *Id.*

⁵⁰ *Id.*; Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005).

⁵¹ *Id.*; Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005) (recalling only Abramoff's attendance). Also present was administrative assistant, Michelle "Missy" Litteral; Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13–14,

background, political connections, and capabilities.⁵² In particular, he mentioned that he “knew federal Indian law,” “federal legislation,” and “how to get things passed through the legislature.”⁵³ Referring to appropriations earmarks, Abramoff said that his team could get “line items’ for the Tribe.⁵⁴

He also mentioned that he “worked with people” in the Department of Interior and with Members of Congress.⁵⁵ Abramoff specifically mentioned his relationship with Congressman DeLay and former DeLay associate Scanlon.⁵⁶ Abramoff described how Scanlon’s background as a media consultant and in public relations could help make it appear that the Louisiana Coushatta had connections in Washington.⁵⁷

Abramoff also cited his success with the Choctaw.⁵⁸ That impressed Worfel and the Tribal Council; the Tribe had been trying to model itself and its casino operations on the economic development strategy that Chief Phillip Martin used to make the Choctaw among the most respected tribes in Indian Country.⁵⁹

Abramoff proposed a plan for establishing relationships with Members of Congress and participating in various campaign-related activities and events to help the Tribe convey to others that it had influence in Washington, D.C.⁶⁰ For example, Abramoff provided the Tribe with information about a DeLay golf tournament, saying that participating would convey the impression that it had some real “stroke” in Washington and would also build some good will with DeLay.⁶¹ Participation in events such as these and payments on “lists of suggested contributions” would, Abramoff suggested, provide name recognition and access.⁶²

In pitching himself to the Tribal Council, Scanlon represented that CCS could organize direct mail and telephone campaigns that would urge public officials to support issues important to CCS’s clients.⁶³ At the council meeting, Scanlon described himself as a

2005). At this meeting, it was suggested that Abramoff and Scanlon would talk more openly if the council turned off its recorder. *See id.*

⁵² Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005); Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005).

⁵³ *Id.*

⁵⁴ *Id.* Worfel testified that “[he] heard [reference to earmarks] so much.” *Id.*

⁵⁵ Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005).

⁵⁶ Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

⁵⁷ *Id.*; *see also* Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005) (Worfel describing how Scanlon said he could do “media blitzes,” “phone calls,” “phone banks,” “advertising on television,” etc.); “Tribal Lobbying Matters,” *Hearings before the Committee on Indian Affairs*, 109th Cong. at 17 (November 2, 2005) (testimony of William Worfel, former Vice-Chairman).

⁵⁸ Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005).

⁵⁹ *Id.* Months later, Abramoff and Scanlon would cite their association with the Choctaw in furtherance of their scheme to defraud the Tribe: When Abramoff pitched Scanlon in connection with a plan to elect Louisiana officials calculated to be supportive of the Tribe’s gaming interests, called the “Louisiana Political Program,” Abramoff told Worfel that Chief Phillip Martin had spent \$13 million “to get the governor of Alabama elected to keep gaming out of Alabama so it wouldn’t hurt ... his market in Mississippi.” *Id.*

⁶⁰ Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

⁶¹ *Id.*

⁶² *Id.*; Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005).

⁶³ Plea Agreement, Factual Basis for the Plea at para. 2, *U.S. v. Michael P.S. Scanlon* (Dist. D.C., November 17, 2005) (CR–05–411).

“bulldog”—“the one who puts fires out” and “[who] did the ground-work, like on the ads, the radio blitz, the phone banks, and all that.”⁶⁴ Scanlon represented that CCS “could provide effective advice about strategies focusing on specific public officials in order to obtain official support for, or neutralize opposition to, the interests of CCS’ clients.”⁶⁵

The main operational feature of Scanlon’s proposal was an elaborate political database.⁶⁶ To support that database, Scanlon said that he would provide a range of “electronic-related services.”⁶⁷ Polling would identify the likes and dislikes of those who may be inclined to support the Louisiana Coshatta’s casino.⁶⁸ He would also “need to [get] a list of [the Tribe’s] vendors and ... associates, ... tribal members, everybody that does business with the casino and the tribe, and try to get them to start making phone calls, letter-writing campaigns....”⁶⁹ Having identified the universe of individuals whose preferences were consistent with the interests of the Tribe, Scanlon promised to use this “customized” database to mobilize them.⁷⁰ Scanlon said that this would, for example, “have them flood the offices of policy makers with calls.”⁷¹

Based on representations Abramoff and Scanlon made to the Tribal Council at this meeting, Van Hoof understood that Scanlon had “vast experience” in public relations and that Scanlon was “part of the package” with Abramoff’s representation of the Louisiana Coshatta.⁷² Worfel came to believe that Scanlon’s company was a branch of Greenberg Traurig.⁷³ When Abramoff first met with the Tribal Council, Abramoff said that Scanlon worked for him, and Van Hoof always referred to “Jack and his guys.”⁷⁴ But, Van Hoof and Worfel agree, Abramoff never told the Council that he would personally collect a share of those proceeds that the Tribe paid Scanlon.⁷⁵

⁶⁴ Interview of William Worfel, former Vice-Chairman, Coshatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005).

⁶⁵ Plea Agreement, Factual Basis for the Plea at para. 2, *U.S. v. Michael P.S. Scanlon* (Dist. D.C., November 17, 2005) (CR–05–411).

⁶⁶ Interview of Kathryn Van Hoof, former outside counsel, Coshatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

⁶⁷ Plea Agreement, Factual Basis for the Plea at para. 2, *U.S. v. Michael P.S. Scanlon* (Dist. D.C., November 17, 2005) (CR–05–411).

⁶⁸ Interview of Kathryn Van Hoof, former outside counsel, Coshatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

⁶⁹ Interview of William Worfel, former Vice-Chairman, Coshatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005).

⁷⁰ Interview of Kathryn Van Hoof, former outside counsel, Coshatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

⁷¹ *Id.* There were at least two other meetings between the Tribal Council and Abramoff and Scanlon—another one in the Spring of 2001 (about two or three weeks after the first) and one in February 2004. Interview of William Worfel, former Vice-Chairman, Coshatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005) (during which compact renegotiation, Texas threats, Delta Downs and Pinnacle were discussed). Worfel and Poncho met with Abramoff at least one other time early in 2004 at Abramoff’s office in Greenberg Traurig. *Id.*

⁷² Interview of Kathryn Van Hoof, former outside counsel, Coshatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

⁷³ Interview of William Worfel, former Vice-Chairman, Coshatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005).

⁷⁴ *Id.*

⁷⁵ Interview of Kathryn Van Hoof, former outside counsel, Coshatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

Impressed with their proposals, the Tribal Council hired Abramoff and Scanlon as their federal lobbyist and grassroots political/media consultant, respectively.⁷⁶

Their tasks were to “assist [the Tribe] with the renewal of its compact with the State of Louisiana, regional gaming issues, and obtaining its public policy goals in Washington, D.C.”⁷⁷ Under an agreement executed on March 20, 2001, the Tribe was to pay Greenberg Traurig, the firm with which Abramoff was associated, \$125,000 per month plus reasonable expenses.⁷⁸ The Tribe was willing to pay this high retainer because it reflected, according to Van Hoof, “a concentrated effort within a short period of time” or “a short-term blitz” while the Tribe was renegotiating its compact.⁷⁹ Van Hoof assumed that the retainer amount would decrease after the compact period.⁸⁰ In fact, she was surprised to learn, after she was no longer with the Tribe, that the Tribe had continued to pay Greenberg Traurig a retainer at the original amount.⁸¹

Separately, the Tribe was to pay CCS, Scanlon’s company, for grassroots activities related to the compact renegotiations—“the ground effort.”⁸² Referring to this ground effort, on April 12, 2001, Abramoff told Van Hoof that “Mike [Scanlon] believes we can’t wait any longer for [it].”⁸³ The asking price, \$534,500.⁸⁴

With those agreements, the Tribe placed their trust in Abramoff and Scanlon. As Worfel testified, “You trust them because they worked for Greenberg. It’s supposed to be one of the most prestigious law firms in D.C. and America, and these people worked for these guys.”⁸⁵ Worfel trusted Abramoff, in particular, because it had been reported that he was one of the best lobbyists in Washington, D.C.; the Tribe was paying him a lot of money to represent its interests in D.C. and in the states; and (as described below) he and Scanlon originally “got good results.”⁸⁶

⁷⁶ *Id.*; Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005).

⁷⁷ Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005); Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005).

⁷⁸ Letter from Jack Abramoff, Greenberg Traurig, to Kathryn Van Hoof, Coushatta Tribe of Louisiana (COUSH–MiscKVH–0001189–91) (March 16, 2001).

⁷⁹ Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

⁸⁰ *Id.*

⁸¹ *Id.* Despite a provision in its agreement with Greenberg Traurig to the contrary, the firm’s expenses (which were not itemized in its bills to the Tribe) were deducted from the retainer. *Id.* Van Hoof could not explain why the Tribe agreed to this arrangement. While Van Hoof served as outside counsel to the Louisiana Coushatta, she was never advised of what expenses Abramoff and his team at the firm incurred. *Id.* Typically, those expenses amounted to about \$15,000 to \$18,000 per month. Interview of Stephanie Leger Short, former associate, Greenberg Traurig, in Washington, D.C. (August 18, 2005). Occasionally, Leger questioned some of those expenses, including an anomalous charge for the charter of a helicopter. *See id.* But, inevitably the response would be “That’s the way Jack wants it to be.” *Id.* Also, according to Short, two of Abramoff’s associates, Shana Tesler and Samuel Hook, did not work all those hours for which Greenberg Traurig billed its clients. *See id.* She recalled, “[T]owards the end, [Tesler] and Sam [Hook] were not at Greenberg, physically, often at all.” *Id.* “It was common knowledge within our group that they weren’t there, but hours were on our bills.” *Id.* However, where the Louisiana Coushatta and other Tribes who were so charged for these hours paid a retainer, *i.e.*, were not billed hourly, they were not injured by those billings.

⁸² Email from Jack Abramoff, Greenberg Traurig, to Kathryn Van Hoof, Coushatta Tribe of Louisiana (COUSH–MiscKVH–0001632–33) (April 12, 2001).

⁸³ *Id.* Email from Jack Abramoff, Greenberg Traurig, to Kathryn Van Hoof, Coushatta Tribe of Louisiana (COUSH–MiscKVH–0001632–33) (April 12, 2001).

⁸⁴ *Id.*

⁸⁵ Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005).

⁸⁶ *Id.*

In her interview, Short recalled that Worfel told her that the Tribe wanted to be the “Choctaw of Louisiana.”⁸⁷ According to Short, the Louisiana Coushatta were “in awe of the Mississippi Choctaw ... because Chief Martin has done an amazing job with his tribe. ...”⁸⁸ “And so I think,” Leger continued, “Chief Martin trusted Jack, and had Jack doing all these things for them. I think that gave him automatic credibility with William [Worfel]. And then meeting with him, I think, just sealed the deal.”⁸⁹

After the Tribe hired Abramoff and Scanlon, the Tribal Council asked Van Hoof to liaise between the Tribe, on the one hand, and Abramoff and Scanlon, on the other.⁹⁰ From the Spring through the Fall of 2001, she did so.⁹¹ During the Fall of 2001 onward, Worfel replaced Van Hoof as the Tribe’s point of contact with Abramoff and Scanlon.⁹²

D. SCANLON’S GRASSROOTS PROJECTS FOR THE TRIBE

As described above, initially Scanlon was hired to help the Tribe on its renegotiations with the State of Louisiana regarding its gaming compact. Scanlon promised to develop and implement a media blitz, a letter writing campaign to the governor and local officials, phone banks, and opposition research.⁹³ That would be accomplished by Scanlon’s “political database.”⁹⁴

A draft of a program budget outlines what Scanlon proposed to do for the Tribe regarding the compact renegotiations. Using language very similar to what he used with other Tribes, Scanlon proposed a five-point plan focused around the development and use of an elaborate political database.⁹⁵

Apparently, Abramoff and Scanlon split the fees that the Louisiana Coushatta paid for CCS’ work on the compact renegotiations: on April 12, 2001, and April 18, 2001, Abramoff and Scanlon each urged Van Hoof that the Tribe come up with \$200,000 for an “organizational phase” of this political program.⁹⁶ On or about April 26, 2001, the Tribe paid CCS \$200,000, as requested. Soon thereafter,

⁸⁷ Interview of Stephanie Leger Short, former associate, Greenberg Traurig, in Washington, D.C. (August 18, 2005).

⁸⁸ *Id.*

⁸⁹ *Id.*

⁹⁰ Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

⁹¹ *Id.*

⁹² Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005).

⁹³ Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005).

⁹⁴ Memorandum from Michael Scanlon, Capitol Campaign Strategies, to Kathryn Van Hoof, Coushatta Tribe of Louisiana, “Louisiana Political Budget Outline” (October 23, 2001) (“we need to modify your political database into a statewide format”).

⁹⁵ Louisiana Coushatta document production (no Bates number) (June 26, 2001) (“The Coushatta Political Program,” by Michael Scanlon”).

⁹⁶ See Email from Jack Abramoff, Greenberg Traurig, to Kathryn Van Hoof, Coushatta Tribe of Louisiana (COUSH-MiscKVH-0001632-33) (April 12, 2001) (“I still do not have the budget for the complete effort, but Mike believes we cannot wait any longer for the on ground effort, so I need to get this to you for approval. ... Please let me know if I can give Mike the go ahead.”); Email from Michael Scanlon, Capitol Campaign Strategies, to Kathryn Van Hoof, Coushatta Tribe of Louisiana, “Re: Political Program funding” (COUSH-MiscFin-0000368) (April 18, 2001) (“The total for the program is \$539,000. In order to get started the tribe will need to pay \$200k up front to cover the organizational program. ... If there [sic] is any way to get the initial money out today it would be great!”).

on or about April 30, 2001, CCS paid Abramoff \$75,000—itemized in CCS’ accounting ledger as a “referral expense.”⁹⁷

Worfel did see evidence that Scanlon’s strategy was implemented.⁹⁸ In July 2001, Governor Foster signed the compact.⁹⁹ Most of the Tribal Council, and Van Hoof, were satisfied with the work that Scanlon conducted on the compact renegotiations.¹⁰⁰ But, afterwards, the scope of work dramatically increased.¹⁰¹ Soon after his first meeting with the Tribal Council, Abramoff raised with the Tribe the idea of fighting the expansion of gaming in Texas and dockside gaming projects elsewhere in Louisiana.¹⁰²

Indeed, Abramoff and Scanlon, on whom the Tribe relied as experts, persuaded the Tribal Council that threats to the Tribe’s gaming interests were everywhere—state-sponsored gambling, slot machines at horse tracks, the possibility of Texas legalizing gaming, and competing casinos possibly being built by other tribes.¹⁰³ According to Worfel, “It was always one crisis after another. There were real threats and some not so real, looking back with hindsight.”¹⁰⁴

Worfel continued:

Texas gaming was one of those oversold threats. In 2001, we were told by Abramoff that Texas was one vote away from allowing casino gambling. I have since learned that legalized casino gambling was far from being approved by the Texas Legislature. In addition, we have learned that Jack and Mike were working for other tribes in Texas that were trying to get gaming, when they were supposed to be watching out for us.¹⁰⁵

Worfel asked rhetorically:

What should you spend to save a \$300-million a year business when the lawyers who work for you tell you that it could all be gone if we do not act now? Our tribe has one and only one business. We made tough decisions and we acted always in the best interests of our tribe.¹⁰⁶

Thus, the Tribe hired Scanlon to implement a number of grass-roots activities on behalf of the Louisiana Coushatta to battle the numerous threats—both real and imagined—that the Tribe faced. Over the following three years, separate from its payments to Greenberg Traurig, the Louisiana Coushatta paid entities owned or

⁹⁷ Diehl & Company document production (D00411–512) (undated) (General Ledger, Capitol Campaign Strategies).

⁹⁸ Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005).

⁹⁹ *Id.*

¹⁰⁰ Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

¹⁰¹ *Id.*

¹⁰² Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005).

¹⁰³ See Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005). See also “Tribal Lobbying Matters,” *Hearings before the Committee on Indian Affairs*, 109th Cong. at 17 (November 2, 2005) (testimony of William Worfel, former Vice-Chairman).

¹⁰⁴ *Id.*

¹⁰⁵ *Id.*

¹⁰⁶ *Id.*

controlled by Abramoff or Scanlon about \$32,000,000. Those payments are set forth below.

PAYMENTS BY LOUISIANA COUSHATTA TO ABRAMOFF/SCANLON ENTITIES

Payments by Tribe to Capitol Campaign Strategies (CCS)

4/26/01	\$200,000
5/30/01	283,500
6/29/01	850,000
7/13/01	200,000
7/26/01	102,000
7/26/01	292,500
7/26/01	97,500
10/5/01	940,000
10/31/01	700,000
10/31/01	2,170,000
1/18/02	1,000,000
1/18/02	1,500,000
1/18/02	1,505,000
1/24/02	800,000
2/6/02	1,200,000
3/15/02	3,405,000
4/3/02	2,100,000
8/2/02	2,100,000
10/16/02	950,000
2/14/03	5,000,000
4/22/03—Coushatta/AIC	1,300,000
Total	26,695,500

Payments by Tribe to American International Center (AIC)

3/16/01—Southern Underwriters	400,000
3/21/01	258,000
3/30/01	298,000
4/27/01	397,200
4/9/03	2,300,000
Total	3,653,200

Payments by Tribe to Capital Athletic Foundation (CAF)

11/13/01—Greenberg Traurig	1,000,000
5/8/03—Atlantic Research & Analysis	950,000
Total	1,950,000

Grand Total 32,298,700

As the foregoing indicates, during the first quarter of 2002 alone, the Tribe made continuous payments to Abramoff and Scanlon, totaling over \$9,000,000. But, on June 2, 2002, Abramoff wrote Scanlon, “[The Louisiana Coushatta] are ripe for more pickings. We have to figure out how.”¹⁰⁷

In furtherance of the grassroots strategy devised for the Tribe, Abramoff and Scanlon persuaded the Tribal Council to financially support other groups opposed to gaming expansion, namely Christian evangelical conservatives, to help the Tribe protect its share

¹⁰⁷ Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000252622) (June 2, 2002).

of the regional gaming market.¹⁰⁸ Abramoff specifically proposed that the Tribe work with former Christian Coalition Executive Director Ralph Reed.¹⁰⁹ According to Van Hoof, Abramoff understood that gaming opponents, like Christian conservatives, would of course eschew direct contributions from the Tribe.¹¹⁰ Worfel recalled that Van Hoof “came back and told us that [sic] a guy named Ralph Reed. She was real careful about a Ralph Reed person. It can’t get out. He’s Christian Coalition. It wouldn’t look good if they’re receiving money from a casino-operating tribe to oppose gaming. It would be kind of like hypocritical.”¹¹¹

Worfel testified that, on the Tribe’s behalf, Abramoff hired Reed to help prevent the expansion of gaming in Louisiana.¹¹² In that capacity, Worfel understood, Reed was supposed to mobilize “the Christian Coalition” to engage on several legislative initiatives relating to gaming, including, opposing bills providing for dockside gaming and supporting an amendment that raised taxes on the river boats.¹¹³ Furthermore, Worfel recalled, Van Hoof told him that Reed would “supposedly get a lot of pastors or preachers or ministers ... together.”¹¹⁴ But, once again, Worfel recalled Van Hoof cautioning him that Reed “did not want his name being revealed.”¹¹⁵

Against that backdrop, Abramoff asked whether the Tribe had any business through which payments to Reed could be made.¹¹⁶ In a meeting that included Louisiana businessman Aubrey Temple, Temple volunteered the use of one of his businesses as a conduit.¹¹⁷ It was an apparently moribund insurance company called Southern Underwriters.¹¹⁸ So, on or about March 16, 2001, the Tribe paid \$400,000 to AIC, a Scanlon-controlled entity, through Southern Underwriters.¹¹⁹ From Abramoff, Van Hoof understood that AIC was an entity that supported anti-gaming efforts, which the Tribe could support.¹²⁰ She also understood that the Tribe’s money that went through AIC was to go to Reed, for coalition-building against gaming initiatives that would have competed with the Tribe.¹²¹ She also understood that, by paying Reed through AIC, the Tribe’s identity as the original source of those funds would be disguised.¹²² When the Tribe paid AIC in March 2001, it did not know that Abramoff and Scanlon would later extract secretly millions in “gimme five” proceeds from Tribal payments routed

¹⁰⁸ Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

¹⁰⁹ *Id.*

¹¹⁰ *Id.*

¹¹¹ Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005). From 2001 through 2004, most, if not all, of the Louisiana Coushatta’s revenue came from its casino profits. *Id.* See also *id.* (“[Reed’s name could not be mentioned,] I guess because he would be judged as a hypocrite.”).

¹¹² *Id.*

¹¹³ *Id.*

¹¹⁴ *Id.*

¹¹⁵ *Id.*

¹¹⁶ Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

¹¹⁷ *Id.*

¹¹⁸ *Id.*

¹¹⁹ *Id.*

¹²⁰ *Id.*

¹²¹ *Id.*; Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005).

¹²² Interview of Kathryn Van Hoof, former outside counsel, Coushatta Tribe of Louisiana, in Lecompte, Louisiana (September 21, 2005).

through that entity. How Abramoff and Scanlon did so is fully explained in Part 2, Chapter 2, Section E, of this Report, entitled, "American International Center: AIC as a "Gimme Five Entity."

E. CONCLUSION

Specifically citing the work he had done for the Choctaw, Abramoff subsequently secured contracts for himself and Scanlon from the Louisiana Coushatta. Of all the Tribes that hired Scanlon, the Louisiana Coushatta ended up paying Scanlon the most. Initially, the Tribe hired Scanlon to help with its compact renegotiations with the State of Louisiana. But, after having successfully assisted the Tribe, Scanlon dramatically expanded his scope of work, which ranged from squelching supposedly ubiquitous threats to the Tribal casino's customer market share, to supposedly getting the "right" candidates elected to the Louisiana State Legislature.

To its detriment, the Tribe trusted Abramoff and Scanlon's expertise in Indian gaming and were captured by their lure of making the Louisiana Coushatta "the Choctaw of Louisiana." Accordingly, it deferred to Abramoff and Scanlon's judgment when they recommended that it fund very expensive grassroots campaigns.

Ultimately, having collected about \$30,000,000 from the Louisiana Coushatta during the relevant period, Scanlon secretly kicked back to Abramoff about \$11,450,000—about 50 percent of his total profit from the Tribe. This includes a payment of \$1,000,000 that Abramoff and Scanlon manipulated the Tribe into paying to CAF, Abramoff's private charity.

Discussion and analysis of how Abramoff and Scanlon successfully perpetrated their "gimme five" scheme on the Tribe, on an entity-by-entity basis, is contained below in Part 2 of this Report.