

"GIMME FIVE" PROCEEDS TO ABRAMOFF AND ABRAMOFF-CONTROLLED ENTITIES 2001-2003

Date	Payee	Amount	Payor
4/30/01	Abramoff	\$75,000	CCS
5/20/01	CAF	182,000	CCS
6/10/01	Abramoff	50,000	CCS
10/4/01	Abramoff	100,000	CCS
10/25/01	Abramoff	428,000	CCS
11/7/01	CAF	1,000,000	Coushatta through Greenberg Traurig
12/19/01	Abramoff	300,000	CCS
12/31/01	Abramoff	1,718,125	CCS
1/1/02	CAF	500,000	Choctaw
2/22/02	Kaygold	2,779,925	CCS
3/21/02	Abramoff	4,080,997	CCS
4/8/02	Kaygold	2,138,025	CCS
5/30/02	Abramoff	16,397	CCS
6/12/02	Kaygold	150,000	CCS
7/12/02	Kaygold	800,000	CCS
7/12/02	Kaygold	20,000	CCS
7/12/02	Kaygold	44,000	CCS
8/6/02	CAF	500,000	Choctaw
9/16/02	Kaygold	2,266,250	CCS
10/17/02	CAF & Nurnberger	500,000	Choctaw through NCPPR
11/11/02	Kaygold	1,078,649	CCS
12/03/02	Kaygold	87,907	CCS
12/31/02	Kaygold	1,000,146	CCS
12/31/02	Kaygold	53,000	CCS
2/19/03	Kaygold	1,965,000	CCS
4/13/03	Kaygold	991,000	AIC
5/7/03	CAF	950,000	Atlantic Research & Analysis
10/27/03	Kaygold	750,000	CCS
Total		\$24,524,421	

In the sections that follow, this Report will discuss how Abramoff and Scanlon ran their "gimme five" scheme on six of their tribal clients: the Mississippi Band of Choctaw Indians ("Choctaw"), the Coushatta Tribe of Louisiana ("Louisiana Coushatta"), the Saginaw Chippewa Indian Tribe of Michigan ("Saginaw Chippewa"), the Agua Caliente Tribe of the Cauhilla Indians ("Agua Caliente"), the Ysleta del Sur Pueblo of Texas ("Tigua") and the Pueblo of Sandia of New Mexico ("Pueblo of Sandia") (collectively, "the Tribes" and individually, "the Tribe"). Although this Report will mention other vehicles owned or controlled by Abramoff or Scanlon, this Section will focus on how they did so by using primarily three: Capitol Campaign Strategies ("CCS"), the American International Center ("AIC"), and the Capital Athletic Foundation ("CAF").

CHAPTER I

CAPITOL CAMPAIGN STRATEGIES

[W]e should not reveal [valuing my share in Capitol Campaign Strategies ("CCS") at \$5 million per year] to anyone but [my tax advisor], though, since no one knows the CCS stuff.

Email from Jack Abramoff to business associate Rodney Lane, March 15, 2002

ABRAMOFF: Thanks so much! You are a great partner. What I love about our partnership is that, when one of us

is down, the other is there. [w]e're gonna make \$ for years together!"

SCANLON: Amen! You got it boss—we have many years ahead!

Email between Jack Abramoff and Michael Scanlon, June 20, 2002

SCHMIDT: Do you have an ownership stake in Capitol Campaign Strategies or Scanlon Gould or any of Mike Scanlon's ventures?

ABRAMOFF: No. No, I don't.

Exchange between Jack Abramoff and *Washington Post* reporter Susan Schmidt, on February 4, 2004, as transcribed in a Greenberg Traurig email

A. BACKGROUND

Of all the entities that Michael Scanlon owned or controlled, the one that he and Jack Abramoff used most extensively in carrying out their “gimme five” scheme was Capitol Campaign Strategies (“CCS”), which also did business as Scanlon Gould Public Affairs and Scanlon Public Affairs.²³ CCS was first started up “to help Scanlon collect [consulting] fees.”²⁴ During the first quarter of 2001, CCS’ only client appears to have been SunCruz Casinos, a Florida-based casino cruise-ship company that Abramoff and a former business partner, Adam Kidan, have admitted to defrauding.²⁵

From 2001 through 2003, CCS secretly paid Abramoff, and entities owned or controlled by Abramoff, including an entity called Kaygold, about \$20,083,421. In total, those payments, set forth below, constitute about half of Scanlon’s net profit from the Tribes.

SECRET PAYMENTS BY CCS TO ABRAMOFF FROM 2001–2004

4/30/01	Abramoff	\$75,000
5/20/01	CAF	182,000
6/10/01	Abramoff	50,000
10/4/01	Abramoff	100,000
10/25/01	Abramoff	428,000
12/19/01	Abramoff	300,000
12/31/01	Abramoff	1,718,125
2/22/02	Kaygold	2,779,925
3/21/02	Abramoff	4,080,997
4/8/02	Kaygold	2,138,025
5/30/02	Abramoff	16,397
6/12/02	Kaygold	150,000
7/12/02	Kaygold	800,000
7/12/02	Kaygold	20,000
7/12/02	Kaygold	44,000
9/16/02	Kaygold	2,266,250
11/11/02	Kaygold	1,078,649

²³The Committee finds and, in court filings Scanlon has admitted, that Scanlon Gould Public Affairs was largely used to receive funds in the performance of business activities of CCS. See Plea Agreement, Factual Basis for Plea at para. 2, *U.S. v. Michael P.S. Scanlon* (Dist. D.C., November 11, 2005) (CR 05–411). Therefore, this Report will refer to CCS, Scanlon Gould Public Affairs, and Scanlon Public Affairs interchangeably as “CCS” or “Scanlon.”

²⁴Interview of Christopher Cathcart, former associate, Capitol Campaign Strategies, in Washington, D.C. (October 6, 2004).

²⁵Plea Agreement, Factual Basis for Plea at para.1, *U.S. v. Jack A. Abramoff* (S.D. Fla. January 4, 2006) (CR 05–60204).

SECRET PAYMENTS BY CCS TO ABRAMOFF FROM 2001–2004—Continued

12/03/02	Kaygold	87,907
12/31/02	Kaygold	1,000,146
12/31/02	Kaygold	53,000
2/19/03	Kaygold	1,965,000
10/27/03	Kaygold	750,000
Total	20,083,421

In the sections that follow, this Chapter will describe how Abramoff and Scanlon used CCS to further their “gimme five” scheme. In particular, it will describe how most of the money that the Tribes paid Scanlon was used for purposes unintended by the Tribes and how, in most cases, the Tribes received little of the intended benefit for the vast sums that they paid CCS.

B. ABRAMOFF CONCEALS HIS FINANCIAL RELATIONSHIP WITH SCANLON

For Abramoff and Scanlon’s “gimme five” scheme to succeed, secrecy was key. In furtherance of that “gimme five” scheme, Abramoff and Scanlon agreed that Scanlon’s payments to Abramoff would not be disclosed to Abramoff and Scanlon’s Tribal clients.²⁶ They understood that disclosing their arrangement to those clients would likely jeopardize the contracts for services, CCS’ profit margin, or both.²⁷

Committee staff asked Saginaw Chippewa tribal Sub-Chief Bernie Sprague what, if anything, the Tribe knew about Abramoff and Scanlon’s financial arrangement. In response, Sprague recalled that, as the Tribe was considering in December 2003 whether to retain Abramoff, he specifically asked Abramoff about his relationship with Scanlon.²⁸ Sprague remembered that Abramoff only answered that he knew him and his relationship with Scanlon was professional.²⁹

Likewise, in testimony before the Committee, Tigua tribal representative Marc Schwartz recalled that a couple of days or so before Abramoff and Scanlon’s presentation to that Tribe, he specifically asked Abramoff whether Scanlon was connected to Abramoff.³⁰ Schwartz recalled that Abramoff answered “no.”³¹ In fact, telling Schwartz that Scanlon had “his own” company, Abramoff referred to Scanlon as merely “an associate.”³² Schwartz also recalled asking Abramoff whether he used Scanlon exclusively.³³ Without bringing up his financial arrangement with Scan-

²⁶ Plea Agreement, Factual Basis for Plea at para. 9, *U.S. v. Jack A. Abramoff* (Dist. D.C., January 3, 2006) (CR 06–001).

²⁷ *Id.*

²⁸ Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe of Michigan, in Washington, D.C. (September 13, 2004).

²⁹ *Id.*

³⁰ Interview with Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

³¹ *Id.*

³² “Tribal Lobbying Matters,” *Hearings before the Committee on Indian Affairs*, 108th Cong. at 239 (September 29, 2004) (statement of Marc Schwartz, president, Partners Group Consultants).

³³ Interview with Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

lon, Abramoff answered non-responsively: he liked to use Scanlon for the tough fights because “[h]e always [got] results.”³⁴

Similarly, when Abramoff and Scanlon gave their presentation at the Agua Caliente Tribal Council, Abramoff only represented that Scanlon “work[ed] very closely with our firm [Greenberg Traurig].” And, when Abramoff originally recommended Scanlon to the Choctaw, he introduced Scanlon as an independent consultant.³⁵

While it is unclear whether Abramoff or Scanlon similarly misled the remaining Tribes, the Committee finds the following: no Tribe that ultimately hired Abramoff and Scanlon during the relevant period knew about their financial relationship.³⁶

In his deposition with Committee staff, the head of the Greenberg Traurig’s national lobbying practice Fred Baggett testified that, until Abramoff’s meeting with the firm’s partners about the seminal *The Washington Post* article in February 2004, Abramoff never disclosed that he was receiving payments from Scanlon out of money that the Tribes were paying Scanlon.³⁷ In fact, during a meeting about a tribal newsletter in 2003, Abramoff denied that he had any financial relationship with Scanlon and tried to explain the article away as politically driven by competitors of the firm.³⁸

When Abramoff first discussed hiring Scanlon with Baggett, Abramoff merely described Scanlon as “the best as far as public relations and grassroots ... that he had ever dealt with” who provided “value added” in helping the his clients with “Washington media and public relations efforts as well.”³⁹ In that context, Abramoff indicated, Scanlon had been “extremely helpful to [him] and his clients.”⁴⁰ Baggett also remembered that Abramoff indicated “[h]ow valuable [Scanlon] was, that he was essential to being able to provide services to his clients.”⁴¹

In what appears to be an effort to ensure that his Tribal clients did not know about his financial arrangement with Scanlon, Abramoff demanded secrecy of his business associates and advisors. For example, in a March 15, 2002, email, Abramoff directed

³⁴ *Id.*

³⁵ Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, Choctaw, Mississippi (April 27–29, 2005).

³⁶ See Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe of Michigan, in Washington, D.C. (September 13, 2004); Interview of Chairman Richard Milanovich, Agua Caliente Band of Cahullia Indians, in Washington, D.C. (September 16, 2004); Interview of Lieutenant Governor Carlos Hisa, Ysleta del Sur Pueblo, in El Paso, Texas (October 28, 2004); Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004); Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27–29, 2005); Interview of Chief Phillip Martin, Mississippi Band of Choctaw Indians, in Washington, D.C. (May 17, 2005); Interview of William Worfel, former tribal council member, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13, 2005); Interview of Stuwart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

³⁷ Interview of Fred Baggett, Chair, National Government Affairs Practice, Greenberg Traurig, in Washington, D.C. (September 29, 2005).

³⁸ *Id.* But see James Grimaldi and Susan Schmidt, *The Fast Rise and Steep Fall of Jack Abramoff*, *Washington Post*, December 29, 2005 (reporting that Greenberg Traurig discovered Abramoff’s outside sources of income earlier when it examined his tax records in connection with the SunCruz bankruptcy matter).

³⁹ Interview of Fred Baggett, Chair, National Government Affairs Practice, Greenberg Traurig, in Washington, D.C. (September 29, 2005).

⁴⁰ *Id.*

⁴¹ *Id.* Despite these plaudits, Greenberg Traurig decided not to hire Scanlon full-time because he “wanted to pursue other outside engagements on his own, and we ... weren’t going to have somebody who could do that.” *Id.* Ultimately, the firm brought in Scanlon as a consultant. *Id.* That engagement, for which Scanlon was paid \$10,000 per month from Abramoff’s overhead, lasted for only about a year. *Id.* Other than having decided that “we didn’t have use for him,” Baggett does not know why the firm stopped paying Scanlon. *Id.*

Rodney Lane, apparently a partner in his restaurant ventures, to value his share in his partnership with Scanlon at \$5 million per year, “valued as \$30M (multiple of 6 [years]).”⁴² In so doing, he also directed that “we should not reveal this to anyone but [my tax advisor], though, since no one knows the CCS stuff.”⁴³

Similarly, in a February 19 and 20, 2003, email, in which Abramoff’s tax advisor, Gail Halpern, suggested to Abramoff how he could minimize Scanlon’s withholding money from CCS’ payments to Abramoff. Halpern recommended, “[m]aybe you should work thinks [sic] so that the folks you are cutting these business deals with pay Mike [Scanlon’s] LLC called CCS \$x dollars, and pay your LLC called KayGold \$y dollars. then [sic] DC doesn’t get a chunk of your take.”⁴⁴

She elaborated, “[g]etting your own check from the client would resolve that over the long run would save big bucks.”⁴⁵

Abramoff responded, “It’s just not going to happen.”⁴⁶

C. ABRAMOFF INDUCES THE TRIBES INTO HIRING AND PAYING SCANLON

Having concealed his financial arrangement with Scanlon from his Tribal clients, Abramoff urged them to hire a grassroots political consultant.⁴⁷ Then, Abramoff convinced them into hiring Scanlon as that consultant. According to Scanlon’s highly compensated right-hand man, Christopher Cathcart, Scanlon said that “the larger fee [that CCS paid Abramoff] keeps ... Abramoff remembering CCS when he meets clients around the country.”⁴⁸ Likewise, in support of the proposition that “the truth is worse” than the facts set forth in the February 2004 *Post* article, former Abramoff associate Kevin Ring disclosed to a colleague that Abramoff “talk[ed] tribes into hiring Scanlon.”⁴⁹

On October 5, 2001, Abramoff told Scanlon how he ran this part of the scheme on the legislative director of the Saginaw Chippewa:

I had dinner tonight with Chris Petras of Sag Chip. He was salivating at the \$4–5 million program I described to

⁴² Email from Jack Abramoff, Greenberg Traurig, to Rodney Lane (GTG–E000011577) (March 15, 2002).

⁴³ *Id.*

⁴⁴ Email from Gail Halpern, May & Barnhard, to Jack Abramoff, Greenberg Traurig (GTG–E000012116) (February 19, 2003).

⁴⁵ *Id.*

⁴⁶ Email from Jack Abramoff, Greenberg Traurig, to Gail Halpern, May & Barnhard (GTG–E000012115) (February 20, 2003). Whether Halpern came to know or should have known that Abramoff was Scanlon’s partner and, with that knowledge, furthered their scheme to bilk their tribal clients is a question beyond the scope of this investigation.

⁴⁷ Plea Agreement, Factual Basis for Plea, *U.S. v. Jack A. Abramoff* (Dist. D.C., January 3, 2006) (CR 06–001). See Interview of Bernie Sprague, Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (September 13, 2004); Interview of Chairman Richard Milanovich, Agua Caliente Band of Cahullia Indians, in Washington, D.C. (September 16, 2004); Interview of Lieutenant Governor Carlos Hisa, Ysleta del Sur Pueblo of Texas (October 28, 2004); Interview of Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004); Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Choctaw, Mississippi (April 27–29, 2005); Interview of Chief Phillip Martin, Mississippi Band of Choctaw Indians, in Washington, D.C. (May 17, 2005); Interview of William Worfel, former Vice-President, Coshatta Tribe of Louisiana, in Washington, D.C. (September 13, 2005); Interview of Stewart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

⁴⁸ Interview of Christopher Cathcart, former associate, Capitol Campaign Strategies, in Washington, D.C. (October 6, 2004).

⁴⁹ Email from Kevin Ring, Greenberg Traurig, to Matt DeMazza (GTG–E000257509) (February 22, 2004).

him (is that enough? Probably not). They have their primary for tribal council on Tuesday, which should determine if they are going to take over (general elections in November). I told him that you are the greatest campaign expert since ... (actually, I told him that there was no one like you in history!). He is going to come in after the primary with the guy who will be chief if they win (a big fan of ours already) and we are going to help him win. If he wins, they take over in January, and we have millions. I told him that you are already in national demand and we need to secure you for them. He is very excited. GIMME FIVE lives.⁵⁰

Scanlon responded, "THE PRICE HAS JUST GONE UP TO 10MIL!! Sounds good on the strategy—We should be wrapped up with the other camapaigns [sic] soon, so I could run his general election to make sure we get or [sic] give me five!"⁵¹

Abramoff concurred, "Great."⁵²

Documents suggest that Abramoff and Scanlon ran this part of the scheme on the Saginaw Chippewa well into 2003. On February 28, 2003, Scanlon complained to Abramoff that "[o]ur shop is not under contract with [the Saginaw Chippewa] for PR—we have done it for them as part of programs in the past—but we aren't doing any work for them—and we will not until they hire us as their PR firm of Record."⁵³

He noted, "To tell you the truth—we would rather not work for them any more—but if we get the retainer gig—that wil [sic] do. NO CASH—NO INK BABY!"⁵⁴

Abramoff responded, "I am not sure this is the right strategy here ... I think we might be able to get some more big sums from these guys."⁵⁵

He explained, "[T]he trick right now should be to get their shit work done as quickly and painlessly as we can and set up a plan right now for future efforts. That way we know there is a pot of gold at the end of the rainbow."⁵⁶

In that context, Abramoff informed Scanlon that he "told [Saginaw Chippewa legislative director Chris Petras] that this was the only way to get you involved because you have just too many other clients putting \$10M deals in front of you. he [sic] said they would do this."⁵⁷ The Committee has seen no evidence that any other clients were putting \$10 million deals before Scanlon previously or at that time.

On or about July 9, 2002, Abramoff promoted Scanlon to the Agua Caliente, describing Scanlon as "[formerly] with the U.S. Congress, a communications director for the leadership of the House of Representatives and subsequently has gone on to become

⁵⁰ Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG–E000028079) (October 5, 2001). (emphasis in original).

⁵¹ *Id.* (emphasis in original).

⁵² *Id.*

⁵³ Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG–E000011983) (February 28, 2003).

⁵⁴ *Id.* (emphasis in original).

⁵⁵ *Id.*

⁵⁶ *Id.*

⁵⁷ *Id.*

one of the top political and grassroots public affairs people in the United States.” For his part, Scanlon said at the meeting, “My firm is in strategic alliance with Jack and Greenberg [Traurig,] meaning we only provide services to the clients of Greenberg Traurig. No other law or lobbying firms in Washington, DC. We work exclusively for his clients and provide our services to Jack exclusively.”⁵⁸

Former Louisiana Coushatta councilman William Worfel recalled in his interview with staff that Abramoff continuously pressed his Tribe to pay Scanlon the millions he charged, quickly and completely. In particular, Worfel remembered that, according to Abramoff, the need to pay Scanlon was “always a crisis, ASAP”: “[I]t was just 100 miles per hour, boom, boom, boom, boom. Oh, yes. But, I ain’t never seen this.”⁵⁹ Worfel elaborated, “[Scanlon would always say,] ‘We got to have it, man.’ ‘We’re getting hammered.’ ‘We need it.’ ‘We’ve got to turn the phone banks on.’ ‘We’ve got to get the blitz going.’ It was always a crisis.”⁶⁰

Abramoff’s approach with the Tigua was equally aggressive. A tribal representative observed that Abramoff pushed Scanlon “hotly.”⁶¹ With that Tribe, Abramoff said that he and Greenberg Traurig would provide representation on a *pro bono* basis—at least until the Tribe’s casino was up and running.⁶² But, he insisted that the Tribe hire Scanlon as their political consultant.⁶³ In that context, he described Scanlon as “tenacious” and a “bulldog.”⁶⁴ He also noted that Scanlon was “DeLay’s attack dog ... one of the reasons that Delay was so successful” and that “people [were] afraid of him.”⁶⁵ Abramoff promoted Scanlon as the person who did the groundwork on his projects and that, on tough fights especially, “[h]e always gets results.”⁶⁶

Having told the Tigua how he planned anonymously to slip language into a legislative vehicle that would allow the Tigua to reopen its casino, Abramoff stressed “once the law is printed, someone’s going to know it and that’s where Mike [Scanlon] comes in.”⁶⁷ In particular, Abramoff laid out a strategic concept whereby Scanlon would serve as “a submarine”—rising from under the radar and blanketing the telephones of offices of Members of Congress that have discovered the remedial language that Abramoff had sneaked into his legislative vehicle.⁶⁸ Abramoff noted, “you better have the

⁵⁸ Agua Caliente document production (no Bates number) (“Verbatim Transcript—Tribal Council Meeting of Tuesday, July 9, 2002”) (July 20, 2004) (excerpt only).

⁵⁹ Interview of William Worfel, former Vice-President, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13, 2005).

⁶⁰ *Id.*

⁶¹ Interview with Tom Diamond, Esq., Diamond, Rash, Gordon & Jackson, outside counsel, Ysleta del Sur Pueblo, in El Paso, Texas (October 28, 2004).

⁶² Interview with Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

⁶³ *Id.* Plea Agreement, Factual Basis for Plea at para. 6, *U.S. v. Jack A. Abramoff* (Dist. D.C., January 3, 2006) (CR-06-001); Plea Agreement, Factual Basis for Plea at 2, *U.S. v. Michael P.S. Scanlon* (Dist. D.C., November 11, 2005) (CR 05-411).

⁶⁴ Interview with Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

⁶⁵ *Id.*

⁶⁶ *Id.*

⁶⁷ *Id.*

⁶⁸ Interview with Tom Diamond, Esq., Diamond, Rash, Gordon & Jackson, outside counsel, Ysleta del Sur Pueblo of Texas, in El Paso, Texas (October 28, 2004).

best, because they will come after you.”⁶⁹ And, referring to Scanlon and his political database, Abramoff insisted, “If you are going to do this, you need this guy.”⁷⁰

Abramoff’s interest in having the Pueblo of Sandia hire Scanlon was particularly keen. Both then-Tribal Governor Stewart Paisano and Tribal lawyer David Mielke recalled that, during a meeting with Abramoff at Greenberg Traurig in February 2002, Abramoff characterized Scanlon as indispensable to his federal lobbying practice and a *sine qua non* for success on the Tribe’s project.⁷¹ In laying out to the tribal representatives his plan to “break bones” and “bust kneecaps,” Abramoff told them that he would only represent the Tribe if it hired Scanlon.⁷²

So intent was Abramoff in having the Pueblo of Sandia hire Scanlon that he negotiated with the Tribe on Scanlon’s behalf and, in fact, offered several inducements to have the Tribe hire Scanlon. According to Paisano and Mielke, in the face of an unusually high contract price to hire Scanlon, Abramoff offered to further reduce Greenberg Traurig’s monthly retainer in exchange for or in contemplation of the Tribe’s hiring Scanlon.⁷³ Mielke also recalled that Abramoff offered to reduce Scanlon’s asking price to \$2,750,000, but said that he could not go further because the lower amount had “Scanlon’s 10% profit margin locked in.”⁷⁴ Likewise, when the Choctaw were experiencing cash flow problems and budget shortfalls, Abramoff offered to defer payments to Greenberg Traurig to ensure that the Tribe could pay Scanlon in full.⁷⁵ Also, when the Choctaw were late in paying Scanlon, more often than not Abramoff inquired about the status of the payments to Scanlon.⁷⁶

Another way that Abramoff appears to have had some of the Tribes hire Scanlon for further projects was through alarming them, perhaps falsely, about threats to their sovereignty or gaming interests. For example, on or about February 11, 2002, Abramoff approved a “draft [Conservative Action Team’s] letter to the president [sic] and [Interior Secretary Gale] Norton saying ‘no more Indian gaming expansion’ ... [sic] [and] light a fire under [Deputy Interior Secretary Steven] Griles’s ass.”⁷⁷ Abramoff observed that “[t]his will help us get [then-Louisiana Coushatta Tribal Council member] William [Worfel] scared about Blue Lake [in California],

⁶⁹ Interview with Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

⁷⁰ *Id.*

⁷¹ Interview of Stewart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006); Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

⁷² Interview of Stewart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

⁷³ *Id.*; Interview of David Mielke, outside counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

⁷⁴ *Id.* As described above, Scanlon deliberately set his prices to accommodate his secret payments to Abramoff. That required Scanlon to maintain a profit margin closer to 80 percent. See Transcript of Plea Agreement at 22, *U.S. v. Jack Abramoff* (Dist. D.C., January 3, 2006) (CR-06-001).

⁷⁵ Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, Choctaw, Mississippi (April 27–29, 2005).

⁷⁶ *Id.*

⁷⁷ Email from Todd Boulanger, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000025046) (February 14, 2002).

hopefully increasing our budget.”⁷⁸ During this period, the Louisiana Coushatta were interested in doing business there.⁷⁹

Similarly, on October 10, 2002, Scanlon conveyed to Abramoff: “Lawmakers may consider a package of bills that would allow horse tracks to better compete with the casinos that have cut into their business the past several years. Tracks could be allowed to have video lottery terminals, card rooms, satellite betting sites and possibly other gambling to renew interest in attending horse races.”⁸⁰

Abramoff responded, “Here we go! This could kill Saginaw! [Saginaw Chippewa legislative director] Chris [Petras] thinks this is not going anywhere. Can you call him and scare him?”⁸¹

Likewise, on December 2, 2002, Abramoff discussed the prospect of racinos in Michigan with Petras.⁸² In that email, on which he apparently blind-copied Scanlon, Abramoff noted the following:

Chris, I am getting worried about this. Last night we opened Stacks and there were some WH guys there (who are also Michigan guys—worked for Spence). They told me that there is a hearing coming up on this immediately, and that they have heard that this is going to happen!!! The enemy is moving fast and we are not on the field. where [sic] is Scanlon on this? What is he doing? Have you guys pushed the button? We need to get him firing missiles. How do we move it faster? Please get the council focused on this as soon as you can. Every day [sic] we lose now is going to hurt.⁸³

A few minutes later, Scanlon chimed in, “I love you.”⁸⁴

And, Abramoff replied, “I’ll follow up with him in a day.”⁸⁵

Once Abramoff succeeded in having the Tribes hire Scanlon, having kept his financial arrangement with Scanlon secret from the Tribes, Scanlon (for the benefit of Abramoff and himself) charged the Tribes a massive premium for his services. In total, the Tribes paid Scanlon about \$66 million from 2001 through 2003. But, what really happened to the Tribes’ money? The following section attempts to shed light on this question.

D. WHAT HAPPENED TO THE MONEY THAT THE TRIBES PAID SCANLON?

1. *Snapshots of CCS’ Representation of the Tribes*

In connection with its first hearing on these matters, the Committee established that about $\frac{1}{3}$ of Scanlon’s net proceeds went to Scanlon; about another $\frac{1}{3}$ went to Abramoff; and the remaining $\frac{1}{3}$

⁷⁸ Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG–E000025046) (February 14, 2002).

⁷⁹ See Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005).

⁸⁰ Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG–E000001244) (October 10, 2002).

⁸¹ *Id.*

⁸² Email from Jack Abramoff, Greenberg Traurig, to Christopher Petras, Saginaw Chippewa Indian Tribe (GTG–E000010716) (December 2, 2002). A “racino” is a racetrack that also offers casino gaming.

⁸³ *Id.*

⁸⁴ Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG–E000010716) (December 2, 2002).

⁸⁵ Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG–E000010716) (December 2, 2002).

went to the underlying grassroots efforts Scanlon promised the Tribes. However, only an in-depth explication of this issue can allow one to apprehend the true extent and brazen nature of Abramoff and Scanlon's deception of the Tribes.

While a forensic analysis of what happened to the Tribes' money lies well beyond the scope of the Committee's investigation, the overwhelming weight of evidence that the Committee has obtained, as described below, indicates that, in most cases, the Tribes did not receive the intended benefit of the millions of dollars that they paid Scanlon. What follows are descriptions of certain representative transactions that the Committee was able to reconstruct that best support that proposition.

a. Transaction #1 (Miscellaneous)—Huge Profit Margins

In their plea agreements, Abramoff and Scanlon admitted to charging the Tribes grossly inflated prices for CCS' services—prices that incorporated the undisclosed fees that Scanlon paid Abramoff.⁸⁶ As noted throughout, those fees constituted about 50% of CCS' net profit.⁸⁷ Examples of how this worked, follow.

Among the documents that the Committee discovered is what appears to be the draft of a letter or other communication from Scanlon to Nell Rogers, the planner of the Mississippi Band of Choctaw Indians ("Choctaw"). Although the Committee has been unable to determine whether this record, probably drafted late in 2001, was actually transmitted, the representations contained within it are compelling. In that document, Scanlon said, "I think the following is the best way to prioritize our efforts [this year] and make them budget friendly ..."

He explained, "[A] good chunk ... for [Project A] wont [sic] be needed until the general election is in full swing later in the year. That said: the overall figures are 4,850,000 for [Project A], and 1,750,000 for [Project B], for a total of 6.6." But, he added, "We will need the 1.75 for [Project B] and 1.85 for [Project A] ASAP." Scanlon concluded: "On [Project A] we will need another 1m in about 45 days or so—and the balance we can defer till October 2nd to meet your FY issues ... Does this help?"

A second document, also recently discovered by the Committee, describes Scanlon's expected margins on those, and other, projects.⁸⁸ According to that document, entitled "02 CCS Project Break Down," on the \$4,850,000 Scanlon sought on "Project A," he projected actual costs to come in at about \$850,000—for a projected net profit for him and Abramoff of \$4,000,000.⁸⁹ Likewise, on the \$1,750,000 Scanlon sought on "Project B," he projected costs at only \$100,000—for a projected net profit for him and Abramoff of \$1,650,000.⁹⁰ The other projects, undertaken for Choctaw and other Tribes, are broken out below:

⁸⁶ Plea Agreement, Factual Basis for Plea at para. 6, *U.S. v. Michael P.S. Scanlon* (Dist. D.C., November 11, 2005) (CR-05-411); Plea Agreement, Factual Basis for Plea, *U.S. v. Jack A. Abramoff* at para. 8-9 (Dist. D.C., January 3, 2006) (CR 06-001).

⁸⁷ Plea Agreement, Factual Basis for Plea at para. 6, *U.S. v. Michael P.S. Scanlon* (Dist. D.C., November 11, 2005) (CR-05-411); Plea Agreement, Factual Basis for Plea, *U.S. v. Jack A. Abramoff* at para. 8-9 (Dist. D.C., January 3, 2006) (CR 06-001).

⁸⁸ Capitol Campaign Strategies document production (no Bates number) (entitled "02 CCS Project Break Downs") (undated).

⁸⁹ *Id.*

⁹⁰ *Id.*

02 CCS PROJECT BREAK DOWNS

Project	Total	Projected expenditures	Net
Delta Downs	\$3,300,000	\$300,000	\$3,000,000
Jena Band	1,505,000	100,000	1,405,000
[PROJECT A]	4,850,000	850,000	4,000,000
[PROJECT B]	1,750,000	100,000	1,650,000
Totals	11,405,000	1,350,000	10,055,000

Aggregating the costs and profits for all the projects listed above, the foregoing describes an expected net profit of about 88 percent.⁹¹ Other breakdowns, attached in the appendix of this Report, suggest that CCS' actual net return consistently hovered at about 70–80 percent.

In the case of CCS' representation of the Tigua, the margins were equally lucrative. According to a document entitled "2002 GMF Breakdowns," Scanlon projected that the "total campaign cost" of the Tigua's project, for which he and his secret partner Abramoff received \$4.2 million, would be only \$400,000.⁹² This document also suggests that Scanlon originally projected his "partner dollar share" here to be \$2,400,000.⁹³ In his plea agreement, Abramoff ultimately admitted to collecting from Scanlon \$1,850,000, about 50 percent of CCS' actual net profit on this project.⁹⁴ Likewise, according to a document referring to "Saginaw Wave Two," Scanlon apparently intended to set aside only \$50,000 for the program—a program for which he apparently obtained \$500,000 from the Saginaw Chippewa.⁹⁵ With CCS' netting \$450,000 on that project, Abramoff's cut was \$225,000.⁹⁶ Finally, according to another document, entitled "02 CCS Project Break Downs" Scanlon projected that his pre-tax share of the \$10,055,000 net from all the projects listed there, would equal \$5,027,000.⁹⁷

What happened above is typical of scores of other transactions that the Committee has reviewed, where Scanlon or Abramoff dramatically overcharged the Tribes for grassroots activities; paid themselves a percentage of what the Tribes paid at a grossly inflated rate wholly unrelated to the actual cost of services provided; and used the remaining fraction to reimburse scores of vendors that could help them maintain *vis-a-vis* the Tribes a continuing appearance of competence. It is almost inconceivable that Scanlon believed that the most ambitious of his programs, like the Louisiana Political Program (with which Scanlon claimed that he could "control both houses and the governor's mansion"), could be accomplished successfully for the amount he apparently intended to allocate for their completion.

⁹¹ *Id.*

⁹² Capitol Campaign Strategies document production (no Bates number) (entitled "2002 GMF Breakdowns") (undated).

⁹³ *Id.*

⁹⁴ Plea Agreement, Factual Basis for Plea at para. 20, *U.S. v. Jack A. Abramoff* (Dist. D.C., January 3, 2006) (CR-06-001).

⁹⁵ Capitol Campaign Strategies document production (no Bates number) (entitled "Saginaw Wave Two") (undated)

⁹⁶ *Id.*

⁹⁷ Capitol Campaign Strategies document production (no Bates number) (entitled "02 CCS Project Break Downs") (undated).

b. Transaction #2 (August 2002)—Louisiana Coushatta and Agua Caliente pay CCS a total of \$5,000,000

An example of such a program relates to the payment of almost \$5,000,000 by the Louisiana Coushatta and, for an unrelated matter, the Agua Caliente to CCS in August 2002. Weeks before, on July 26, 2002, Scanlon asked then-Louisiana Coushatta councilman William Worfel for authorization to execute a program that he said would “eliminate the Jena threat ... to ensure that the Jena go away for good, and ... permanently eliminate them as a threat to the tribe.”⁹⁸ He described what he would do with this additional money as follows:

We would like to continue the effort against the Jena tribe and launch a new effort against the governor as payback. On the Jena front we would like to go to each possible town where they could conceivably land a casino and destroy that option politically. Simply put—we want them out of the state and out of the gaming business all together [sic]. We would like to go from town to town and systematically wipe out all possible locations. Our recommendation is to finish them off now ... We believe that this campaign will run about 8 weeks, and we would like to start immediately while the iron is hot. We will need a budget of roughly \$2,100,000 to execute this properly.⁹⁹

On or about August 1, 2002, the Louisiana Coushatta paid CCS \$2,100,000, as Scanlon requested.¹⁰⁰ And, on or about August 27, 2002, the Agua Caliente paid CCS \$2,720,000 (and another \$935,000 on or about September 17, 2002), for a similarly ambitious project apparently related to the Tribe’s compact renegotiations with the State of California.¹⁰¹

However, CCS’ ledger reflects no expenditures commensurate with Scanlon’s ambitious representations. During an eight-week period, which began and closed with a balance at just under \$1,000,000, the ledger reflects payments totaling about \$40,700 to the Weber Company and almost \$290,000 to Lunde & Berger for “professional campaign services” for several tribes; payments totaling about \$14,700 to Matthew Stetter for work on an “environmental impact statement” and a total of about \$1,270 to Anton Design for “professional campaign services”—both of which are probably attributable to the Saginaw Chippewa; payments of \$14,000 and about \$1,500 to Democracy Data and Communications for “databases” and “telematch services,” respectively; a payment of \$7,803 to Baum Communications for “Cali ID”; and a payment of \$2,890 to Harold Grosh for work by “subcontractors” apparently attributable to the Louisiana Coushatta.¹⁰² All of those expenditures, which capture vendor expenses that are either \$25,000 or more or traceable to a grassroots campaigns conducted for any tribe, amounted to a mere \$370,000.¹⁰³

⁹⁸ Capitol Campaign Strategies document production (BB/LC 007285) (July 26, 2002).

⁹⁹ *Id.*

¹⁰⁰ Diehl & Company document production (D00411–512) (undated) (General Ledger, Capitol Campaign Strategies).

¹⁰¹ *Id.*

¹⁰² *Id.*

¹⁰³ *Id.*

During this period, the ledger also reflects a few incidental payments that probably provided little value to the Louisiana Coshatta or the Agua Caliente, for example, a payment of \$250,000 to the Republican Governors Association; a payment of \$100,000 to an individual named Michael Chapman, likely for referring the Agua Caliente to Abramoff and Scanlon; a \$60,000 donation to the “Scanlon Foundation for Kids” for “backpacks”; and a number of payments apparently made to contractors for work on some of Scanlon’s properties.¹⁰⁴

Other than the foregoing, the ledger reflects *no* vendor expenses that are either \$25,000 or more or traceable to grassroots campaigns conducted for *any* Tribe. However, with a total of \$4,820,000 having been paid by the Louisiana Coshatta and the Agua Caliente near the beginning of this period, the ledger does show Scanlon’s paying Abramoff a “referral expense” of \$2,266,250 on or about September 16, 2002, and Scanlon’s paying himself \$2,200,000 on or about October 10, 2002.¹⁰⁵

Newly discovered evidence suggests what Scanlon intended to do with these Tribes’ money from the start. According to a recently discovered financial record, Scanlon apparently intended to set aside no more than \$350,000 for the Jena-related program—a program for which he sought and obtained \$2,100,000 from the Louisiana Coshatta.¹⁰⁶ According to that same document, Scanlon projected a net \$1,732,000 on that project and estimated Abramoff’s cut at \$866,250.¹⁰⁷ Similarly, according to another document referring to “AC Wave One,” Scanlon apparently intended to set aside only \$400,000 for that program—a program for which he sought and received \$2,700,000 from the Agua Caliente Tribe.¹⁰⁸ With CCS’ projecting to net \$2,235,000 on that project, he estimated Abramoff’s cut here at \$1,117,500.¹⁰⁹ It is unlikely that Scanlon believed that he could “finish [the Jena] off now” for only \$350,000. The foregoing reflects that the Louisiana Coshatta received little of the intended benefit for the \$2,100,000 it paid CCS, and that the \$2,700,000 that Scanlon charged the Agua Caliente for “AC Wave One” was wholly unrelated to his actual costs.

c. Transaction #3 (October 2001–January 2002)—Louisiana Coshatta pays CCS \$2,170,000

By August 27, 2001, Scanlon had successfully helped the Louisiana Coshatta with its compact renegotiations with the State of Louisiana. In furtherance of his new partnership with Abramoff, which the two kept secret from the Louisiana Coshatta, Scanlon was now prepared to proceed with a much broader scope of work. In that context, Scanlon put forward a “comprehensive political program,” which he described as “much larger than the one we de-

¹⁰⁴ *Id.*

¹⁰⁵ *Id.*

¹⁰⁶ Capitol Campaign Strategies document production (no Bates number) (undated) (entitled “JA Nets–Coush Jena Aug”).

¹⁰⁷ *Id.*

¹⁰⁸ Capitol Campaign Strategies document production (no Bates number) (undated) (entitled “AC Wave One”). Scanlon also set aside another \$38,000 as a “plane expense.” *See Id.*

¹⁰⁹ *Id.*

veloped for the compact fight[, but] includes many of the same tactics and follows the same development process.”¹¹⁰

In an August 27, 2001, memorandum to Kathryn Van Hoof, outside counsel for the Louisiana Coushatta, which Scanlon carbon-copied to his new partner Abramoff, Scanlon described this program as designed to “make sure that under no circumstances would the tribe find itself behind the political eight ball ever again” and “make [the Tribe] a politician’s best friend—or worse [sic] political nightmare.”¹¹¹ Scanlon continued, “[This strategy is] built to put you in a position to impose your political will on virtually any issue or candidate, and not just in SW Louisiana, but statewide, and across stateliness [sic] as well.”¹¹² Scanlon offered, “In my opinion if you execute this program, you will be in position to achieve all of your political objectives.”¹¹³ Accordingly, Scanlon laid out his Louisiana and Texas “political program.”¹¹⁴

What the Tribe did not know at the time was that much of the money that Scanlon proposed that it pay for this political program would go directly to Abramoff. On the day after Scanlon apparently sent the foregoing memo to Van Hoof, Abramoff wrote his tax advisor about where he intended his share of the Louisiana Coushatta’s money to go: “A company called Capital Campaign Services [sic] has several hundred thousand which they are going to put into the restaurant for me (they owe me money, though there is no written arrangement—they have already transferred the money to [Livsar Enterprises, which owned one of Abramoff’s restaurants] so the trust issue is not a problem).”¹¹⁵

On September 10, 2001, having been assured that money from the Tribe was on the way, Abramoff asked Scanlon, “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.”¹¹⁶

Scanlon replied, “Coushatta is an absolute cake walk. Your cut on the project as proposed is at least 800k.”¹¹⁷

All in all, Scanlon reported that Abramoff would get at that time “1.5. mil on top of the 660. For a toal [sic] of 2.1.”¹¹⁸

¹¹⁰Memorandum from Michael Scanlon, Capitol Campaign Strategies, to Kathryn Van Hoof, Coushatta Tribe of Louisiana, “Coushatta Political Program” (August 27, 2001) (carbon-copying Abramoff).

¹¹¹*Id.*

¹¹²*Id.*

¹¹³*Id.*

¹¹⁴*See generally id.*; Capitol Campaign Strategies document production (BB/LC 017923) (October 23, 2001) (carbon-copying Abramoff).

¹¹⁵Email from Jack Abramoff, Greenberg Traurig, to Gail Halpern, May & Barnhard (GTG–E000011965) (August 28, 2001). Intent on funneling his share of the Louisiana Coushatta’s money to his restaurant without it being taxed as personal income, Abramoff asked Halpern, “I was wondering if we could structure this transaction the following way: Livsar invoices CCS for services in the amount they are transferring. The services can be of any nature ... CCS is a political, lobbying, campaign company, certainly one which uses fine dining etc. Livsar would take that money as income and spend it in the course of business, on the restaurant. If at the end of the year Livsar has expended that money, is there a tax event?” *Id.* *See also* Email from Jack Abramoff, Greenberg Traurig, to Gail Halpern, May & Barnhard (GTG–E000011965) (August 28, 2001) (Abramoff describing Livsar Enterprises).

¹¹⁶Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG–E0000113995) (September 10, 2001).

¹¹⁷*Id.*

¹¹⁸*Id.*

Abramoff heaped praise on his partner, "How can I say this strongly enough: YOU IZ DA MAN."¹¹⁹

Not content with the \$2.1 million and using the phrase the two had coined to describe their secret partnership, Scanlon exhorted, "Let's grow that 2.1 to 5!!! We need the true give me five!"¹²⁰

On October 6, 2001, Scanlon picked up that email stream to re-visit the issue with Abramoff: "800k was your cut of the combined [Louisiana] and [Texas] projects. But they did not go for the [Louisiana] project so your cut shrunk to 400K from texas [sic] alone."¹²¹ However, Scanlon assured Abramoff: "But we came in way under budget bumping your total on the texas [sic] project up to 600k."¹²²

He continued, "If they go for the [Louisiana] project, tack another 400 onto your end ... Long story short, you made an additional 200k on the texas [sic] project."¹²³

Abramoff responded, "We have to get that [Louisiana] project moving. Let's discuss how to make that happen."¹²⁴

Ultimately, on or about October 23, 2001, the Tribal Council apparently approved a modified version of the political program that Scanlon proposed to fight a couple of Louisiana gaming expansion initiatives. Cumulatively, it was called the "Battleground Program."¹²⁵ In a memorandum outlining the program's costs, Scanlon wrote, "[W]e have already begun our operations on all fronts. As we expressed to the council two battles, plus implementing the already proposed program would be costly."¹²⁶ The total cost, \$3,170,000.

According to CCS' accounting ledger, on October 31, 2001, the Louisiana Coushatta ultimately paid CCS \$2,170,000 in one lump sum.¹²⁷ But, how did CCS spend this money? CCS' own records indicate that a small part was paid to outside vendors for actual work.¹²⁸ For example, on or about November 8, 2001, CCS paid Capitol Media, a company owned or controlled by Ralph Reed, \$100,000 for work on the Texas component of the program.¹²⁹

¹¹⁹ Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E0000113847) (September 10, 2001) (emphasis in original).

¹²⁰ *Id.*

¹²¹ Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E0000113927) (October 5, 2001).

¹²² *Id.*

¹²³ *Id.*

¹²⁴ *Id.*

¹²⁵ See Memorandum from Michael Scanlon, Capitol Campaign Strategies, to Kathryn Van Hoof, Coushatta Tribe of Louisiana, "Louisiana Political Budget Outline" (BB/LC 017923) (October 23, 2001) (carbon-copying Abramoff).

¹²⁶ See *id.*

¹²⁷ Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies). In an apparent scheme to fraudulently induce the Tribe to "donate" to Abramoff's private charity, the Capital Athletic Foundation ("CAF"), Scanlon directed the Tribe to send the remaining \$1,000,000 for the Program to Greenberg Traurig; and, at Abramoff's direction, the firm sent this \$1,000,000 to the CAF, on November 13, 2001. For a full explication of this transaction, refer *infra* to Part 2, Chapter 3, "Capital Athletic Foundation," Section D, "Abramoff and Scanlon Misappropriate Tribal Funds for CAF Seed Money in 2001."

¹²⁸ Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies).

¹²⁹ *Id.* Weeks before, on October 8, 2001, Reed had agreed to help Scanlon and Abramoff "block the Alabama Coushatta tribe [sic] from securing a gaming facility by proactively pushing a political or legislative vehicle making approval of Indian gaming in Texas next to impossible", for \$100,000. Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000023050-51) (October 5, 2001). On October 5, 2001, Scanlon explained to Abramoff, "We have drafts of the language, But [sic] we are still batting around the final documents. What we need now is for the Gov [sic], Lt Gov [sic] and AG to issue the vehicle and publicly support it. Here are our ideas, and if Ralph can slam it home it would be great."

While Scanlon was paying vendors only a modest fraction of what the Tribe paid CCS, it seems that he put much of the balance to personal use. On November 2, 2001, he took \$1.4 million as a shareholder draw.¹³⁰ That month, Scanlon reportedly bought a \$1.6 million beach house in Rehoboth Beach, which he completely renovated.¹³¹

Later entries in the CCS ledger reflect very significant draws going to Scanlon's wedding, which never occurred. Ultimately, after additional payments came in from the Choctaw, Scanlon paid Abramoff about \$2,000,000. These payments are set forth below:¹³²

CAPITOL CAMPAIGN STRATEGIES ACCOUNT SNAPSHOT

Date	Description	To/from	Amount
10/30/2001	Balance		\$83,249.00
10/31/2001	Consulting Fees	Coushatta	700,000.00
10/31/2001	Consulting Fees	Coushatta	2,170,000.00
10/31/2001	Balance		2,953,249.04
11/2/2001	Professional Campaign; Alabama; 1278	Lunde & Berger	(25,000.00)
11/2/2001	Professional Campaign; 1279	Red Sea	(11,236.02)
11/2/2001	Professional Campaign; 1280	Basswood Research	(11,270.00)
11/2/2001	Shareholder Draw; 1289	Michael Scanlon	(1,400,000.00)
11/8/2001	Professional Campaign; Coushatta TX Program; 1301.	Capitol Media	(100,000.00)
11/8/2001	Professional Campaign; 1304	Capitol Media	(350,000.00)
11/9/2001	Shareholder Draw/Wedding	Michael Scanlon	(50,000.00)
11/15/2001	Consulting Fees	Choctaw	2,350,000.00
11/15/2001	Shareholder Draw/Wedding	Michael Scanlon	(1,563,740.39)
11/26/2001	Shareholder Draw/Bama Race	Michael Scanlon	(75,000.00)
11/26/2001	Professional Campaign/Texas	Lunde & Berger	(13,000.00)
11/26/2001	Professional Campaign/Alabama	Lunde & Berger	(130,000.00)
11/27/2001	Money Market		(2,923,485.08)
11/27/2001	Shareholder Draw/Wedding	Michael Scanlon	(5,000.00)
11/27/2001	Shareholder Draw; Michael Wedding	Michael Scanlon	(60,000.00)
11/27/2001	Balance		174,560.77
11/30/2001	Balance		68,995.57
12/12/2001	Shareholder Draw; Preferred Account	Legg Mason Wood	(50,000.00)
12/19/2001	Referral Expense; 1396	Jack Abramoff	(300,000.00)
12/31/2001	Referral Expense; 1398	Jack Abramoff	(1,718,125.00)
12/31/2001	Professional Campaign	Capitol Media	(250,000.00)
12/31/2001	Balance		(2,392,137.00)
1/2/2002	Deposit	Money Market	2,754,942.00
1/2/2002	Balance		362,804.86

Id. After Abramoff referred Reed to Scanlon to “get it moving,” Abramoff reached out to Scanlon, apparently elated at the prospect of minimizing costs, “Call Ralph and get him moving. He'll do it for the \$100K. we'z in the money!!!” Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000023050) (October 8, 2001). Later that month, Scanlon wrote Abramoff, “Once [the Tribe] pay[s] we let Ralph loose, and bring Texas home.” Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig, L.L.P (GTG-E000012181) (October 15, 2001). Abramoff responded, “U da[] man!” Email from Jack Abramoff, Greenberg Traurig and Michael Scanlon, Capitol Campaign Strategies (GTG-E000012181) (October 15, 2001).

¹³⁰ Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies).

¹³¹ Brody Mullins, *Breakup of Ex-Aides Shook Group Tied to Abramoff—The Prosecutors Move In; Ms. Miller's Tearful Apology*, Wall Street Journal, March 31, 2006 at A1.

¹³² The entries in the following tables, and similar tables throughout this Report, are taken from CCS' accounting ledger and cross-referenced with other information in the possession of the Committee for verification. To determine whether the Tribes received fair value for what they paid CCS, wholly incidental expenses were excluded from the source ledger, and presented here. Of all vendor transactions reflected in the source ledger, only those greater than or equal to \$25,000 or traceable to any Tribe have been included here and other similar spreadsheets presented in this Report.

In a November 6, 2001, email, Scanlon provides Abramoff with “a breakdown (Political Nets) of where you are currently -and [sic] [a] distribution [s]chedule for 2001 that shows what you made or directed to other parties—Not bad!!!!!!”¹³³

With only a fraction of what the Tribe paid CCS going to the intended effort, it appears that the Louisiana Coushatta received little of the intended benefit for the money it paid CCS during this period. Unfortunately, this would not be the only time the Tribe would be short-changed by Abramoff and Scanlon.

d. Transaction #4 (January–April 2002)—Several Tribes Pay CCS Over \$22,000,000

As described in the Chapter of this Report addressing Abramoff and Scanlon’s representation of the Tigua, late in 2001, the State of Texas filed suit seeking to shut down the casino of the Alabama Coushatta Tribe. Operating near Houston, in Livingston, Texas, that casino ostensibly presented competition to the Louisiana Coushatta’s facility, across the state line. As reflected above, Scanlon used only a fraction of the Louisiana Coushatta’s payments to CCS late in the year to fund Ralph Reed’s anti-gaming grassroots activities in Texas, which Reed ran through his firm Capitol Media. However, with the casino’s closure imminent, Scanlon was quick to take credit. On January 6, 2002, he wrote Louisiana Coushatta Tribal Councilman William Worfel, carbon-copying Abramoff, “Victory is ours. As a result of our political pressure, the Texas Attorney General filed a lawsuit in federal court on Friday to shut down the Alabama Coushatta’s ‘entertainment center’ in Livingston.”¹³⁴

On January 27, 2002, Scanlon wrote Worfel again, “It looks as though the Jena [Jena Band of Choctaw Indians] are attempting again to put a facility in Mississippi at the same time they are continuing their efforts in Louisiana.”¹³⁵

He continued, “On that note—I would like to speak with you tomorrow about our conversation on Friday regarding Patrick Martin and the Jena [Band of Choctaw Indians]. I think it’s imperative that we make a large statement with our efforts given what has unfolded.”¹³⁶

Accordingly, he asked for “a larger budget to deal with the Jena and make our muscle felt ... a significant increase (an additional 1.2 mil to make our point).”¹³⁷

On the next day, Abramoff forwarded an article to Scanlon, which had been provided to him by Reed, about the Tigua’s casino in Texas, and wrote, “Get this to William [Worfel]. War.”¹³⁸

According to CCS’ accounting records, this began a particularly active payment period, during which the Louisiana Coushatta in particular made a series of very substantial payments to CCS’ operating account. In January 2002, which began this period, the starting balance in this account was about \$500,000. By April 2002,

¹³³ Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG–E000012278) (November 7, 2001).

¹³⁴ Capitol Campaign Strategies document production (BB/LC 015391) (January 6, 2002).

¹³⁵ Capitol Campaign Strategies document production (BB/LC 015410) (January 27, 2002).

¹³⁶ *Id.*

¹³⁷ *Id.*

¹³⁸ Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG–E000075999) (January 28, 2002).

after considerable payment activity, the balance went back down to about \$500,000. In the interim, the Louisiana Coushatta paid CCS \$11,510,000. Additionally, substantial payments were made by several other tribes: Saginaw Chippewa, \$3,069,831; Choctaw, \$1,605,000; Tigua Tribe of El Paso, \$2,122,680; and the Sandia Pueblo, \$2,750,000. So, during this period, all of these Tribes paid CCS a total of \$21,057,561.¹³⁹

What did Scanlon do with these Tribes' money during this period? According to information obtained by the Committee, Scanlon paid only \$826,452.79 to vendors for expenses greater than or equal to \$25,000 or discernable as funding for work done for any Tribe and about \$155,000 to Abramoff lobbying associates Jon van Horne and Kevin Ring.¹⁴⁰ By contrast, Scanlon withdrew \$15,078,108.94 as "shareholder draws" and paid Abramoff, or his corporate alter ego Kaygold, \$8,998,947.60 as "referral expenses."¹⁴¹ The relevant portion of CCS' ledger, which reflects this activity, is set out below.¹⁴²

CAPITOL CAMPAIGN STRATEGIES ACCOUNT SNAPSHOT

Date	Description	To/from	Amount
1/2/2002	Balance		\$362,804.86
1/7/2002	Balance		505,356.94
1/18/2002	Consulting Fees	Coushatta	1,505,000.00
1/18/2002	Consulting Fees	Coushatta	1,500,000.00
1/18/2002	Consulting Fees	Coushatta	1,000,000.00
1/24/2002	Professional Campaign; LA; 1452	Lunde & Berger	(25,000.00)
1/30/2002	Shareholder Draw		(1,000,000.00)
1/30/2002	Shareholder Draw		(950,000.00)
2/1/2002	Balance		3,207,343.96
2/7/2002	Legal/Professional; Legal Work; 1476	Jon Van Horne	(20,000.00)
2/12/2002	Professional Campaign; LA-Jena; 1489	Lunde & Berger	(30,000.00)
2/14/2002	Professional Campaign	Alexander Strategies	(120,000.00)
2/19/2002	Consulting Fees	Saginaw Chippewa	1,869,831.00
2/19/2002	Professional Campaign; 1492	Capitol Media	(51,679.00)
2/20/2002	Professional Campaign; Final Payment; 1494.	Glover Associates	(34,291.16)
2/21/2002	Professional Campaign; LA; 1495	Lunde & Berger	(75,000.00)
2/22/2002	Transfer	Money Market	(2,000,000.00)
2/22/2002	Referral Expense; 1496	Kaygold	(2,779,925.60)
2/22/2002	Balance		1,075,164.69
2/25/2002	Professional Campaign; Radio Buy; LA; 1498.	Capitol Media	(60,000.00)
2/25/2002	Professional Campaign; LA Project; 1499	Capitol Media	(100,000.00)
2/28/2002	Consulting Fees	Choctaw	1,605,000.00
2/28/2002	Shareholder Draw		(50,000.00)
3/1/2002	Balance		4,343,157.00
3/1/2002	Professional Campaign; MS Bonus; 1526	Lunde & Berger	(50,000.00)
3/4/2002	Consulting Fees; Deposit		1,002,750.00

¹³⁹ According to CCS's accounting ledger, an unspecified client(s) paid CCS \$3,102,750 during this period. Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies). This figure is not included in this tally.

¹⁴⁰ Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies).

¹⁴¹ Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies).

¹⁴² The entries in the following tables, and similar tables throughout this Report, are taken from CCS' accounting ledger and cross-referenced with other information in the possession of the Committee for verification. To determine whether the Tribes received fair value for what they paid CCS, wholly incidental expenses were excluded from the source ledger, and presented here. Of all vendor transactions reflected in the source ledger, only those greater than or equal to \$25,000 or traceable to any Tribe have been included here and other similar spreadsheets presented in this Report.

CAPITOL CAMPAIGN STRATEGIES ACCOUNT SNAPSHOT—Continued

Date	Description	To/from	Amount
3/5/2002	Deposit	Money Market	2,000,000.00
3/5/2002	Consulting Fees; Deposit		2,100,000.00
3/5/2002	Shareholder Draw	Michael Scanlon	(4,753,108.94)
3/14/2002	Shareholder Draw		(150,000.00)
3/15/2002	Consulting Fees	Coushatta	3,405,000.00
3/15/2002	Consulting Fees	Sandia Pueblo	1,875,000.00
3/21/2002	Referral Expense; 1557	Jack Abramoff	(4,080,997.00)
3/21/2002	Referral Expense; 1558	Kevin Ring	(67,500.00)
3/22/2002	Shareholder Draw	Michael Scanlon	(1,000,000.00)
3/25/2002	Shareholder Draw	Michael Scanlon	(300,000.00)
3/25/2002	Shareholder Draw	Michael Scanlon	(25,000.00)
3/27/2002	Professional Campaign; Media	Red Sea	(33,600.00)
3/28/2002	Professional Campaign; Media	Red Sea	(116,680.00)
4/1/2002	Consulting Fees	Saginaw Chippewa	1,200,000.00
4/1/2002	Balance		5,730,488.93
4/2/2002	Shareholder Draw; 1573	Michael Scanlon	(4,350,000.00)
4/2/2002	Shareholder Draw; 1574	Michael Scanlon	(500,000.00)
4/4/2002	Consulting Fees	Tigua	1,293,180.00
4/4/2002	Consulting Fees	Coushatta	2,100,000.00
4/8/2002	Referral Expense; 1580	Kaygold	(2,138,025.00)
4/10/2002	Consulting Fees	Sandia Pueblo	875,000.00
4/10/2002	Professional Campaign; NM Poll 2; 1586	Frabrizio and McLaughlin	(10,000.00)
4/11/2002	Professional Campaign; Prof Services; 1593.	Weber Company	(41,634.96)
4/11/2002	Professional Campaign; LA Survey; 1597	Basswood Research	(28,567.67)
4/15/2002	Professional Campaign; Tigua; 1615	Lunde & Berger	(50,000.00)
4/15/2002	Referral Expense; 1616	Kevin Ring	(67,500.00)
4/16/2002	Shareholder Draw	Michael Scanlon	(2,000,000.00)
4/16/2002	Balance		471,009.87

Near the beginning of the period captured by this snapshot, after the State of Texas filed suit to shut down the Alabama Coushatta's casino, Scanlon observed, "Yeah baby! The timing couldn't be better!"¹⁴³

Ultimately, Abramoff responded, "Wez [sic] gonna be rich!"¹⁴⁴ And, about a week-and-a-half later, the Louisiana Coushatta, on whose behalf Abramoff and Scanlon opposed the Alabama Coushatta, paid CCS more than \$4,000,000.¹⁴⁵

A few weeks later, on March 8, 2002, CCS received an additional \$1,869,831 from the Saginaw Chippewa and \$1,605,000 from the Choctaw.¹⁴⁶ Writing Scanlon, Abramoff celebrated, "We're gonna be rich. What am I saying?! We ARE rich!!!"¹⁴⁷

What did Scanlon do with his share? In March 2002, Scanlon reportedly paid \$4.7 million in cash for a house for himself and then-fiancee, Emily Miller.¹⁴⁸ This beachfront mansion reportedly had a weight room, sauna and a three-bedroom guest house.¹⁴⁹ Scanlon mounted lights on the deck so he could hold parties on the beach

¹⁴³ Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG-E000010889) (January 6, 2002).

¹⁴⁴ *Id.*

¹⁴⁵ Diehl & Company document production (D00411-512) (undated) (General Ledger, Capitol Campaign Strategies).

¹⁴⁶ *Id.*

¹⁴⁷ Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000011535) (March 8, 2002).

¹⁴⁸ Brody Mullins, *Breakup of Ex-Aides Shook Group Tied to Abramoff—The Prosecutors Move In; Ms. Miller's Tearful Apology*, Wall Street Journal, March 31, 2006 at A1.

¹⁴⁹ *Id.*

at night, his surfing friends have reportedly said.¹⁵⁰ He also bought vacation homes on the Caribbean island of St. Barts, including one villa he reportedly rented out for \$50,000 a week.¹⁵¹

But that was not enough. In reacting to a proposal by Scanlon to fight attempts by the Jena Band of Choctaw Indians to open a casino in Louisiana, on March 12, 2002, Abramoff admonished his partner, “It’s great, but don’t give the option of shaving costs. Of course they should do them all at once, and there are no savings!!! Otherwise, we’ll sacrifice \$2M that they would otherwise gladly pay. OK?”¹⁵²

Referring to the Louisiana Coushatta, on April 8, 2002, Abramoff observed, “They are ripe for more pickings. We have to figure out how.”¹⁵³

In an email, dated March 13, 2002, entitled “those f—ing SagChips,” Abramoff and Scanlon discussed the Saginaw Chippewa’s participation of an Abramoff venture to have them help underwrite the cost of maintaining sky boxes at premium sporting venues in the DC area: “[then-Saginaw Chippewa Sub-Chief] Dave Otto just told me that they are not going to do the sports suites. He said they are under fire and are worried that they are spending too much money. I really am worried that they are not seeing results from us up there, so they are starting to rethink doing stuff with us. can [sic] you PLEASE get someone up there asap?”¹⁵⁴

Scanlon responded, “Jack—the fact that they are not doing sports suites has nothing to do with them not seeing [sic] results on my end—they are just friggin cheap—and losers—I very seriously doubt we will ever see another penny from them—and there was no chance that they were ever going to do the sports suites. We really have to watch these guys.”¹⁵⁵

Abramoff replied:

Let’s chat about these guys. I agree about the sports suites, but we need to energize this. we [sic] spent the time and won the [Tribal Council] election, and now have a great contract with them. they [sic] are not happy with the service they are getting. We need to step up and save this (a lot less work to turn this into a winner than to find another rich tribe and bring them to this point). they are apparently unhappy that you are not there. I am seeing [Saginaw Chippewa legislative director] Chris Petras tomorrow and will get a temperature and we’ll find a way to fix it. we [sic] need a beautiful girl to send up there to do our work. I am really not kidding. This deal is a big part of our financial life and we cannot let it slip away.¹⁵⁶

On June 18, 2002, Scanlon described an agreement to Abramoff with the “Saginaw’s lawyers” whereby the tribe will “pay 1.9 up

¹⁵⁰ *Id.*

¹⁵¹ *Id.*

¹⁵² Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG–E000011588) (March 12, 2002).

¹⁵³ Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG–E000252622–23) (April 8, 2002).

¹⁵⁴ Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG–E000026246) (March 13, 2002).

¹⁵⁵ *Id.*

¹⁵⁶ *Id.*

front then 500k and 500k ... We should have the cash by the end of the week.”¹⁵⁷

In response, Abramoff instructed Scanlon to direct his CCS income to his purported charity, the Capital Athletic Foundation (“CAF”), “Great. can [sic] you get to [REDACTED] and get that \$ for CAF? I really need it. also, [sic] might need you to direct one of the \$500K’s coming to CAF. can [sic] you do that?”¹⁵⁸

On the next day, Scanlon updated Abramoff, “Hey—good day all around—we wrapped up the Sag Chip crap—We hit Cough—I think for 3 mil—and we are working gon [sic] Acaliente [sic] presentation—should be tight.”¹⁵⁹

Abramoff answered, “Thanks so much! You are a great partner. What I love about our partnership is that, when one of us is down, the other is there. We’re gonna make \$ for years together!”¹⁶⁰ Scanlon replied, “Amen! You got it boss—we have many years ahead!”¹⁶¹

On or about July 9, 2002, the two discussed the payment of \$1,900,000 from the Saginaw Chippewa, Scanlon assuring Abramoff, “800 for you[,] 800 for me[,] 250 for the effort the other 50 went to the plane and misc expenses. We both have an additional 500 coming when they pay the next phasesm [sic].”¹⁶² Indeed, on July 12, 2002, after that payment arrived, CCS made three payments to Kaygold, of \$800,000; \$20,000; and \$44,000.¹⁶³

e. Transaction #5 (October 16, 2002)—Louisiana Coughatta Pays \$950,000 and the Agua Caliente Pays \$1,745,000 to CCS

In its brazenness, what apparently happened with a payment of \$950,000 by the Louisiana Coughatta, and \$1,745,000 by the Agua Caliente, to CCS is notable. On October 9, 2002, carbon-copying Abramoff, Scanlon wrote Worfel, “[R]ecently the [Jena] have received an enormous amount of funding to back there [sic] political/ on the ground [sic] operations and in addition [sic] have beefed up their lobbying team in D.C. as well.”¹⁶⁴

Scanlon continued, “Given these facts I strongly believe that we need more budget authority to achieve our objectives. I would like an addition [sic] \$950,000.00 *to beef up our field team for the petition drives, add more staff to our opposition research team, and to increase the level of letters and call [sic] we generate to Secretary Norton over the next few weeks.*”¹⁶⁵

Scanlon underscored, “In all of our time working together we have never come back to you with a request for additional budg-

¹⁵⁷ Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG–E000011737) (June 18, 2002).

¹⁵⁸ *Id.*

¹⁵⁹ Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG–E000057329) (June 20, 2002).

¹⁶⁰ *Id.*

¹⁶¹ *Id.*

¹⁶² Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG–E000011746) (July 9, 2002).

¹⁶³ Diehl & Company document production (D00411–512) (undated) (General Ledger, Capitol Campaign Strategies).

¹⁶⁴ Capitol Campaign Strategies document production (BB/LC 007288) (October 9, 2002) (carbon-copying Abramoff).

¹⁶⁵ *Id.* (emphasis added).

eting, so please know that we would not being [sic] making this request unless it were absolutely necessary.”¹⁶⁶

Scanlon concluded, “We believe that we will have the campaign wrapped up within three weeks, and these additional funds will contribute greatly to our success.”¹⁶⁷

What happened subsequently is best reflected in CCS’ general ledger. According to this document, on or about October 15, 2002, the starting balance in CCS’ operating account was about \$2,000,000.¹⁶⁸ About a day later, the Louisiana Coushatta paid CCS \$950,000, as Scanlon requested.¹⁶⁹ And, at about that same time, the Agua Caliente made another payment of \$1,745,000.¹⁷⁰ The original \$2,000,000 balance was restored in that account on or about October 25, 2002.¹⁷¹

So, in the interim, what happened to the Tribes’ money? Accounting records show that very little of the Tribe’s money was used for purposes intended by the Tribe. Between October 15th and October 25th, 2002, CCS’ general ledger fails to reflect any payments for “beef[ing] up [a] field team for ... petition drives” or the “add[ition of] more staff to [an] opposition research team.” Quite the contrary, during this period, the general ledger indicates, CCS made only one payment to *any* vendor for work traceable to any Tribe—\$50,000 to Ayers, McHenry & Associates, Inc. for “professional campaign services.”¹⁷² It also reflects a payment of \$250,000 to the Republican Governors Association and several payments on credit card bills and charter airfare.¹⁷³ Otherwise, the only notable activity that is reflected on the ledger during this period are three “shareholder draws” taken by Scanlon, totaling \$2,200,000.¹⁷⁴ After Scanlon made those withdrawals, he allowed the account to be drawn down until early-December 2002—at which point the Choctaw made several payments.¹⁷⁵ In other words, apparently Scanlon never replenished the account with the Louisiana Coushatta’s and the Agua Caliente’s money, after he took it out in the first instance. The foregoing allows the Committee to find that those Tribes never received the intended benefit for the money that they paid CCS on or about October 15, 2002.

It is unclear whether Scanlon told Abramoff about these payments when they first arrived. On December 17, 2002, Abramoff asked Scanlon, “can you get me the check for the money which came from the Agua asap? I’m actually in a bad cash position.”¹⁷⁶

Scanlon answered, “No money in yet—still waiting on the wire—ill [sic] send it over as sson [sic] as it comes in—Its cool—all approved and everything—just not been executed yet.”¹⁷⁷

¹⁶⁶ *Id.*

¹⁶⁷ *Id.*

¹⁶⁸ Diehl & Company document production (D00411–512) (undated) (General Ledger, Capitol Campaign Strategies).

¹⁶⁹ *See id.*

¹⁷⁰ *Id.*

¹⁷¹ *Id.*

¹⁷² *Id.*

¹⁷³ *Id.*

¹⁷⁴ *Id.*

¹⁷⁵ *Id.*

¹⁷⁶ Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG–E000056775) (December 17, 2002).

¹⁷⁷ *Id.*

Abramoff replied, “Other than the AC, what [sic] next on the money train?”¹⁷⁸

Scanlon answered, “The next big money we have coming our way is Coughatta, and that will be in early January—the exact amounts I’m still hammering out.”¹⁷⁹

A recently discovered financial record suggests what Scanlon did with the money that he absconded from the Tribes in 2002. This document, which apparently sets forth Scanlon’s net worth for the year ending 2002, reflects that for his own benefit Scanlon put most of the money he received from the Tribes into real estate and investment accounts.¹⁸⁰ According to this document, entitled “Scanlon NW 02,” those investments were valued at about \$5,460,000, and \$7,520,000 in expected retainers, returns on investments, and net returns on outstanding projects “on board.”¹⁸¹

f. Transaction #6 (January–March 2003)—Louisiana Coughatta Pays CCS \$5,000,000

The Louisiana Coughatta’s payment to CCS of \$5,000,000 on or about February 12, 2003, also reflects Abramoff and Scanlon’s “gimme five” scheme. In an email, dated January 21, 2003, and entitled “Coughatta,” Abramoff wrote Scanlon, “Give me a call asap. I have some thoughts in this which I need to share. It means more \$\$\$\$ for us!”¹⁸² Exactly what Abramoff had in mind here is unclear.

On February 17, 2003, Abramoff reached out to Scanlon “when are we getting Coughatta \$?”¹⁸³

Scanlon responded, “Was supposed to be in Friday—but did not come through ...”¹⁸⁴

Abramoff replied, “Let me know as soon as it gets in, you fucking beach bum! :) [sic]”¹⁸⁵

On the next day, Scanlon reported, “Cough Cash is in. Ill [sic] process ASAP.”¹⁸⁶ The Louisiana Coughatta paid CCS \$5,000,000.

Soon thereafter, on February 19, 2003, Scanlon paid Abramoff’s alter ego Kaygold \$1,965,000 as a “referral expense.”¹⁸⁷

Abramoff described what he intended to do with this money: “I am actually at rock bottom and have a payroll to meet on Thursday for the restaurant. Can you get this to me today or tomorrow?”¹⁸⁸

¹⁷⁸ *Id.*

¹⁷⁹ *Id.*

¹⁸⁰ Capitol Campaign Strategies document production (no Bates number) (undated) (entitled “Scanlon NW 02”).

¹⁸¹ *Id.*

¹⁸² Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG–E000252878) (January 21, 2003).

¹⁸³ Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG–E000252882) (February 17, 2003).

¹⁸⁴ *Id.*

¹⁸⁵ *Id.*

¹⁸⁶ Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG–E000027864) (February 18, 2003).

¹⁸⁷ Diehl & Company document production (D00411–512) (undated) (General Ledger, Capitol Campaign Strategies).

¹⁸⁸ Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG–E000027864) (February 18, 2003).

After he did not immediately get his share of the Louisiana Coughatta payment, Abramoff implored Scanlon: “Mike!!! I need the money TODAY! I AM BOUNCING CHECKS!!!”¹⁸⁹

Abramoff later apologized, “Sorry I got nuts, but it’s a little crazy for me right now. I am not kidding that I was literally on the verge of collapse. I hate all the shit I’m into. I need to be on the Caribbean with you!”¹⁹⁰

On February 20, 2003, Abramoff explained to his tax advisor, “I think I understand what he did. We received \$5M into CCS ... He divided the \$5M into three piles: \$1M for actual expense, and \$2M for each of us.”¹⁹¹ The payment to Abramoff, made to his entity Kaygold, and a series of substantial “shareholder draws” taken out by Scanlon, are reflected in the portion of CCS’ ledger set forth below.¹⁹² It appears that those draws funded purely personal expenses.

CAPITOL CAMPAIGN STRATEGIES ACCOUNT SNAPSHOT

Date	Description	To/from	Amount
1/31/2003	Balance		\$934,962.28
2/3/2003	Professional Campaign; CA Mailer; 2176	Red Sea	(40,154.96)
2/3/2003	Shareholder Draw; SCM; 2177	Phillip Brun	(44,500.00)
2/12/2003	Consulting Fees	Coughatta	5,000,000.00
2/12/2003	Shareholder Draw	Aviation Group	(44,400.00)
2/19/2003	Professional Campaign; Databases; 2201	DDC	(14,000.00)
2/19/2003	Professional Campaign; CA; 2203	Basswood Research	(15,425.00)
2/19/2003	Referral Expense	Kaygold, LLC	(1,965,000.00)
2/26/2003	Shareholder Draw	Michael Scanlon	(1,000,000.00)
2/26/2003	Shareholder Draw	Michael Scanlon	(965,000.00)
2/28/2003	Balance		1,701,290.87
3/3/2003	Shareholder Draw	Michael Scanlon	(20,000.00)
3/7/2003	Travel: Airfare		(89,537.18)
3/7/2003	Shareholder Draw	Michael Scanlon	(20,000.00)
3/7/2003	Shareholder Draw	Michael Scanlon	(20,000.00)
3/10/2003	Shareholder Draw; 2235	Beach Pigs, LLC	(100,000.00)
3/11/2003	Shareholder Draw; Deposit		20,000.00
3/11/2003	Shareholder Draw; Deposit		20,000.00
3/12/2003	Shareholder Draw		(10,000.00)
3/18/2003	Shareholder Draw	Michael Scanlon	(100,000.00)
3/31/2003	Balance		1,100,413.45

To add insult to injury, according to at least one contemporaneous email, some of the money that the Agua Caliente and the Louisiana Coughatta paid CCS was actually used for conducting public relations activities for other Tribes, on matters wholly unrelated to either. Complaining that CCS was not under contract with the Saginaw Chippewa for public relations, on February 28, 2003, Scanlon admitted, “For the past 4 months we have spent out of pocket to cover their PR—or used agua [sic] or Coughatta money

¹⁸⁹ Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000012123) (February 19, 2003) (emphasis in original).

¹⁹⁰ *Id.*

¹⁹¹ Email from Jack Abramoff, Greenberg Traurig, to Gail Halpern, May & Bernhard (GTG-E000012115) (February 20, 2003).

¹⁹² The entries in the following tables, and similar tables throughout this Report, are taken from CCS’ accounting ledger and cross-referenced with other information in the possession of the Committee for verification. To determine whether the Tribes received fair value for what they paid CCS, wholly incidental expenses were excluded from the source ledger, and presented here. Of all vendor transactions reflected in the source ledger, only those greater than or equal to \$25,000 or traceable to any Tribe have been included here and other similar spreadsheets presented in this Report.

to cover the cost of every little thing that comes down their pike, [sic] We sent them a letter saying we will do no more PR work until we establish a retainer arrangement in late December.”¹⁹³

Abramoff and Scanlon’s requests for payments by, for example, the Louisiana Coushatta to CCS (as reflected above) appear to have related more to the exigencies of their personal business interests than to that Tribe’s grassroots needs. This is evidenced in, for example, an email from Abramoff to his tax advisor, dated March 28, 2003, in which he wrote, “I have \$1M coming in (I hope directly to CAF or Eshkol) probably next week, and \$1M due within the next 2 weeks to Kaygold. Both from CCS. How long will this money last both for the school and the restaurants?”¹⁹⁴ Given the foregoing, it appears that the Louisiana Coushatta received little of the intended benefit for the money it paid CCS during this period.

2. The “Database”

The fact that most of the Tribes received little of the intended benefit for the millions they paid CCS is perhaps best illustrated by the political databases that Scanlon promised them. As described below, the Tribes received something far less than the customized, state-of-the-art databases that Abramoff and Scanlon told them Scanlon would design, build, and use for them as part of their grassroots campaigns.

a. The Pitch

In pitching Scanlon’s program to the Agua Caliente Tribal Council, Abramoff described what Scanlon allegedly did for the Mississippi Band of Choctaw Indians (“Choctaw”):

So we decided ... to implement a system that Mike [Scanlon] developed[,] which we successfully implemented a couple of other times and it’s actually what we’re here in part to talk [to] you about today. To organize the tribe so that even though the Choctaws were politically powerful in the sense of their local area[,] we decided to implement a program to make them the most powerful political machine in the State of Mississippi[,] so that if a threat did come up ... they would be in a position to respond to it.¹⁹⁵

He continued:

And in fact that threat did come up. And what we did was organize their assets, their political assets. They had a bunch of vendors and a bunch of customers, they had eight thousand members of the tribe ... and we organized them all. We developed a, a, Mike did, a certain matrix, a certain way to do it so that we could have instant access to people who were directly impacted by the business of the tribe.¹⁹⁶

¹⁹³ Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG–E000011983) (February 28, 2003).

¹⁹⁴ Email from Jack Abramoff, Greenberg Traurig, to Gail Halpern, May & Bernhard (GTG–000012166) (March 28, 2003).

¹⁹⁵ Agua Caliente document production (no Bates number) (entitled “Verbatim Excerpt-Tribal Council Meeting of Tuesday, July 9, 2002”) (July 20, 2004) (excerpt only).

¹⁹⁶ *Id.*

In an October 2001, memorandum to the Louisiana Coushatta's outside counsel Kathryn Van Hoof, Scanlon described the database this way: "[W]e are taking what you built for the compact fight and extend[ing] its reach even further. Our ultimate political objective is to control both houses of the state legislature and the governor's mansion."¹⁹⁷ Originally, Abramoff had assured the Tribe that the database that it first paid CCS for in connection with its compact renegotiations with the State of Louisiana "can be used for any political effort deemed appropriate by the tribal decision makers."¹⁹⁸ But, now, Scanlon maintained that "[i]n order [for the Tribe to achieve its political goals], we need to modify your political database into a statewide format."¹⁹⁹

In his interview with Committee staff, then-Louisiana Coushatta Vice-Chairman William Worfel recalled having discussed this database with Scanlon and Cathcart during a meeting at Scanlon's office in Washington, D.C., well after the date of that memorandum.²⁰⁰ During that meeting in 2003, Scanlon and Cathcart showed Worfel a list of vendors and their contact information, which the Tribe had provided to Scanlon.²⁰¹ According to Worfel, Scanlon and Cathcart said that the database also contained information about other companies with which these vendors did business; those companies' political connections, in particular, "whether they were Republican or Democrat"; and information about the vendors' "friends" in various state legislatures.²⁰² Worfel also recalled that the two said that, with respect to the vendors' employees, the databases contained contact, voter registration, and political affiliation information.²⁰³

Worfel also testified that Scanlon and Cathcart said that the database included data regarding past State races: each candidate's name, district, party affiliation, results of previous races, and the length of service in the State legislature.²⁰⁴ Yet, the only information that they showed him was the election results in the district.²⁰⁵ Worfel also remembers that Scanlon and Cathcart told him that they could pull up opposition research data, but didn't do so.²⁰⁶ Having presented their database to Worfel, Scanlon said he could beat any candidate with "anybody."²⁰⁷ Worfel testified that both Scanlon and Cathcart told him that, with this database, "you can control the destiny of the Coushatta Tribe and politics in Louisiana."²⁰⁸

Scanlon's proposed use of elaborate databases was also prominent in political programs that he proposed to the Saginaw Chip-

¹⁹⁷ Capitol Campaign Strategies document production (BB/LC 017923) (October 23, 2001) (carbon-copying Abramoff).

¹⁹⁸ Email from Jack Abramoff, Greenberg Traurig, to Kathryn Van Hoof, Coushatta Tribe of Louisiana (COUSH-MiscFin-0000371) (April 12, 2001).

¹⁹⁹ Memorandum from Michael Scanlon, Capitol Campaign Strategies, to Kathryn Van Hoof, Coushatta Tribe of Louisiana, "Louisiana Political Budget Outline" (October 23, 2001) (carbon-copying Abramoff).

²⁰⁰ Interview of William Worfel, former Vice-Chairman, Coushatta Tribe of Louisiana, in Washington, D.C. (September 14, 2005).

²⁰¹ *Id.*

²⁰² *Id.*

²⁰³ *Id.*

²⁰⁴ *Id.*

²⁰⁵ *Id.*

²⁰⁶ *Id.*

²⁰⁷ *Id.*

²⁰⁸ *Id.*

pewa, called "Operation Redwing." According to drafts of this proposal that he likely presented to the Tribe, "Our first step [to developing a successful political strategy] is to tap into your natural political resources and integrate them into a custom-built political database."²⁰⁹ The proposal went on to describe a "grassroots database":

[CCS] will gather lists of your vendors, employees, tribal members etc. (if you approve, customer lists), and we will import those lists into your new database. Our computer program will match the individuals or businesses with addresses, phone numbers, political registrations and e-mail addresses, and then sort them by election districts. The districts run from U.S. Senator down to school board and once completed, you can tap into this database and mobilize your supporters in ANY election, or on any issue of your choosing.²¹⁰

Regarding a "Qualitative [that is, opposition] Research Database," the proposal stated the following:

This custom built database acts as the information center of Operation Red Wing. [sic] Over the next six weeks, our team will gather qualitative information on any entity who can be classified as opposition and enter it into this database. The research will include nearly every piece of information on the opposition as you can imagine. Once gathered, it is then sorted by subject matter and made retrievable by a phrase search. The information can then be instantly disseminated to any audience we choose such as our universe of supporters, the press, third party [sic] interest groups or other interested parties.²¹¹

According to the "Operation Redwing" proposal, "the [Saginaw Chippewa] tribe will have built a grassroots army of over 50,000 real voters that it can call on for offensive or defensive political efforts."²¹²

The language regarding the database set forth in a Scanlon proposal called "Operation Open Doors," which he and Scanlon presented to the Tigua, is almost identical to what was proposed in "Operation Redwing" for the Saginaw Chippewa.²¹³ Scanlon's asking price for "Operation Redwing" was \$4,207,000²¹⁴ and for "Operation Open Doors," \$5,400,000.²¹⁵

The foregoing accords with the recollection of former Saginaw Chippewa Sub-Chief David Otto, who told staff that Scanlon

²⁰⁹ Capitol Campaign Strategies document production (no Bates number) (entitled "Operation Redwing—A Strategy for making the Saginaw Chippewa Tribe the most dominant political entity in Michigan") (December 6, 2001).

²¹⁰ *Id.* (emphasis in original).

²¹¹ *Id.*

²¹² *Id.*

²¹³ A full description of relevant events relating to the Tigua is contained *supra* in Part 1, Chapter 5, "Ysleta del Sur Pueblo."

²¹⁴ Capitol Campaign Strategies document production (no Bates number) (entitled "Operation Redwing—A Strategy for making the Saginaw Chippewa Tribe the most dominant political entity in Michigan") (December 6, 2001).

²¹⁵ Email from Jack Abramoff, Greenberg Traurig, to Marc Schwartz, Partners Group Consultants (GTG-E000076138-150) (February 18, 2002) (attaching "Operation Open Doors" proposal); Capitol Campaign Strategies document production (no Bates number) (undated) (entitled "Tigua Action Plan—Cost Breakout—Talking Points").

pitched that Tribe on his database about a week after the election of the Slate of Eight.²¹⁶ Otto recalled that Abramoff was also in attendance.²¹⁷ During his interview with staff, Otto recalled that Scanlon similarly insisted that the Tribe needed his database to assert influence on the state level, conduct writing campaigns, and to oppose competitors.²¹⁸ Otto also remembered Scanlon's saying that the database was "customized" and that the software would specifically be built for the Tribe.²¹⁹ Additionally, Otto stated that Scanlon cited the need to do mass mailings to write to members of Congress to prevent gaming competition in the area.²²⁰ According to Otto, Scanlon represented that his company created and maintained the database.²²¹ On or about January 4, 2002, the Tribal Council voted to hire Scanlon to create the database for about \$1.85 million.²²²

Otto recalled working with Cathcart at CCS, to build up the database with lists of the Tribe's employees and members.²²³ This was part of an "organizational phase," for which all of the subject Tribes paid CCS millions. When Scanlon finally showed the program to the Saginaw Chippewa Tribal Council, he said it would start a massive campaign.²²⁴ All of the people on the lists provided by the Tribe would be contacted and told to write specific lawmakers, telling them they opposed legislation hostile to the Tribe's interests.²²⁵ Otto recalls Scanlon saying that this database would generate massive phone call and letter campaigns.²²⁶

At a subsequent meeting, Otto was shown the database.²²⁷ Otto recalled that Cathcart did some talking, as did another CCS associate, David Flaherty.²²⁸ He remembered that another CCS associate named Amy Biederman was also in attendance but did not speak much during the meeting.²²⁹ When Otto saw the database, which was presented on a laptop, he thought "we spent millions of dollars for something a college kid could do."²³⁰ He did not think it was worth millions of dollars.²³¹ Otto assumed that the Tribe had immediate access to the database.²³² But, he later learned the Tribe needed to pay more money to CCS.²³³ In fact, Otto believes

²¹⁶ Interview of David Otto, former Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (August 27, 2004). As described *supra* in Part 1, Chapter 3, "Saginaw Chippewa Indian Tribe," Section D, "Slate of Eight—Abramoff and Scanlon's Trojan Horse," the Slate of Eight was a slate of candidates whose campaigns for the Saginaw Chippewa Tribal Council Scanlon and Abramoff supported, in contemplation of, or in exchange for, future business with the Tribe.

²¹⁷ Interview of David Otto, former Sub-Chief, Saginaw Chippewa Indian Tribe, in Washington, D.C. (August 27, 2004).

²¹⁸ *Id.*

²¹⁹ *Id.*

²²⁰ *Id.*

²²¹ *Id.*

²²² *Id.*

²²³ *Id.*

²²⁴ *Id.*

²²⁵ *Id.*

²²⁶ *Id.*

²²⁷ *Id.*

²²⁸ *Id.*

²²⁹ *Id.*

²³⁰ *Id.*

²³¹ *Id.*

²³² *Id.*

²³³ *Id.*

that the Tribe ultimately spent about \$4.1 million to build the database and another \$3.5 million or so to use it.²³⁴

Likewise, when Abramoff and Scanlon first met with the Tigua, Scanlon explained grassroots campaigns and, in particular, how he could get thousands of telephone calls to flood “a senator’s office, or even the President’s office.”²³⁵ Against that backdrop, he and Abramoff proposed a nationwide political campaign for the Tribe.²³⁶ To demonstrate what they had in mind, they brought a laptop with a database similar to what they were proposing to build for the Tigua.²³⁷

Abramoff noted, “my part is easy; the hard part is keeping this from being undone.”²³⁸ He then explained how once the law (with the Tigua-related provision) is printed, “someone’s going to know it and that’s where Mike comes in.”²³⁹ In that context, Abramoff described Scanlon’s role as a “submarine”: once the bill passed, Scanlon’s “submarine” would emerge and “fire missiles” at opponents, who try to repeal the Tigua provision.²⁴⁰ With Abramoff having characterized Scanlon as “expensive but worth it,”²⁴¹ Scanlon explained that he would implement this “submarine strategy” through the database that he was supposedly going to build for the tribe.²⁴²

Scanlon apparently designated his “right-hand man,” Christopher Cathcart, to serve as his point of contact with the Tribe.²⁴³ Working with Cathcart on the Tribe’s behalf was Tribal spokesperson Marc Schwartz.²⁴⁴ Schwartz believed that he may have had as many as 20 to 25 conversations with Cathcart.²⁴⁵ In his interview with Committee staff, Schwartz recalled Cathcart had described the database as “very customized.”²⁴⁶ He also recalled that Cathcart had said that Scanlon had “six people working day and night to get the system up and running” and a “stable” of graphic artists.²⁴⁷ Schwartz also remembered asking Cathcart how many people were working for Scanlon’s company.²⁴⁸ In response, Schwartz recalled, Cathcart said “dozens” and described Scanlon’s company to Schwartz as “absolute studs.”²⁴⁹

From Cathcart’s presentation, which probably occurred sometime in Spring 2002, Schwartz came away thinking that Scanlon’s organization was huge and that his company had done a number of

²³⁴ *Id.*

²³⁵ Interview with Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

²³⁶ *Id.*

²³⁷ *Id.*

²³⁸ *Id.*

²³⁹ *Id.*

²⁴⁰ *Id.*

²⁴¹ *Id.*

²⁴² Interview with Tom Diamond, Esq., Diamond, Rash, Gordon & Jackson, outside counsel, Ysleta del Sur Pueblo of Texas, in El Paso, Texas (October 28, 2004); Interview with Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

²⁴³ See Interview with Marc Schwartz, president, Partners Group Consultants, in Washington, D.C. (November 10, 2004).

²⁴⁴ *Id.*

²⁴⁵ *Id.*

²⁴⁶ *Id.*

²⁴⁷ *Id.*

²⁴⁸ *Id.*

²⁴⁹ *Id.*

these types of behind-the-scenes projects before.²⁵⁰ According to Schwartz, Cathcart never mentioned that Scanlon had, or planned to use, outside vendors.²⁵¹ Given Abramoff's "absolute, categorical" insistence on secrecy with the Tigua, Schwartz would have been very concerned about Scanlon's using outside vendors on the database project.²⁵²

In hindsight, Schwartz believes that Cathcart lied about the following: (1) the database was not customized; (2) Scanlon did not have "dozens" of employees working on the database; and (3) Scanlon did not have a "stable" of graphic artists.²⁵³ Schwartz also believes that various representations that Cathcart made about the database's functionality were false.²⁵⁴ After having seen the database subsequently, Schwartz considered it "extremely unremarkable."²⁵⁵ In his view, there was "no way" that the database required "six people working day-and-night" or that "the database was worth millions."²⁵⁶ But, the Tribe had already paid CCS \$4,200,000.²⁵⁷

In October 2002, the Pueblo of Sandia met with Cathcart at CCS' Washington office to view its database and was equally unimpressed: not only by the database's functionality but also the fact that it appeared to capture only the employee and vendor lists that the Tribe provided CCS.²⁵⁸ The database was not, in the view of the tribal representatives who reviewed it at the time, worth anything close to the almost \$2 million that the Tribe had paid for it.²⁵⁹

Oral representations made by Scanlon that he apparently made to Tribal representatives, in particular, Schwartz, Otto and Worfel, about having "built" the database is reflected in a document entitled "The Coshatta Political Program," dated June 26, 2001.²⁶⁰ In a section entitled, "What We Have Built," Scanlon stated, "We have constructed a state-of-the-art political database containing roughly 20,000 individuals who will take action on behalf of the Tribe."²⁶¹ It is also reflected in the minutes of an Agua Caliente Tribal Council meeting during which Scanlon and Abramoff pitched the database.²⁶² There, Scanlon further stated, "Then my job is to have there [sic] voices ... heard[.] How do we do that[?] Several different ways[.] [O]ne [is to] start with [a] custom[-]built database which I designed myself[.] [W]hat this database does[—]it is a political database and takes raw data such as employees—takes raw data

²⁵⁰ *Id.*

²⁵¹ *Id.*

²⁵² *Id.*

²⁵³ *Id.*

²⁵⁴ *Id.*

²⁵⁵ *Id.*

²⁵⁶ *Id.*

²⁵⁷ *Id.*

²⁵⁸ Interview of Stewart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006); Interview of David Mielke, counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

²⁵⁹ Interview of Stewart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006); Interview of David Mielke, counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

²⁶⁰ Louisiana Coshatta document production (no Bates number) (June 26, 2001) (entitled, "The Coshatta Political Program," by Michael Scanlon).

²⁶¹ *Id.*

²⁶² Agua Caliente document production (no Bates number) (entitled "Verbatim Excerpt—Tribal Council Meeting of Tuesday, July 9, 2002") (July 20, 2004) (excerpt only).

and we insert that data into our system soon to become your system if we work together ...”²⁶³

Scanlon also described the grassroots database as “custom built” in a draft of the “Agua Caliente Global Political Strategy,” dated July 8, 2002.²⁶⁴ In fact, in that document, Scanlon told the Tribe that “[CCS] will immediately begin acquiring the computer hardware, software and design the computer that houses your database.”²⁶⁵ To “organize” and implement this strategy, Scanlon sought from the Agua Caliente \$5,400,000 and an additional set-aside of \$2,000,000.²⁶⁶

b. The Facts

In truth, Scanlon’s company neither built nor designed these databases.²⁶⁷ In fact, Scanlon merely licensed a database actually created by a vendor named Democracy Data & Communications (“DDC”).²⁶⁸ In instances where CCS charged Tribes for DDC’s databases, DDC developed them to help CCS conduct grassroots campaigns on the Tribes’ behalf.²⁶⁹ In these cases, CCS supplied DDC with information, such as membership rosters and vendor information, that CCS obtained from its Tribal clients.²⁷⁰ Then, using its own proprietary software and network design, DDC helped CCS use that information for grassroots purposes—to create mass emails, letters, faxes, etc.²⁷¹

In other words, DDC, rather than CCS, built, updated and maintained those databases, for which CCS charged its tribal clients millions of dollars.²⁷² Typically, Scanlon charged each of the Tribes at least \$1,000,000 just for putting the database together; this was called the “organizational phase.”²⁷³ But, in truth, *all* the work that DDC did on each of the databases it developed, cost Scanlon a fraction of that amount. For example, all the work that DDC did

²⁶³ *Id.*

²⁶⁴ Capitol Campaign Strategies document production (no Bates number) (entitled “Agua Caliente Global Political Strategy”) (undated).

²⁶⁵ *Id.*

²⁶⁶ *Id.* See Letter from Michael Scanlon, Scanlon Gould Public Affairs, to the Honorable Richard Milanovich, Agua Caliente Band of Cahuilla Indians (July 9, 2002).

²⁶⁷ Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (August 26, 2004); Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (September 28, 2005).

²⁶⁸ Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (August 26, 2004); Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (September 28, 2005).

²⁶⁹ Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (August 26, 2004); Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (September 28, 2005).

²⁷⁰ Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (August 26, 2004); Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (September 28, 2005).

²⁷¹ Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (August 26, 2004); Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (September 28, 2005).

²⁷² Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (August 26, 2004); Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (September 28, 2005).

²⁷³ See, e.g., Agua Caliente document production (AC 0287) (July 24, 2002) (Letter from Michael P. Scanlon, Scanlon Gould Public Affairs, to Chairman Richard Milanovich, Agua Caliente Band of Cahuilla Indians, July 24, 2002) (describing organizational phase as “[i]nclud[ing] acquisition and design of hardware and software on behalf of the Tribe, data matching, grassroots development, online applications and political modifications”). For this, Scanlon charged the Agua Caliente \$1,875,000. *Id.* See also Email from Jack Abramoff, Greenberg Traurig, to Marc Schwartz, Ysleta del Sur Pueblo of Texas (GTG–E000076138–150) (February 18, 2002) (attaching “Operation Open Doors” and describing organizational phase similarly). For this, Scanlon charged the Tigua \$1,875,000. *Id.*

for the Louisiana Coshatta's database (from May 2001 through December 2003) cost CCS only \$104,000.²⁷⁴ Notably, in his interview with Committee staff on the Tigua, Scanlon's right-hand man, Christopher Cathcart, admitted that the Tribe "got nowhere near [the] \$1.8 million [it paid] for the organizational phase."²⁷⁵ He also conceded that the Tigua's database was not customized.²⁷⁶

DDC President B.R. McConnon testified that, when compared with DDC's other clients paying similar prices and using similar services, there was actually "a very low level of activity" on the CCS account that were maintained for CCS' tribal clients.²⁷⁷ Generally, McConnon observed, customers who have such a low level of usage tend to shut off the account.²⁷⁸ McConnon recalled that CCS used DDC's services so sparingly, "it got to be a running joke in the office."²⁷⁹

In cases not involving DDC databases, it appears that CCS took DDC's proprietary network design; provided that design to another vendor, Visual Impact Productions ("VIP"); and directed VIP to develop databases designed to mimic DDC's product. And, in those cases, it appears that CCS charged those Tribes millions of dollars for the development, maintenance, and use of those databases.

One of those databases was used by CCS for the Pueblo of Sandia. Apparently, a version of this database was also used by CCS for the Louisiana Coshatta after December 2003. When shown these databases during his deposition, McConnon testified that CCS violated the terms of its licensing agreement when it took the design of the database that his company originally created for the Louisiana Coshatta and used it to develop another system that was meant to look like his company's database.²⁸⁰ McConnon is correct: an email between VIP employee Charles Trout and CCS' Cathcart, dated August 27, 2003, reflects that Trout "reviewed the Democracy Direct software" and analyzed the "Democracy Direct application."²⁸¹ Having done so, Trout told Cathcart, "[F]or ease of use I have attempted to mimic the interface of the desktop app with the online app. For the most part, they will be the same so the user will be able to use both without re-learning the interface."²⁸² Trout noted, "I remember that your goal was to buy a

²⁷⁴ Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (August 26, 2004); Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (September 28, 2005).

²⁷⁵ Interview with Christopher Cathcart, former associate, Capitol Campaign Strategies, in Washington, D.C. (November 4, 2004).

²⁷⁶ *Id.*

²⁷⁷ Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (August 26, 2004); Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (September 28, 2005).

²⁷⁸ Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (August 26, 2004); Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (September 28, 2005).

²⁷⁹ Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (August 26, 2004); Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (September 28, 2005).

²⁸⁰ Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (August 26, 2004); Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (September 28, 2005).

²⁸¹ Email between Charles Trout, Visual Impact Productions, and Christopher Cathcart, Capitol Campaign Strategies, "democracy direct feates [sic]/functionality" (no Bates number) (August 27, 2003).

²⁸² *Id.*

laptop and have us install the application on it before delivery to the client.”²⁸³

Having examined VIP’s database, McConnon opined that it was far less capable than his company’s.²⁸⁴ In particular, McConnon noted that the quality of the data contained in the VIP system seemed inferior to DDC’s; its searching capability was far less extensive than DDC’s; its presentation of information was very limited; it seemed not to contain as much information as DDC’s, which is important to implement a more targeted, efficient grassroots program; and the quality of the keypunching seemed very inferior.²⁸⁵ McConnon agreed that someone at CCS apparently showed the other vendor the “access page” of his company’s database.²⁸⁶ McConnon confirmed that this would be a violation of the licensing agreement that Scanlon executed with DDC.²⁸⁷

For a version of this database, the Pueblo of Sandia paid Scanlon \$1,857,000.²⁸⁸ That amount corresponds to elements of a proposal drafted by Scanlon for the Tribe relating to “acquisition and design of hardware and software, data matching, grassroots development, online applications and political modifications.”²⁸⁹ However, in actuality, Scanlon never provided those services. In the ordinary course of business, those services would have been provided—at a far lesser cost—by one of Scanlon’s vendors. In this case, McConnon opined that this database, apparently produced by VIP, was worth nothing near \$1,857,000; it was probably worth, at the very most, about \$20,000.²⁹⁰ Whether the database came from DDC or VIP, it appears that the representation that CCS “constructed” a database was false.²⁹¹

²⁸³ *Id.*

²⁸⁴ Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (August 26, 2004); Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (September 28, 2005).

²⁸⁵ Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (August 26, 2004); Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (September 28, 2005).

²⁸⁶ Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (August 26, 2004); Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (September 28, 2005).

²⁸⁷ Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (August 26, 2004); Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (September 28, 2005).

²⁸⁸ Interview of Stewart Paisano, former Governor, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006); Interview of David Mielke, counsel, Pueblo of Sandia of New Mexico, in Washington, D.C. (April 18, 2006).

²⁸⁹ Capitol Campaign Strategies document production (no Bates number) (March 14, 2002) (Draft Letter from Michael Scanlon, Scanlon Gould, to Governor Stewart Paisano, Pueblo of Sandia of New Mexico).

²⁹⁰ Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (August 26, 2004); Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (September 28, 2005).

²⁹¹ Some may assert that the reference to a “database” referred to in, for example, the “The Coughatta Political Program” document described above, refers to lists derived from communications programs that CCS implemented for the Louisiana Coughatta. Nonetheless, if so, the document’s reference to that database as “state-of-the-art” would be false. And, if it refers to the database provided by DDC (or VIP), the statement would be false, where as of that particular document’s date, DDC had not yet provided CCS with a political database. Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (August 26, 2004); Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (September 28, 2005). As of the date of the document, on the Louisiana Coughatta account, DDC only warehoused data, that is, provide a very basic list-management program. Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (August 26, 2004); Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (September 28, 2005).

The draft document goes further: “We have compiled a state-of-the-art qualitative research database, which can identify allies and adversaries by ‘quote.’”²⁹² However, the Committee has seen no evidence that DDC, or any other vendor for that matter, ever provided CCS with such a database. Nor has the Committee seen any evidence that CCS developed such a database internally. Therefore, that statement too appears to be false.²⁹³

3. CCS’ Use of Fictitious Grassroots Organizations

Among the things that CCS promised to do for its Tribal Clients was to mobilize, in particular, Christian conservatives and environmental activists to oppose the expansion of gaming in areas that would infringe on their market share. Several documents describe exactly what Scanlon had in mind. In a document entitled “Louisiana Political Budget Outline,” dated October 23, 2001, Scanlon told a representative of the Louisiana Coushatta, “We plan to use three forms of communications to mobilize and win these battles. Phones, mail and Christian radio.”²⁹⁴ He continued, “Our mission is to get specifically selected groups of individuals to the polls to speak out AGAINST something.”²⁹⁵

According to Scanlon, “To that end, your money is best spent finding them and communicating with them on using the modes that they are most likely to respond to. Simply put we want to bring out the wackos to vote *against* something and make sure the rest of the public lets the whole thing slip past them. The wackos get their information from [sic] the Christian right, Christian radio, mail, the internet and telephone trees.”²⁹⁶

According to other documents in the Committee’s possession, Scanlon likewise promised the Saginaw Chippewa that it would repel threats to its market share by “execut[ing] the following tactics”: grassroots mobilization of environmental activities; mobilization of anti-gaming activists; patch-through phone calls to state and federal environmental protection agencies; direct mail; as well as mobilization of environmental and “citizen groups.”²⁹⁷ As described above, only a fraction of what the Tribes paid CCS went to the grassroots efforts promised by CCS. So, the question arises what did CCS in fact do to mobilize grassroots supporters?

In this regard, it appears that Scanlon and his partner Abramoff originally relied on the efforts of Ralph Reed and other vendors to conduct these grassroots activities.²⁹⁸ However, at some point, it appears that Scanlon and Abramoff chose not to rely on Reed’s efforts or pushed him out entirely, ostensibly to maximize their “gimme five” income. In fact, in a few cases, Scanlon used fictitious organizations to manipulate grassroots support among Christian

²⁹² Letter from Michael Scanlon, Scanlon Gould, to Governor Stewart Paisano, Pueblo of Sandia of New Mexico (March 14, 2002) (draft).

²⁹³ Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (August 26, 2004); Interview of B.R. McConnon, president, Democracy Data & Communications, in Washington, D.C. (September 28, 2005).

²⁹⁴ Capitol Campaign Strategies document production (BB/LC 017923) (October 23, 2001).

²⁹⁵ *Id.* (emphasis in original).

²⁹⁶ *Id.* (emphasis in original).

²⁹⁷ Deposition of Aaron Stetter, former associate, Capitol Campaign Strategies, in Washington, D.C. (May 26, 2005).

²⁹⁸ A full discussion of these activities, and the degree to which Abramoff relied on them in support of their Tribal clients, is set forth above in Part 1, Chapter 1, “Mississippi Band of Choctaw Indians,” and below in Part 2, Chapter 2, “American International Center.”

conservatives and environmentally-minded voters. Accordingly, for a fraction of the cost associated with *bona fide* grassroots activities, Scanlon was able to convey to his clients the appearance that he was coalition-building or mobilizing support, when he was actually not doing so.

According to Aaron Stetter, a former associate at CCS, on several occasions Scanlon used fictitious grassroots organizations for the Saginaw Chippewa, in particular.²⁹⁹ During his deposition, Stetter remarked that the names of such organizations such as “Concerned Citizens Against Gaming Expansion (“CCAGE”),” “Global Christian Outreach Network (“GCON”),” and “Michigan Environmental Group” were “just a title” and to his knowledge not *bona fide* organizations.³⁰⁰ During her interview with staff, Abramoff and Scanlon’s liaison with the Choctaw, Nell Rogers, stated that she believed that CCAGE and GCON were actual grassroots organizations working on the Tribe’s projects.³⁰¹ That was not the case.

Stetter told Committee staff that he was required to create phone scripts that CCS would use for patch-through phone calls.³⁰² When he prepared these scripts he “would leave the line blank and then [the name of the organization] would either be added by [Cathcart or Scanlon] during the drafting process” or he would receive an email “saying, plug this word in.”³⁰³

The pretensions that Scanlon used in mobilizing opposition to gaming initiatives that threatened his clients’ market share is reflected in talking points that purport to describe the CCAGE.³⁰⁴ This document falsely describes the CCAGE as “a watchdog for illegal gaming efforts in the United States.”³⁰⁵ Furthermore, according to the document, “[a]t the grassroots level, CCAGE draws attention to such efforts while educating the public on the dangers of gambling to families and communities.”³⁰⁶ The document deceptively explains that the CCAGE targeted Louisiana because “[Louisiana] is an affordable media market—our dollars stretch further and we felt we have a better shot at being effective, really making a difference.”³⁰⁷ In fact, the document misleadingly states, “We ... are not representing their competitors like Harrahs or Isle of Capri”; “[we get] [n]o money from Harrahs, Isle of Capri or any other casinos”; and “CCAGE is by no means bogus.”³⁰⁸ Needless to say, these talking points do not mention that the CCAGE operated for the benefit of a gaming tribe. It is unclear what these talking points were used for. However, inasmuch as Scanlon may have used them to mobilize unwitting activists and voters as part of his grassroots strategy for the Louisiana Coushatta, they give rise to concern.

²⁹⁹ Deposition of Aaron Stetter, former associate, Capitol Campaign Strategies, in Washington, D.C. (May 26, 2005).

³⁰⁰ *Id.*

³⁰¹ See Interview with Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Washington, D.C. (April 27–29, 2005).

³⁰² Deposition of Aaron Stetter, former associate, Capitol Campaign Strategies, in Washington, D.C. (May 26, 2005).

³⁰³ *Id.*

³⁰⁴ Capitol Campaign Strategies document production (no Bates number) (entitled “CCAGE talking points”) (undated).

³⁰⁵ *Id.*

³⁰⁶ *Id.*

³⁰⁷ *Id.*

³⁰⁸ *Id.*

Stetter also acknowledged that pursuant to instructions from Scanlon and/or Cathcart he set up several cell phones with area codes in states in which CCS was operating for its tribal clients.³⁰⁹ He then handed the phones over to Amy Biederman, another CCS associate.³¹⁰ She kept a box of phones in her office with the name of each organization taped to the back of the respective phone, and depending on which phone rang, she answered with “Concerned Citizens Against Gaming Expansion,” or with the name of one of the other fictitious organizations.³¹¹

In addition to using these bogus organizations for phone banking, Scanlon issued fliers under their names. Stetter recalled that early in his career with CCS he was directed by Scanlon to deliver a flier entitled “GCON, Issue Focus 2002” to “each Member of the [Mississippi State] House and ... Senate.”³¹² Stetter recalled that he stuffed these fliers in, among other places, the mailboxes of each state senator.³¹³ One such flier listed the address at a Post Office in Flowwood, Mississippi. Stetter admitted that this too was bogus: “[my] first order of business on this trip was to, one, set up a post office box somewhere in Mississippi ... and to activate a cell phone” to delude the fliers’ recipients that these were *bona fide* grassroots organizations.³¹⁴ In fact, Stetter noted that he chose Flowwood simply because it was close to the airport where he arrived.³¹⁵ Scanlon insisted that P.O. Boxes be set up in the states where CCS was operating.³¹⁶ That flier listed Amy Biederman as the national director for the GCON. In his deposition, Stetter confirmed that Biederman was in fact not the national director for the GCON but merely another associate at CCS.³¹⁷ Scanlon’s right-hand man, Christopher Cathcart, maintained in a Committee staff interview that this effort was merely intended to find out what opinion leaders thought of gaming.³¹⁸

In his interview with Committee staff, the head of Greenberg Traurig’s national lobbying practice observed that using fictitious grassroots entities “for cover” is not uncommon.³¹⁹ Specifically, he reflected, “When the trial lawyers want to pass their constitutional amendment to, to ratchet down the doctors, they create a Coalition for Fairness in Medical Practice, and there’s nothing—you can go into a state, in Topeka, Florida, and I can give you all the 527s and CCEs and the not-for-profits, and most of them we can tell you who funded which one of them ... because you know where the money is coming from.”³²⁰

³⁰⁹ Deposition of Aaron Stetter, former associate, Capitol Campaign Strategies, in Washington, D.C. (May 26, 2005).

³¹⁰ *See id.*

³¹¹ *See id.*

³¹² *Id.*

³¹³ *Id.*

³¹⁴ *Id.*

³¹⁵ *Id.*

³¹⁶ *See* Interview of Christopher Cathcart, associate, Capitol Campaign Strategies, in Washington, D.C. (May 5, 2005).

³¹⁷ Deposition of Aaron Stetter, former associate, Capitol Campaign Strategies, in Washington, D.C. (May 26, 2005).

³¹⁸ Interview of Christopher Cathcart, former associate, Capitol Campaign Strategies, in Washington, D.C. (May 5, 2005).

³¹⁹ Interview of Fred Baggett, Chair, National Government Affairs Practice, Greenberg Traurig, in Washington, D.C. (September 29, 2005).

³²⁰ *Id.*

He continued, “You know, the effort to save the greyhounds in Florida is an anti, is actually primarily funded by Disney and Universal to keep casinos out ...”³²¹

While using bogus groups in furtherance of grassroots strategies may be common, Scanlon and Abramoff’s use of them is distinguishable in that they were employed as part of Abramoff and Scanlon’s “gimme five” scheme. In an interview with Committee staff, former CCS associate Brian Mann said that he thought that, for example, the letter-writing and signature-gathering campaigns, many of which he helped lead or otherwise conduct in the name of such bogus organizations, were “fraudulent.”³²² He described them as “flashes in the pan [that were designed] to appease [CCS] clients.”³²³ He regarded them as exercises that “created face time” and “scuttlebutt” by “send[ing] a few people out there to show them that we exist.”³²⁴ With CCS associates collecting signatures “on K-Mart or Walmart parking lots,” Mann felt that those activities “didn’t amount to very much.”³²⁵

The preceding sections of this Chapter set forth Abramoff and Scanlon’s “gimme five” scheme, as it related to CCS, and describe how Abramoff and Scanlon furthered that scheme by promoting Scanlon’s grassroots business—only after concealing their financial relationship from the Tribes. This Chapter has also set forth the basis of the Committee’s conclusion that those Tribes received little of the intended benefit for the \$66 million that they paid CCS from 2001 through 2003.

E. CONCLUSION

As a general proposition, Abramoff and Scanlon’s “gimme five” scheme involved getting each of the Tribes to hire Scanlon as their grassroots specialist; dramatically overcharging them for grassroots and related activities; setting aside for themselves a percentage of what the Tribes paid at a grossly inflated rate—a rate wholly unrelated to the actual cost of services provided; and using the remaining fraction to reimburse scores of vendors that could help them maintain *vis-a-vis* the Tribes a continuing appearance of competence.

In all cases, secrecy was key. Only by keeping their financial arrangement secret could they execute the strategies that they devised to secure the Tribes as clients. In some cases, they did so by insinuating themselves in tribal council elections and assisting with the campaigns of candidates who were calculated to support their proposals. In other cases, Abramoff and Scanlon were even more aggressive. In one example, they helped shut down the casino of one particularly underprivileged Tribe, only to pitch their services afterwards—for a multimillion dollar premium—to help that same Tribe, made desperate by their efforts, reopen it.

Typically, the most expensive element of Scanlon’s proposals to the Tribes related to an elaborate political database. But, in all

³²¹ *Id.*

³²² Interview of Brian Mann, former director, American International Center, in Washington, D.C. (March 3, 2006).

³²³ *Id.*

³²⁴ *Id.*

³²⁵ *Id.*

cases, it appears that the degree to which Scanlon marked-up his actual costs was unconscionable. For example, while Scanlon told the Louisiana Coushatta that their “political” database would cost \$1,345,000, he ended up paying the vendor that actually developed, operated and maintained that database about \$104,560. The dramatic mark-ups were intended to accommodate Scanlon’s secret 50/50 split with Abramoff.

In total, six tribes paid CCS at least \$66 million over the three-year period. By the Committee’s reckoning, each Tribe paid CCS as follows: the Choctaw, \$14,745,650; the Louisiana Coushatta, \$26,695,500; the Saginaw Chippewa, \$10,007,000; the Agua Caliente, \$7,200,000; the Tigua, \$4,200,000; and the Pueblo of Sandia, \$2,750,000. Of that \$66 million, Abramoff secretly collected from Scanlon, through (among other entities) an entity called Kaygold, about \$24 million. This constituted about one-half of Scanlon’s total profit from the Tribes.

As described above in detail, most of the money that the Tribes paid Scanlon appears to have been used by Scanlon and Abramoff for purely personal purposes—purposes unintended by the Tribes. Generally, Abramoff seems to have used his share of the proceeds he received from Scanlon to float his restaurant ventures and, through the CAF, operate his Jewish boys’ school in Maryland. Likewise, Scanlon seems to have used his share to purchase real estate and other investments. Given the foregoing, the Committee finds that most of the Tribes received little of the intended benefit for the significant sums they paid to Scanlon.