

CHAPTER III

CAPITAL ATHLETIC FOUNDATION

ABRAMOFF: The package on the ground is \$4K per person. that [sic] covers rooms, tee times and ground transportation. One idea is that we could use one of my foundations for the trip—Capital Athletic Foundation—and get and make contributions so this is easier. OK?

REED: OK but we need to discuss. It is an election year.

Email between Jack Abramoff and Ralph Reed concerning golfing junket to Scotland, May 15, 2002

RUDY: Jack wants this.

BOULANGER: What is it? I've never heard of it.

RUDY: It is something our friends are raising money for.

BOULANGER: I'm sensing shadiness. I'll stop asking.

Email between Todd Boulanger and Tony Rudy concerning suggested Tribal contributions to CAF, June 20, 2002

BOZNIAK: He [CAF funds recipient Shmuel Ben Svi] did suggest that he could write some kind of letter with his Sniper Workshop Logo and letter head. It is an "educational" entity of sorts.

ABRAMOFF: no [sic] I don't want a sniper letterhead.

Email between Jack Abramoff and Allison Bozniak, September 19, 2002

A. INTRODUCTION

At its hearings over the past two years, the Committee disclosed and discussed evidence that Jack Abramoff might have used Capital Athletic Foundation ("CAF"), his private charitable foundation, in ways grossly inconsistent with its tax exempt status and mission. Based on multiple interviews and records, the Committee conclusively finds that (1) CAF was simply another vehicle in Abramoff and Scanlon's "gimme five" scheme; (2) Indian tribes paid CAF, directly and indirectly, knowingly and unknowingly, approximately \$3,657,000; and, (3) Abramoff treated CAF as his own personal slush fund, apparently using it to evade taxes, finance lobbying activities such as a golfing trip to Scotland, purchase paramilitary equipment, and for other purposes inconsistent with CAF's tax exempt status and stated mission.

In fact, in court filings associated with Abramoff's guilty plea in January 2006, Abramoff pled guilty to, among other things, misusing CAF "to receive income and make expenditures for his own personal benefit" and "to conceal this income from the Internal

Revenue Service and others.”¹ In his plea agreement, Abramoff further admitted that he “knew that these activities constituted a misuse of these tax exempt entities.”² For example, Abramoff confessed that he solicited money from the Saginaw Chippewa Indian Tribe of Michigan (“Saginaw Chippewa”) and a distilled beverages company, SPI Spirits, “to partially pay for a golfing trip to Scotland for himself, public officials, members of his staff and others.”³

This Chapter will examine the nature and structure of CAF. For all years in which CAF received, directly or indirectly, Tribal funds, this Chapter will examine the circumstances surrounding the payments, and then review how Abramoff spent CAF’s funds.

B. GENERAL BACKGROUND ON CAF

Abramoff registered CAF with the Internal Revenue Service as a 501(c)(3) exempt private foundation.⁴ At all relevant times, Abramoff and his wife were the only managing members of CAF.⁵ CAF reported on its 2001 and 2002 federal tax forms that four (4) Native American Tribes donated a total of \$2,075,000:⁶

REPORTED PAYMENTS BY TRIBES TO CAPITAL ATHLETIC FOUNDATION (CAF)

2001	Coushatta Tribe of Louisiana	\$1,000,000
2002	Mississippi Band of Choctaw Indians	\$1,000,000
	Saginaw Chippewa Indian Tribe	\$25,000
	Alabama Coushatta Entertainment Center	\$50,000
Total		\$2,075,000

To the general public, CAF described itself as a youth charity in Washington, D.C.⁷ According to its website, no longer extant, CAF purportedly:

promotes the ideals of sportsmanship by recognizing individuals and organizations across the economic spectrum that exemplify the highest values of honorable, civil and ethical behavior in their endeavors. The Foundation awards grants to support *needy and deserving programs* and activities that develop sportsmanship, and designates appropriate individuals as national Ambassadors of Sportsmanship. The Foundation also awards grants that specifically support sportsmanship programs and activities which serve *disadvantaged youth*.⁸

The website continued:

¹ Plea Agreement, Factual Basis for the Plea, at para. 37, *U.S. v. Jack A. Abramoff* (Dist. D.C., January 3, 2006) (CR-06-001).

² *Id.*

³ *Id.* at para. 26.

⁴ See Capital Athletic Foundation, 2001, 2002, and 2003 Return of Private Foundations Form 990PF; and *Internal Revenue Service* (visited May 25, 2004) <<http://www.irs.gov>> (excerpt of exempt organization search). Interestingly, on March 2, 2000, CAF changed its name to National Institute of Torah, but, on August 17, 2000, changed its name back to CAF.

⁵ *Id.*

⁶ Other Abramoff and/or Greenberg Traurig clients apparently donated during those years. In 2001, Foxcom Wireless allegedly donated \$50,000. In 2002, SPI Spirits (Cyprus) allegedly donated \$25,000.

⁷ *Capital Athletic Foundation* (visited June 7, 2004) <<http://www.capathletic.org>>.

⁸ *Id.* (emphasis added).

[t]he mission of the Capital Athletic Foundation is to foster character development by promoting the American ideals of sportsmanship in all endeavors. These ideals include integrity, honor, brotherhood, morality, leadership and good citizenship. *Sportsmanship is ethical behavior both on and off the playing field; both in athletics and in business; both as a youth and as an adult.*⁹

Abramoff similarly described CAF to his colleagues. Fred Baggett, a managing shareholder of Greenberg Traurig and chairman of its national governmental affairs practice, recalled that the “CAF Foundation was something that Jack referred to a number of occasions that he and his wife were very much involved in to support inner-city children in sports ventures and sports opportunities.”¹⁰ Although Abramoff disclosed that he and his wife were CAF’s founders, he gave the impression to Baggett that it “had grown into a credible, respectable charitable foundation.”¹¹ What Abramoff did not disclose, however, was how he was actually funding and operating CAF.¹²

C. ABRAMOFF ATTEMPTS TO SECURE FEDERAL FUNDING FOR CAF, AND FAILS

In 2000, it appears that Abramoff initially sought to capitalize CAF with a \$5,000,000 federal earmark.¹³ In attempting to enlist the aid of then-U.S. Representative Connie Morella, Abramoff told one Jim Kaplan¹⁴ that “the DeLay guys want to put this grant through for the Capital Education and Athletic Foundation [CEAF],¹⁵ which will be a grantor organization to help build the Yeshiva in Kemp Mill.”¹⁶ Abramoff apparently believed the earmark could be included in the Labor-HHS Appropriations Conference Report or the VA-HUD Appropriations Conference Report.¹⁷ Abramoff confessed that Congressman DeLay might not know about it, but that “Tony [Rudy] [DeLay’s then-Deputy Chief of Staff] and the staff are working it through for them.”¹⁸ Abramoff

⁹ *Id.* (emphasis added).

¹⁰ Interview of Fred Baggett, Chair, National Government Affairs Practice, Greenberg Traurig, in Washington, D.C. (September 29, 2005); *see also* Interview of Stephanie Leger Short, former associate, Greenberg Traurig, in Washington, D.C. (August 18, 2005).

¹¹ Interview of Fred Baggett, Chair, National Government Affairs Practice, Greenberg Traurig, in Washington, D.C. (September 29, 2005). Stephanie Leger, a former Greenberg Traurig employee, told the Committee that it was well known around the office that CAF was Abramoff’s personal charity. Interview of Stephanie Leger Short, former associate, Greenberg Traurig, in Washington, D.C. (August 18, 2005).

¹² Interview of Fred Baggett, Chair, National Government Affairs Practice, Greenberg Traurig, in Washington, D.C. (September 29, 2005); Interview of Stephanie Leger Short, former associate, Greenberg Traurig, in Washington, D.C. (August 18, 2005).

¹³ Email from Jack Abramoff, Preston Gates Ellis & Rouvelas Meeds, to James Kaplan (GTG–E000087920–21) (October 23, 2000).

¹⁴ The Committee has not determined who James Kaplan was, and what his relationship was with Congresswoman Morella and Jack Abramoff.

¹⁵ Apparently, the name Abramoff originally contemplated for the charity was the Capital Education and Athletic Foundation.

¹⁶ Email from Jack Abramoff, Preston Gates Ellis & Rouvelas Meeds, to James Kaplan (GTG–E000087920) (October 23, 2000).

¹⁷ *Id.*

¹⁸ Email from Jack Abramoff, Preston Gates Ellis & Rouvelas Meeds, to James Kaplan (GTG–E000087924) (October 23, 2000). The Committee has seen no evidence that Congressman DeLay knew or authorized what Abramoff and Rudy were attempting.

even sent an email to a representative of Congresswoman Morella and claimed that the CEAF “is a worthy cause, and not a client.”¹⁹

After speaking with a Morella representative, Abramoff advised Tony Rudy: “Tony, I spoke with her guy today and they are going to try to get us a letter. Please let me know what we do next.”²⁰ However, after reviewing CAF’s bank, accounting, and tax records, the Committee concludes that CAF never received a federal grant of any amount. Furthermore, the Committee has seen no evidence establishing that Representative Morella supported Abramoff in any way on this project.

Unable to obtain his earmark, Abramoff would turn to other means to finance CAF.

D. ABRAMOFF AND SCANLON MISAPPROPRIATE TRIBAL FUNDS FOR CAF SEED MONEY IN 2001

1. Abramoff and Scanlon Divert Louisiana Coushatta Money to CAF

In 2001, the single largest contributor by far listed on CAF’s federal tax return was the Coushatta Tribe of Louisiana (“Louisiana Coushatta”) for \$1,000,000.²¹ The Committee finds, however, that the Tribe never intended to make a charitable contribution to CAF. Rather, Abramoff and Scanlon deceived the Louisiana Coushatta into making that payment as part of their “gimme five” scheme.

Scanlon set the scam in motion with an October 23, 2001, memorandum to Louisiana Coushatta counsel Kathryn Van Hoof, in which he proposed three political programs, which he collectively dubbed the “Battleground Program.”²² The program was purportedly designed to stop potential competitors, such as “Delta Downs and Pinnacle” from infringing on the Louisiana Coushatta casino’s market share.²³ According to Scanlon, the Tribe’s money would be used for everything from polling to opposition research to phone banking and Get Out The Vote efforts.²⁴

Scanlon claimed the money was necessary to manipulate Christian conservatives. In Scanlon’s words: “Simply put we want to bring out the wackos to vote *against* something. ... The wackos get their information form [sic] the Christian right, Christian radio, mail, the internet and telephone trees.”²⁵ In fact, Scanlon advised using nearly half the proposed budget to influence and mobilize “Christian conservatives and minority religious outlets.”²⁶

Abramoff and Scanlon had other designs for the money. One day after Scanlon’s memorandum to Van Hoof, Abramoff told Scanlon: “I want to see if we can pump up our LDA [reporting requirements under the Lobbying Disclosure Act] for the second half to make sure we don’t fall out of the top ten [lobbying firms]. I can achieve

¹⁹ Email from Jack Abramoff, Preston Gates Ellis & Rouvelas Meeds, to pj@morella.com (GTG–E000087929) (October 23, 2000).

²⁰ Email from Jack Abramoff, Preston Gates Ellis & Rouvelas Meeds, to Tony Rudy, Office of Congressman Tom DeLay (GTG–E000087925) (October 23, 2000).

²¹ Capital Athletic Foundation, 2001 Return of Private Foundations Form 990PF.

²² Capitol Campaign Strategies document production (BB/LC 017923–26) (October 23, 2001).

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.* (emphasis in original).

²⁶ *Id.*

this if I can run some of the money for the Coushattas through the firm and then get it to CCS.”²⁷

Concerned, Scanlon asked: “Are u [sic] sure Baggett will let you rip it back out?”²⁸

Abramoff responded, “If not, it’ll be a cold day in hell that they get this check from my grubby hands!”²⁹

To convince the Tribe to pay \$1,000,000 into Greenberg Traurig, Scanlon explained to Van Hoof, “We broke this into two invoices—one to be paid to Greenberg Traurig for 1m, and one paid to Capitol Campaign Strategies—[Greenberg Traurig’s] public affairs entity for the balance. We usually just invoice you through Capitol Campaign Strategies so the Lawyers at the firm rest easy while we are out burning the country side.”³⁰

He continued, “In this instance however we plan to do some things through the law firm umbrella due to their highly sensitive nature and confidentiality reasons. I hate hiding behind lawyers—but we are going to do some crazy stuff on this one—so I guess its ok:) [sic]”³¹

In furtherance of the “gimme five” scheme, Scanlon apparently fabricated and submitted to the Louisiana Coushatta an invoice in Greenberg Traurig’s name. The invoice identified the purpose of the payment as “Public Affairs Services.”³² Contrary to Scanlon’s representations, Capitol Campaign Strategies (“CCS”) was not Greenberg Traurig’s public affairs entity.³³ Nor was Scanlon authorized to prepare or send an invoice on Greenberg Traurig’s behalf.³⁴ At the November 2, 2005 hearing before the Committee, Baggett testified:

THE CHAIRMAN: Was Mr. Scanlon authorized to send an invoice on Greenberg Traurig’s behalf?

MR. BAGGETT: No, sir; he was not.

...

MR. BAGGETT: —the invoice exhibit 99 purporting to be from Greenberg Traurig, “Greenberg” is misspelled.

THE CHAIRMAN: Okay. That is an important point. Thank you for bringing it up, Mr. Baggett. [Laughter.]

MR. BAGGETT: I doubt we would be issuing an invoice with our name misspelled.³⁵

Despite the lack of authorization, the Committee finds that Scanlon sent, or caused to be sent, the fabricated invoice to the Louisiana Coushatta for payment.

Based on Scanlon’s representations, the Tribe understood the \$1,000,000 payment to Greenberg Traurig would be used for the

²⁷ Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000012245) (October 24, 2001).

²⁸ *Id.*

²⁹ *Id.*

³⁰ Email from Michael Scanlon, Capitol Campaign Strategies, to Kathryn Van Hoof, Coushatta Tribe of Louisiana (GTG-E000011383) (October 25, 2001).

³¹ *Id.*

³² Greenberg Traurig document production (GTG-E000011384) (undated).

³³ Interview of Fred Baggett, Chair, National Government Affairs Practice, Greenberg Traurig, in Washington, D.C. (September 29, 2005).

³⁴ “Tribal Lobbying Matters,” *Hearings before the Committee On Indian Affairs*, 109th Cong. at 37 (November 2, 2005) (testimony of Fred Baggett, Chair, National Government Affairs Practice, Greenberg Traurig).

³⁵ *Id.*

Tribe's political activities, and certainly never intended for it to be a charitable contribution:

THE CHAIRMAN: Ms. Van Hoof, was it your understanding that the \$1 million was going to be used for political activities benefitting the tribe?

MS. VAN HOOF: Yes.

THE CHAIRMAN: Did the tribe authorize anyone to use that \$1 million as a charitable contribution to the Capital Athletic Foundation?

MS. VAN HOOF: No.

THE CHAIRMAN: Did the tribe ever intend to make a \$1 million contribution to Jack Abramoff's personal charity?

MS. VAN HOOF: No.³⁶

William Worfel, former Vice Chairman of the Tribe, similarly told the Committee that the Tribal Council had never authorized that \$1,000,000 to be used as a charitable contribution—to CAF or any other entity.³⁷ Indeed, neither Van Hoof nor Worfel had any contemporaneous knowledge of CAF.³⁸ At no point did Scanlon or Abramoff tell the Louisiana Coshatta that its money would be used for anything other than the Tribe's political activities.³⁹ In fact, until the Committee's investigation, the Louisiana Coshatta did not even know it was listed as a \$1,000,000 donor to CAF.⁴⁰

Based on Scanlon's misrepresentations, on October 30, 2001, the Louisiana Coshatta executed a check for \$1,000,000 to Greenberg Traurig.⁴¹ On November 2, 2001, Greenberg Traurig received the \$1,000,000 check, which it deposited into its trust account.⁴²

The next phase of the scheme required Abramoff to deceive his former employer, Greenberg Traurig. To extract the money from Greenberg Traurig's trust account, Abramoff told the firm that the Louisiana Coshatta knew about the payment to CAF and had authorized it.⁴³ On November 5, 2001, Abramoff sent an email to Baggett entitled "Coshatta million dollar check," and noted, "It is burning a hole in my pocket. Please let's chat about this today to get it worked out."⁴⁴ Sometime around that email, Abramoff called Baggett in Tallahassee, "to talk about a contribution that a tribe, the Coshatta, that a tribe wanted to make to Capital Athletic Foundation, that they had given us a check for a million dollars and wanted to put it in a trust account so we could give it to Cap-

³⁶"Tribal Lobbying Matters," *Hearings before the Committee On Indian Affairs*, 109th Cong. at 37 (November 2, 2005) (testimony of Kathryn Van Hoof, former counsel, Coshatta Tribe of Louisiana).

³⁷Interview of William Worfel, former Vice Chairman, Coshatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005).

³⁸Interview of Kathryn Van Hoof, former counsel, Coshatta Tribe of Louisiana, in Lecompte, Louisiana (September 23, 2005); Interview of William Worfel, former Vice Chairman, Coshatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005).

³⁹Interview of Kathryn Van Hoof, former counsel, Coshatta Tribe of Louisiana, in Lecompte, Louisiana (September 23, 2005); Interview of William Worfel, former Vice Chairman, Coshatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005).

⁴⁰*Id.*

⁴¹Greenberg Traurig document production (GTG023510–ACCT) (October 30, 2001).

⁴²Interview of Fred Baggett, Chair, National Government Affairs Practice, Greenberg Traurig, in Washington, D.C. (September 29, 2005).

⁴³*Id.*

⁴⁴Email from Jack Abramoff, Greenberg Traurig, to Fred Baggett, Greenberg Traurig (GTG–E000252969) (November 5, 2001).

ital Athletic Foundation.”⁴⁵ Per Abramoff’s direction, Greenberg Traurig paid the Louisiana Coshatta’s \$1,000,000 to CAF.⁴⁶

The Committee finds that the Louisiana Coshatta’s \$1,000,000 never went to the Tribe’s political activities. It instead padded the coffers of CAF for Abramoff’s discretionary use. Notably, Abramoff did include the \$1,000,000 on the Lobbying Disclosure Act filing for the Louisiana Coshatta in 2001.⁴⁷

The Committee harbors no doubt that the \$1,000,000 was a payment obtained as part of the duo’s “gimme five” scheme. In a November 7, 2001, email entitled “Give me five,” Scanlon listed Abramoff’s take from their scheme:

The overall numbers in the amounts I owe you are exactly \$1 million smaller that [sic] what we projected last month because your section of the Louisiana Battleground program was paid directly to [Greenberg Traurig]—so I took the whole thing of [sic] the chart. I did leave it on the distribution chart so you can see what the “value” of your share to date—approximately 5.4 mill. [sic] has gone to your [sic] or third party entities at your direction.⁴⁸

2. Abramoff’s Misuse of CAF Funds in 2001

Despite receiving \$1,248,741 in purported contributions, CAF distributed very little in the form of grants to other entities in 2001—only \$50,510.⁴⁹ From the relevant bank records, it appears that Abramoff segregated most of the Tribal money into its own account and reserved it for use in the following year. From another account, into which others such as Foxcom Wireless had paid, CAF made a number of expenditures.

The largest outlay for CAF in 2001 appears to be for operating and administrative expenses:

- \$102,510 for “home school program which combines academic and athletic programs for the students.”⁵⁰
- \$50,510 for log and web design and newspaper advertising for the benefit of the Eshkol Academy.⁵¹ The Eshkol Academy was an all boys Jewish orthodox prep school that Abramoff founded in 2001, but closed in 2003.⁵² Abramoff’s relationship with Eshkol was intimate: he was the president and his wife was the vice president, secretary, and treasurer.⁵³ Media reports also claim that some of Abramoff’s children attended Eshkol.

⁴⁵ Interview of Fred Baggett, Chair, National Government Affairs Practice, Greenberg Traurig, in Washington, D.C. (September 29, 2005).

⁴⁶ *Id.*

⁴⁷ *Id.*

⁴⁸ Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG-E000012276) (November 7, 2001).

⁴⁹ Capital Athletic Foundation, 2001 Return of Private Foundations Form 990PF.

⁵⁰ *Id.* There appears to be a discrepancy in the tax return. Statement 5 to the return cites \$115,930 as the expenses spent on home school program expenses.

⁵¹ *Id.*

⁵² See Peter Stone, *Tribes Gave To Abramoff Foundation*, National Journal, March 12, 2004, at 1866; Michael S. Gerber and Albert Eisele, *Republican power broker Jack Abramoff on lobbying in the Bush II era*, The Hill, March 26, 2003; see also Email from Gail Halpern, May & Barnhard, to Susan Baker (MB-002124) (September 27, 2002).

⁵³ See Eshkol, Inc., 2001 Form 990. Eshkol’s tax return is signed by Sam Hook as executive director for the school. Hook is a former contract employee at Greenberg Traurig, the husband of Shana Tesler, and owner and president of two other Abramoff-controlled entities, Grassroots

- \$3,411.32 for “Eshkol and Lexington Group work.” CAF’s ledger identifies the purpose of the payment as brochures and business cards. The Lexington Group was a for-profit venture that Abramoff undertook with a lobbyist named Khaled Saffuri and has no apparent role in CAF or its purported charitable mission.

- Almost \$99,000 on consulting fees,⁵⁴ which, on information and belief, related to Abramoff’s efforts to establish Eshkol.

- \$26,060 for a school van. The records do not indicate whether the van was actually used for personal or charitable purposes.

- \$10,000 payment to Sports Suites as a deposit.⁵⁵ The Sports Suites was a limited liability company that Abramoff owned and operated and through which he leased various club boxes at several sporting venues around the region, including FedEx Field, MCI Center, and Camden Yards. Abramoff used the boxes extensively in his lobbying practice.

Curiously, listed on CAF’s 2001 tax form is an \$18,057 expenditure for a thermal imager.⁵⁶ CAF’s tax and accounting records do not indicate what possible relation a thermal imager would have to the charitable mission of CAF, or to whom it was given. Abramoff’s emails, however, illuminate the purpose and beneficiary of Abramoff’s largesse.

For two days in 2001, Abramoff exchanged emails with a person the Committee has determined is Shmuel Ben Zvi.⁵⁷ Ben Zvi and Abramoff were classmates at Beverly Hills in California.⁵⁸ Apparently, Ben-Zvi later moved to the Israeli West Bank. The Committee does not know how Ben Zvi and Abramoff re-established ties.

Nevertheless, in 2001, Abramoff and Ben Zvi tried to find a source for a thermal imager.⁵⁹ Abramoff and Ben Zvi apparently intended the thermal imager for paramilitary application, because Ben Zvi told Abramoff that “[t]he paratroop officer in charge of the area, that you see in the photo with me that I sent you is very happy that we’ll have the thermal imager.”⁶⁰

Ben Zvi added, “[I]f it looks like it will take a long time to get the Russian model, then we can actually use our army address to buy the U.S. made thermal imager and have a colonel or higher sign for it. ...”⁶¹

The next day, trying to find a way to obtain the imager, Ben Zvi suggested that he could fax a letter “stating that I am purchasing this equipment for the IDF [Israeli Defense Force], and at the same time get a signed letter from the commander of Paratroop brigade

Interactive, LLC and Federal Program Services, LLC. According to Tesler, Abramoff hired Hook to serve as interim executive director of Eshkol Academy in November 2002. She stated that Hook was paid \$20,000 for serving as the interim director, and the payments may have come from the Capital Athletic Foundation.

⁵⁴ May & Barnhard document production (MB-002063-65) (December 31, 2001).

⁵⁵ *Id.*

⁵⁶ Capital Athletic Foundation, 2001 Return of Private Foundations 990PF; *see also* May & Barnhard document production (MB-002063-65) (December 31, 2001).

⁵⁷ *See* Email between Jack Abramoff, Greenberg Traurig, and Shmuel Ben Zvi, Kollel Ohel Tieferet (GTG-E000089141-44) (October 18-19, 2001).

⁵⁸ Email between Jack Abramoff, Greenberg Traurig, and Shmuel Ben Zvi, Kollel Ohel Tieferet (GTG-E000080536-37) (July 15-16, 2003).

⁵⁹ *See* Email between Jack Abramoff, Greenberg Traurig, and Shmuel Ben Zvi, Kollel Ohel Tieferet (GTG-E000089141-44) (October 18-19, 2001).

⁶⁰ *Id.*

⁶¹ *Id.*

[sic]. ...”⁶² Although CAF’s tax return indicates that Abramoff apparently purchased the thermal imager, the Committee has no further details about the transaction.

E. IN 2002, ABRAMOFF AND SCANLON SCAM OTHER TRIBES INTO PAYING INTO CAF

In 2002, reported contributions to CAF climbed to \$2,569,934. CAF listed a number of substantial contributors for that year:

- Saginaw Chippewa Indian Tribe—\$25,000
- Alabama-Coushatta Entertainment Center—\$50,000
- National Center for Public Policy Research—\$450,000
- Jack Abramoff—\$991,749
- Mississippi Band of Choctaw Indians—\$1,000,000⁶³

The Committee finds that most of those alleged contributions—even those not in the name of an Indian Tribe—are the fruits of Abramoff and Scanlon’s “gimme five” scheme.

1. Abramoff Deceives the Saginaw Chippewa Indian Tribe Into Partially Funding a Golfing Trip to Scotland—June Through November 2002

In 2002, CAF claimed \$234,319 in expenses for travel, conferences, and meetings on its tax return.⁶⁴ Yet, according to that same tax filing, Abramoff and his wife, the only two co-managing members, devoted “minimal” time each week to their positions.⁶⁵ CAF’s tax, accounting, and bank records, suggest that \$166,634.26 of that \$234,319 were costs incurred for a golfing trip to Scotland.⁶⁶

On or about May 15, 2002, Abramoff and his old friend and business associate Ralph Reed began planning the trip. In an email entitled “Scotland,” Abramoff wrote to Reed:

The package on the ground is \$4K per person. that [sic] covers rooms, tee times and ground transportation. One idea is that we could use one of my foundations for the trip—Capital Athletic Foundation—and get and make contributions so this is easier.⁶⁷

Reed replied, “OK but we need to discuss. It is an election year.”⁶⁸

Soon thereafter, Abramoff began seeking financing for the golfing trip. Abramoff asked his colleague Tony Rudy, Congressman DeLay’s former deputy chief of staff, “Hi Tony. Did you get the message from the guys that Tom wants us to raise some bucks from Capital Athletic Foundation? I have six clients in for \$25K. I recommend we hit everyone who cares about Tom’s requests.”⁶⁹

⁶² *Id.*

⁶³ Capital Athletic Foundation, 2002 Return of Private Foundations, Form 990PF.

⁶⁴ *Id.*

⁶⁵ *Id.*

⁶⁶ May & Barnhard document production (MB-002063-65) (December 31, 2001); May & Barnhard document production (MB-001940-41) (January-December 2002).

⁶⁷ Email between Jack Abramoff, Greenberg Traurig, and Ralph Reed, Century Strategies (GTG-E000019854) (May 15, 2002).

⁶⁸ *Id.*

⁶⁹ Email from Jack Abramoff, Greenberg Traurig, to Tony Rudy, Greenberg Traurig (GTG-E000026455) (June 6, 2002).

Abramoff then asked Rudy to “email [Christopher] Petras on the Sag chip request (it’ll look better coming from you as a former DeLay COS). We’z gonna make a bundle here.”⁷⁰

Rudy subsequently requested Petras’ email address.⁷¹

Later that month, Abramoff again asked Rudy, “Please hit them both [Stoli and Sag Chip] to get checks for the Capital Athletic Foundation asap. we [sic] need to get this cash in hand. I am pushing Tigua and Choctaw. We are still short of full cost coverage (which is around \$115K).”⁷²

Rudy responded, “Please give me [the] address.”⁷³

Abramoff and Rudy soon began seeking money for the Scotland golfing trip in earnest.⁷⁴ In an email entitled “Capitol Athletic Foundation,” Rudy asked Todd Boulanger, another Abramoff associate and the manager of the Saginaw Chippewa Indian Tribe (“Saginaw Chippewa”) lobbying account at Greenberg Traurig, “Can you ask [C]hris [Petras] whether they can make a contribution. We asked for 25k.”⁷⁵

Apparently unfamiliar with CAF, Boulanger inquired: “What is this? I can put this on your Coughatta request list that I’m putting together during the July 4th recess ... or I can split it up ½ to Coughatta and ½ to Choctaw so it doesn’t dilute your other requests. Sag may kick in ... 25K is steep for them. I bet they’d do \$5k, however. We’ll get it.”⁷⁶

Rudy cryptically responded, “Jack wants this.”⁷⁷

Boulanger inquired further, “What is it? I’ve never heard of it.”⁷⁸

Rudy was again vague: “It is something our friends are raising money for.”⁷⁹

Boulanger finally desisted: “I’m sensing shadiness. I’ll stop asking.”⁸⁰

Rudy confirmed Boulanger’s suspicions, “Your senses are good. If you have to say Leadership is asking, please do. I already have.”⁸¹

Soon thereafter, Abramoff began hounding the Tribe for the payment.⁸² Examples include the following:

- On July 31, 2002, Abramoff reminded Petras “about getting the Capital Athletic Foundation to me asap per the delay request.”⁸³

⁷⁰ *Id.*

⁷¹ Email from Tony Rudy, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG–E000026450) (June 7, 2002).

⁷² Email between Jack Abramoff, Greenberg Traurig, and Tony Rudy, Greenberg Traurig (GTG–E000076673) (June 17, 2002).

⁷³ *Id.*

⁷⁴ See Email between Todd Boulanger, Greenberg Traurig, and Tony Rudy, Greenberg Traurig (GTG–E000254778–79) (June 20, 2002).

⁷⁵ *Id.*

⁷⁶ *Id.*

⁷⁷ *Id.*

⁷⁸ *Id.*

⁷⁹ *Id.*

⁸⁰ *Id.*

⁸¹ *Id.*

⁸² Email from Jack Abramoff, Greenberg Traurig, to Christopher Petras, Saginaw Chippewa Tribe of Michigan (GTG–E000026791) (September 30, 2002); Email from Jack Abramoff, Greenberg Traurig, to Christopher Petras, Saginaw Chippewa Tribe of Michigan (GTG–E000057439) (August 12, 2002).

⁸³ Email from Jack Abramoff, Greenberg Traurig, to Christopher Petras, Saginaw Chippewa Tribe of Michigan (GTG–E000026653) (July 31, 2002).

- On August 12, 2002 he asked Petras to “get me that \$25K to Capital Athletic Foundation for the DeLay thing.”⁸⁴
- On August 23, 2002, Abramoff asked Petras “any progress on the Capital Athletic Foundation?”⁸⁵
- On September 4, 2002, Abramoff asked Petras: “any progress.”⁸⁶
- On September 12, 2002, Abramoff asked Petras about CAF, “Please keep me informed on this one.”⁸⁷

Throughout the process, Abramoff continued misrepresenting CAF as an independent entity. In a September 18, 2002 email entitled “where are we on the Capital Athletic Foundation,” Abramoff advised Petras, “I saw the CAF guys this morning and we are getting into a bit of an embarrassing situation.”⁸⁸ Again, on September 30, 2002, Abramoff told Petras that “I am getting serious pressure on the Capital Athletic Foundation. Please let me know if this is going to happen, and if not, I need to try and find a replacement. I am really out of time on this and am getting called daily.”⁸⁹

In procuring the money from the Tribe, Abramoff apparently misrepresented the nature of CAF and how it would use the funds. According to internal Saginaw Chippewa documents, Abramoff represented that CAF “creates programs that teach leadership skills to disadvantaged youth in the DC area in an effort to keep them off the streets and enhance their educational opportunities.”⁹⁰

Finally, on November 13, 2002, the Saginaw Chippewa wrote a check to CAF in the amount of \$25,000.⁹¹ On November 14, 2002, Abramoff received the Saginaw Chippewa check for CAF.⁹² Abramoff had the check deposited on November 18, 2002.⁹³ Abramoff apparently concealed from the Saginaw Chippewa that CAF was his personal charity. After the Saginaw Chippewa donated \$25,000 to CAF, Abramoff instructed Maury Litwack, a legislative assistant at Greenberg Traurig, to draft a thank you letter to the Tribe, and to sign it as the Program Director.⁹⁴ The Committee has not been able to verify whether the letter was actually sent and received.

Abramoff used the \$25,000 from the Saginaw Chippewa and another \$50,000 from the Alabama Coushatta, to partially finance a widely publicized golfing trip to Scotland. Regarding these dona-

⁸⁴ Email from Jack Abramoff, Greenberg Traurig, to Christopher Petras, Saginaw Chippewa Tribe of Michigan (GTG-E000057439) (August 12, 2002).

⁸⁵ Email from Jack Abramoff, Greenberg Traurig, to Christopher Petras, Saginaw Chippewa Tribe of Michigan (GTG-E000026714) (August 23, 2002).

⁸⁶ Email from Jack Abramoff, Greenberg Traurig, to Christopher Petras, Saginaw Chippewa Tribe of Michigan (GTG-E000026766) (September 4, 2002).

⁸⁷ Email from Jack Abramoff, Greenberg Traurig, to Christopher Petras, Saginaw Chippewa Tribe of Michigan (GTG-E000026784) (September 12, 2002).

⁸⁸ Email from Jack Abramoff, Greenberg Traurig, to Christopher Petras, Saginaw Chippewa Tribe of Michigan (GTG-E000026805) (September 18, 2002).

⁸⁹ Email from Jack Abramoff, Greenberg Traurig, to Christopher Petras, Saginaw Chippewa Tribe of Michigan (GTG-E000026791) (September 30, 2002).

⁹⁰ Saginaw Chippewa Indian Tribe of Michigan document production (no Bates number) (entitled “Minutes of the Tribal Council Special Session”) (August 22, 2002).

⁹¹ Capital Athletic Foundation document production (SEN-CAF 000681) (November 13, 2002).

⁹² Email between Christopher Petras, Saginaw Chippewa Tribe of Michigan, to Jack Abramoff, Greenberg Traurig; Holly Bowers, Greenberg Traurig; and Jennifer Boice, Greenberg Traurig (GTG-E000027002) (November 14, 2002).

⁹³ Capital Athletic Foundation document production (SEN-CAF 000681) (November 13, 2002).

⁹⁴ Email between Jack Abramoff, Greenberg Traurig, and Maury Litwack, Greenberg Traurig (GTG-E000001280-81) (November 19-20, 2002).

tions, both Abramoff and Rudy pled guilty to defrauding the Saginaw Chippewa. According to Abramoff's plea agreement:

From June 2002 to November 2002, Abramoff and a former lobbying colleague, who was also a former congressional staffer ("Staffer A") successfully solicited the Michigan Tribe for a \$25,000 payment to CAF. Instead of using the funds for CAF, Abramoff used this money for his personal and professional benefit to partially pay for a golfing trip to Scotland for himself, public officials, members of his staff, and others.⁹⁵

Rudy pled similarly:

In June 2002, Rudy, at Abramoff's direction, solicited one of Firm B's clients, a Native American Tribe in Michigan, for a \$25,000 contribution to CAF made by check ... by falsely claiming that a public official requested them to solicit funds for the charity from their clients. Abramoff and Rudy intended to use this money for their personal and professional benefit to partially pay for a golfing trip to Scotland for Abramoff, Rudy, Representative #1, members of his staff and others, which Rudy ultimately did not attend.⁹⁶

Notably, Rudy admitted in his plea agreement that he solicited money from the Saginaw Chippewa "by falsely claiming that a public official [DeLay] requested them to solicit funds for the charity from their clients."⁹⁷

2. Abramoff and Scanlon Deceive the Mississippi Band of Choctaw Indians Into Sending \$1,000,000 to CAF—January and August 2002

CAF's 2002 Form 990PF listed the Mississippi Band of Choctaw Indians ("Choctaw") as its biggest contributor—at \$1,000,000.⁹⁸ According to CAF's accounting ledger, the Tribe made two payments: (1) \$500,000 on January 3, 2002; and, (2) \$500,000 on August 6, 2002.⁹⁹ The Committee finds, however, that Abramoff and Scanlon deceived the Tribe into paying that \$1,000,000 into CAF for uses the Tribe never intended.

On December 19, 2001, Scanlon sent the Choctaw an invoice purportedly from CAF for \$500,000 for "Professional Services Rendered." Barely one week later, Abramoff was looking for the money. He asked Laura Lippy and Rodney Lane, two of his associates, "[d]id we ever get the [sic] \$500K for Cap Athletic from Choctaw per Scanlon?"¹⁰⁰ The payment actually arrived a few days after the New Year.¹⁰¹

⁹⁵ Plea Agreement, Factual Basis for the Plea, at para. 7, *U.S. v. Jack A. Abramoff* (Dist. D.C., January 3, 2006) (CR-06-001).

⁹⁶ Plea Agreement, Factual Basis for the Plea, at para. 17, *U.S. v. Tony C. Rudy* (Dist. D.C., March 31, 2006) (CR-06-082).

⁹⁷ *Id.*

⁹⁸ Capital Athletic Foundation, 2002 Form 990PF.

⁹⁹ May & Barnhard document production (MB-001948) (December 31, 2002).

¹⁰⁰ Email from Jack Abramoff, Greenberg Traurig, to Laura Lippy, Greenberg Traurig, and Rodney Lane Greenberg Traurig (GTG-E000114360) (December 27, 2001).

¹⁰¹ Email from Gail Halpern, May & Barnhard, to Jack Abramoff, Greenberg Traurig (GTG-E000010719) (January 3, 2002).

Within two months, Abramoff and Scanlon began chasing the Choctaw for their next score for CAF. On March 3, 2002, Abramoff instructed Scanlon: “See if you can get [Nell Rogers] to send my share to Capital Athletic Foundation. She liked using that entity anyway. This is for the next payment, not the last one.”¹⁰²

Scanlon continued to be the prime actor, while Abramoff skulked in the shadows. Abramoff asked Scanlon, “Can you have one of the upcoming payments from Choctaw (or one of the others) made to “Capital Athletic Foundation” up to \$500K? I need to get more money in there.”¹⁰³

Scanlon agreed, “I will do it.”¹⁰⁴ And, he offered to go even further, “there is another payment coming due—I can get 1 mil in there in about two weeks—IS [sic] that ok?”¹⁰⁵

Abramoff, however, replied that “\$500k is enough” for CAF.¹⁰⁶

As time passed, and the Choctaw’s money did not arrive, Abramoff again asked Scanlon to get it done, and this time for more money. In an email entitled “Capital Athletic Foundation”, Abramoff reminded Scanlon “Please don’t forget this one. \$1M in there would be good if that’s the amount you can get Nell [Rogers] to send.”¹⁰⁷

Scanlon assured Abramoff, “I’ll approach her on this today.”¹⁰⁸

Nearly two months later, the money had still not arrived. Consequently, over the next few weeks, Abramoff badgered Scanlon to have the Tribe make the payment:

- On May 23, Abramoff asked Scanlon to “find out what’s up with the Choctaw’s payment to CAF”.¹⁰⁹
- On May 29, Abramoff asked Scanlon, “Where are we on this? I did not get the CAF check.”¹¹⁰
- On May 30, Abramoff again asked, “Anything happen with this yet?”¹¹¹

Abramoff became desperate, suggesting to Scanlon that he “call Nell [Rogers] today and push her on the \$500K for CAF” and instructing Scanlon “to tell her that they [CAF] spent the money already with the trust that they’d get it, and that they are all over you now.”¹¹²

Abramoff apparently grew increasingly frustrated by Scanlon’s failure to secure the money for him. In an email entitled “Choctaw

¹⁰² Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG–E000110037) (March 3, 2002).

¹⁰³ Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG–E000110065) (March 13, 2002).

¹⁰⁴ *Id.*

¹⁰⁵ *Id.*

¹⁰⁶ *Id.*

¹⁰⁷ Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG–E000110056) (March 30, 2002).

¹⁰⁸ Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG–E000110088) (April 1, 2002).

¹⁰⁹ Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG–E000110224) (May 23, 2002).

¹¹⁰ Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG–E000110212) (May 29–30, 2002).

¹¹¹ *Id.*

¹¹² Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (Bates number 1735978) (June 12, 2002).

CAF!", Abramoff implored Scanlon, "Mike, what do we have to do to get this money in?"¹¹³

When the money had still not arrived, Abramoff suggested to Scanlon that he tell Nell Rogers at Choctaw that they were "going to lose the ability to use this group [CAF] as a front if we don't get this current."¹¹⁴ Scanlon agreed to do so.¹¹⁵ Abramoff followed up a few days later, asking Scanlon "Can you call her again today?"¹¹⁶ Finally, on August 6, 2002, a \$500,000 check for CAF arrived from the Choctaw.¹¹⁷

Despite being listed as CAF's largest donor, the Choctaw never intended to make a charitable contribution to CAF. During the June 2005 hearing before the Committee, Rogers, who dealt with Abramoff and Scanlon, testified:

THE CHAIRMAN: Ms. Rogers, in 2002 the Capital Athletic Foundation, Mr. Abramoff's private charitable foundation, reported on its tax forms that the Mississippi Band of Choctaw Indians was far and away the single biggest contributor ... Michael Scanlon and Jack Abramoff directed the tribe to make these contributions?

MS. ROGERS: These were not intended as contributions, Senator. They were intended to be pass-throughs to other groups doing grassroots public advocacy work for the tribe.

THE CHAIRMAN: In other words, the tribe did not know that 70 percent of these moneys were going to—

MS. ROGERS: Not at all. They were never intended to be contributions.

THE CHAIRMAN: Jack Abramoff and Michael Scanlon never told you that the Capital Athletic Foundation was Mr. Abramoff's private charity?

MS. ROGERS: No.¹¹⁸

At all relevant times, the Tribe intended that the payments to CAF would pass through to grassroots organizations working to oppose the expansion of gaming in the Choctaw casino's customer market.¹¹⁹ At no time did Abramoff or Scanlon advise the Choctaw that CAF would keep any part of the money, as a charitable contribution or otherwise.¹²⁰ Rogers was disgusted that Abramoff would not only abuse the Tribe's trust, but also use a charity to do it.¹²¹

Neither Abramoff nor Scanlon ever told the Tribe that CAF was a charitable organization.¹²² The Tribe was led to believe that CAF

¹¹³ Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000110378) (July 1, 2002).

¹¹⁴ Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG-E000057339-40) (July 5, 2002).

¹¹⁵ *Id.*
¹¹⁶ Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG-E000110378) (July 10, 2002).

¹¹⁷ Email between Jack Abramoff, Greenberg Traurig, and Laura Lippy, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000110548) (August 6, 2002); see also May & Barnhard document production (MB-001948) (December 31, 2002).

¹¹⁸ "Tribal Lobbying Matters," *Hearings before the Committee On Indian Affairs*, 109th Cong. at 17 (June 22, 2005) (testimony of Nell Rogers, planner, Mississippi Band of Choctaw Indians).

¹¹⁹ Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Philadelphia, Mississippi (April 27-29, 2005).

¹²⁰ *Id.*

¹²¹ *Id.*

¹²² *Id.*

“was another one of Mike’s entities that was a vehicle to be used as a pass-through to grassroots groups.”¹²³ Rogers understood that CAF was “something conveniently set up to use for pass-through activities.”¹²⁴ Before the Committee’s investigation, the Tribe had no idea that Abramoff was using CAF to finance the Eshkol Academy.¹²⁵ Based on its review of CAF’s Form 990PFs, accounting ledger, profit and loss statements, and other accounting records, the Committee finds that CAF paid none of the Choctaw’s funds to grassroots organizations and vendors as the Tribe had intended.

3. Abramoff and Scanlon Misappropriate Another \$1,000,000 From the Choctaw—October 2002

Abramoff and Scanlon’s diversion of Choctaw funds, intended by the Tribe for political purposes, did not end there. In October 2002, Abramoff and Scanlon successfully deceived the Tribe into paying another \$1,000,000, nearly half of which went to CAF. To accomplish this, Abramoff betrayed not just the Tribe, but also two long-time friends, and violated his fiduciary duty to a non-profit organization on whose board he sat.

According to its president, Amy Ridenour, the National Center for Public Policy Research (“NCPPr”) is “a 23-year-old conservative free market non-profit institution.”¹²⁶ Abramoff joined the NCPPr’s board in 1997.¹²⁷ Ridenour told the Committee that “[a]t that time, I had known Jack for nearly 17 years. He was a dedicated conservative, a successful lobbyist and businessman, and his managerial skills it seemed to me at the time exceeded my own.”¹²⁸ Abramoff introduced Ridenour and NCPPr to Chief Martin and the Choctaw in 1997.¹²⁹

Five years later, in October 2002, Abramoff used his position as an NCPPr director to further carry out his and Scanlon’s “gimme five” scheme. Abramoff apparently sowed the seeds months earlier at lunch with Ridenour and her husband at Abramoff’s restaurant Signatures.¹³⁰ Ridenour testified before the Committee:

Jack shared with us details of his work doing what he called “a new kind of lobbying.” He said he and his colleagues working with the Mississippi Choctaws had noted that for-profit non-Indian gaming establishments were pushing to establish themselves in areas of the Country not noted for their admiration of gaming. They believed that a public backlash against gaming was brewing and that before things came to a head, perhaps 4 to 5 years down the road, they would educate the public about the Choctaw success story.

I was very interested in what I was hearing. I noted that his new kind of lobbying was not lobbying at all, but edu-

¹²³ *Id.*

¹²⁴ *Id.*

¹²⁵ *Id.*

¹²⁶ “Tribal Lobbying Matters,” *Hearings before the Committee On Indian Affairs*, 109th Cong. at 29–30 (June 22, 2005) (testimony of Amy Ridenour, president, National Center for Public Policy Research).

¹²⁷ *Id.*

¹²⁸ *Id.*

¹²⁹ *Id.*

¹³⁰ *Id.*

cational work and I expressed an interest in the National Center sponsoring it. Jack seemed mildly agreeable, but noncommittal. I did not press the matter, assuming the Choctaws were financing the project and would have to approve our involvement.¹³¹

Nothing happened for four months.¹³² Then, on October 1, Abramoff told Scanlon, "Amy Ridenour has asked if we can run any funds through them to pump up their non email donations (they will give us back 100%). Let's run some of the non-caf Choctaw money through them to the camans [sic]."¹³³

To induce the Tribe into making the payment, Abramoff told them that the money would be used for their grassroots activities. In her interview with Committee staff, Rogers said that the Tribe paid \$1,000,000 to the NCPPR at Abramoff's direction.¹³⁴ The Tribe intended and understood that the money would pass-through the NCPPR to grassroots organizations and vendors trying to defeat the expansion of gaming into the Choctaw casino's customer market.¹³⁵ Ralph Reed's firm Century Strategies was among the firms that, Abramoff assured Rogers, would ultimately receive part of the \$ 1,000,000.¹³⁶ The Tribe never intended any part of that \$1,000,000 to go to CAF, Abramoff, Scanlon, or any other entity owned or controlled by Abramoff or Scanlon.¹³⁷ Until the Committee's investigation, the Tribe did not know that Abramoff and Scanlon had diverted the \$1,000,000 for their own personal use and benefit.¹³⁸

Thus, on October 10, 2002, at Abramoff's direction, NCPPR drew up a \$1,000,000 invoice.¹³⁹ The invoice Ridenour prepared listed as its purpose "contribution to the National Center for educational and research programs and activities."¹⁴⁰ Ridenour sent the invoice to Abramoff by email.¹⁴¹ That was not the invoice that the Choctaw received, however.

Abramoff forwarded NCPPR's original invoice to Scanlon.¹⁴² Someone at Scanlon's companies apparently fabricated another invoice purportedly from the "National Center for Public Policy Research" for "Professional Services."¹⁴³ That was the invoice the Tribe ultimately saw and paid.

To NCPPR's Ridenour, Abramoff explained that part of the money was a donation ultimately destined for CAF, and the rest

¹³¹ *Id.*

¹³² *Id.*

¹³³ Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (Bates number 1636313) (October 1, 2002).

¹³⁴ Interview of Nell Rogers, planner, Mississippi Band of Choctaw Indians, in Philadelphia, Mississippi (April 27-29, 2005).

¹³⁵ *Id.*

¹³⁶ *Id.*

¹³⁷ *Id.*

¹³⁸ *Id.*

¹³⁹ "Tribal Lobbying Matters," *Hearings before the Committee On Indian Affairs*, 109th Cong. at 30 (June 22, 2005) (testimony of Amy Ridenour, president, National Center for Public Policy Research).

¹⁴⁰ Greenberg Traurig document production (Bates number 1640098) (October 10, 2002).

¹⁴¹ Email between Jack Abramoff, Greenberg Traurig, and Amy Ridenour, National Center for Public Policy Research (Bates number 1640097) (October 10, 2002).

¹⁴² *Id.*

¹⁴³ Greenberg Traurig document production (Bates number 1640097-99) (October 10, 2002). The Committee observes that this invoice is similar in form and content to the invoices Scanlon sent on his companies' behalf, usually just identifying "Professional Services" as the reason for the payment request.

was intended for a huge educational effort the Tribe was undertaking to educate the public on the benefits of Indian gaming, and the distinction between Indian and non-Indian gaming. According to Ridenour's testimony before the Committee:

When the funds arrived, he [Abramoff] told me how they should be disbursed: \$450,000 to the Capital Athletic Foundation as a grant; \$500,000 to Capitol Campaign Strategies; and; and \$50,000 to a company called Nurnberger and Associates.

I believe Capitol Campaign Strategies was to be paid for educational program services, while Ralph Nurnberger was going to help coordinate the project. Jack referred to his receiving "instructions" for the disbursements, which I took to mean recommendations from the donor, which was consistent with my belief that the Mississippi Choctaws were actively involved.¹⁴⁴

Abramoff repeatedly assured Ridenour that influencing legislation was not part of the effort.¹⁴⁵ Abramoff explained that the payment to CCS "was to be used for educational program services, particularly polling and telephone banks, but not necessarily exclusively; research, potentially paid advertising; I was told later petition drives, that sort of thing, but 100 percent educational program services."¹⁴⁶ Abramoff told Ridenour that Nurnberger & Associates would coordinate the effort.¹⁴⁷

On October 17, 2002, Ridenour confirmed for Abramoff NCPPR's receipt of the \$1,000,000 dollar wire transfer from the Choctaw.¹⁴⁸ Two days later, Abramoff instructed Ridenour to send \$450,000 to CAF and \$50,000 to Nurnberger & Associates.¹⁴⁹

In dividing their "gimme five" spoils, Scanlon reminded Abramoff to have NCPPR send Abramoff's share directly to CAF to avoid a taxable event.¹⁵⁰ When Ridenour requested invoices from CAF and Nurnberger, Abramoff directed his assistant to "make up two invoices."¹⁵¹ Abramoff further instructed that the "invoices should be generic as follows: 1. From Capital Athletic Foundation for 'Sports and Politics' project for \$450K 2. Nurnberger and Associates (use Ralph Nurnberger's home address) for 'research grant' for \$50K."¹⁵² Abramoff similarly instructed Christopher Cathcart, Scanlon's right-hand man at CCS, to prepare an invoice from CCS "for polling services or something like that."¹⁵³ When Cathcart for-

¹⁴⁴"Tribal Lobbying Matters," *Hearings before the Committee On Indian Affairs*, 109th Cong. at 30-31 (June 22, 2005) (testimony of Amy Ridenour, president, National Center for Public Policy Research).

¹⁴⁵*Id.* at 37.

¹⁴⁶*Id.*

¹⁴⁷*Id.*

¹⁴⁸Email from Amy Ridenour, National Center for Public Policy Research, to Jack Abramoff, Greenberg Traurig (no Bates number) (October 17, 2002).

¹⁴⁹Email from Jack Abramoff, Greenberg Traurig, to Amy Ridenour, National Center for Public Policy Research (no Bates number) (October 19, 2002).

¹⁵⁰Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig, (GTG-E000034219) (October 21, 2002).

¹⁵¹Email from Jack Abramoff, Greenberg Traurig, to Allison Bozniak, Greenberg Traurig (GTG-E000034220) (October 21, 2002).

¹⁵²*Id.*

¹⁵³Email from Jack Abramoff, Greenberg Traurig, to Christopher Cathcart, Capitol Campaign Strategies (GTG-E00011851) (October 21, 2002).

warded the invoice to him, Abramoff asked him to “change this to \$500K and find out from Amy is [sic] this suffices.”¹⁵⁴

NCPPR paid according to the invoices submitted by Abramoff and Scanlon. From a review of CAF’s internal business and financial records, the Committee finds that CAF performed no services benefitting the Choctaw. Similarly, from a review of CCS’s records, the Committee finds it performed no services for the \$500,000 it received through NCPPR. Cathcart told the Committee that, contrary to the invoice he prepared, CCS did not provide polling or any other services to NCPPR.¹⁵⁵

The Committee finds that Abramoff fabricated the invoice from Nurnberger & Associates. During his interview with Committee staff, Nurnberger reviewed the invoice purportedly sent by his firm, Nurnberger & Associates, dated October 2002, for a “Research Grant.” Nurnberger said that he had never seen the invoice, and was certain that neither he nor his firm had ever invoiced the NCPPR for this \$50,000 payment.¹⁵⁶

Nurnberger also told the Committee that at no time did he or his firm provide any service to the NCPPR requiring remuneration.¹⁵⁷ The payment, according to Nurnberger, was in fact repayment of a \$50,000 loan that Nurnberger had made to Abramoff many years earlier for the production of the movie “Red Scorpion.”¹⁵⁸ After reading articles lauding Abramoff and his success in 2002, Nurnberger approached Abramoff about repayment.¹⁵⁹ Abramoff claimed he was not liquid; however, Abramoff explained that the NCPPR, of which Abramoff admitted he was a director, owed him money, and he would arrange for payment to go instead directly to Nurnberger.¹⁶⁰

In fact, the Tribe never intended to donate any of that money to Abramoff’s personal charity, to Nurnberger, or to CCS. Donald Kilgore, the Attorney General for the Choctaw, testified before the Committee that Abramoff told the Tribe that the entire \$1,000,000 would be passed through to grassroots organizations working on issues important to the Tribe.¹⁶¹

4. Abramoff’s Misuse of CAF Funds in 2002

Based on its review of the records, the Committee finds that Abramoff never passed the Choctaw’s money through CAF to grassroots groups or vendors working for the Tribe’s benefit as the Choctaw had intended. Nor did CAF perform the work itself. Abramoff instead diverted the funds to his own personal causes and concerns.

¹⁵⁴ Email from Jack Abramoff, Greenberg Traurig, to Christopher Cathcart, Capitol Campaign Strategies (GTG-E000011848) (October 22, 2002).

¹⁵⁵ Interview of Christopher Cathcart, former employee, Capitol Campaign Strategies, in Washington, D.C. (May 5, 2005).

¹⁵⁶ Interview of Ralph Nurnberger, president, Nurnberger & Associates, in Washington, D.C. (June 21, 2005).

¹⁵⁷ *Id.*

¹⁵⁸ *Id.*

¹⁵⁹ *Id.*

¹⁶⁰ *Id.*

¹⁶¹ “Tribal Lobbying Matters,” *Hearings before the Committee On Indian Affairs*, 109th Cong. at 15, 18 (June 22, 2005) (testimony of Donald Kilgore, Attorney General, Mississippi Band of Choctaw Indians).

In 2002, CAF doled out \$2,331,656 to various organizations. Before Abramoff shut it down, CAF's website identified the following organizations as representative grant recipients:

- The Alexandria Police Youth Camp Foundation
- American Youth Soccer Organization
- Bethesda Chevy Chase Baseball
- Belize Youth Soccer
- Boy Scouts of America
- Columbia Heights Youth Club
- Girl Scout Council of the Nation's Capital
- Howard County Youth Program
- JCC of Greater Washington
- Joy of Sports Foundation
- Metropolitan Police Boys and Girls Club
- Washington DC Scores
- Washington Tennis Education Foundation
- YMCA of Metropolitan Washington¹⁶²

Despite millions of dollars in "grants" that year, these organizations received a mere \$500 each. Cumulatively, the organizations received \$7,000, which is only 0.3% of the purported grants made that year by CAF.

Individuals and organizations Abramoff did not tout publicly were, in fact, the major beneficiaries of Abramoff's share of the "gimme five" scheme. According to CAF's 2002 Form 990PF, the ten top recipients were:

- Eshkol Academy—\$1,857,704
- P'tach—\$300,000
- Kollel Ohel Tiferet—\$97,000
- Chabad Lubavitch—\$20,000
- GIFT School—\$14,500
- Toward Tradition—\$10,000
- The Waldorf School of Atlanta—\$6,000
- Jewish Federation of Greater Washington—\$5,000
- Washington Redskins Leadership Council—\$4,000
- The Voice Behind—\$2,500¹⁶³

Despite receiving \$2,254,704—nearly all of the \$2,331,656 that Abramoff had CAF dole out in "grants" in 2002—neither Eshkol Academy, P'tach, nor Kollel Ohel Tiferet were listed among the recent recipients identified on CAF's website. In fact, of the top ten recipients of CAF funds, only the Waldorf School and the Voice Behind were listed.¹⁶⁴ Similarly, in promotional literature distributed to the public for "The Spy Game," an event scheduled at the Spy Museum for March 26, 2003 but which apparently did not occur, the Eshkol Academy, Kollel Ohel Tiferet, and P'tach are conspicuously absent from the list of recent grant recipients.¹⁶⁵

Many of the top ten recipients of CAF largesse in 2002 had close ties to Abramoff:

¹⁶² *Capital Athletic Foundation* (visited June 7, 2004) <<http://www.capathletic.org>>.

¹⁶³ *Capital Athletic Foundation*, 2002 Form 990PF.

¹⁶⁴ See *Capital Athletic Foundation* (visited June 7, 2004) <<http://www.capathletic.org>>.

¹⁶⁵ *Id.*

- The single largest beneficiary of money was the Eshkol Academy, the middle school and high school for Orthodox Jews founded in 2001 by Abramoff. He and his wife were the only members of the board of directors.¹⁶⁶ The money allegedly was used for teaching facilities, instructors, and an ice rink.¹⁶⁷ In concealing his use of CAF to fund Eshkol, Abramoff told Greenberg Traurig's Baggett that he was personally funding the Eshkol Academy.¹⁶⁸ Abramoff's school, Eshkol Academy, received nearly 80% of the funds Abramoff had CAF distribute as "grants."

- Toward Tradition is "a non-profit (501.c.3), educational organization working to advance our nation toward the traditional Judeo-Christian values that defined America's creation and became the blueprint for her greatness."¹⁶⁹ During 2002, Abramoff sat on the Board of Directors of Toward Tradition.¹⁷⁰ Toward Tradition is headed by Rabbi Daniel Lapin, a long-term Abramoff friend.¹⁷¹

- Rabbi David Lapin received \$60,529 from CAF for "consulting" services.¹⁷² According to news reports, Rabbi David Lapin is Daniel Lapin's brother, and another long-time Abramoff friend.¹⁷³

- The Jewish Federation of Greater Washington describes itself as "the voice of the Jewish community in and around the nation's capital since 1925."¹⁷⁴ The Jewish Federation of Greater Washington is the "operating agency" of the Torah School of Greater Washington, which is located at 12721 Goodhill Road in Silver Spring, Maryland.¹⁷⁵ Records filed with the Maryland Secretary of State show that Abramoff was/is the registered agent for the Torah School of Greater Washington.¹⁷⁶ The Torah School of Greater Washington is a Jewish school for kindergarten through sixth grade.¹⁷⁷

- In 2004, the Voice Behind claimed to be "a faith-based, 501c3 [sic] non-profit creative organization dedicated to creating, commissioning, and celebrating transcendent works of art and media."¹⁷⁸ Its vision was a "creative renaissance that illumines the good, the true, and the beautiful through excellence and artistry for the glory of God, the service of neighbor, and the renewal of culture."¹⁷⁹ According to a press release,

¹⁶⁶ Email from Gail Halpern, May & Barnhard, to Mimi Stansbury (MB-002043) (November 7, 2002).

¹⁶⁷ Capital Athletic Foundation, 2002 Form 990PF.

¹⁶⁸ Interview of Fred Baggett, Chair, National Government Affairs Practice, Greenberg Traurig, in Washington, D.C. (September 29, 2005).

¹⁶⁹ Toward Tradition: Mission Statement (visited June 13, 2006) <<http://www.towardtradition.org/mission.htm>>.

¹⁷⁰ *Id.*

¹⁷¹ *Id.*

¹⁷² Capital Athletic Foundation, 2002 Form 990.

¹⁷³ See Rick Anderson, *Meet the Lapin Brothers*, Seattle Weekly, May 11, 2005 at 11. According to Seattle Weekly, Daniel Lapin allegedly received a \$1.2 million no-bid government contract with the Northern Marianas, an Abramoff client during his days at the law and lobbying firm of Preston Gates Ellis & Rouvelas Meeds. *Id.*

¹⁷⁴ *The Jewish Federation of Greater Washington: About Us*, (visited June 7, 2006) <http://shalomdc.org/section_display.html?ID=31> (explanatory parenthetical needed).

¹⁷⁵ *The Jewish Information and Referral Service*, (visited June 7, 2006) <<http://www.jirs.org>> (explanatory parenthetical needed).

¹⁷⁶ Maryland Department of Assessments and Taxation.

¹⁷⁷ *Torah School of Greater Washington*, (visited June 7, 2006) <<http://www.tsgw.org/>>.

¹⁷⁸ *The Voice Behind*, (visited June 28, 2004) <<http://www.voicebehind.org>>.

¹⁷⁹ *Id.*

The Voice Behind, in collaboration with Abramoff, the Capital Athletic Foundation, and others hosted the premier of “the Best of the Damah Film Festival: Spiritual Experiences in Film” in Washington, D.C.¹⁸⁰ The Committee has not been able to confirm whether this event actually occurred.

The second largest recipient, P’tach, is a school in Brooklyn, New York for Jewish children with learning disabilities.¹⁸¹ Among CAF’s donations to P’tach were \$275,500 for P’tach to purchase a new facility for its GIFT High School, Gutmann Institute for Child Development, and for administrative offices, and \$47,500 for a deposit on a proposed campus in Marriottsville, Maryland.¹⁸²

The third largest recipient, Kollel Ohel Tiferet, is a purported educational institution in Israel; according to CAF’s 2002 990 Tax Return, the grant was supposedly used for education, athletics, and security. Based on its review of the documents, the Committee finds that the Kollel Ohel Tiferet was nothing more than an entity established on paper to conceal the ultimate recipient of CAF grants: Shmuel Ben Zvi.

As noted above, in 2001 CAF apparently purchased a thermal imager for one Shmuel Ben Zvi for paramilitary use in the Israeli West Bank. In 2002, CAF sent money to Ben Zvi in Israel, simply listing it as a transfer.¹⁸³ Additional entries reflect that the payments were for a “new Jeep.”¹⁸⁴ Gail Halpern, Abramoff’s tax advisor, labeled the purchases for Ben Zvi as “spy equipment.”¹⁸⁵ According to one former Abramoff friend, Abramoff allegedly procured “rifle scopes for settlers” in Israel.¹⁸⁶ The Committee thus finds that in 2002, Abramoff was making jeep payments for Ben Zvi and paying him a stipend from CAF funds.¹⁸⁷

At some point, Abramoff began getting pressure to “clean up” the books of CAF to conform, at least on paper, CAF’s expenditures with some legitimate charitable purpose. When Abramoff proposed changing how the payments were made, Allison Bozniak, one of Abramoff’s former assistants at Greenberg Traurig, reported to Abramoff:

I spoke with Shmuel [Ben Zvi] and he is a little afraid to begin changing things with the bank since they set up the loan for the jeep based on the 2K payments each month for

¹⁸⁰ *Id.*

¹⁸¹ *P’tach: About P’tach*, (visited June 13, 2006) <<http://www.ptash.org/about.php>>.

¹⁸² Letter from Brian Caplan, P’tach, to Capital Athletic Foundation, c/o Mr. and Mrs. Jack Abramoff (GTG001764-JA-P) (March 12, 2002) (concerning \$14,500 gift); Letter from Brian Caplan, P’tach, to Capital Athletic Foundation, c/o Mr. and Mrs. Jack Abramoff (GTG001762-JA-P) (July 11, 2002) (concerning \$47,500 gift); Letter from Brian Caplan, P’tach, to Capital Athletic Foundation, c/o Mr. and Mrs. Jack Abramoff (GTG001761-JA-P) (August 14, 2002) (concerning \$275,500 donation).

¹⁸³ May & Barnhard document production (MB-001952) (December 31, 2002).

¹⁸⁴ *Id.*

¹⁸⁵ Email from Gail Halpern, May & Barnhard, to Jack Abramoff, Greenberg Traurig (GTG-E00001186) (November 5, 2002).

¹⁸⁶ Email from Don Feder to Jack Abramoff, Greenberg Traurig (GTG-E000020082) (July 2, 2002).

¹⁸⁷ See May & Barnhard document production (MB-001952) (December 31, 2002); see also Email from Allison Bozniak, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig, and Gail Halpern, May & Barnhard (GTG-E00008858) (September 19, 2002) (referring to payments used for jeep); Email from Gail Halpern, May & Barnhard, to Jack Abramoff, Greenberg Traurig (GTG-E000011885) (November 5, 2002) (requesting Abramoff cut “Shmuel spy equipment and his monthly stipend (\$3560) ...”); Email from Jack Abramoff, Greenberg Traurig, to Gail Halpern, May & Barnhard (GTG-E000088619-21) (December 24, 2002) (“I cannot cut him off from the stipend and the jeep payment.”).

the last year. They regarded the 2k as a sign that the transfers were stable and felt that these consistent payments, plus the letter from Jack made the loan a good risk.

He studies half a day at a place called “Kollel” but he doesn’t think that they even have a bank account as it really doesn’t pay it’s [sic] members. He also has no way to set this up with a Yeshiva at the moment.¹⁸⁸

Bozniak proposed a solution, “He did suggest that he could write some kind of letter with his Sniper Workshop Logo and letter head. It is an ‘educational’ entity of sorts.”¹⁸⁹

Abramoff could only respond, “No, don’t do that. I don’t want a sniper letterhead.”¹⁹⁰

Abramoff’s use of CAF continued to raise alarm among his tax advisors. On November 11, 2002, Halpern wrote specifically about the payments to Ben Zvi:

[W]e need to work this into the tax exempt purpose of the Foundation. More to come on this subject in an email tomorrow or so. [The accounting firm of May and Barnhard] is finishing the 2001 return and read me the riot act on some of the stuff that we are doing. We need to “fix” the holes.¹⁹¹

Abramoff’s solution was not to cease the questionable activity; rather, he chose to conceal it with a paper transaction. Abramoff advised Ben Zvi, “The other thing is that, if possible, it would be easier for me to get you funds through a kollel over there or something like that. my [sic] accountant is very unhappy with the way we have done this, through our foundation which was not set up for these kinds of activities.”¹⁹²

Ben Zvi advised Abramoff, “Anyone can have a Kollel here. If I set up the account name in the name of a Kollel and send you papers with a Kollel stationary would that work?”¹⁹³

When Abramoff shared Ben Zvi’s hardship with his tax planner Gail Halpern, Halpern suggested ways to make the transaction pass muster on paper, although she knew the ultimate recipient and use of the payments.¹⁹⁴

Nearly one month later, Abramoff asked Ben Zvi to “set up an account for a kollel and get me the info so we can send the \$ [sic] there from now on.”¹⁹⁵ Later that same day, Halpern advised Abramoff on the need to route the money through another institution:

¹⁸⁸ Email between Allison Bozniak, Greenberg Traurig, and Jack Abramoff, Greenberg Traurig, and Gail Halpern, May & Barnhard (GTG-E000088582) (September 19, 2002).

¹⁸⁹ *Id.*

¹⁹⁰ *Id.*

¹⁹¹ Email from Gail Halpern, May & Barnhard, to Jack Abramoff, Greenberg Traurig (GTG-E000088599) (November 11, 2002).

¹⁹² Email between Jack Abramoff, Greenberg Traurig, and Shmuel Ben Zvi, Kollel Ohel Tieferet (GTG-E000088186) (December 23, 2002).

¹⁹³ Email between Jack Abramoff, Greenberg Traurig, and Shmuel Ben Zvi, Kollel Ohel Tieferet (GTG-E000088183) (December 23, 2002).

¹⁹⁴ *Id.*

¹⁹⁵ Email from Jack Abramoff, Greenberg Traurig, to Shmuel Ben Zvi, Kollel Ohel Tieferet (GTG-E000088623) (December 24, 2002).

[B]ut let's try to figure it out in a way where we don't screw up the foundation. we [sic] need to get the money to a 501c3 [sic] or an educational institution, not directly to him. can [sic] you ask him if he can work something out w/the kollel so the money goes from the kollel to him?¹⁹⁶

When Ben Zvi reported to Abramoff that the bank from which he had obtained the loan for the jeep insisted the money continue to go through Ben Zvi's account, Abramoff responded:

They are being ridiculous. tell [sic] them that all the money will come into the Kollel account, which can be in their bank. Same amount of money, but CAF cannot make the payments directly to you. must [sic] be to the kollel.¹⁹⁷

Ben Zvi soon succeeded. On December 27, 2002, in an email entitled "CAF/Shmuel payments," he sent wiring information to Abramoff for the "KOLLEL OHEL TIFERET (For: Shmuel Ben Zvi)."¹⁹⁸

When Abramoff advised Halpern that Ben Zvi would do the kollel, Halpern instructed, "[H]e needs to give us the name and bank account info. and [sic] can the jeep payments go to the kollel as well, as well as *all the other military expenses that don't look good on the Foundation's books?*"¹⁹⁹ Halpern further suggested that "at the end of the year, he'll need to write us a letter on Kollel stationary thanking the Foundation for the money to promote their educational purpose."²⁰⁰

Of the nearly \$100,000 booked on CAF's ledger as contributions to Kollel Ohel Tiferet, not all were payments to Ben Zvi either directly or through the Kollel account. Listed under the Kollel entry of CAF's ledgers are sizable reimbursements of a number of Greenberg Traurig employees: Allison Bozniak, Hillel Broder, Holly Bowers, and Laura Lippy.²⁰¹ The reimbursements appear to be for the purchase of "books," "videos," "supplies," "camera," "light/photon supplies," "custom suit expense" and "lights and alarms," apparently intended for paramilitary use.²⁰²

The "custom suit expense" on CAF's books is curious. The "custom suit" is a ghili suit, that is, camouflage apparel, typically used by snipers. According to one email from Ben Zvi to Hillel Broder, apparently a former Greenberg Traurig employee:

Hillel, I want to order a GHILLI SUIT [sic]. from [sic] this company so that we have a basic structure to copy from. These are made well and will help us to no end. I want to get the FULL MILITARY GHILI SUIT [sic] in (light) BROWN DICIDOUS [sic] colors just like the one display in the photo on their site.

¹⁹⁶ Email from Gail Halpern, May & Barnhard, to Jack Abramoff, Greenberg Traurig (GTG-E000088619) (December 24, 2002).

¹⁹⁷ Email between Jack Abramoff, Greenberg Traurig, and Shmuel Ben Zvi, Kollel Ohel Tiferet (GTG-E000088618) (December 26, 2002).

¹⁹⁸ Email from Shmuel Ben Zvi, Kollel Ohel Tiferet, to Jack Abramoff, Greenberg Traurig (GTG-E000088616) (December 27, 2002).

¹⁹⁹ Email from Gail Halpern, May & Barnhard, to Jack Abramoff, Greenberg Traurig (GTG-E000088619) (December 24, 2002) (emphasis added).

²⁰⁰ *Id.*

²⁰¹ May & Barnhard document production (MB-001952) (December 31, 2002).

²⁰² *Id.*

The sizes go by BDU (battle dress uniform) So [sic] the bottom should be XXX long and the top should be XXXX long.

Now the order form on their site gives a buba misa about these suits needing a special state department licence and blah, blah, blah.

These suits are used by goyim who do alot [sic] of hunting. PLEASE [sic] don't get freaked out about this warning, suits of similar design can be bought from any of the hunting supply catalogs.

Anyway when you box it up and send it to me, send it as THE GRANDMOTHER TREE COSTUME [sic] for the play POCAHONTAS [sic].²⁰³

Ben Zvi further advised that should Broder need "to call them and they ask you what you need it for just tell them that it is a present for a relative who goes DEER HUNTING [sic]." ²⁰⁴ Scribbled upon the return email is one word: "Orderd" [sic].²⁰⁵

Broder also apparently ordered other sniper paraphernalia for Ben Zvi, for which he was reimbursed by CAF. According to invoices from Blackhawk Industries, Inc., Broder purchased tactical hydration tubes, web gear, shooters mats, sniper mats, and sniper cleaning kits.²⁰⁶ Holly Bowers, Abramoff's assistant, apparently paid for some of the items Broder ordered for Ben Zvi. On July 23, 2002, Bowers listed in her daily wrap-up list on item 12: "Gave Hillel my credit card number to order the anti-terrorism literature for your friend in Israel."²⁰⁷ Bowers similarly included in her August 12, 2002 list in item 14: "Gave Hillel my credit card to order things for Shmuel."²⁰⁸

Other, curious expenditures are on CAF's accounting ledger. To name a few,

- Abramoff spent another \$10,000 on The Lexington Group in April and May 2002.²⁰⁹ On its website, The Lexington Group claimed to practice "in all areas of legislative representation."²¹⁰ Abramoff described it as "just something i have set up with a guy who gt [Greenberg Traurig] would not hire but who will do a lot of business."²¹¹
- Abramoff spent \$50,000 on an ice rink for Eshkol.²¹²

²⁰³ Email from Shmuel Ben Zvi, Kollel Ohel Tieferet, to Hillel Broder, Greenberg Traurig (GTG008442-JA-P) (July 29, 2002).

²⁰⁴ *Id.*

²⁰⁵ *Id.*

²⁰⁶ Greenberg Traurig document production (GTG008438-JA-P/GTG008439-JA-P) (entitled "Packing List from Blackhawk Industries, Inc. to Hillel Broder") (August 6, 2002).

²⁰⁷ Email from Holly Bowers, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000059454) (July 23, 2002).

²⁰⁸ Email from Holly Bowers, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000026750-51) (August 12, 2002).

²⁰⁹ May & Barnhard document production (MB-001946) (December 31, 2002).

²¹⁰ See *The Lexington Group* (visited July 8, 2004) <<http://www.lexingtongroupusa.com>> (The website also claimed that The Lexington Group was partnered with Greenberg Traurig).

²¹¹ Email from Jack Abramoff, Greenberg Traurig, to Gail Halpern, May & Barnhard (GTG-E000011514) (February 26, 2002).

²¹² May & Barnhard document production (MB-001946) (December 31, 2002).

- In 2002, CAF spent \$67,685 on a Spy Museum Fundraiser.²¹³ Despite the large expenditures, the fundraiser apparently never occurred.²¹⁴

- CAF funds were apparently paid to Livsar, the company that owned and operated Abramoff's Signatures restaurant. On January 3, 2002, Rodney Lane, Abramoff's former assistant who left Greenberg Traurig to set up the restaurant, advised Abramoff of a "5 minute transfer from CAF to Livsar."²¹⁵

F. IN 2003, ABRAMOFF FUNNELS TRIBAL MONEY THROUGH CONDUITS TO CAF

CAF's 2003 Form 990PF does not list any Tribe as a donor.²¹⁶ The major donors listed on CAF's 2003 Form 990PF are:

- Kaygold, LLC—\$47,891
- IIA—\$500,000
- National Center for Public Policy Research—\$250,000
- Atlantic Research & Analysis—\$950,000
- Sony Electronics, Inc.—\$6,000
- Jack Abramoff—\$400,000²¹⁷

Nevertheless, the Committee has found substantial evidence establishing that the alleged contributions from Kaygold and Atlantic Research & Analysis ("ARA") were actually funds from Indian Tribes.

1. Kaygold Sends Tribal Funds to CAF

According to Kaygold's bank statements, Kaygold's primary source of income was Scanlon's companies. Thus, the \$47,891 "contribution" was actually fruits of the "gimme five" scheme.

2. Abramoff and Scanlon Use ARA as a Conduit To Funnel Louisiana Coushatta Funds to CAF

From its review of banking and accounting records, the Committee finds that the money allegedly from ARA is actually money from the Louisiana Coushatta. Scanlon's right-hand man, Christopher Cathcart, apparently set up ARA solely to run through payments from the Louisiana Coushatta.

As he had in 2001, Scanlon started this scam with another memorandum. According to a January 21, 2003, memorandum prepared by Scanlon for then-Tribal Vice-Chairman William Worfel on the Louisiana Political Program, ARA was allegedly established as a front entity to provide cover to Worfel and then-Chief Poncho politically by concealing that the Louisiana Coushatta was still paying Scanlon.²¹⁸ Scanlon attached invoices to the memorandum "that direct the funds to several different entities that will play different roles in this campaign along with a letter from Me/CCS informing the tribe that I will no longer be providing the political

²¹³ May & Barnhard document production (MB-001940) (January-December 2002).

²¹⁴ Interview of Fred Baggett, Chair, National Government Affairs Practice, Greenberg Traurig, in Washington, D.C. (September 29, 2005).

²¹⁵ Email from Rodney Lane, Greenberg Traurig, to Jack Abramoff, Greenberg Traurig (GTG-E000107574) (January 3, 2002).

²¹⁶ See Capital Athletic Foundation, 2003 Form 990PF.

²¹⁷ Capital Athletic Foundation, 2003 Form 990PF.

²¹⁸ Capitol Campaign Strategies document production (no Bates number) (entitled "Louisiana 2002[sic] Political Program") (undated) (erroneously date stamped "9/21/2005").

services to the tribe as I have in the past.”²¹⁹ Regarding ARA specifically, Scanlon wrote:

ARA will be the entity to conduct all the market analysis, polling, district research, opposition research and general strategy. ARA will also be that primary funding entity for the campaign; Meaning that this is where the lions share of the money will go, and then ARA can sub-contract or hire CCS to conduct strategic functions for the campaign.²²⁰

On January 21, 2003, the same day as his memorandum to Worfel, Scanlon asked Cathcart, “Can you get A [sic] DBA on the Scanlon CM account that is Atlantic Research and Analysis.”²²¹

The next day, Cathcart informed Scanlon: “[I] am going to have JD [Scanlon’s accountant Jeremy Diehl] set up a new llc [sic] for ara [sic] ... reason is that ScM has its own unique tax status as a commercial real estate lessor. [S]o, added liability protection and smarter for tax reasons [sic] to keep separate. [W]ill not impact our ability to collect the dough from couch [Coushatta].”²²²

Two hours later, Scanlon authorized Cathcart to establish the new entity.²²³ The Committee has found no corporate registration or other filing for ARA in Maryland, Delaware, or the District of Columbia establishing that ARA was ever incorporated. The Committee has determined that ARA opened a bank account on or about April 1, 2003.²²⁴

Meanwhile, Abramoff and Scanlon were on the move. In an apparent effort to avoid taxes on his take, Abramoff wanted Scanlon to have the Coushatta send his share of the “gimme five” funds directly to CAF. Abramoff told Halpern, his tax adviser, that he would soon have \$1,000,000 for CAF “directly from Coughatta.”²²⁵

Abramoff directed Scanlon: “Please make sure the next \$1M from Coughatta for me goes to Eshkol Academy directly. Please tell them that we are ‘using the school as our conduit for some activities.’ If that won’t fly with them, use CAF, or National Center for Public Policy Research.”²²⁶

The following month, Abramoff asked Scanlon “did we get the Coughatta money?” and implored Scanlon, “Can you please please get it written to Eshkol Academy?”²²⁷ Abramoff again suggested that Scanlon “[t]ell them that’s our front group to cover some of this.”²²⁸ Scanlon agreed to do so.²²⁹

²¹⁹ *Id.*

²²⁰ *Id.*

²²¹ Email between Michael Scanlon, Capitol Campaign Strategies, and Christopher Cathcart, Capitol Campaign Strategies (no Bates number) (January 21–22, 2003).

²²² *Id.*

²²³ *Id.*

²²⁴ See Wachovia document production (D00519–20) (April 1, 2003–April 30, 2003) (bank account statement for Atlantic Research & Analysis, which is the first such statement for ARA and shows a \$0.00 opening balance on 04/01/03).

²²⁵ Email from Jack Abramoff, Greenberg Traurig, to Gail Halpern, May & Barnhard (GTG–E000012166) (March 30, 2003).

²²⁶ Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG–E000034571) (February 20, 2003).

²²⁷ Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies (GTG–E000252852) (March 18, 2003).

²²⁸ *Id.*

²²⁹ *Id.*

On or about April 15, 2003, Scanlon submitted a \$2,000,000 invoice to the Louisiana Coughatta in the name of ARA, along with invoices from his other groups.²³⁰ The address listed on the invoice for ARA—53 Baltimore Avenue, Rehoboth Beach, DE 19971—was the clapboard house from which another Scanlon entity, the American International Center, operated.²³¹ Worfel, the Louisiana Coughatta's Vice-Chairman at the time, was led to believe that ARA was "just another entity of Greenberg ... that they operate under."²³² Worfel understood ARA was one of many front-groups that Abramoff and Scanlon used so the Tribe's political opposition would not know what they were doing.²³³

Abramoff still wanted Scanlon to have the Tribe send his part of the "gimme five" payments to CAF.²³⁴ While Scanlon awaited arrival of the funds, Abramoff told Scanlon, "I really need to get those funds into Eshkol asap."²³⁵ Scanlon advised Abramoff that he could not guarantee the payment would go to CAF, and was certain the money would not be routed directly to Eshkol because he could not find "any invoices on the school."²³⁶

On May 1, 2003, ARA received a \$2,000,000 wire transfer from the Louisiana Coughatta.²³⁷ Scanlon advised Abramoff in a May 5 email entitled "Cough!": "Hey FYI—Coughatta has paid for the Louisiana 2003 program in full now. If it's ok—I think it would be wise to hold back a bit for a rainy day (100 or so to cover operations), other than that please tell me where to send the funds."²³⁸

Abramoff instructed Scanlon to send it to CAF.²³⁹

When Abramoff did not receive the money, he asked Scanlon on May 6, "Did we get this money yet? I am in urgent need of funds."²⁴⁰

Scanlon assured Abramoff that he would "have a check tomorrow at your office via courier!"²⁴¹

True to his word, on May 7, 2003, Scanlon instructed Cathcart to "cut a check to Capital Athletic Foundation for 950k."²⁴² Cathcart responded, "950? Wow. It will come from atlantic research [sic]. I will pay Ccs [sic] out of the rest."²⁴³ According to ARA's

²³⁰ Capitol Campaign Strategies document production (no Bates number) (entitled "Atlantic Research and Analysis INVOICE") (April 15, 2003).

²³¹ See Chris Barrish, *Abramoff Cohort Spent Millions on Sussex Homes*, *The New Journal*, May 16, 2006.

²³² Interview of William Worfel, former Vice-Chairman, Coughatta Tribe of Louisiana, in Washington, D.C. (September 13–14, 2005).

²³³ *Id.*

²³⁴ Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (no Bates number) (April 16, 2003).

²³⁵ Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (no Bates number) (April 28, 2003).

²³⁶ Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (no Bates number) (April 28, 2003).

²³⁷ Wachovia document production (D00521–22) (May 1, 2003–May 30, 2003).

²³⁸ Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (no Bates number) (May 5, 2003).

²³⁹ Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (no Bates number) (May 5, 2003).

²⁴⁰ Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (no Bates number) (May 6, 2003).

²⁴¹ Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (no Bates number) (May 6, 2003).

²⁴² Email from Michael Scanlon, Capitol Campaign Strategies, to Christopher Cathcart, Capitol Campaign Strategies (no Bates number) (May 7, 2003).

²⁴³ Email from Christopher Cathcart, Capitol Campaign Strategies, to Michael Scanlon, Capitol Campaign Strategies (no Bates number) (May 7, 2003).

bank records, ARA executed a check for \$950,000.²⁴⁴ Abramoff deposited the \$950,000 into CAF's bank account on May 8, 2003.²⁴⁵

3. Abramoff's Use of CAF Funds in 2003

In 2003, Abramoff used CAF as he had before. According to the 2003 Form 990PF, Abramoff directed CAF to pay:

Eshkol Academy	\$2,366,512
Beis Avrohom Chaim	\$251,242
Kollel Ohel Tiferet	\$44,220
American Friends of Lubavitch	\$10,000
The DeLay Foundation for Kids	\$25,000
Bais Yaakov Brooklyn	\$20,000
Total	\$2,716,974

Abramoff's Eshkol Academy was again the biggest beneficiary, receiving 87% of CAF's grants. Kollel Ohel Tiferet, the paper entity established by Abramoff's friend in Israel, received another \$44,000.

Beis Avrohom Chaim is another Abramoff entity that received CAF funding. According to the articles of incorporation, Beis Avrohom Chaim was incorporated in June 2003 under Maryland law as a religious corporation.²⁴⁶ The trustees were Jack Abramoff and his wife; Shana Tesler, a former Greenberg Traurig employee who worked closely with Abramoff; and, her husband Sam Hook.²⁴⁷ The principal place of worship listed in its articles of incorporation is Abramoff's home address.²⁴⁸

According to Beis Avrohom Chaim's General Ledger, total contributions from CAF totaled \$251,242 in 2003.²⁴⁹ Two payments made on July 10, 2003, for \$241,250 are described as contributions from CAF.²⁵⁰ Another payment on August 5, 2003, for \$2,500 is described as payment by CAF for professional services.²⁵¹ A final payment of \$7,492 on August 8, 2003 is described as mortgage recordation fees related to a mortgage closing.²⁵² The total listed on Beis Avrohom Chaim's general ledger—\$251,242—matches the amount of donations listed on CAF's Form 990.²⁵³

Incorporated as a religious corporation, Beis Avrohom Chaim appears to be a holding company for real estate. According to a deed filed in Montgomery County, Maryland, on July 10, 2003, Beis Avrohom Chaim purchased property at 800 Edelblut Drive, Silver Spring Maryland (close to Abramoff's home) for \$845,000.²⁵⁴ On CAF's 2003 Form 990, Abramoff described Beis Avrohom Chaim as

²⁴⁴ Wachovia document production (D00521-22) (May 1, 2003–May 30, 2003).

²⁴⁵ May & Barnhard document production (MB-000252) (December 31, 2003).

²⁴⁶ Beis Avrohom Chaim, Articles of Incorporation.

²⁴⁷ *Id.* For reasons unknown to the Committee, Rodney Lane, Abramoff's former executive assistant who was instrumental in setting up the Signatures restaurant, subsequently replaced Abramoff's wife as a trustee. See Articles of Amendment for a Religious Corporation, for Beis Avrohom Chaim.

²⁴⁸ *Id.*

²⁴⁹ May & Barnhard document production (MB-00255) (December 31, 2003).

²⁵⁰ *Id.*

²⁵¹ *Id.*

²⁵² *Id.*

²⁵³ Compare May & Barnhard document production (MB-00255) (December 31, 2003), with Capital Athletic Foundation, 2003 Form 990.

²⁵⁴ Deed, July 10, 2003 between Benjamin L. Allen, PR and Marie-Louise Allen Kempe, PR of the Estate of Marie Louise Allen, Estate no. W-37905 as to 1/2 interest and Marie Louise Allen and James S. Allen, by Benjamin L. Allen, his Attorney-in-fact, as to 1/2 interest, as tenants in common as to the whole to Beis Avrohom Chaim. The property is apparently down the street from Abramoff's home.

a “religious organization, [that] provides religious services for the congregation and housing for the Eshkol Academy student athletes.”²⁵⁵

As it had for 2002, for 2003 CAF also listed substantial expenses associated with travel, conferences, and meeting: \$251,163.²⁵⁶ Abramoff used approximately \$150,000 of CAF’s funds to finance another trip to Scotland.²⁵⁷ Abramoff also spent over \$100,000 on the Spy Museum Event that apparently did not take place.²⁵⁸

G. CONCLUSION

Despite the self-serving statements about “ethical conduct” and helping “disadvantaged youth” on CAF’s website, the Committee finds that Abramoff used CAF as his personal slush fund. In pleading guilty to tax evasion, Abramoff admitted that he “misrepresented the receipt of diverted funds [from the Tribes] as charitable donations and mischaracterized personal and business expenditures as being used for a tax exempt purpose.”²⁵⁹ He further confessed that he “engaged in similar evasive conduct for the tax years 2001 and 2003. Due to this and other evasive conduct, Abramoff attempted to evade approximately \$1,724,054 in individual income taxes for the 2001 through 2003 tax years.”²⁶⁰

²⁵⁵ Capital Athletic Foundation, 2003 Form 990PF.

²⁵⁶ *Id.*

²⁵⁷ May & Barnhard document production (MB-000250) (January–December 2003).

²⁵⁸ *Id.*

²⁵⁹ Plea Agreement, Factual Basis for the Plea, at para. 39, *U.S. v. Jack A. Abramoff* (Dist. D.C., January 3, 2006) (CR-06-001).

²⁶⁰ *Id.* at para. 41.