PART TWO—"GIMME FIVE"—ANALYSIS BY ENTITY

INTRODUCTION

> [W]e really need mo money. but [sic] you and I must meet and work out a strategy to get things moving. We are missing the boat. There are a ton of potential opportunities out there. there [sic] are 27 tribes which make over $100M a year ... can you have your guys do the research and find out which tribes these may be? We need to get moving on them ...

Email from Jack Abramoff to Michael Scanlon, December 7, 2002

> SCANLON: Hey—good day all around—we wrapped up the Sag Chip crap—We hit Coush—I think for 3 mil—and we are working [on] Acaliente [sic] presentation—should be tight.
>
> 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. We're gonna make $ for years together!
>
> SCANLON: Amen! You got it boss—we have many years ahead!

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

The Committee held its first hearing on allegations of misconduct made by several Indian Tribes against Jack Abramoff and Michael Scanlon on September 29, 2004. At that hearing, the Committee preliminarily concluded that Scanlon collected about $66 million from six tribes over a three-year period, and secretly paid about one-third of that amount to Abramoff.[1] Since then, the Committee has held a series of hearings and released scores of documents that describe how Abramoff and Scanlon executed their scheme.

In the course of its hearings, the Committee laid out how Abramoff and Scanlon agreed that Abramoff would work to ensure that these Tribes would hire a grassroots/public relations specialist to support Abramoff's lobbying activities. In furtherance of their scheme, Abramoff pushed for Scanlon as that specialist.

Having violated these Tribes' trust by not disclosing the resulting conflict of interest, Abramoff secretly collected from Scanlon about 50 percent of Scanlon's net proceeds—from contracts that Scanlon or Abramoff promoted to the Tribes.

The prices that Scanlon charged for his services (well in excess of his costs) were set deliberately high so as to allow him to pay Abramoff about 50 percent of his net proceeds from those Tribes—

[1] "Tribal Lobbying Matters," *Hearings before the Committee on Indian Affairs*, 108th Cong. at 5–9 (September 29, 2004) (opening Statement of Ranking Majority Member John McCain).

with much of the money paid by the Tribes not going for purposes the Tribes intended.

Admitting to the foregoing, on November 11, 2005, and January 3, 2006, respectively, Scanlon and Abramoff pled guilty in federal court to, among other things, defrauding some of their Tribal clients.[2]

On a small scale, Abramoff and Scanlon apparently set their scheme in motion in April 2001, when they urged the Coushatta Tribe of Louisiana ("Louisiana Coushatta") to pay $200,000 for a grassroots program regarding its gaming compact.[3] On or about April 26, 2001, the Tribe paid a Scanlon-controlled entity called Capitol Campaign Strategies ("CCS") $200,000, as requested.[4] But, soon thereafter, CCS paid Abramoff $75,000—itemized in the company's accounting ledger on April 30, 2001, as a "referral expense."[5]

Abramoff and Scanlon's secret fee-splitting arrangement is likewise reflected in a May 2, 2001, email, where they agreed to split proceeds from the Mississippi Band of Choctaw Indians ("Choctaw") that were intended to be passed through a Scanlon-controlled entity called the American International Center ("AIC") to former Christian Coalition executive director Ralph Reed for grassroots activities. According to Abramoff, "I am going to try to get us $175K. $100 to Ralph; $25K to contributions ($5K immediately to Conservative Caucus); rest gimme five."[6]

The scheme would soon soar to new heights. On June 18, 2001, Scanlon suggested to Abramoff, "A few weeks ago you mentioned something to me—I took the concept and have put together a plan that will make serious money. We also talked briefly about it in the beginning of the year but I think we can really move it now."[7]

Scanlon continued: "I have been making contacts with some larger Public Affairs companies in town for a few months. I have two solid relationships that will seriously consider acquiring Capitol

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[2] Plea Agreement, Factual Basis for Plea, *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* (Dist. D.C., January 3, 2006) (CR 06–001).

[3] *See* Email from Jack Abramoff, Greenberg Traurig, to Kathryn Van Hoof, Coushatta Tribe of Louisiana, "Coushatta political program" (COUSH–MiscFin–0000371) (April 12, 2001) ("I still do not have the budget for the complete effort, but Mike believes we cannot wait any longer for the ground effort, so I need to get this to you for approval. ... Please let me know if I can give Mike the go ahead."); Email from Michael Scanlon, Capitol Campaign Strategies, to Kathryn Van Hoof, Coushatta Tribe of Louisiana, "Re: Political Program funding" (COUSH–MiscFin–0000368) (April 18, 2001) ("The total for the program is $539,000. In order to get started the tribe will need to pay $200k up front to cover the organizational program. ... If thre [sic] is any way to get the initial money out today it would be great!").

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

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

[6] Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG–E0001321307) (May 2, 2001). Abramoff and Scanlon, both of whom were apparently avid golfers, even came up with a name for their new business arrangement: "Gimme [or give me] five." The Committee speculates that "gimme five" is a double entendre for the golf term "gimme," which refers to a putt that is certain to be made on the next shot, which will most likely be conceded by an opponent. Where Abramoff valued his interest in CCS, at "$5M revenue/year," *see* Email between Jack Abramoff and Rodney Lane, "FW: Personal financial statement" (GTG–E000011577) (March 15, 2002), the term also appears to reflect Abramoff and Scanlon's original agreement to acquire at least $5 million each per year.

[7] Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig (GTG–E000011945) (June 18, 2001).

Campaign Strategies. The problem is that there is not much in CCS right now."[8]

"However," he observed, "if we build up Capitol Campaign Strategies enough I can get it acquired by a large firm by the end of next year at 3x the firm revenue. Bottom line: If you help me get CCS a client base of $3 million a year, I will get the clients served, and the firm acquired at $9 million. We can then split the [sic] up the profits. What do you think?"[9]

Abramoff's response was brief: "Sounds like a plan, but let's discuss when we are together."[10]

Abramoff apparently agreed. Just a few days later, referring to a "project [that Abramoff] need[ed] to run trhough [sic] [a Scanlon company]," Abramoff wrote Scanlon, "Apparently it's a huge project. ... It'll give us $500K to start to pass through CCS and as much as $4 million over the year. This should really help us get the sales price up."[11]

Thus began Abramoff and Scanlon's now-infamous financial relationship—a relationship that would enable the two to wrongfully extract tens of millions of dollars from tribes around the country over the next two years.

By August 2001, what started as a seemingly innocuous partnership soon degenerated into an all-out frenzy for money—money at any cost. In response to Scanlon's informing him that "[the Choctaw] really liked [a particular] plan ... [and] asked if I could do a quick poll for them on the [REDACTED] overall political issues they face," Abramoff reminded Scanlon, "Don't forget the gimme five aspects!"[12]

On September 2, 2001, Scanlon was ecstatic about how they were doing so far: "I'm having a great time running the give me fives!"[13] There was good reason for Scanlon's elation. Later that month, he reportedly bought, likely with the Tribes' money, two houses in Washington, D.C. for $1.2 million.[14]

With his share of those proceeds, Abramoff apparently intended to float his private Jewish boys' school. On September 10, 2001, he 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."[15]

Ultimately, Scanlon reported that Abramoff would get "a total of 2.1 [million]."[16]

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[8] *Id.*

[9] *Id.*

[10] *Id.*

[11] Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG–E000011951) (June 29, 2001).

[12] Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies, "RE: Nell" (Bates number 1109861) (August 16, 2001).

[13] Email between Michael Scanlon, Capitol Campaign Strategies, and Jack Abramoff, Greenberg Traurig, "RE: [REDACTED]" (1118666) (September 2, 2001).

[14] 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.

[15] Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG–E0000113995) (September 10, 2001).

[16] Email from Michael Scanlon, Capitol Campaign Strategies, to Jack Abramoff, Greenberg Traurig (GTG–E0000113847) (September 10, 2001).

Abramoff heaped praise on his partner, "How can I say this strongly enough: YOU IZ DA MAN."[17]

Not content with the $2.1 million, Scanlon exhorted, "[L]et's grow that 2.1 to 5!! We need the true give me five!"[18]

Abramoff conveyed enthusiasm about their arrangement on October 16, 2001: "I love life!! We need to get you down there to get [the Mississippi Band of Choctaw Indians] moving on the political phase. How about if we both try to go soon."[19]

Scanlon agreed, "Any time—any time—any time!!! We usually come back from these trips rich men!"[20]

From late 2001 through 2003, "running [their] give me fives" was Abramoff and Scanlon's top priority. In a January 16, 2002, email from Abramoff to Scanlon, entitled "sagchips," Abramoff wrote, "Don't forget to get to [Saginaw Chippewa Sub-Chief David] Otto and set up a meeting asap. We need that moolah. We have to hit $50M this year (our cut!)."[21]

As a result of their "gimme five" scheme, Abramoff and Scanlon collected about $66 million from six tribes from 2001 through 2003. By the Committee's reckoning, each Tribe paid Scanlon as follows: the Mississippi Band of Choctaw Indians ("Choctaw"), $14,745,650; the Coushatta Tribe of Louisiana ("Louisiana Coushatta"), $26,695,500; the Saginaw Chippewa Indian Tribe of Michigan ("Saginaw Chippewa"), $10,007,000; the Agua Caliente Band of Cahuilla Indians ("Agua Caliente"), $7,200,000; the Ysleta del Sur Pueblo of Texas ("Tigua"), $4,200,000; and the Pueblo of Sandia of New Mexico ("Pueblo of Sandia"), $2,750,000.

Also by the Committee's accounting, Abramoff or entities owned or controlled by Abramoff, including Kaygold and the Capital Athletic Foundation ("CAF"), received payments totaling about $24,524,421 from Scanlon or entities owned or controlled by Scanlon, including Capitol Campaign Strategies ("CCS") (which also did business as Scanlon Gould Public Affairs and Scanlon Public Affairs), the American International Center ("AIC"), and Atlantic Research and Analysis ("ARA").[22] That seems to constitute about half of Scanlon's total profit from the Tribes. The following lays out the basis for the Committee's finding.

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[17] Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG–E0000113847) (September 10, 2001) (emphasis added).

[18] *Id.*

[19] Email between Jack Abramoff, Greenberg Traurig, and Michael Scanlon, Capitol Campaign Strategies, "RE: [REDACTED]" (Bates numbers 1131487–88) (October 17, 2001).

[20] *Id.*

[21] Email from Jack Abramoff, Greenberg Traurig, to Michael Scanlon, Capitol Campaign Strategies (GTG–E000024563) (January 16, 2002).

[22] In Abramoff's plea agreement, the total figure is $23,109,695, which includes not only indirect payments by Tribes to Abramoff or Abramoff-controlled entities through entities controlled by Scanlon but also direct payments by several companies, including Foxcom Wireless, S.P.I. Spirits, and Tyco International, to entities controlled by Abramoff, including Grassroots Interactive. *See* Plea Agreement, Factual Basis for Plea at para 1–31, *U.S. v. Jack A. Abramoff* (Dist. D.C., January 3, 2006) (CR 06–001). In Scanlon's plea agreement, the figure is $19,698,644, which captures about 50% of the net profit Scanlon received from at least four tribes that had already hired Abramoff "to provide professional services to develop programs to limit market competition or to assist in opening casinos that were vital to the profitability of [the] clients." *See* Plea Agreement, Factual Basis for Plea at para. 8, *U.S. v. Michael P.S. Scanlon* (Dist. D.C., November 11, 2005) (CR 05–411). In other words, it appears to exclude payments made by the Agua Caliente, which had not hired Abramoff before hiring Scanlon.

"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