PRIVATE PARTIES

Political Party Leadership In
Washington’s Mercenary Culture

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“All parties, however loyal to principles at first, degenerate into aristocracies of interest at last, and unless a nation is capable of discerning the point where integrity ends and fraud begins, popular parties are among the surest modes of introducing an aristocracy.”

John Taylor
in a letter to John Adams, 1814
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EXECUTIVE SUMMARY

The chairmen of America’s two major political parties are not well-known to the average voter. Their relative obscurity, however, belies their power and access in Washington. To date, the party chairmen have received far less public scrutiny than their importance deserves.

The Center for Public Integrity interviewed nine of the ten living persons who have served as chairmen of the Democratic and Republican National Committees since 1977. The average age of an elected chairman is 47; he is almost assuredly a white male (only one black man and no women have been chosen in this fifteen-year period) from the Eastern Seaboard of the United States, and not only is he college-educated, but he is very likely a lawyer. After his election by his party’s national committee, the chances are he’ll stay in the position for roughly three years.

We uncovered one other statistical likelihood: Unless a party chairman died or left Washington, he became a lobbyist.

There’s probably nothing more critical to a Washington lobbyist than achieving “access” to the nation’s most important and powerful public officials. And few people in the nation’s capital have more access than the party chairmen.

The Center found, for example, that party chairmen have major access to Washington’s inner circles. Chairmen meet frequently with the President if they are from the same party; chairmen also meet with congressional leaders of the same party. Indeed, Democratic chairmen are included in such exclusive gatherings as the Speaker of the House’s closed-door Deputy Whip meetings on Wednesday mornings in the Capitol, where legislative strategy, the upcoming agenda, and vote counts are openly discussed.

Since 1977, the Center found, half of the national party chairmen have received outside income -- despite party charters stipulating that the chairman’s position is “full-time.” Of the eleven elected chairmen since 1977, none has simultaneously worn more hats nor raised more questions about potential conflicts of interest than the current chairman of the Democratic National Committee, Ronald H. Brown. He was the only party chairman since 1977 who declined to be interviewed by the Center.

Since he became DNC chairman in 1989, Brown has continued to receive income from the law firm in which he remains a partner, Patton, Boggs & Blow. He has maintained business relationships with at least three private companies. He has solicited government business for both his law firm and the company he heads. He has traveled to Japan on law firm business.

Suddenly, the issue of access becomes more relevant. When Brown attends the Speaker of the House’s Deputy Whip meetings, in addition to serving the Democratic Party, is he also gathering data for Patton, Boggs & Blow’s 1,500 active clients or for the Democratic National Committee?

Brown maintains that he has done no outside client work since 1989, although records obtained by the Center contradict this assertion.
Since 1977, other past party chairmen have also taken money from law firms or corporations or both during their tenures: Charles T. Manatt, Paul G. Kirk, Jr., Frank J. Fahrenkopf, Jr., and Clayton Yeutter. Charles Black, the “acting spokesman” for the RNC during chairman Lee Atwater’s illness, derived all of his income from his lobbying firm, Black, Manafort, Stone and Kelly.

Today, in Washington, the ethical lines are blurred on this and many other issues. For example, when asked about the conflict-of-interest issues surrounding Brown, Timothy May, the managing partner of Patton, Boggs & Blow, told the Center that the idea is ridiculous “that someone is chairman of a party and has influence and that they can’t employ this influence to help clients.” May added: “There’s no problem. It only gets into conflict of interest [when helping the client] would damage the interests of the party.”

Because of the inordinate emphasis today in Washington on money at all levels, it is difficult to know anymore just what are the interests of the national parties. Nearly all the chairmen since 1977 said that they had no problem occasionally making a telephone call or facilitating a meeting between a donor and government officials. There are no ethics or conflict-of-interest guidelines for top party officials. Disclosure is at a minimum, because the parties are private corporations. There are no post-employment restrictions on where the chairmen can work after leaving the party. Among the current and former chairmen we interviewed, there was no strong opinion or sentiment against former chairmen becoming Washington lobbyists.

In addition, the Center found that since 1977, half the party chairmen have been registered with the Justice Department, either before or after their party tenures, as foreign agents for overseas corporations and governments. Their clients included such human-rights-abusing nations as “Baby Doc” Duvalier’s Haiti, Kenya, Nigeria, and Zaire.

How important are the ethical issues that involve America’s party chairmen? Perhaps no one said it better than former Senator and U.S. Trade Representative William Brock. “I find it impossible not to act in nonprejudicial ways when on retainer to a law firm, because it is inconceivable that the firm and the party’s interests coincide,” he told the Center. “I really have no right to comment on the other party’s rules, but in the Republican Party, I think, people should divorce themselves from external responsibilities.”

The political parties aim to win elections at the national, state, and local levels. That is their paramount mission. But the chairmen of the DNC and RNC, by dint of their position and status in Washington, also represent a back-channel route for corporations and individuals to achieve critical, inside access to public officials. It is a largely hidden and unaccountable system by which to potentially bend and influence public policy for private benefit.

Therein lies our curiosity, the reason we undertook this project of analyzing the party leadership. We wanted to understand just exactly who the Democrats and Republicans have chosen to lead them in recent years, how the party chairmen have interacted with other decision-makers in Washington, what standards of conduct they have operated under while serving their parties, and what opportunities have been available to them on leaving their positions.
INTRODUCTION

Recently, for this study, we interviewed John White, a former chairman of the Democratic National Committee, in his Washington office. In the late 1970s, President Jimmy Carter chose the affable Texan to head the DNC.

In those years, the Democrats were in grim shape financially. Not only was the Democratic Party still paying off its long-standing, multimillion-dollar debt from the 1968 presidential campaign, but the day-to-day situation had suddenly become so dire that the DNC’s entire staff might have to be let go, and the prospect loomed that the DNC actually might have to vacate its office space.

Such a notion, White said, would have been acutely embarrassing. And so the chairman cast about, looking for a dependable Democratic donor who would be able to write a very large check and help the DNC avert further disaster and humiliation. White found such an individual -- Lew Wasserman, the chairman of MCA Inc., the entertainment conglomerate.

What did Wasserman seek in return?

Not really anything, White told us. But there was one occasion, he recalled, when Wasserman was coming to Washington and couldn’t get a hotel room. He called White, who telephoned the owner of Washington’s Madison Hotel, imploring him to accommodate Mr. Wasserman. Unfortunately, however, no room was available.

White smiled proudly and recalled that he finally found suitable overnight lodging for the wealthy Hollywood mogul -- at the White House, in the Lincoln Bedroom. This favor for Wasserman, White said, was “just a small thing.”

More than a decade has passed since this telling episode. The story isn’t generally known in Washington and has probably never before appeared in print.

America’s political parties are nearly always in the news, especially in presidential election years. But seldom are the activities and business relationships of their leaders ever examined -- and certainly not in a methodical, comparative manner. The chairmen of the Democratic and Republican national committees are among Washington’s best connected, influential power players. And yet, other than discussing party rules, primary schedules, or electoral strategy with political reporters, they and other party leaders are seldom interviewed or analyzed in the context of how Washington really works.

In the unique culture of Washington, of course, the intertwining of politics and commerce is routine and well-understood; what raises America’s blood pressure often produces just a yawn inside the Beltway. Americans today are victimized by Washington’s marketplace mentality, in which private gain supersedes the public trust and in which the merchants are mainly former high-level officials, presidential campaign advisers, and others who can manipulate and distort national decision-making to their own ends. From savings-and-loan regulators to Environmental Protection Agency officials, from trade negotiators to Food
and Drug Administration watchdogs, the grass is considerably greener on the other side of the public-sector’s fences. So many people in Washington have dollar signs in their eyes that the public can no longer be certain that any proposal, policy or program has evolved based on the substance and the merits of what is truly in the public interest.

Lobbyists in Washington today have become what investment bankers in New York City were in the 1980s. It has become a profession young people apparently aspire to -- a notion unheard of a few decades ago. Many college interns and law school students now come to Washington not to change the world, but to learn more about the high-powered, extremely lucrative world of big-time wheeling-and-dealing.

Meanwhile, as the National Commission on the Public Service concluded: “Too many of our most talented public servants -- those with the skills and dedication that are the hallmarks of an effective career service -- are ready to leave. Too few of our brightest young people -- those with the imagination and energy that are essential for the future -- are willing to join.” And as management guru Peter Drucker observed in The New Realities, “the locus of decision-making in the political process is rapidly shifting from politicians and civil servants to lobbyists.”

The Center for Public Integrity, which was formed to better understand these issues, has published several studies to illuminate the degree to which public service and the public trust have been eroded.

Against this backdrop, it would be naive to think that the nation’s two major political parties, headquartered in Washington, have somehow been operating in a sterile vacuum, hermetically sealed away from the corrupting influences of the capital’s mercenary culture.

Watergate remains indelibly etched upon the nation’s collective political soul. Wholesale corruption was found in the Committee to Re-Elect the President, with its amusing acronym (CREEP), as well as in the Republican National Committee. The GOP was so scarred, in fact, that serious consideration was given to changing the party’s name. In the mid and late-1970s, a host of post-Watergate “reform” measures were enacted; many of them, however, have proved to be ineffective or even counterproductive.

There have been studies and reports and news stories for more than a decade about the nation’s polluted campaign finance system, with the principal emphasis on Congress. And such laudable organizations as the Center for Responsive Politics have methodically exposed how millions of dollars in “soft money” -- funds not regulated by federal election law and difficult to trace -- flow every year into the coffers of the political parties.

Unfortunately, with the exception of this kind of campaign finance reporting, the roles of the political parties have not been systematically studied in the everyday mechanics of public policy. Seldom has anyone attempted to examine the political party relationships to the large, multimillion-dollar interests vying to be serviced in today’s Washington.

Indeed, aside from reporting certain financial information to the Federal Election Commission, the political parties operate under surprisingly little scrutiny. Despite their very public role, the parties are
private corporations that can, for the most part, disclose only the information they choose to. While there are ethical standards and public-disclosure requirements in the executive branch and legislative and judicial branches, there are no such standards or requirements for the party chairmen. Yet, the party chairmen are just as well-connected and potentially as powerful as any public official in Washington.

Investigative Methodology

The Center makes no assertion that this is the most thorough study of its kind that could have been undertaken. We could have included, for example, the treasurers and other leaders of the political parties. To use our time and resources most effectively, however, we decided to limit the range of our inquiry to the chairmen of the DNC and RNC.

Even then, this type of institutional inquiry has never been undertaken, possibly because of the paucity of available information. Identifying potential and apparent conflicts of interest isn’t particularly difficult, but conclusively documenting an actual, specific conflict or thoroughly assessing a perceived business entanglement are quite different matters. With the dearth of public records, the dimness of human memory over time, the reluctance of people to reveal sometimes unflattering information, or conversely, to embellish a proud moment, any investigative study -- and especially this one -- necessarily has limitations.

We decided to limit our inquiry to the fifteen-year period from 1977 to today. The project thus gained some contemporary historic perspective and bipartisan balance; we were able to include a Democratic presidency along with the Republican domination of the White House in the 1980s.

After we ascertained the names of the various elected chairmen, we proceeded to methodically collect and read the most relevant secondary source material available from newspapers, magazines, books, studies, and other sources. Lobbying records were obtained from the Senate, the House of Representatives, and the Justice Department’s Foreign Agent Registration Act office. Federal Election Commission records, as well as financial disclosure forms from the Office of Government Ethics, were retrieved when applicable. State and federal Freedom of Information Act requests were made for relevant documents, and researchers pored over hundreds of pages of other government records as well, such as local government contracts and bid proposals.

Only after collecting and digesting all of this data, and gaining a rough sense of the issues and problems faced by each chairman during his tenure, were we then adequately prepared to interview the former and current chairmen. For purposes of accuracy, each of our nine interviews with the party chairmen was tape-recorded (with, of course, their full permission). Further information about these interviews is in the appendix.

One party chairman, Ronald H. Brown, the current chairman of the Democratic National Committee, declined to meet with the Center. We did conduct a tape-recorded interview with Joan Baggett, the DNC chief of staff.
The Republican National Committee had a difficult situation in the early 1990s. A respected political strategist, Lee Atwater, was named chairman of the RNC in 1989, but a year later he was found to be suffering from brain cancer. He valiantly fought the disease for another year. The GOP was in an awkward position. It needed an able and aggressive party leader but understandably had no desire to replace Atwater as chairman. One of Atwater’s closest personal friends, Charles R. Black, Jr., also a respected GOP campaign operative, was named “chief spokesman” of the RNC. In many respects, Black was the de facto party chairman for nearly a year, and for that reason we have included him in this study. Black also declined to be interviewed.

Over the past decade, the Republican Party has developed the title of “general chairman.” Biographies of Paul Laxalt and Samuel B. Skinner, who have served in this vaguely defined capacity, are not included in this study.

Just as with our first study, America’s Frontline Trade Officials, a substantial part of this publication is made up of biographies. We were interested in the personal backgrounds of the party chairmen both before and after they held their positions.

No individual and no career, of course, are identical. Similarly, there are differing views as to the various ethical constraints under which a national party chairman must operate. We found wide-ranging personal interpretations and, in general, confusion over any ethical standards that might apply.

Thomas Jefferson once said, “When a man assumes a public trust, he should consider himself public property.” From our research and our interviews, it is clear that many past and current party chairmen do not regard political parties as public entities with attendant public responsibilities. How each man weighed his own obligation to uphold the public trust varies.

Only by assembling detailed profiles of the party chairmen can we begin to see broad trends and themes. Only then can we begin to understand how the parties and their leaders interact every day in Washington’s dissolute milieu.

Charles Lewis
September 15, 1992
Washington, D.C.
THE PARTIES IN PERSPECTIVE

This Republic was never predicated on the existence of political parties. As Arthur Schlesinger, Jr., has observed, neither the Articles of Confederation nor the Constitution provided for political parties. The United States began without party government. When George Washington gave his Farewell Address, he warned against "the baneful effects of the spirit of party."1

Of course, factions and eventually parties began to coalesce. Political scientists generally have delineated five separate party systems or eras. The heyday of the parties in American political life was roughly the mid-19th century. As the nation evolved, parties filled an institutional void, providing a way for groups and interests to win elections by forging coalitions, amid an increasingly diverse, growing electorate.2

Political parties have been vessels for ideas, and as such they have contributed to the country's political education and helped to develop national purpose and policies. They have offered a mechanism to mediate and modulate bitter disputes at the national level. They have helped government to organize, and they have provided an accountability mechanism -- the "loyal opposition."3 Parties have drawn ordinary citizens into the political system, recruited and trained political leaders, and, according to Schlesinger, offered avenues of "upward mobility to vigorous newcomers debarred by class or ethnic prejudice from more conventional avenues to status. As agencies of 'Americanization,' they received immigrants from abroad."4

The nature of the two-party system and its importance to everyday political life wasn't lost on Henry David Thoreau, who wrote, "Politics is, as it were, the gizzard of society, full of grit and gravel, and the two political parties are its two opposite halves, which grind on each other."5

The 20th century has seen the gradual decline of political parties. In fact, the consensus among political scientists is that, especially in recent decades, Americans tend to identify with individual candidates more than specific parties. Party loyalty, discipline, and identification have all been deteriorating. There is no shortage of explanations put forth by academicians and pundits to explain why the political parties have become increasingly irrelevant to the average American. Reformist measures from the Progressive Era, such as the creation of a civil service, dampened the potency of party patronage. Television and the high costs of media campaigns, increased candidate independence, and political action committees are but a few of the reasons frequently cited for the erosion of the parties.

Nationalization

What is ironic, however, is the trend toward "nationalization." While partisan activities at the grass-roots level appear to be on the wane, at the national level, the Republican and Democratic parties have reasserted themselves in recent decades. Their organizations, the size of their budgets and staffs, the high-tech computer and polling wizardry now being brought to political campaigning, the advent of direct-mail techniques to reach tens of millions of people, and the like all seem to suggest a new aggressiveness in party strategy.
Party organizations were created in the mid-19th century, principally to conduct national conventions. The Democratic National Committee was created in 1848. The new Republican Party established the Republican National Committee in 1856. Its main task was conducting presidential campaigns. Eventually, both parties developed campaign committees for Senate and House candidates as well. The national parties, however, didn’t actually hire professional staffs or set up permanent headquarters until after World War I. The RNC hired its first full-time paid chairman in 1936; the DNC followed suit in 1944. Party chairmen are elected to set terms by their national committees. By the 1950s, the RNC staff numbered at least 100, and it may double or triple in presidential election years. The DNC staff has always numbered less in the modern era. Staff turnover was high, and national committee finances were at times precarious.6

As late as the mid-1960s, the two national party committees were viewed as somewhat pathetic “renters in [a series of] obscure buildings amid the splendid structures which house the lobbying activities of labor and industry.”7 This state of “homelessness” epitomized their lack of “permanence, stability, or institutional importance.”8

By the 1960s, national party chairmen had far less patronage at their disposal. In terms of their former role in directing presidential campaigns, they had been supplanted by the campaign organizations of candidates.9

Both parties, however, restricted the state delegate selection procedures for their conventions. The Democratic Party went further than the GOP in this regard, actually forming the McGovern-Fraser Commission to enact extensive delegate selection rules. But this evolution toward nationalization was more rapid within the Republican National Committee. Two of its chairmen, Ray Bliss (1965-1969) and Bill Brock (1977-1981) implemented sweeping organizational and financial changes. From extraordinary success in direct-mail fund raising, to training programs for candidates and campaign organizations, from state party development to policy development and an extensive communications system, the RNC became a truly national organization. In 1981 and 1982, the RNC raised $83 million from a donor base of 1.6 million people.10

Michael Malbin noted in 1980 that “As old-style party machines have waned, a new Republican organization has emerged -- a multimillion dollar bureaucracy in Washington that employs 350 and plays an increasingly important role in all aspects of Republican campaigning and party policy.”11

The role of party chairmen in this nationalization process is pivotal. Most chairmen in recent memory have been generally unknown to the public, they have not been national political leaders, and they are usually not ideologues pursuing a specific policy. They are frequently the choice of the presidential nominee at the convention. Their organizational talents must be formidable, managing a staff of hundreds of people, presiding over the national committee, preparing for the convention, raising money constantly to keep the national headquarters in operation, and performing as spokesmen for the party nationwide.12

According to Samuel J. Eldersveld: “The national chairman is well paid and expected to be a full-time chairman. He occupies a prestigious position, often fought for, or at least desired, by many.”13
Meanwhile, compared to the RNC, the DNC has evolved more slowly. The party was saddled with a $9.3 million debt from the 1968 campaigns of Hubert H. Humphrey and Robert F. Kennedy. All of the new technologies being exploited by the Republicans were thus too expensive for the Democrats. 14 "We have lost ten to twelve years," DNC chairman John White said. "We are now where we should have been in 1969." 15

Shortly after the Democrats lost the White House and the Senate in 1980, the DNC elected Charles T. Manatt as its chairman. He set about trying to duplicate the success that the RNC had achieved under Brock. The DNC soon developed a mailing list of more than 500,000 names, and Manatt created the Democratic Business Council, with more than 300 financially successful, Democratic business people suddenly positioned to "presumably influence party thinking." 16 To date, the amount of money the DNC raises, through direct mail and other means, is a mere fraction of the RNC receipts. Both party committees, however, have clearly become organizationally and financially "nationalized." So while party identification and other indices are stunningly low by historical standards, the amount of money raised and the actual scope of centralized party operations from Washington is the highest in U.S. history.

Politics and Money

Throughout the 1980s, as the Democrats tried to play catch-up with the Republicans financially, there was considerable discussion about the ramifications. As Robert Kuttner wrote in The New Republic: "The Democratic Party's poignant quest for philosophical moorings is complicated and compromised by its search for political money. It is one thing for the Democrats to abandon old themes because the majority of voters seem weary of government programs, labor unions, and needy people. It is another thing altogether to move right because that is where the money is . . . the danger is that the Democrats' natural identity as the party of the non-rich will be fatally undermined by the logic of campaign finance." 17

While Manatt's attempts to woo corporate support to the party were unusual by traditional Democratic standards, the chairman of the Democratic Congressional Campaign Committee (DCCC), Rep. Tony Coelho of California, was also setting a new fund-raising course. He built up the DCCC's receipts from $1.8 million in 1979-1980 to $15 million in 1985-1986. Many Democrats wondered if their party was selling its soul. 18 Although Coelho later resigned his Majority Whip position following allegations of financial impropriety, in the summer of 1992 he was expressing interest in succeeding Ronald H. Brown as the DNC chairman.

The corrupting role of money in political parties isn't exactly a new public issue. Commenting acidly that "bribery has existed in all ages, but it manifests itself in different forms," author Louise Overacker wrote in Money in Elections in 1932, "As the cost of campaigns has risen, parties have been forced to expand their resources. In the United States, meeting little response from the rank and file of the electorate, they have been forced to rely to an increasing extent upon large contributions from prosperous business interests." 19

"No party which is financially dependent upon the substantial business interests . . . would feel free to embark upon an economic program which met with their hostility," Overacker observed. "Even
a dog will not bite the hand that feeds it, and a political party will hardly sell out the person whose money it accepts.

"So far as the public at large is concerned the remedy is publicity, and more publicity. If a party desires to put itself under the control of the Standard Oil or the sugar trust or the power trust and does so openly, no principle of popular control is violated if it does so. There is, however, an objection to its being put in a position where it is virtually forced to sell out behind the back of the public. The real objection to the large gifts which corporations made to the Republican Party in 1904 was not that the money came from corporations but that the voters did not know who was paying the bills of the party."\textsuperscript{20}

And so, in 1992, a full 60 years after Overacker's book was published, there is public consternation over "soft money" quietly pouring into the two political parties. Campaign contributions are meticulously documented and analyzed. Most public discourse surrounds the donors and the beneficiary candidates. Little attention has been directed toward the party leaders, the national party machines, and their relationship to major Washington lobbyists and the large, multibillion-dollar interests they represent.

The urban political machines around the turn of the century were organized substantially for selfish motives -- getting political power and material rewards for a select few political leaders. George Washington Plunkitt, the boss of New York City's notorious Tammany Hall machine, said that he made his fortune in politics by buying property that he knew in advance would escalate in price because of a planned subway line. Plunkitt made a distinction between honest graft and dishonest graft; the latter was outright corruption. But honest graft, Plunkitt said, was simply a matter of "I seen my opportunities and I took 'em."\textsuperscript{21}

Plunkitt is long gone, but his credo lives on. As journalist Brooks Jackson and others have pointed out, quite a few people in Washington these days apparently see their opportunities, and they are taking them. It is all within the very wide confines of the law.
FINDINGS

The national party chairmen are not household names. Their relative anonymity to the general population, however, belies their power and access in Washington. Thus, understanding more about who these men are and where they came from is an essential part of any serious attempt to learn how the parties actually operate today.

A biographical survey of the eleven elected national party chairmen who have served since 1977 is revealing. Since 1977, no women have served as national party chairmen, although both parties had women leaders earlier in the 1970s. Ronald H. Brown became the first black to serve as the chairman of either national political party when he was elected to head the Democratic National Committee in 1989. Generally, middle-aged white males are chosen to lead the national parties.

Since 1977, the average age of an elected chairman assuming office has been 47. Since 1977, the oldest man to become national party chairman was Clayton Yeutter, at age 60. The youngest man to be elected to the top post was Lee Atwater, at age 38.

Seven of the eleven elected chairmen, or 64 percent, hail from the Eastern Seaboard. Or, looked at slightly differently, four were born in the Northeast, four in the South or Southwest, two in the Midwest, and only one in the West (Utah). Since 1977, no one born or raised on the West Coast has served as the chairman of either party. Although Charles Manatt was a prominent attorney in Los Angeles before he became the chairman of the DNC, he was born in Chicago and grew up in Iowa.

All the chairmen elected since 1977 are college-educated, and six of the 11 are lawyers. The most degree-laden chairman to serve since 1977 has been Clayton Yeutter. He has a bachelor’s degree in agriculture, a law degree, and a doctorate in agricultural economics, all from the University of Nebraska.

Since 1977, the average tenure of the national party chairmen has been 2.9 years. The shortest stint to date is Richard N. Bond, the RNC’s current chairman, who has been in office only since February 1992. Two other chairmen, Kenneth Curtis and Clayton Yeutter, each served one year. Since 1977, easily the longest term as party chairman was Frank Fahrenkopf’s six years at the RNC, from 1983 to 1989.

The Challenges of the Times

This study is not intended to be a comprehensive examination of the evolution and development of the national political parties as the 20th century draws to a close. Obviously, most of our attention was spent analyzing the biographical backgrounds of the party chairmen, in the years since 1977.

Nonetheless, in that regard, several themes about the national party organizations emerged. First, while most Americans regard the political parties as aloof and irrelevant to their everyday concerns, and voter identification with the parties is quite low, the national party structures in Washington have grown and flourished in the past fifteen years. Considerable attention has been spent by the national parties on building strong, resilient financial bases and on effectively utilizing technological advances in polling, computer databases, direct-mail solicitation, and so forth.
As a result, today we have the largest, multi-million dollar political machines in history. The parties have become substantially bureaucratized and top-heavy with expenditures for political consultants, election lawyers, and other highly educated specialists. The emphasis on building grass-roots organizations has declined. These large machines seem somehow bloodless, workmanlike, and unemotional -- process, not particular issues, has become paramount. The techniques and the technologies of winning seem to have supplanted ideas and ideologies.

The party chairmen have, of course, been at the center of these developments. Two of the most important functions of the party chairmen are raising money and organizing spectacular political conventions. But beyond those required roles, party chairmen have faced different kinds of challenges over the years.

The two party chairmen who have faced the most political and financial adversity and are generally regarded as having achieved the greatest success in their positions, for example, are Republican Bill Brock and Democrat Charles Manatt.

Brock assumed the chairmanship of the RNC in the wake of Watergate. Manatt became the chairman of the DNC in 1980 after the party lost the White House and the Senate in the Reagan landslide. Both men implemented very successful direct-mail programs, putting the names and addresses of huge numbers of potential party supporters into databases. Both men built up the financial resources of their respective parties. Both men went against the flow of their party traditions: Brock cultivated small contributors to the Republican Party, and Manatt developed the Democratic Business Council and other mechanisms to encourage business support of the DNC.

In the power vacuums left to them because of electoral debacle, Brock and Manatt really were the public spokesmen for their parties. Because their parties did not control the White House, their power was more absolute. Because no president had hand picked them, they enjoyed exceptional independence and decision-making latitude.

Conversely, several party chairmen we interviewed -- Kenneth Curtis, John White, Richard Richards, Frank Fahrenkopf -- operated in the shadow of their party leader, the President. All four had good relationships with their respective presidents, Carter and Reagan. Curtis, however, felt victimized by the constant sniping and jockeying for position by Carter’s White House aides. White had to delicately steer the DNC through a bitter presidential primary feud between Carter and Senator Edward M. Kennedy of Massachusetts. Richards, though he had been the personal choice of Reagan, found himself accused of disloyalty and of not being conservative enough by right-wing Republicans. Fahrenkopf had to complement the White House and the 1984 Reagan-Bush reelection campaign organization, and he had the added burden of having a general chairman, Senator Paul Laxalt, imposed above him at the RNC.

Follow the Money

No matter who was chairman, no matter what the circumstances of the chairmanship, raising money was and remains a major preoccupation. Some chairmen, such as Fahrenkopf and Manatt, have prided
themselves on their fund-raising prowess. Other chairmen, notably Atwater and Bond, have been regarded more as political strategists.

Like a large hulking shadow, this engrossment in all things monetary cannot be healthy for any organization or process. Both parties each have at least three major structures that raise millions of dollars every year for disbursement into the electoral process. In addition, both parties employ accountants and lawyers who have devised clever ways to circumvent the numerous loopholes of the Federal Election Campaign Act. Hence, both parties now happily rake in tens of millions of dollars of "soft money" from large corporations, labor unions, and wealthy individuals.

Much has been said and written about the corrosive, corrupting influence of money in political campaigns. Simply stated, the legislative and executive processes at the federal level cannot be responsive to ordinary, everyday people -- taxpayers and consumers -- when access to the corridors of power in Washington is bought and sold.

A member of the GOP’s "Presidential Roundtable" gets to attend meetings with the President and other cabinet members. Members of the Democratic Business Council and other large Democratic donor groups mingle with the mighty in Congress. Would John Q. Public from Podunk be afforded the same privileges? Of course not.

As long as the national party organizations continue their inordinate emphasis on money, they will continue to drift away from the American people.

The 1992 Political Party Conventions

Nowhere is the headlong rush for cash by the political parties more blatant than at their quadrennial conventions. And no one has chronicled these excesses more thoroughly than Sheila Kaplan, a senior reporter at Legal Times. In a series of 1992 articles she illustrated the remarkably unabashed extent of corporate connections to the political parties.22

American Express Company, Time Warner, AT & T Company and the New York Telephone Company, a subsidiary of NYNEX Corporation, for example, each contributed more than $400,000 in cash and other support to help pay for this year's Democratic National Convention in New York City. In addition to literally scores of corporate receptions at posh restaurants and hotels in Manhattan, at which lobbyists and business executives could meet and talk with the nation's top Democratic officials, the most enterprising and colorful event was probably "Victory Train '92."

Not only would $25,000 or more get someone three tickets on the special VIP train from Washington's Union Station to New York City, but according to promotional literature quoted by Kaplan: "Once aboard, you'll be able to roam the train and enjoy the ride with Members of Congress, Democratic governors and mayors, and DNC contributors from across the country. Whether meeting new friends or enjoying the scenery through the glass wall of the observation car, the journey promises to be memorable."
Three hours of uninterrupted access to a Capitol Hill lawmaker is indeed an alluring prospect for any lobbyist. No journalists were allowed on the special train chartered by the Democratic National Committee. Kaplan, however, was undaunted. She boarded the train and took copious notes, as well as numerous photographs of well-known lobbyists and elected officials laughing and enjoying the rolling party. Later, in New York, the uninvited Kaplan visited several corporate receptions, where the same kind of exclusive, high-priced “schmoozing” was occurring.

The Center talked with Joan Baggett, the DNC chief of staff, about Victory Train ’92. For the past year, she said, the DNC tried “to get members for our finance council, labor council, business council, which are just regular contributors that contribute both federal and nonfederal dollars to the DNC. We tried to recruit members to that. As part of membership in those councils, we said there would be activities at the convention that would essentially service our donors [emphasis added]. You know, do receptions for them. And we viewed the train sort of as one long reception, quite frankly. It’s a victory train to New York. We thought it’s a nice part to the package. So that’s who participated in it. We never allow reporters into our fund raising.”

When asked if such an event is “a lobbyist’s dream,” Baggett said: “Quite honestly, if somebody’s given $5,000, or somebody’s given $20,000, they can be on the train; I mean, along with all the [DNC] staff. So, there was no feel of exclusivity to it except to the extent they were donors . . . and there were members. But, people go to fund-raising receptions all the time here. Do they have a captive audience? No. But frankly, if a member of Congress doesn’t want to talk to you if he’s on a train, I’ve never seen it deter them to be rude to you if they need to.

“The people who were on the train -- quite honestly, I wasn’t on the train, but I roughly know who they were -- don’t have any problem getting in to see members of Congress.”

The Republican National Convention in Houston had a similar matter-of-factness when it came to soliciting and servicing donors. Kaplan again documented the various corporate receptions and extravaganzas.

The Houston Host Committee raised more than $4 million from corporations to help support the many receptions and gala events. Dupont Conoco, Exxon Corporation, Shell Oil Company, Pennzoil Company, and Enron Corporation each contributed at least $250,000. AT & T, which had earlier helped finance Democratic convention events, contributed $450,000 in cash and in kind to the Republicans. Texaco, Inc., Occidental Chemical Corporation, and Tenneco Corporation all, according to Kaplan, contributed at least $100,000.

At the climactic moment of an elaborate reception hosted by Atlantic Richfield Corporation, a small “Victory Train” appeared and chugged noisily into the crowd. Waving happily to the exclusive group were none other than President George Bush and Vice President Dan Quayle.

Kaplan and Legal Times also reported other corporate celebrations, such as the four separate parties thrown for Senate Minority Leader Robert Dole of Kansas by RJR Nabisco, Southern Pacific
Transportation Company, Coastal Corporation, and the Pharmaceutical Manufacturers Association. No industry had a higher profile than the major tobacco companies. Besides the RJR Nabisco affair for Dole, U.S. Tobacco reportedly flew former president Gerald R. Ford in for a breakfast. Philip Morris was a key sponsor of a major luncheon attended by Bush and Quayle, as well as a separate event at which Quayle and Housing and Urban Development Secretary Jack Kemp spoke. And, of course, the Houston convention manager was former Bush aide Craig Fuller, now a senior vice president of Philip Morris.

These tobacco companies, as well as BellSouth Corporation, Goldman, Sachs & Company, and Paine Webber Inc., sponsored events at both the Democratic and Republican conventions. Large corporations hedge their political bets.

**Party Chairmen in a Mercenary Culture**

This peculiar corporate milieu in which the party leadership functions on a daily basis is the same milieu into which party chairmen move when their terms expire. Former DNC chairman John C. White, for example, now represents Coastal Corporation, the Tobacco Institute, and Goldman Sachs. Former DNC chairman Charles Manatt and his firm now represent, among many clients, the Tobacco Institute and Philip Morris. Former RNC chairman Bill Brock and his firm have represented, among others, American Express and Bell Atlantic. And when Richard N. Bond leaves his chairmanship of the RNC, he may return to the consulting firm he co-owns, Bond Donatelli, Inc., which counts among its many clients Enron Corporation.

What does all of this incestuousness between politics and commerce mean? For one thing, the parties and their elected chairmen seem to be far removed from the day-to-day economic realities that most Americans face. As part of this study, several themes emerged regarding the party chairmen and their relationships to corporate and other interests in Washington.

**Party Chairmen Have Major Access to Washington’s Inner Circles**

The leaders of America’s political parties are power players of the first order in Washington. RNC chairmen Richard Richards and Frank Fahrenkopf occasionally met with President Ronald Reagan and were in virtual daily contact with White House and other national officials. Lee Atwater, Clayton Yeutter, and Richard Bond have had similar, frequent access to President Bush, to the upper levels of the Bush Administration, and to Republican leaders in Congress.

DNC chairmen Kenneth Curtis and John White told the Center that they met often with President Jimmy Carter and, in fact, regularly attended and participated in Carter’s cabinet meetings. DNC chairmen Charles Manatt and Paul Kirk had frequent contact with the most powerful Democratic leaders of the Senate and House of Representatives. Both Manatt and Kirk placed an emphasis on courting business leaders into the Democratic Party. Groups such as the Democratic Business Council gave major corporate donors access to Congress.

Perhaps there is no more dramatic example of the value of the exclusive access to power in Washington than the current DNC chairman, Ronald Brown.
Every Wednesday morning when Congress is in session, an important group of Democratic House members meets in the Capitol. Sometimes House Speaker Thomas S. Foley of Washington and Majority Leader Richard A. Gephardt of Missouri attend these weekly meetings. Almost always the Majority Whip, Representative David Bonior of Michigan, is in attendance, with 50 deputy whips -- a designated Democratic lawmaker from each of the 50 states. The purpose of each week's meeting is to discuss legislative strategy, to go over the upcoming agenda, bill by bill, and to review the vote counts being kept by each deputy whip.

Brown attends these meetings as DNC chairman. Were it not for his continuing business relationship with the Washington law firm of Patton, Boggs & Blow, which has approximately 1,500 active corporate clients, Brown's attendance might not be so surprising. Brown has been receiving income from the firm since he became the DNC Chairman in 1989.

A Washington "consultant" who is also a loyal Democrat told the Center: "As a lobbyist, I would love to be sitting in on those weekly meetings. These are candid political conversations. . . . If I know someone on [the] Ways and Means [Committee] just isn’t going to buy the Gephardt point of view on health care, boy, I’d love to get on the phone and tell my clients that. It’s like getting the newspaper a day ahead. It’s worth thousands of dollars. As a lobbyist, you must act as a predictor [about legislation and policy]. If you’re getting a $50,000 fee, with this kind of stuff, you might get $70,000."

A veteran Democratic staff aide told the Center that anyone attending this weekly meeting is "right in the den; talk about entree."

Since 1977, Half of the Party Chairmen Have Received Outside Income

Five of the eleven elected chairmen of the DNC and RNC since 1977 have received outside remuneration from law firms or corporations in addition to their party salaries, even though the charters of both parties require the position of chairman to be "full-time."

DNC chairmen Charles Manatt and Paul Kirk were paid by their law firms while serving as party leaders. RNC chairman Frank Fahrenkopf was associated with three different law firms in Nevada and Washington during his party tenure. In addition to his salary as the RNC chairman, Clayton Yeutter received a consultant fee and received payments for serving on the boards of directors of three major corporations. Although he was never an elected chairman of the RNC, lobbyist Charles Black, in assisting his ailing friend Lee Atwater as the party's chief spokesman continued to be paid by his firm, Black, Manafort, Stone & Kelly. And during this period, Black reportedly never received a salary from the RNC.

The Washington Post reported that Atwater, as a "passive partner" at Black, Manafort, Stone & Kelly during his chairmanship of the RNC, was listed in corporate documents as a partner but received no firm earnings.

Of the eleven elected party chairmen who have served since 1977, no one has faced more conflict-of-interest questions than Brown. No chairman appears to have had more outside business activities. Brown
continues to receive income from Patton, Boggs & Blow, and while running the DNC he has solicited government business for both his law firm and the company he heads.

Brown declined to talk to the Center, despite more than two months of telephone calls and letters to his office. Brown was the only elected chairman of the past 15 years to decline the Center’s request for an interview.

No party chairman acknowledged ever lobbying on behalf of a client of his law firm. Indeed, each chairman interviewed expressly told the Center that he did not do any lobbying.

Aside from the controversial activities of Brown (see biography), the most publicized, single example of a party chairman “crossing the line” is Frank Fahrenkopf. In 1987, when Hogan and Hartson wanted to set up a high-level meeting on Toyota’s behalf with officials of the Commerce Department, the firm turned to Fahrenkopf, its highly placed “special counsel.” The RNC’s chairman not only arranged the meeting, but also attended it, along with Commerce Secretary Malcolm Baldrige, Commerce Undersecretary Bruce Smart, and Hogan and Hartson lawyers who were registered lobbyists for Toyota Motor Manufacturing USA. At the time, Fahrenkopf reportedly was receiving at least $100,000 a year from Hogan and Hartson.

In retrospect, Fahrenkopf told the Center, he would not have gone to the meeting -- not because he thought his attendance was improper, but because he thought it had “the appearance of impropriety.”

Little Consensus Among Party Chairmen About Appropriate Conduct

Every elected party chairman since 1977 with whom the Center spoke had some sort of opinion about whether the top party official should supplement his salary with outside income from law firms and corporations. Generally, the old adage, “Where you stand depends on where you sit,” seemed to hold. The chairmen who had steadfastly resisted such lucrative opportunities while in office were against the practice of outside work. The chairmen who had kept their ties to law firms or collected fees for serving on corporate boards of directors saw nothing wrong with the practice.

There was a common sentiment that the ethical lines have become blurred. As Bond put it: “My philosophical take is that I think it’s up to the individual to decide. My personal view of this is that the line has moved much further than it was back in the days of the previous chairmen, and that for the year that I’m going to have this job it’s much easier to make the financial sacrifice than to leave myself, the party, or the president open to irresponsible charges or to inaccurate charges. So it’s easier just to forgo than it is to be pounded.”

Richard Richards, a former chairman of the RNC, said bluntly: “The guy who is running the party ought to be in the business of running the party and not in the business of making money.... I don’t like to be a purist or a holier-than-thou kind of a thing, but I think the chairmanship of the party is a little different kind of a deal. It’s not something a guy ought to make a career out of. It’s a job that he ought to give some service to. This is a donation, so to speak, of some service, and it’s a difficult thing to do.”
Richards said that he declined lucrative offers from two law firms while he was the RNC chairman.

Bill Brock, a former chairman of the RNC, echoed Richards’s strong words: “I’m as close to a purist as you can get. I don’t begrudge people who may receive dividends made from an investment long ago. But I find it impossible not to act in nonprejudicial ways when on retainer to a law firm because it is inconceivable that the firm and the party’s interests coincide. I really have no right to comment on the other party’s rules, but [in] the Republican party, I think people should divorce themselves from external responsibilities. And what constitutes full-time to me is 60-70 hours a week, year in and year out. That doesn’t leave anytime for anything but your family. . . .

“I can’t imagine being the chairman of one of the major parties of the United States and not giving every ounce of energy. First, everything you’ve got has got to go on the line for that job. That is as important as being a senator, governor or a cabinet member. In some ways, it might be more. You are creating a system of empowerment for the American people. There just isn’t anything that is as important as that. I hate to think that maybe we need everything in writing, but maybe we need tighter rules. I guess we do need tighter rules that spell out these responsibilities. The basic problem is a legal [one]; in terms of the law end of it, we have a tendency to write rules for everyone but lawyers.”

Former RNC chairman Clayton Yeutter said: “I just don’t see how anybody, no matter how talented or bright they may be, can be a successful lawyer while also being a successful party chairman. Something has to give . . . . The individual cannot win in that position . . . . At some point in time you just have to realize, is it really worth it? You have to worry about perceptions.” Yeutter, however, didn’t worry about accepting corporate board fees and consultant fees during his RNC tenure.

Former DNC chairman John White said: “The charter or bylaws say that the job is full-time. I accepted that literally. I guess it’s [a matter of] personal interpretation. I haven’t discussed it with anyone. I think it means what it says.”

But the notion of party chairmanship as a public position, with attendant public responsibilities, was implausible to former RNC chairman Frank Fahrenkopf, who told the Center: “Remember, you’re not working for the government, you’re not talking about Congress, you’re not talking about getting a federal salary. . . . The Republican National Committee and the Democratic National Committee are private entities and they are run by private folks and they can set their own standards.”

There was generally common ground among the chairmen about doing favors for party contributors. Nearly all the chairmen said they had no problem with occasionally making a telephone call or setting up a meeting between a donor and government officials. Unacceptable behavior, though, would be attending such a meeting, as Fahrenkopf did in the Toyota matter.

“The bureaucracy is a very, very tough thing to get through,” Fahrenkopf said. “Providing the ability to get through, so long as that’s all it is . . . it happens all the time. Absolutely nothing wrong with that.
"I still in this town have a rule, and my rule is how will it look on the front page of The Washington Post tomorrow morning? I use the smell test. How will it smell? How will it look? . . . It's a pretty good test."

Finally, among the party chairmen elected since 1977, the professional options after leaving office seem to be completely unfettered and clear. There was no strong opinion against former chairmen becoming lobbyists. Indeed, the Center found that unless a chairman died or left Washington, he became a lobbyist.

Since 1977, Half the Party Chairman Have Been Registered Foreign Agents, Either Before or After Their Party Terms

Roughly half of America's political party chairmen have worked for foreign companies or governments either before or after their terms of office.

The current chairmen of the DNC and the RNC, Ronald Brown and Richard Bond, both represented foreign clients before assuming their party posts. Bond and his firm represented the Panamanian government-in-exile of President Eric Arturo Delvalle, which paid the firm $10,000 a month for six months in 1989. Brown represented Jean Claude "Baby Doc" Duvalier's Republic of Haiti from October 1982 until around February 1986, when Duvalier was forced to flee the country. Brown's firm, Patton, Boggs & Blow, received $12,500 a month from the Duvalier government. Also in the early 1980s, although he was not registered as a foreign agent at the Justice Department, Brown represented the Home Recording Rights Coalition, which included numerous U.S. subsidiaries of Japanese electronics manufacturers.

Former DNC chairman Charles Manatt and his firm were registered as foreign agents for the Jamaican Broadcasting Corporation, the Government of Jamaica and the Republic of Cyprus, and in 1987 he began to represent NEC Corporation as well. In February 1989, Richard V. Allen, Tom Korologos, and Manatt founded Credit International Bank of Washington, whose principal shareholders were from Japan, Korea, and Taiwan.

Former RNC chairman Bill Brock and his firm have represented foreign clients that include Airbus Industries of North America, Bacardi Company, Ltd., Panama Trade and Development, Taiwan, and United Distillers South-East Asia. The firm also has been retained as a subcontractor by Burson-Marsteller to assist the Mexican Ministry of Commerce and Industrial Relations.

Former RNC chairman Richard Richards has represented companies in Hong Kong and Bangkok and has also represented the office of the Prime Minister of Thailand.

Former RNC chairman Frank Fahrenkopf has represented Globe Nuclear Services and Supply since November 21, 1991. Globe Nuclear Services and Supply buys and sells uranium concentrates that are necessary for the development of nuclear weapons. More than half of G.N.S.S. is owned by V/O Techsnabexport, an economic organization of the former Soviet Union; the remainder is owed by NUEXCO Exchange A.G., a Swiss corporation.
Although the late RNC chairman Lee Atwater was never personally registered as a foreign agent at the Justice Department, his firm, Black, Manafort and Stone, received $3.4 million in foreign lobbying fees in 1985, including more than $900,000 from Philippine interests with ties to the late dictator Ferdinand Marcos.

Charles Black, a name partner of the firm who served as chief spokesman for the RNC during Atwater’s illness, has the most extensive Justice Department filings. In the mid-1980s, Black, Manafort, Stone and Kelly landed an $800,000 contract to represent the Bahamian government of Lynden Pindling. The Bahamas had become a hotbed of illicit drug-smuggling to the United States, and Pindling and other top government officials were under a cloud of suspicion by federal law enforcement authorities.

In 1989, Black, Manafort signed a million-dollar-a-year contract with Zaire’s President, Sese Seko Mobutu. Black’s firm has also taken on other countries with well-documented histories of human rights abuses, such as Kenya, Nigeria, and UNITA, the Angolan rebel organization headed by Jonas Savimbi.

A World In Which There Seems To, Be No Rules

Because the DNC and the RNC are private corporations, there are only a few disclosure requirements for top officials. Only some of their expenditures, for example, must be reported to the Federal Election Commission.

So far as the Center was able to tell, in conversations with attorneys for the DNC and the RNC, neither party has any ethical guidelines or conflict of interest standards for its senior officials.

Unlike 10,000 or so employees of the executive branch and judicial branches as well as members of Congress and top congressional employees, there is no requirement for the party chairmen to file annual financial disclosure reports.

Although both the DNC and the RNC told the Center that their chairmen do not accept honoraria for speeches or other appearances, there is no public place where any such information -- even just travel expenses in cases where the honoraria may be donated to charities -- is filed.

Most significant, the charters of both the DNC and the RNC require the chairmanship to be a full-time position. Nonetheless, half of the chairmen in the past fifteen years have received income from outside sources simultaneous to their party leadership service. These clauses in the party charters obviously are loosely interpreted and administered.
RECOMMENDATIONS

With extremely limited disclosure requirements, and charters that are all but ignored, it is indulging the public patience and trust for party chairmen to issue glib assurances that they do no lobbying.

The Center does not advocate specific legislation or public policies. At the same time, two reforms in the existing system would seem reasonable and necessary.

The disconcerting image of party officials conducting party business and private business at the same time only serves to further erode the public’s confidence and trust in government. The fact is, the party chairmen do have exceptional access and influence in Washington. With their public responsibilities to millions of contributors, as well as to American taxpayers in general, the time may have come for additional public accountability for the nation’s major political parties.

The DNC and RNC charters should further define and tighten the language around the respective clauses that deal with the issue of “full-time” chairmen. Unmistakably clear rules should be established to prohibit any party chairman from receiving income from a law firm, a consulting firm, a corporation, or any other outside entity during his term in office. If a prospective chairman can’t get by on an $140,000 or $150,000 annual salary, the party can do either of two things: find another chairman, or, remarkable as it sounds, boost the salary to preclude any possible rationale or excuse to moonlight as a consultant, lawyer, or lobbyist.

Moreover, the general counsels of the DNC and RNC, the Federal Election Commission, and the Republican and Democratic National Committees, should monitor and enforce any improved statute in the charter governing the extracurricular activities and potential for abuse of the party chairmen.

Personal disclosure requirements for the party chairmen would begin to clear the air on these issues. To date, we don’t really know how much chairmen are paid, or how much they are paid by their law firms while they serve as chairmen. Additional disclosure is entirely reasonable and, frankly, necessary.

Finally, journalists and academicians should perhaps begin to look at political parties in a somewhat more analytical light, beyond the normal convention hoopla and election tallies. The party leadership positions -- chairman, finance chairman, deputy chairman, and so on -- are tightly knit into the rest of Washington’s unique, mercenary fabric. The public is entitled to more information about the role of party leaders in the day-to-day, decision-making mechanics of Washington.
DEMOCRATIC NATIONAL COMMITTEE

CHAIRMEN

Kenneth M. Curtis, 1977-1978
Paul G. Kirk, Jr., 1985-1989
Ronald H. Brown, 1989-present
KENNETH CURTIS

Kenneth M. Curtis served as the chairman of the Democratic National Committee for one year from early 1977 to January 1978.

Curtis was born in 1932. He graduated from Cony High School in 1949 and received his Bachelor of Science degree from Maine Maritime Academy in 1952. That year, he was commissioned as an officer in the U.S. Merchant Marine, where he served from 1952 to 1958. He also served in the U.S. Naval Reserve from 1953 to 1965, and in an active capacity during the Korean War.

Curtis became involved in politics in 1959 as assistant to Democratic Representative James Oliver of Maine. In 1961, he worked in the legal division of the Library of Congress's Legislative Research Service. From 1961 to 1964, he served as the Maine Field Coordinator for the Commerce Department's Area Redevelopment Administration. He was Maine's Secretary of State from 1965 to 1966 and its Governor from 1967 to 1975.

Curtis received his law degree from Portland University Law School in 1959. After he finished his service as Governor, he entered into private practice with Curtis, Thaxter, Corey, Lipez & Stevens in Portland.

In 1977, President Jimmy Carter asked Curtis to be the chairman of the Democratic National Committee. The two men had become good friends as fellow members of the Democratic Governors' Caucus, working to "bridge the gap between the Eastern establishment of Democratic governors and the Southern governors," Curtis recalled in an interview with the Center. "We became close friends, and I campaigned for him, and he got elected, and that's how I [got] this thankless job."

No Outside Income

During his tenure as DNC Chairman, Curtis received no income from his Maine law firm, nor did he do any consulting or lobbying on behalf of any interest. "President Carter wanted to treat me basically in the same manner as a member of the Cabinet, so I severed all my relationships with the law firm and . . . I did not serve on any boards," Curtis told the Center. "I had no outside income other than maybe a few CDs."

Assessing His Tenure

Curtis's short tenure as DNC chairman was notable in two ways. First, because the achievement of party unity had to originate from the Democratic White House rather than from DNC headquarters, Curtis had less real, unimpeded authority than party leaders who have served during Republican administrations. Although Curtis's access and loyalty to Carter was obvious and considerable, on more than one occasion he demonstrated a steely independence in keeping the DNC insulated from White House political operations and the political demands of traditional Democratic interests.23
This style became evident at the beginning of his term, in April 1977. When the DNC had to choose 25 members, Curtis attempted to ensure ethnic and gender balances by submitting his own list of nominees. George Meany, the president of the AFL-CIO, handed Curtis the names he expected to be chosen — a list of eight men, seven of them white. Thus, the responsibility for gender balance apparently was to rest on other interest groups. Curtis refused to play the game — his “final” list had 37 names, not 25. According to The New Republic, he told the executive committee, “Nominate as many additional names as you wish . . . then pick 25 and give me a balanced slate, please.”²⁴ The process took much longer than it might have, but the White House was happy with the result.²⁵

“Probably [the selection process] still was politically not the right thing to do, but on the other hand, it was an impossible task because there were 25 at-large appointments, and George Meany wanted . . . white males to fill at least half of those,” Curtis recalled in an interview with the Center. “I sort of double-crossed Meany; I gave him his 12 labor people, but they all, some of them white males, came from various labor unions, none of which were recommended by him. But they did come from organized labor.”

Curtis acted essentially as a member of Carter’s Cabinet. He participated in “all those meetings with the President,” Curtis said. “I used to see the same thing. I used to see people being very deferential to the President, not telling him they were opposed, and the meeting would break up with the President feeling very good, and then the leaders would go back to the House, to the Hill, and do just the opposite.”

This communications problem plagued Curtis as chairman of the party. As Curtis recalled, “The biggest lesson I think you see is how heady White House staff people get, how strong they take the power trip, and how much they invoke in the name of the President in the White House on their own initiative.”

Curtis encountered considerable difficulties with White House staffers who wanted him to change the convention rules to favor Carter. “If a sitting President has to change the rules to get renominated,” Curtis told the Center, “he’s in deep trouble.” Changing the rules, he thought, would just “stir up all the elements of the Democratic Party over a useless exercise.” Still more frustrating to Curtis was that White House staffers were pushing the rules change even though Carter himself had solidly affirmed the standing rules when he was a candidate.²⁶

Near the end of his term, Curtis became enmeshed in the controversy over the Panama Canal. The White House sought a statement of support from the DNC for Carter’s position on the Canal in response to a condemnation that the RNC had passed. The DNC’s resolution was eventually reduced to an affirmation of “the ratification process”; a result that was considered “a partial rejection of the President’s position.”²⁷ Curtis ended up with the blame; unfairly in the view of The New Republic, which thought that the White House bore the burden of lobbying through its own idea.²⁸ The incident was a second major instance of White House interference with the operation of the Democratic National Committee — interference that was rebuffed by the independent-minded Curtis.

“There were some third-level White House staffers who took it upon themselves to give me directions on how to run the national committee,” Curtis told the Center. “A lot of things they asked me to do that, number one, I didn’t think were proper, and number two, I just thought were particularly meaningless in that context.”
Curtis's frustration was compounded by the mixed nature of the signals -- he was receiving positive feedback from Carter. "At times I had just finished coming from talking to the President at the Oval Office, and we were discussing things, positive things," he recalled. "And then [I would] go out and, two days later, have a third-level staffer take it upon himself to say the President was unhappy with me.

"And conditions kept getting worse until, finally, one day, I just resigned and got out of it."

Curtis submitted his resignation in December 1977. In a recent interview with the Center, he said, "In retrospect I probably should have stayed, to support the President, but at the time I'd had about all that I wanted."

Life After the DNC

From October 1979 to February 1981, Curtis served as the U.S. Ambassador to Canada, after which he returned to private practice at Curtis, Thaxter, Stevens, Broder & Micoleau. Curtis has been on a leave of absence from the firm since October 1, 1986, when he became the President of his alma mater, the Maine Maritime Academy. He has served in that position to the present.
JOHN C. WHITE

John C. White served as the chairman of the Democratic National Committee from January 1978 to February 1981.

White was born in rural Texas in 1924. He attended Texas Tech and received a Bachelor of Science degree in animal husbandry. White was elected as the Texas Commissioner of Agriculture and served in that office from January 1951 to March 1977. At the time, he was the youngest person ever elected to statewide office in the United States. He was reelected 12 times.

From March 1977 to January 1978, White, as Deputy Secretary of Agriculture in the Carter Administration, acted as the chief administrative officer responsible for implementation of national and international agriculture policy. He also served under that title as chief departmental leader in negotiations with foreign governments, including the Soviet Union with regard to grain agreements.

White was referred to as Carter’s choice for DNC chairman. “I had a strong relationship with Carter, business and social,” White told the Center. “I was given certain privileges to attend Cabinet meetings and meetings every Tuesday with the President and his Cabinet. Few party chairmen have had this opportunity since FDR. This gave me the opportunity to speak to Democrats from the President.”

No Outside Income

During his tenure as DNC Chairman, White said, he received no income from an outside law firm, nor did he do any consulting or lobbying on behalf of any interest. “The [DNC] Charter or Bylaws say that the job is full-time,” he told the Center. “I accepted that literally. I guess it’s personal interpretation. I haven’t discussed it with anyone. [But] I think it means what it says.”

Assessing His Tenure

Early in his term, White recognized the importance and benefits of helping Democrats in the 1978 mid-term elections. He is credited with creating a better organization of lobbying and with forging more openness between the White House and Congress. During his tenure, the DNC’s fund-raising activities broke all previous marks and the party’s debt, both old and new, was substantially eliminated. During this period, the party also adopted more progressive delegate selection rules and further extended its outreach to minorities, women, and other previously underrepresented groups.

White, however, now has some second thoughts about the wisdom of the Democratic Party’s extensive efforts to achieve proportional representation among delegates. Sometimes he wonders if his greatest achievement wasn’t also his “most outstanding mistake.” Myriad organized interests, he told the Center, have made a national consensus extraordinarily difficult and burdensome.

White’s most difficult political challenge as a chairman came when Senator Edward M. Kennedy of Massachusetts challenged President Carter for the party’s nomination in 1980.
After learning of Kennedy's intentions, White met with the Massachusetts senator. "I said that the party apparatus would be neutral, but I personally would do everything I could for Carter," White recalled. "Kennedy said, 'I hope you would, just as John Bailey would have done for my brother.'" White said that his biggest failure as chairman was the 1980 Democratic convention in New York City, in which Kennedy -- despite having no numerical chance of upsetting Carter for the nomination -- literally and figuratively turned his back on the incumbent President. White had hoped for a compelling show of party unity.

Not surprisingly, White's closeness to Carter led to friction with the Kennedy forces. Years later, White told a reporter for the Associated Press about his recollections of Kennedy campaign officials Paul G. Kirk, Jr., and Ronald H. Brown -- both of whom would later become DNC chairmen. "They were around the office all the time, mostly with a press release demanding my resignation," White said. 30

Aside from the Kennedy challenge in 1980, White was faced with other vexing problems uncommon to the other party chairmen who have served in the past 15 years. There were allegations of criminal misconduct against White in 1980 involving fugitive financier Robert Vesco. An FBI investigation revealed an alleged attempt by associates of Vesco to bribe President Carter and two top aides, Hamilton Jordan and White, during his tenure at the DNC. The alleged bribe of $7.5 million was to be split among Carter, Jordan and White in return for securing approval of the sale of aircraft to Libya in 1979. White, purportedly the key figure in the deal, denied any wrongdoing. Republican Senator Orrin G. Hatch of Utah leveled serious allegations of misconduct against the Justice Department for its handling of the Vesco affair. Stu Pierson, White's attorney, told a reporter for the United Press International: "The purpose of the whole [Senate Judiciary] Committee interest at the time it occurred was the 1980 election. There was one clear purpose -- it was Hatch's intention to sully the Democratic Party and to do it through what he was saying about the party chairman." 31

The Senate Committee also investigated reports that Vesco tried to buy influence in the Carter Administration to avoid extradition to the United States to face the pending criminal charges against him. 32

The Committee also disclosed that the FBI had once authorized a $25,000 bribe offer to White as part of the ABSCAM investigation. The Senate panel also charged that White got "special treatment" from the U.S. Attorney's office in New York when he was specifically informed of the evidence against him. 33

White, in testifying before the Senate Committee, denied that he had done anything improper. He recounted to the Center that the whole Vesco matter and being targeted by Hatch's committee was an "embittering process." Despite the flurry of accusations and negative publicity, no charges were ever brought.

On December 10, 1980 -- just weeks after Carter's humiliating electoral defeat -- the party's executive committee met to determine what to do about its platform and its chairman. As reported in The Washington Post, the meeting was an outlet for venting frustrations over the way the party had been managed.
“State party leaders,” the Post’s account said, “complained that the national party had ignored them, drained money needed for state activities, and reformed itself almost out of business.” In February, White resigned as DNC chairman and passed the leadership of the Democratic National Committee to Charles T. Manatt.

Life After the DNC

Since 1981, White has headed White Consulting Group, a consulting firm that specializes in political, government, and business affairs. It represents such national and international interests as the Coastal Corporation, the Tobacco Institute, the Chicago Mercantile Exchange, Goldman, Sachs and Company, and AMGEN.

White told the Center that, in 1981, he “fully intended to go home after my chairmanship.” But after the Coastal Corporation, an oil and gas giant based in Houston, Texas, retained him to help with a specific piece of legislation, what was originally intended to be a six-month job turned into a lucrative consulting practice. White Consulting Group is a small firm, and its offices are adjacent to Coastal Corporation’s Washington office. Coastal is White’s principal account.

And so, since leaving the Democratic National Committee chairmanship, White has become the quintessential insider lobbyist. He often lunches at different posh Washington restaurants twice in the same day.

White’s principal client, Coastal Corporation, has provided jets to government officials. “There’s sort of a code,” White told Business Week. “You don’t talk about business. It would be improper. But no Senator or Congressman ever gets mad at you for providing flights.” Indeed, White told a reporter for The Washington Post, he even got a call from Senator Robert Dole requesting a flight to Kansas after tornadoes ripped through his state. Coastal provided a plane the next morning. White told the Post that Coastal and other companies with corporate jets are kept on lists by the campaign committees and some Capital Hill lawmakers.

White also has been successful as a lobbyist for the Chicago Mercantile Exchange. White modestly remarked about his lobbying efforts for the Merc to The Los Angeles Times: “The PAC and honorarium program gives you the opportunity to make your case. But I don’t know that it would get a guy to vote with you or do something he felt was wrong.”

When the Center asked White about his representation of the Tobacco Institute, he replied, “I’m basically an agricultural scientist. There’s nothing for certain. There are fads and hypertension about red meat, spices, salt, stress. I have a healthy cynicism. I don’t smoke anymore. This is still the United States, and if you’re an adult, then you know the hazards. Life is a balance of hazards. I’m not for behavioral control. They want to go around controlling everyone’s life . . . from everything to cigarettes. It’s worse now than it’s ever been. I thing we’re getting too much behavioral control. Tobacco pays large amounts in taxes to the government. Tobacco people pay their load.”
CHARLES T. MANATT


Manatt was born in Chicago, but grew up near Audubon, Iowa. He received a bachelor of science degree from Iowa State University in 1958 and a J.D. degree from George Washington University Law School in 1962. In 1964, Manatt, specializing in banking law, set up his own law practice in Los Angeles. Today, his firm has more than 100 attorneys in two offices, Los Angeles and Washington, D.C.

Manatt has been active in Democratic politics since his undergraduate days at Iowa State. He has been the chairman of the California and Southern California Democratic Party (1971-1977), the chairman of the Western States Conference Democratic Party (1972-1976), a Democratic National Committeeman (1976-present), and the chairman of the party’s National Finance Council (1978-1981).

In 1973, Manatt co-founded First Los Angeles Bank, and he currently serves as a member of its board of directors. From 1979 to 1980, he was the President of the California Bankers Association and the American Bankers Association Council. Manatt currently serves on the boards of directors of Federal Express Corporation and General Telephone Company of California. He is also vice chairman of the National Endowment for Democracy.

As the spokesperson for the Democratic Party in the wake of the 1980 Republican landslide, Manatt’s chairmanship of the DNC was seen as the national “alternative to Reaganism.” Manatt was a successful lawyer and banker who, it was hoped, could steer the debt-beleaguered Democratic Party along business lines and reorganize it. He embarked on a major reform program. He had in his favor a Democratic majority in the House of Representatives and a majority of the nation’s governors. As Bill Brock had done for the Republican National Committee, Manatt launched a direct-mail fund-raising campaign. Voter registration also increased during this time.

Outside Income

During his tenure as the DNC chairman, Manatt also received an annual income from his law firm, Manatt, Phelps, Phillips and Kantor. He told the Center that during his tenure, he did no lobbying or consulting on behalf of any interest.

While Manatt served as the DNC chairman, his firm’s representation of clients at times produced awkward situations for the elected party official and senior partner in the firm, and the specter of conflict arose at least once. Phil Gailey and Warren Weaver, Jr., of The New York Times reported: “In the natural course of his political business, Charles T. Manatt, the Democrats’ national chairman, runs into a lot of Members of Congress. As a result, when his law firm turns up as registered lobbyists for a dozen clients with keen interests on Capitol Hill, the old conflict-of-interest question arises: Could the chairman be tempted to use his party office and influence for private gain?”
In an interview with the Center, Manatt said: “When you’re party chairman, you’ve got a 150 percent job. And it would have been different if I had ever been in this office [his Washington law office]. I had never been here in this office. . . . I got over here a few times, but not a whole lot.

“You have to keep the thing entirely separate. You can’t lobby; you don’t lobby. You can imagine, with Ron Brown now in the midst of the Boggs clients. Fahrenkopf joined Hogan and Hartson; obviously they’ve got some lobbying clients. If you keep the two separate and you don’t violate that rule, then you shouldn’t have any difficulty.”

When asked in the interview how he handled his relationship with his firm while he was the DNC chairman, Manatt replied: “I knew what people did in the past. And we consulted with several people, including a distinguished gentleman at Hogan and Hartson who was our counsel, and who I think is [Democratic presidential nominee Bill] Clinton’s counsel. He recommended a reduction of draw from the law firm and taking a small piece of, but not the entire salary that the [DNC] charter allowed, which at that time was what a congressperson or Senator made. So, I took a more than or equal amount of reduction of draw from the firm and half or a small amount from the charter, so it couldn’t be that I didn’t take any salary at all from the party.”

Assessing His Tenure

Compared to some of the other party chairmen of the past 15 years, Manatt displayed a serious, activist interest in the policies propounded by the Democratic Party and Democratic Members of Congress. He said that as the DNC chairman, he “set up for maybe the first time ever, regular meetings . . . with congressional leadership to help craft primarily the issues to highlight.”

Manatt wanted to strengthen the party’s ties to the business community and recruited wealthy business people to run for office. Because the Democratic Party was in debt, he managed to float loans from Bank of America and Chase Manhattan. He created the Democratic Business Council, which required annual membership contributions of $10,000 from individuals and $15,000 from corporations. The council formed task forces and sponsored debates to help develop party policy.44

Most important, Manatt managed to attract new members and contributors to the Democratic Party. Executives from Allied-Signal, Inc.; Boeing Company; General Dynamics; Grumman Corporation; United Technologies Corporation; and Tiger International, Inc. joined. Also participating were investment bankers, real estate developers, top executives of high-tech companies, and lower-ranking executives in major corporations such as General Electric Company and natural gas companies.45 All of this was unusual and new by recent, traditional Democratic Party standards.

In 1981, the United States’s proposed sale of radar planes (AWACS) to Saudi Arabia angered Israel. Israel’s concern for its security galvanized Manatt to lobby extensively on Capitol Hill against the proposed AWACS deal, to win back American Jewish voters to the Democratic Party.46

Manatt reportedly used his position as the DNC’s chairman to push other policy positions. As The Nation reported: “Manatt and other multinational Democrats were moving to affect the character of the
antinuclear debate in a way that would still further strengthen the Democrats’ ties with the business community.” The Democrats endorsed the nuclear freeze and the paring down of strategic nuclear programs.

When asked to reflect on what he regarded as his biggest achievement as the chairman of the DNC, Manatt said: “My job was to modernize the party -- computerization, communications, and direct mail. No one ever had the guts or the foolishness to build a party headquarters, so they were all over town and scattered all over . . . . We really tried to re-lay a foundation for the party after the Reagan landslide.”

Although Manatt told the Center that he never lobbied anyone while he served as the DNC chairman, The Washington Post reported that, in the spring of 1982, a Democratic Business Council letter with his signature was sent to Members of Congress, asking them to give “consideration” to arguments for preserving tax-leasing provisions of the 1981 Tax Act. At the time, Manatt’s firm was representing Manufacturers Hanover Leasing Corporation, which paid at least $12,000 in fees to get the leasing provisions reversed.48

The Post reported that the letter went out without Manatt’s knowledge and that he apologized to labor groups after the incident.49 In the interview with the Center, Manatt said, “We should have never done it that way.”

Another situation in which Manatt said he had been “nicked” by criticism in the press involved allegations that he had lobbied on behalf of John McMillian, the chairman of Northwest Alaskan Pipeline Company, who wanted to obtain congressional waivers to ease financing of pipelines.50 A 1977 law required the pipeline to be privately financed, but the waivers would allow investors in the project to recoup some of its costs from gas customers even if the system never delivered any gas.51 Consumer groups said that the waivers were extraneous and criticized Manatt as one of the lobbyists advocating them.52 Manatt’s firm also represented Northwest Alaskan Pipeline on an unrelated matter in 1982, receiving at least $52,000 in fees.53

“We [Manatt, Phelps] did some work for the Northwest Alaskan Pipeline Company but not on that issue,” Manatt told the Center. “They [the press] picked that up, assuming we covered that issue. And if I said, those were the two times I said I was nicked, those were the two times, which, isn’t to say that I’m perfect. You’re not being perfect by being nicked at least a few times, and that was my feeling at the time.”

Life After the DNC

In 1985, after four years as the DNC chairman, Manatt returned to his law firm. His first client was the Los Angeles Bank in Century City, where he had served as chairman since 1973.54 As of September 1985, Manatt and his firm were registered at the Justice Department as foreign agents for the Jamaican Broadcasting Corporation, the Government of Jamaica and the Republic of Cyprus, and in 1987 he began to represent NEC Corporation as well.
As reported by Reuters, Representative (now Senator) Hank Brown, a Republican from Colorado, said at a news conference, "It is outrageous that individuals entrusted with federal funds for use in foreign countries could lobby for governments of those countries." Manatt was a board member of the National Endowment for Democracy, which Reuters described as "a government-funded institute created by Congress in 1983 to promote democracy abroad." According to Brown, Manatt was a foreign agent for Jamaica, where the NED approved funding for projects and meetings.

According to Foreign Agent Registration Act (FARA) documents filed with the Justice Department, Manatt advised the Government of Jamaica on developments affecting the country's interests in the legislative and executive branches; the contract was terminated in May 1987. His representation of the Government of Cyprus before the legislative and executive branches included advising it on issues relating to the illegal transshipment of apparel from Turkey to the United States via the occupied area of Cyprus. In recent years, Manatt has assisted Cyprus in the registration of wine products at the U.S. Bureau of Alcohol, Tobacco and Firearms. His representation of Cyprus ended in March 1989, yet this client was registered again in October of 1989. Manatt currently lobbies for NEC Corporation before the U.S. Trade Representative against tariff sanctions on selected Japanese products being exported to the United States, particularly NEC's Automated Fingerprint Identification System. Manatt's contract with the Jamaican Broadcasting Corporation was terminated in June 1987.

When asked how, as a former chairman of the DNC, he could justify representing Japanese and other overseas foreign interests that compete directly with U.S. companies, Manatt replied: "If the foreign factories come over here and start companies to manufacture widgets or cars, creating jobs for American workers, investing in plants in Chicago and St. Louis, how is that different if the investment is here for American workers? And an American company that is instead laying people off? To me it's better, because it's creating capital formation and money flow and what have you."

Manatt also said that his law firm represents "American companies [and] international companies. We're in California; . . . the Japanese and Chinese were in California long before I ever was."

Manatt's firm has numerous banks as clients -- indeed, it has represented more than 200 financial institutions. For years, the firm's most important work was legislative lobbying for the banking industry, as well as the representation of banking clients before federal regulators. Manatt gave his firm its economic base by his handling of changing California's banking laws and procedures of the 1970s when his firm was just starting out.

The May 6, 1985, edition of Legal Times reported that Manatt's firm represented bank Leumi and the Japanese-owned Golden State Sanwa Bank and Tokai Bank. In January 1986, the American Bankers Association, which Manatt represented, attacked a bill that sought to raise revenue by raising taxes on banks. In 1988, American Banker reported that Manatt represented the California Bankers Association, which wanted to "head off . . . attempts to extend the moratorium on new bank powers and to play a greater role in shaping federal banking legislation."

Capital Bank, as: "Politics and business: Now the mix involves formation of a new Washington bank. The connection was made on a golf course . . . " Founder Allen told the Times that "The bank will emphasize personalized banking services and hopes to capture 'high net worth' customers who can deposit or borrow more than $100,000." Manatt and Korologos were, indeed, golfing partners of Richard Allen. Allen was President Reagan's National Security Adviser, and has served as vice chairman of the International Democratic Union. Allen's government service was clouded by scandal, although it is important to note that no actual charges were ever filed against him, and indeed, the Justice Department absolved Allen of the most serious allegation against him. Korologos is a lobbyist and former adviser to the Reagan administration. And Manatt balanced out the trio by representing the Democrats, as the former chairman of the DNC. So, not only were the two major political parties represented in the bank, but also, to be truly international and politically impartial, the principal shareholders were from Japan, Korea, and Taiwan. The bank is owned by the directors and Asian business groups: a Japanese insurance company, a Korean conglomerate, one of Taiwan's largest corporations, and a large shipping group in Hong Kong. Manatt told the Center that the shareholders "are a lot of Dick Allen's friends."

In addition to the plethora of banking interests it counts among its clients, Manatt, Phelps have represented numerous energy companies, insurance corporations, medical interests, real estate companies, such transportation-related corporations as Nissan, United Airlines, Santa Fe Railroad, TX Air Corporation, defense giants such as Boeing and Northrop, entertainment companies such as MCA and Twentieth Century Fox Film Corporation, the Tobacco Institute and Philip Morris Management Corporation.
PAUL G. KIRK, JR.

Paul G. Kirk, Jr., served as the chairman of the Democratic National Committee from February 1985 to February 1989.

Kirk, the son of a former Massachusetts Supreme Judicial Court judge, was born in Newton, Massachusetts on January 18, 1938. He grew up in Newton, graduating from St. Sebastian's Needham High School in 1956. Kirk received a Bachelor of Science degree from Harvard College in 1960 and a law degree from Harvard Law School in 1964, after which he became an assistant district attorney in Middlesex County, East Cambridge, Massachusetts. During this time, Kirk also worked for a five-lawyer law firm in Boston.

Kirk served in the military in several capacities. In 1961, he was a 2nd Lieutenant, Platoon Leader in the Army (Infantry). From 1962 to 1966, he was on active duty as 1st Lieutenant, Aide-de-Camp to the Commanding General in the 197th Infantry Brigade. He then served on active reserve duty as Captain of the 3rd Judge Advocate General Battalion for four years. From 1969 to 1973 Kirk was on standby reserve until his honorable discharge.

Kirk began his political career in 1969 in Washington under Senator Edward M. Kennedy of Massachusetts. He was assistant counsel to the Senate Judiciary Subcommittee on Administrative Practices and Procedures, which Kennedy chaired. At this time, Kirk was also counsel to the Assistant Senate Majority Leader.

In 1971, Kirk left the Subcommittee's staff to become a special assistant to Senator Kennedy. He concentrated on political and legal affairs and became Kennedy's liaison with Massachusetts state officials and elected party leaders across the nation.

In 1978, Kirk returned to private practice, joining the Boston-based law firm of Sullivan and Worcester as a partner. He spent about forty percent of his time in Boston and the rest in Washington.

Kirk's ties to Kennedy, nevertheless, remained strong. In 1980, he took a leave of absence from Sullivan and Worcester to become the national political director of Kennedy's presidential campaign. After the campaign, Kirk resumed his practice with Sullivan and Worcester. In 1981 and 1982, he also represented Senator Kennedy in his divorce from Joan Kennedy.

On July 15, 1983, Kirk was elected treasurer of the Democratic National Committee. In his victory speech, Kirk predicted that President Reagan "will decide wisely not to seek reelection in 1984." If Reagan decided to run, Kirk declared, he would not win because his administration had "elevated selfishness to the level of a deliberate national policy."

While serving as the DNC treasurer, Kirk maintained his partnership in Sullivan and Worcester. This position is not intended to be a full-time job. Some of Sullivan and Worcester's clients included Alaska Lumber and Pulp, Inc., Marion Laboratories, Dollar Savings Bank, Washington Mutual Savings Bank, and the Monarch Wine Company of Georgia.
Sullivan and Worcester also, was registered with the Justice Department as a foreign agent for Teleglobe Canada, a telecommunications company in Montreal, from April 23, 1982 to February 1, 1985, and for Deutsche Bank, an international bank located in Frankfurt, West Germany, from November 2, 1977 to February 1, 1985.

**Outside Income While Chairman**

On that day, February 1, Kirk was elected chairman of the Democratic National Committee. He remained a partner in Sullivan and Worcester while on a leave of absence. Although on a leave, Kirk received $100,000 to $200,000 annually from the firm during his tenure as DNC chairman. A spokesman for the DNC told *The Washington Post* in 1987 that “Kirk has never sought to advance the interests of a client of the law firm before any branch of government since taking the DNC chairmanship.”

In a recent interview with the Center, Kirk explained his philosophy. “There was a DNC charter which calls for the chairman being a full-time chairman,” he said. “Given . . . the large challenges that faced the Democratic Party and the next chairman, plus the fact that there seemed to be an increasing cynicism of the general public about politics in general, . . . I basically came in and devoted full-time and did not engage in any practice of law, whether it was lobbying or traditional practice of law.”

In 1987, Kirk told *Legal Times*: “My plan and expectation is to return to the firm after my term here. If there are any benefits that might accrue to the firm from my taking this job, it would be a longer-term benefit.”

Although he still received an annual income from Sullivan and Worcester, today Kirk says that he believes his chairmanship of the DNC wasn’t particularly helpful to the firm: “Because I was chairman, I don’t think the firm benefited one iota . . .,” he told the Center. “I wasn’t there practicing, generating business, and was off doing this other mindless business for four years. My contribution to the firm was much less than [it] would have been had I been practicing.”

So why did Kirk seek the DNC chairmanship?

“I ran more out of anger than out of reason,” he told the Center. The Democratic Party had just suffered a landslide loss with President Reagan painting Walter F. Mondale, he said, as “the special interests candidate” under “the special interest party.” “The special interests that I affiliated with that tag used to be the rich corporate elite,” Kirk recalled, “and now the Democrats were being portrayed as a special interest party because they represented minorities and were sensitive to women.”

**Assessing His Tenure**

As DNC chairman, Kirk told the Center, he wanted to “help set a different tone about the party, change its perception, try to change its image.” He wanted to unite the Democratic Party so that its seams would not continue to appear larger than the whole fabric. “Somehow the component parts of the Democratic Party became larger than the whole,” he said. He thought that a major political party “had to speak to the issues that were of a national interest, to a national audience, and not . . . deliver special messages to different groups and caucuses.” Kirk, therefore, sought to redirect the party’s agenda away
from narrow, specific concerns, and to reclaim the broader American values of work, family, and neighborhood -- values that Reagan had transformed into essentially Republican code words. This change in the party's tone consisted of a "shift toward the center from the activist wing to the governing wing," as Al From, the executive director of the Democratic Leadership Council, described it.26

Kirk has also been credited with helping to unify and enrich the Democratic Party. Not only did Kirk gain support from the South (which did not originally endorse him because of his old and longstanding ties to Kennedy), but he also ended official recognition of six caucuses within the party to pull it together as a cohesive whole.27 In addition, Kirk successfully worked with both the conservative wing of the Democratic Party, led by former Virginia Governor Charles Robb, and the left wing, led by Jesse Jackson.28

Kirk also tried to do away with early endorsements in the presidential primaries. In his view, Mondale's strategy of securing early endorsements from various groups -- environmental, labor, and so forth -- had made it easy for the Republicans to attack the Democrats as "the special interests party." Furthermore, Kirk said, he worried that in 1984, "there would be wounds inflicted upon the ultimate nominee by the primary opponents that the general election competition would then pick up and bang away." To combat this, Kirk developed what he called a "unity task force" to pull together a consensus in the primaries.

Finally, Kirk replaced the mid-term Democratic convention with the Democratic Policy Commission. Not only did the mid-term conference cost upwards of $2 million, according to Kirk, it did not produce "a lot of significant policy." He described the Democratic Policy Commission as "a hundred elected officials -- men and women -- to various levels of the electoral ladders at various regions of the country." The purpose of the commission was to highlight some of the Democrats' most successful policies and programs at the state and local levels and to advance them in the 1986 mid-term elections and the 1988 presidential election. The Democrats, he reasoned, then would be able to draft a more coherent message and to use the money conserved from not having a mid-term conference to help win back a majority in the Senate.

When asked about his frustrations with his chairmanship, Kirk said, "In our system of government, you are the party leader in an organizational sense, but unlike the parliamentary system, you are not the party leader in the sense of government or public policy." He added that he would have liked to have had more influence with Congress and on policy. "It is tough for a party chairman to be able to speak as he or she would like to be able to speak on matters of public policy," he said, "because it is looked upon as sort of the province of those -- and correctly -- that are elected by the people." Mainly through the Democratic Policy Commission, however, Kirk tried to build a relationship between the national committee and elected officials across the nation.

Despite significant pressure to serve another term, Kirk stepped down as the chairman of the DNC on February 10, 1989, after refocusing the party and imposing a "new sense of discipline and . . . modernization" on its infrastructure. During a news conference on December 5, 1988, Kirk said that "each of us choose a season and a time to make our own contribution at whatever level of the public domain"
and that the time had come for him to resign. "During these four years, I have spoken of the value of politics, and I have worked to practice the politics of values and to enhance respect for our political parties and for public institutions," he said. "If it can be recorded that during this Democratic National Chairman’s season and time that something was given back [and] some small mark was left on the greatest political party in the greatest country in the world, then I will leave satisfied that my purpose was also fulfilled."

Life After the DNC

Kirk returned to Sullivan and Worcester as its managing partner. Since 1989, some of Sullivan and Worcester’s clients have included Upjohn Company, a pharmaceutical company; Kansas City Southern Industries, and Marion Merrel Dow, Inc.

On August 30, 1989, Kirk was elected to the board of directors of International Telephone and Telegraph (ITT).

On June 13, 1991, Kirk testified before a hearing of the House Energy and Commerce Subcommittee Telecommunications on political advertising. "Further discounted time or free time, particularly if there are no campaign spending limits, will only increase the number of manipulated and manufactured messages and saturate the television airwaves," Kirk said.
RONALD H. BROWN

Ronald Harmon Brown was elected chairman of the Democratic National Committee on February 10, 1989.

Despite three months of letters and telephone calls to the DNC, Brown did not respond to the Center’s request for an interview. The Center did meet with Joan Baggett, DNC chief of staff, who served as Brown’s spokesperson. “Chairman Brown could not meet with you because of election-year scheduling,” Baggett told the Center. The first request for an interview was made on June 6, 1992.

Brown was born on August 1, 1941, in Washington, D.C., where both of his parents had graduated from Howard University. He grew up in Harlem and attended college preparatory schools on New York City’s Upper West Side.

Brown graduated from Middlebury College in 1962; he later became a member of the college’s board of trustees. In 1963 he began a four-year stint in the Army, serving in Germany and Korea.

After he returned from the army, Brown worked at the National Urban League during the day and at night studied law at St. John’s University, where Mario S. Cuomo was one of his professors.

In 1973 Brown moved to Washington, becoming vice president for Washington operations and chief Washington spokesman for the Urban League. Brown told The Washington Post that one of the reasons he left the moderate civil rights organization in 1979 was that he “was tired of being limited by a small pond. . . . You know, I was an expert on all things black.”

Brown joined Senator Edward M. Kennedy’s 1980 presidential campaign as deputy national campaign manager and California campaign manager. Brown served briefly as chief counsel to Kennedy’s Judiciary Committee.

Brown left Kennedy and the Judiciary Committee in 1981 and became a partner of Patton, Boggs & Blow, one of Washington’s most powerful law and lobbying firms. Patton, Boggs employs approximately 200 lawyers in offices in Baltimore; Boulder, Colorado; Denver; Dallas; Greensboro, North Carolina; Miami; Pinehurst, North Carolina; Raleigh, North Carolina; Warsaw, Poland; and Washington. Patton, Boggs is best known for its access and influence within the Democratic Party, and no one better illustrates those connections than name partner Thomas Hale Boggs, Jr., son of the late House Majority Leader Hale Boggs and retired Representative Corinne “Lindy” Boggs of Louisiana. With a client list that numbers more than 5,000 (about 1,500 are currently active), the firm is known for the diverse and sometimes controversial clientele it attracts.

When Brown came to Patton, Boggs from the Senate, he told Washington Post reporter Thomas B. Edsall that his committee work had helped him bring in the Home Recording Rights Coalition, a group of electronics and recording equipment manufacturers that included eleven Japanese subsidiaries, which were involved in a costly and important battle with recording companies over home-taping rights -- an issue
that was before Brown’s old committee. “It was because frankly I had just come off the Judiciary Committee and I had some expertise,” he told the Post.84

Besides the members of the Home Recording Rights Coalition, the Post also reported that Brown had helped to bring American Express and the Government of Haiti to Patton, Boggs.85 Both became his clients.

In 1982, Brown first filed with the Justice Department under the Foreign Agents Registration Act, listing the Government of the Sultanate of Oman; Procesadora de Carne, S.A.; Duty Free Shoppers, Ltd.; Hampton-Windsor (Republic of Zaire); the Republic of Gabon; Asociacion de Azucareros de Guatemala; Japan Air Lines; E. Palicio y Cia., S.A.; Por Larrañaga, Fabrica de Tabacos, S.A.; Menendez, Garcia y Cia., Ltd.; and the Republic of Haiti.

As first reported by columnist Jack Anderson, Patton, Boggs was paid $12,500 a month by Haiti’s Duvalier government until 1986, when the Duvaliers were forced to flee the country. The contract was signed by Brown and three of Duvalier’s ministers. The Duvalier regime committed numerous human-rights atrocities, and it left Haiti the poorest country in the Western hemisphere. Anderson cited Amnesty International as reporting that “Haitian authorities under Baby Doc arbitrarily arrested, tortured, and killed his enemies.”86

Brown has repeatedly said that he did not work for the Duvaliers, but for the Republic of Haiti. “The Duvalier family has never been a client of my law firm or for me,” he said at a press conference in February 1989 after becoming the DNC chairman. “As I indicated, I worked for the foreign ministry of the government. I was not involved in any of the personal affairs of the family. I barely met the family. I met the president on two occasions over a three-and-a-half year period. So we never had any involvement either on a client basis or any other basis with the family.”87

Anderson, however, reported that according to Justice Department records, lawyers at Patton, Boggs met with federal prosecutors regarding Duvalier’s brother-in-law, Franz Bennet, who was arrested in the United States on drug-trafficking charges about six months before Brown was hired.88

Brown said at the press conference that he had “no apologies to make” for his representation of Haiti. He said that there were human-rights improvements in Haiti during the period he represented the nation, citing an increase in humanitarian aid from the United States.89 Brown told Anderson that though he had “apprehensions” about working for the dictatorship, he thought he could “do more good than harm.”90

In the late 1980s, Brown reportedly was still close to several officials from the Duvalier regime who were living in Washington, including Jean-Robert Estime, Duvalier’s former minister of foreign affairs.91

According to Justice Department records, Brown’s foreign-agent registration remained active even after he became the chairman of the DNC. This does not necessarily mean that Brown actively lobbied

In 1981 Brown was chief counsel to the Democratic National Committee. From 1982 to 1985, he served as the DNC deputy chairman under chairman Charles T. Manatt. He served on the DNC executive committee in 1988.


In 1985 Brown founded Capital/PEBSCO, a company that sells and promotes the District of Columbia’s public employees deferred compensation plan. Brown is president of the company.


Originally offered the job of managing the Rev. Jesse Jackson’s 1988 presidential campaign, a post he declined, Brown ultimately served as Jackson’s convention manager, where he was involved in rewriting the rules for delegate selection. Brown is also credited with building a coalition with the Dukakis forces, for whom he later served as a senior political adviser.

Brown’s campaign to head the DNC, which many referred to as “meticulous,” reportedly cost more than $250,000, an unspecified amount of which came from Patton, Boggs. Timothy J. May, the firm’s managing partner, told the Center that while Patton, Boggs does not make political contributions, individual lawyers within the firm do. From them, May estimated that Brown could have raised $30,000 to $40,000.

According to Gwen Ifill of The New York Times, Brown assembled “such an insider’s campaign that all of his competitors dropped out before the election.” Brown had early endorsements from Senator Kennedy, Senator Bill Bradley of New Jersey, and Governor Mario Cuomo of New York. Jackson later threw in his support as well.

Brown’s election as DNC chairman made him the first African-American in history to head one of the nation’s major political parties.
Assessing His Tenure

Brown said that he would continue outgoing chairman Paul Kirk’s policy of not recognizing certain caucuses, including those representing women, gays, and various racial and ethnic groups. He said that he would perhaps change the delegate rules that he had helped to reformulate in 1988, but that he did not want a major overhaul.

Known as a great conciliator, a coalition-builder, and a tireless organizer, Brown is credited by many as being the force behind the smoothest and most cohesive Democratic convention in recent memory. The 1992 convention at Madison Square Garden in New York City was one of the most congenial, unified Democratic gatherings on record, and the party’s presidential nominee, Bill Clinton, emerged with a 20-point margin over President George Bush in public opinion polls.

Outside Income While Chairman

Since becoming DNC chairman in 1989, Brown has continued to receive income from Patton, Boggs & Blow, and he has maintained business relationships with at least three private companies. He has also solicited government business for both his law firm and for his own company.

Exactly how much of Brown’s time has been spent on these non-DNC activities is unclear. “I spend 100 percent of my time trying to promote the Democratic Party and to build an institution to elect Democrats,” Brown told The Wall Street Journal in 1992. Records obtained by the Center, however, contradict his assertion. The many hats worn by Brown as the chairman of the DNC have been the subject of national newspaper and television stories that criticized him for possible conflicts of interest and also raised questions about other prominent Democrats associated with Brown.

Joan Baggett, DNC chief of staff, acknowledged to the Center that a party chairman has extraordinary access to public officials. “Could somebody use it?” she said. “Sure they could, but you know there’s really not any way I think you’re ever going to have an ideal world where both public officials and party officials couldn’t misuse access. . . . It goes to the issue of legislating ethics.”

Timothy May, the managing partner of Patton, Boggs & Blow, told the Center that the idea is ridiculous “that someone is chairman of a party and has influence and that they can’t employ this influence to help clients. . . . There’s no problem. It only gets into conflict of interest [when helping the client] would damage the interests of the party.”

Patton, Boggs & Blow

Brown is a partner of Patton, Boggs & Blow and he continues to draw a salary from the firm, although it is “considerably less than he used to make,” May told the Center. Brown has maintained that he is an “inactive” member of the firm and does not represent any clients.
However, Baggett confirmed to the Center that in 1989 -- after he had become DNC chairman -- Brown made at least one business trip to Japan for Patton, Boggs & Blow.

The 1991 edition of Washington Representatives lists Patton, Boggs's clients as having included: the Ad Hoc Coalition for Intermarket Coordination; Air Products and Chemicals, Inc.; Arnco Inc.; Association of Trial Lawyers of America; Baltimore, Maryland; BIC Corporation; Bristol-Myers Squibb Company; Castle & Cooke; Columbia Farm Credit District; Costa Rican Foreign Trade Committee; Falconwood Corporation; General Electric Company; Halogenated Solvents Industry Alliance; Hillenbrand Industries; Marathon Oil Company; Northwest Forest Resource Council; Smokeless Tobacco Council; United States Tobacco Company; Waste Management, Inc.; Western Forest Industries Association; and XTRA Corporation.¹⁰¹

Regarding the possibility of any contact by Patton, Boggs with Brown on behalf of specific clients, May told the Center: “Nobody has ever asked me, ‘Will you get Ron Brown to lobby for me?’”

A prospective client, however, could seek out the DNC chairman at one of the parties thrown by Patton, Boggs in Brown’s honor. ‘The firm hosted a reception for Brown in 1988 on his return from the Democratic convention. The party was a perfect chance to promote Patton, Boggs, according to May, who said that the firm’s clients were able to mix with politicians, including Jesse Jackson.

After Brown won the DNC chairmanship, Patton, Boggs hosted a victory party for him at the Washington Hilton. The party was attended mostly by “politics,” May told the Center.

And Patton, Boggs was there for Brown’s most recent success at the 1992 Democratic National Convention, hosting a party in his honor at Tatou, a posh Manhattan supper club, which was attended by a mix of powerful politicians and business interests.¹⁰² Baggett told the Center that the DNC wasn’t involved in the planning of the event. “This may have started out as a surprise reception,” she said. “I mean, we certainly had no contact here. They [Patton, Boggs] didn’t call me and say: ‘We’re thinking of throwing a reception. Is that a good idea?’”

For years, the powerful Washington law firm has attracted a variety of unpopular clients. Although the firm helped to get Congress to approve a bailout plan for Chrysler Corporation in 1979, a decade later the firm was lobbying for reduced tariffs for American dealers of imported trucks. The turnaround enraged Chrysler’s chairman, Lee A. Iacocca. But Thomas Hale Boggs, Jr., the firm’s most celebrated lobbyist, told The New York Times, “We basically pick our clients by taking the first one who comes in the door.”¹⁰³

Justice Department records list myriad foreign clients that Patton, Boggs has represented, including the Japan Aviation Electronics Industry, Ltd., which paid a $15 million fine after pleading guilty to breaking the United Nations embargo on arms sales to Iran during the Iran-Iraq war.¹⁰⁴ The firm has also represented the Government of Guatemala, which has been widely criticized for its human rights abuses. Patton, Boggs reportedly was paid $120,000 to help Egypt with military procurement.¹⁰⁵ And then there are what have been perhaps the firm’s most controversial clients, Bank of Credit and Commerce International and its majority shareholder, the Abu Dhabi Investment Authority. Alleged to be the most notoriously corrupt bank in history, BCCI is currently under seven federal grand jury investigations.
According to Legal Times, two Patton, Boggs partners were called to testify before a New York City grand jury investigating BCCI. They told the Center that the firm had taken BCCI on as a client after the scandal erupted and that the firm’s “skirts were clean.”

Brown, His Law Firm, and Municipal Contracts

In the late 1980s, Brown began to develop lobbying and municipal finance relationships with large U.S. cities. At the recent Democratic National Convention in New York City, two mayors whose cities have done business with Brown were granted the rare privilege of speaking from the podium: Mayor Sharon Pratt Kelly of Washington, D.C., and Mayor Wellington Webb of Denver.

Brown is registered in the House of Representatives as having lobbied for Wayne County, Michigan, from June 20, 1988, to April 11, 1989. Wayne County contains Detroit and its suburbs.

In addition, Brown has represented the city and county of Denver since 1988. Baggett told the Center that Brown has not done any lobbying for Denver since he became chairman. When told that the Center had obtained a 1992 contract between Patton, Boggs & Blow and Denver that was signed by Brown, Baggett replied that it must simply have been the renewal of an existing contract.

In the current contract between Patton, Boggs and the city and county of Denver (and in all previous contracts dating back to 1988), Brown is named as the head of the lobbying effort, and his signature is on the contract. Section XIII, “Coordination and Liaison” reads: “The Contractor’s performance of this Agreement shall be led and coordinated by Ronald H. Brown, a partner in Contractor’s firm, or such different representative designated by the Contractor, as is satisfactory to the City.” Under the contract, Denver is paying Patton, Boggs $210,000 a year.

May offered his view of what Brown’s relationship with Denver is, or should be. “I’m not aware of whether Ron has done any [work for Denver] other than keeping the client,” he told the Center. He explained that since Brown had brought Denver in during a previous administration, he was expected to foster a positive working relationship with the new one. “They have a new mayor and a new city council now, and he should be helping with the personal relationship,” May said. “It’s important to have a good personal relationship with your client. I assume he has done and did do that.”

When asked at his inaugural press conference in February 1989 how his new position would affect his lobbying practice, such as for Denver, Brown replied: “The chairmanship of the Democratic National Committee is a full-time position. I intend to be a full-time chairman.”

Brown and the District of Columbia

In July 1991, Mayor Sharon Pratt Kelly named Patton, Boggs as interim bond counsel to the District of Columbia, even though it had very little such experience. Brown founded the firm’s public finance department in 1988, before he became DNC chairman. Although Brown is not a bond specialist, Patton, Boggs’s proposal was submitted to the Kelly administration in his name.
The award raised eyebrows in the public finance community and among some city council members, who felt that Kelly was playing politics with the contract by giving it to the firm of the chairman of the DNC.113

“\textquote I don’t think the fact that he [Brown] was chairman had anything to do with it,” May told the Center. “I think it was the fact that it was Ron Brown and he is a prominent Democrat and an old friend of the Mayor’s.”

Brown is an old friend and long-time political ally of Kelly, a former treasurer of the DNC. With the mayor’s husband, James Kelly, Brown is part-owner of Washington radio station WKYS-FM, where Brown’s wife works.114 Mr. Kelly was set to sell concessions at the 1992 national convention, but the contract was dropped by the DNC when news reports disclosed the chairman’s business connections with the Kelly administration. Previously, Mr. Kelly had done business with the DNC under Brown.115

At the time the interim contract was awarded, the District expected to sell $332 million in bonds. According to its proposed fee schedule, Patton, Boggs expected to make more than $180,000 from the bond sales during the contract.116

“Bond business is going to be handed out to people who are your political friends,” May told the Center.

The four-month contract to Patton, Boggs, which it shared with another firm, was to precede the District’s selection of a permanent bond counsel for a three-year contract. Although District officials denied that the temporary award would give Patton, Boggs an advantage in winning the permanent contract, critics felt otherwise.117 And when the permanent selections were made, Patton, Boggs was named as one of six firms that would be bond counsel to the District.

Patton, Boggs’s proposal acknowledged the firm’s lack of experience, noting that it had not been listed in The Bond Buyer’s Municipal Marketplace, the national accreditation required to do bond work in most municipalities, until 1988. “Until recently, Patton, Boggs was almost exclusively a Washington, D.C., law firm, and the opportunities for Washington firms to gain experience as bond counsel are limited,” the proposal said.118

“I doubt without Ron’s presence we would have gotten the job,” May told the Center. “It certainly gave us an edge.”

May added, however, that Brown does not get full credit for the contract. “He didn’t go down to city hall and say, ‘Hey, it’s me, Ron,’” May said. “We had to bring in a lot of other partners to pull together the proposal and to do the actual work. So he’s had to share the credit with a lot of people.”

In September 1991, while Patton, Boggs & Blow was still interim counsel, the District brought in Lewis, White, Clay, Roxborough & Tillerson to assist it with a bond issue. According to several bond lawyers, the issue was complicated and required special expertise. Nonetheless, critics felt that it underscored Patton, Boggs’s inexperience in the field.119

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The Patton, Boggs proposal said that Brown had “headed the firm’s public finance practice since its inception,” although he is not listed as one of the lawyers who would perform day-to-day work for the District. Brown’s chairmanship of the DNC was trumpeted in the biographies provided with the proposal, along with his other political credentials, which showed his work with Senator Kennedy, Jesse Jackson, and the Dukakis-Bentsen campaign.\(^{120}\)

A member of the Patton, Boggs bond team, partner John Vogel, told the Center that Brown does not do any day-to-day work on bond issues because, “as you can imagine, he’s pretty busy with his other job.” But, Vogel said, Brown is “kept advised on a regular basis about what the issues are and he gives advice when appropriate.”

Critics of the contract award have focused on Patton, Boggs’s paucity of bond experience compared to other firms that competed for the contract. “On one level I was surprised because of the lack of Patton, Boggs’s municipal finance experience,” said a prominent bond lawyer in the District, “but on the other hand I wasn’t surprised because Ron Brown was involved.”

The proposal stated that Brown “will oversee Patton, Boggs’s overall performance of bond counsel services, coordinate the assignment of professional personnel to the assignment, and have final authority in all legal matters.”\(^{121}\) And although the proposal said that he “will be available for consultation with senior District officials,” Brown told The Wall Street Journal in July 1992 that he had “attended no meetings with the city.”\(^{122}\)

A prominent bond lawyer told the Center that he felt that there was little harm in awarding the permanent contract for political reasons, because Patton, Boggs & Blow was going to share the work with several other firms. The prestige of working for the District, he said, would help get the firm additional municipal finance work. As of the publication date, Patton, Boggs had not yet worked on a bond issue since becoming permanent counsel for the District, according to Vogel.

Patton, Boggs has not made very much money doing bond work, May told the Center. In fact, he said, “I wouldn’t mind losing” the District’s bond counsel business.

When asked by the Center if Brown would have sought a contract with the District if he had known how controversial it would be, Baggett replied: “Probably not.”

**Chemfix**

The award of a city contract worth more than $200 million to a company with ties to Brown has raised questions of political influence on the part of the DNC chairman and a number of other prominent Democrats and big-city officials, including former Vice President Walter Mondale, New York City Mayor David Dinkins, and Los Angeles Mayor Tom Bradley. Allegations of impropriety have been the subject of investigations by the Manhattan District Attorney, the New York City Department of Investigation, the Securities and Exchange Commission, and the New York U.S. Attorney’s office.

On April 13, 1990, New York City awarded a seven-year, $210 million contract to Renewable Earth Products of New York City (REPNYC) as part of a city program designed to comply with a 1988 federal law that prohibited ocean dumping of industrial and human sewage waste, or sludge. REPNYC was a joint venture of the waste management companies Chemfix Technologies Incorporated, whose board included Brown and a number of other prominent Democrats, and Air & Water Technologies Corporation.

Chemfix had had major problems in a number of cities and lost business in four, primarily from the overpowering ammonia odor produced by its process.¹²³ High cost and poor management had also reportedly been problems.

Both Brown and Mondale, who sat on the board of Air & Water Technologies, had substantial stock holdings in their respective companies.

On July 11, 1990, Brown announced that New York City would be the site of the 1992 Democratic National Convention. In the fight between New Orleans and New York for the honor, which was expected to bring several hundred million dollars in revenues to the winning city, Mayor Dinkins personally lobbied his old friend Brown.¹²⁴

One month before Dinkins made the award to Chemfix, he received an unsolicited letter from another of Brown’s old friends and political allies, Los Angeles Mayor Tom Bradley. Bradley’s letter praised the sludge firm for its “reliability and flexibility,” and said that Chemfix had “served Los Angeles well.” The March 7 letter made no mention of the fact that Los Angeles had discontinued its contract only two months earlier because of the foul odor, poor management, and high cost.¹²⁵

Dinkins’s First Deputy Mayor, Norman Steisel, found Bradley’s endorsement of Chemfix so odd that when he forwarded it to the city commissioner in charge of the sludge program, he attached a note that said, in part: “This seems unusual -- a mayor pushing a private interest.”¹²⁶

Bradley has denied any improprieties, saying that he had merely written a letter of introduction at the request of Chemfix officials.¹²⁷ Through a spokesman, he told *The Los Angeles Times* that he had only recently become aware of Brown’s connection with Chemfix.¹²⁸ Brown was not on the waste treatment firm’s board of directors at the time of the Los Angeles contract award.

Concern about the foul odor, high cost, and legal loopholes in the contract with the Chemfix affiliate brought criticism from New York City Comptroller Elizabeth Holtzman, four borough presidents, and a variety of city and state legislators.¹²⁹ City Councilwoman Carolyn Maloney filed a formal protest against the entire sludge-treatment program for allegedly violating competitive bidding rules.
Chemfix provided “misleading and incomplete information” about its history, according to Holtzman’s statement before the Mayor’s Office of Contracts. In the technical proposal it submitted to the city, “Chemfix listed five localities where it claimed to be operating sludge treatment facilities. In fact, at that time, it was operating facilities in only two of them; in the other three, contracts had been cancelled. And, of the two that were operating at the time, one has since been cancelled,” Holtzman testified.130

Regardless of Chemfix’s perceived problems, Brown has repeatedly denied suggestions of a “back-room deal” with Dinkins. “It is absurd to suggest that New York was chosen to host an event as important as my party’s nominating convention in order to help a company’s bid for a contract,” Brown wrote in letters to The New Republic and The Washington Post, in reaction to a column by Michael Kinsley that raised questions of Brown’s influence in the award to the Chemfix affiliate.

Kinsley’s response in The New Republic illustrates the nuances that can arise in any discussion of “influence-peddling.”

“I did not ‘insinuate’ that Mr. Brown ‘became affiliated’ with the sludge company ‘in order to assist’ in getting the New York City contract,” Kinsley wrote, quoting from Brown’s letter. “One point of the column was that the influence trade is not so crude. What I insinuated was that having a prominent black Democrat on the board is useful to a company that sells sludge contracts to big-city governments. Mr. Brown doesn’t deny my real insinuation.”132

Brown, Dinkins, Bradley, and Mondale have categorically denied any improper conduct in the award of the contract. The DNC provided the Center with a copy of a letter from Brown to ABC News president Roone Arledge. In the letter, Brown said that despite the allegations and suggestions of impropriety made by “20/20” and Newsday, he has not been accused by the authorities of any wrongdoing.133

In addition to Brown, the board of the Louisiana-based Chemfix Technologies included a number of other influential Democrats: Thomas Hale Boggs, Jr., a founding partner of Brown’s firm; Moon Landrieu, a former Housing and Urban Development Secretary (in the Carter Administration) and the former mayor of New Orleans; S. Lee Kling, who has held a variety of posts in the DNC and is also a prominent Democratic fund-raiser; and Daniel Silverman, Jr., and Daniel Silverman, III, father and son of a family that has made large donations to Democratic candidates.

Representing Renewable Earth Products in the contract negotiations with New York City was Patton, Boggs & Blow and former Dinkins campaign counsel Harold Ickes. This year, Ickes served as manager of the Democratic National Convention in New York City. Patton, Boggs, according to Brown’s letter to ABC, has represented Chemfix since before he joined the firm in 1981.134

The nine-member board of directors of Air and Water Technologies boasted not only former Vice President Mondale, but three former officials of the Environmental Protection Agency. Eckhardt C. Beck, the chairman of the board, is a former EPA assistant administrator for water and waste management.135
The Center for Public Integrity spoke with Staten Island Borough President Guy Molinari, a Republican who conducted his own investigation into the city’s sludge program, including the Chemfix affiliate. “It was our suspicion that political influence had a very serious bearing” on the award to REPNYC, he said. When asked if he was suggesting that Brown sat down and made a deal with Dinkins, Molinari replied: “Ron Brown is smooth, and I’m sure that he himself would not do that . . . he wouldn’t inject himself. He’d have someone from the corporate structure call and do that.

“I’m not going to make the charge that it was a quid pro quo, but it certainly deserves some inquiry.”

In his letter to ABC, as well as his letters to The Washington Post and The New Republic, Brown attacked the suggestion that his being on the board of Chemfix had anything to do with the New York City contract award or with his “political clout.” He added: “I have been on the Chemfix board since 1982, long before I was a ‘power’ in Democratic politics.”

In 1982 Brown became the deputy chairman of the DNC; previously, he had been chief counsel to the Senate Judiciary Committee and the deputy manager of a presidential campaign. Although Brown left Chemfix’s board after 1985 and did not return until 1988, he was on the board of National Environmental Controls, a Chemfix affiliate, from 1982 to 1987.

According to news reports, law enforcement agencies originally began to probe the award to the Chemfix-affiliate when, on April 19, 1990, four days before the REPNYC contract award was publicly announced, a stock analyst in Texas issued an early-buy recommendation that sent the price of Chemfix stock soaring over the next three months, to nearly twice its original value. During this price boom, several Chemfix officers and directors, including Brown, exercised stock options that allowed them to purchase shares at a special low price.

On July 12, 1990, the day after New York City was selected as the site for the 1992 Democratic convention, Brown exercised a special stock option that allowed him to buy 5,000 shares of Chemfix stock, which was then trading for $10.75 apiece, for $2.57. This brought Brown’s total Chemfix holdings to 16,212 shares. Brown did not sell the stock while he was on the Chemfix board of directors. Walter Mondale, a director of AWT, had sold more than 4,000 shares of Air & Water Technologies stock on July 11.

In his letter to ABC, Brown wrote that the date of his stock purchase “had nothing whatever to do with the convention announcement” and that his “failure to exercise it at that time would have forever eliminated my ability to do so.” He explained that such options were commonly granted to directors of corporations, and that the option prices and expiration dates were established years in advance. Therefore his purchase, which came after the announcements of the contract award and the convention site, was “the very antithesis of insider trading or improper conduct,” Brown said.

In an affidavit to the New York City Department of Environmental Protection, Mondale denied any improprieties.
A New York City spokesperson confirmed to The Washington Post that the SEC had begun an investigation into possible stock leaks related to the Chemfix contract. The SEC was reportedly brought in by the New York City Department of Investigation, which was alerted to the Texas analyst's stock tip by the New York City Department of Environmental Protection.

The U.S. Attorney's office in Manhattan also reportedly began an investigation, but has refused to confirm or deny its existence.

On March 12, 1992, the Manhattan District Attorney's office issued a subpoena to the New York City Department of Environmental Protection as part of an investigation of New York City's entire $1 billion sludge program. The sweeping subpoena asked for all records of the agency's communication with a large number of individuals, agencies, and companies, including: Brown; Bradley; Patton, Boggs & Blow; Steisel; Ickes; Chemfix; and Air & Water Technologies.

"We are involved with an investigation," Mike Cherkasky, the chief of the Investigations Division for the Manhattan District Attorney, told the Center. "There are subpoenas issued which deal with Mr. Brown's correspondence and his involvements with certain agencies in New York."

Cherkasky refused to comment further on the contents of the other subpoenas, but he stressed that being named in a subpoena does not imply criminal charges. "The fact that we issue a subpoena is meaningless," Cherkasky told the Center. "I can't emphasize enough how the press turns it into something it's not.

"This is an instance where there are at least twenty different people of public note that have been involved with sludge contracting. The fact that there may be the barest accusations against them, [even though it is] enough to have us begin an investigation, doesn't mean that there are charges."

The D.A.'s office has refused to confirm or deny the existence of any investigation of Brown, but the office's August 4, 1992, response to a Freedom of Information request from the Center for Public Integrity, asking for all documents "relating to the criminal investigation of Ronald H. Brown, who is on the board of Chemfix Technologies, Inc.,” brought this reply:

Please be advised that I have completed my review of your request for information regarding Ronald H. Brown and Chemfix Technologies, Inc. Your request for the above mentioned information is denied pursuant to Public Officers Law S 87 (2) (e) (i) and (iii), insofar as the disclosure of the information would interfere with a law enforcement investigation and may identify a confidential source and disclose confidential information relating to a criminal investigation.

On November 7, 1991, after eighteen months of contract negotiations, Chemfix, citing the bad publicity, dropped out of New York City's sludge program. According to Newsday, its letter to the city said, in part: "This proposed project has received such an unjust tainting and its political support has been so eroded that its chances for successful implementation with reasonable terms have been seriously jeopardized."
Repeated calls to Chemfix by the Center were not returned. After the rash of news coverage, which reportedly drove his press secretary to tears, Brown declined to run for another term on Chemfix’s board of directors when his term expired in 1992.¹⁴⁵

In an unrelated criminal investigation, a wholly owned subsidiary of Chemfix, Environmental Industrial Research Associates, pleaded guilty on February 6, 1992, to a December 4, 1991 North Carolina grand jury indictment for defrauding the Environmental Protection Agency. The company, which had a contract with the EPA as part of the Superfund cleanup, deliberately provided false information to make a claim for payment with the EPA.¹⁴⁶

Capital/PEBSCO

In February 1992, the District of Columbia awarded a contract estimated to be worth $700,000 to Capital/PEBSCO, whose president is Brown. Brown founded Capital/PEBSCO in 1985, and from 1985 to 1992 the company co-administered the District’s public employee deferred compensation plan with another company. When the contract came up for renewal in 1992, sole responsibility for the more than $100 million in funds was transferred to Brown’s firm and Public Employees Benefits Services Corporation (PEBSCO). PEBSCO is a wholly owned subsidiary of Nationwide Corporation, a Columbus, Ohio, mutual fund manager and holding company with interests in insurance, health insurance investment, and unemployment and workers compensation cost control services.

The contract award prompted an official protest from Copeland Associates, Inc., which had administered the District’s deferred compensation plan with the PEBSCO-Capital/PEBSCO “joint venture” since 1985 but was left out when the contract was renewed. In its protest Copeland asserted that “Capital/PEBSCO, Inc., lacks the capacity to perform any of the services called for under the request for proposal and never performed any meaningful services under the existing contract.”¹⁴⁷ Copeland’s lawyers refused to comment on the protest, which was dismissed by the District of Columbia Contract Appeals Board.

Mark Koogler, a lawyer for PEBSCO, told the Center that PEBSCO and Capital/PEBSCO have different owners and that they mutually contract with each other to provide services to the District. According to Koogler, the actual administration of the plan is done at the home office in Columbus, while Capital/PEBSCO is “part of the marketing force.”

“For practical purposes, they [PEBSCO] have found that a good way in which to add credibility to their resources here in Columbus, to have a local presence, is to connect up with a local firm, which happens in this case to be Capital/PEBSCO,” Koogler told the Center.

An added feature, of course, is Brown himself. “We’ve recognized him as a person who we believe has credibility in the District, who is familiar with the territory,” Koogler said.

Joan Baggett, DNC chief of staff, told the Center that Brown started Capital/PEBSCO years before he became the DNC chairman and that he does not actively do anything for the company. According to records filed with the District of Columbia Contract Appeals Board, however, Brown personally
represented Capital/PEBSCO before the District’s selection committee on December 2, 1991. He also
signed numerous proposals, contracts, and other correspondence between the city and his company.  

Brown also helps PEBSCO get contracts in other cities around the country, according to Koogler,
who told the Center that Brown is a “Business Development Adviser” for PEBSCO, which he described
as someone who can “open the door” and “lend credibility” when PEBSCO solicits business in a new
jurisdiction.

Baggett told the Center that Brown has done no business with PEBSCO since he became the DNC
chairman, and that he at no time helped bring in new clients for the company. If PEBSCO did land any
new clients because of Brown, Baggett said, it resulted from prior relationships Brown had developed
before he took over as the DNC chairman.

Koogler said that PEBSCO has had a long-standing relationship with Brown that dates back to the
early to mid-1980s. Brown was the DNC’s deputy chairman from 1982 to 1985. Koogler said that Business
Development Advisers could help PEBSCO in a variety of ways. It could be “a personal contact when
they’re in town, it could be picking up the phone and calling someone, it could be writing a letter,” he
said. “There is no set way in which they perform their business. [They’re] an independent contractor,
and we can’t direct them how to do their business. We only tell them what we’d like to have done.”

Although Koogler told the Center that Brown was currently employed by the company as a Business
Development Adviser, Baggett insisted to the Center that the chairman had made “no calls, letters,
nothing” on PEBSCO’s behalf.

Koogler refused to discuss how much Brown was being paid for his services.

The Center asked Koogler if he thought that Brown’s position as the chairman of the DNC had
helped PEBSCO acquire new clients. “Assuming someone likes Ron Brown, perhaps it does,” he said.
But, he added: “I can’t really tell you whether he is more valuable than someone, let’s say, in Podunk,
Oklahoma, who has very strong relationships with people in government. Ron Brown may be a name to
some people, but he may not have the contacts that other people do. So he may not be appropriate in all
cases.”

Over the years, PEBSCO has done business with a number of cities and states, including such
traditional Democratic strongholds as Atlanta, Baltimore, Chicago, Philadelphia, and the state of
Maryland.  

*The Boston Globe* has reported that in 1991 PEBSCO was the target of a grand-jury investigation
in Boston involving $4 million paid to Massachusetts state officials for help in securing and maintaining
the company’s contract. The probe ended without an indictment being issued.
Prospects for the Future

Even if Democratic candidate Bill Clinton does not win the election in November, the DNC chairmanship has substantially sweetened Brown's post-employment prospects, according to May.

Will Brown rejoin Patton, Boggs & Blow? Not as a lobbyist on Capitol Hill, May told the Center. "His best use is as an ambassador to the public to bring in business," he said.

But May expressed concern that Brown would not return to Patton, Boggs, as he was certain the outgoing chairman would be offered numerous directorships and other entrepreneurial opportunities once he steps down.

"Obviously someone [in a public position] is going to get to know important people," May said. "Frankly, that's what works better for you than anything else in this town. You have their ear, they trust you. That's what you're really selling."
REPUBLICAN NATIONAL COMMITTEE

CHAIRMEN*

Richard Richards, 1981-1983
Frank J. Fahrenkopf, 1983-1989
Lee Atwater, 1989-1991
Clayton Yeutter, 1991-1992
Richard N. Bond, 1992-present

* Also included: Charles Black, Chief Spokesman, 1990 - 1991
WILLIAM E. BROCK

William Brock served as the chairman of the Republican National Committee from 1977 to early 1981.

Brock, who was born in Chattanooga, Tennessee, on November 23, 1930, received a B.S. degree in commerce from Washington and Lee University in 1953. He then served in the Navy until 1956. He then joined Brock Candy Company as vice president of marketing.

In 1962, Brock became the first Republican to be elected to Congress from the Third District of Tennessee in more than four decades. He served in the House for four terms, until his election to the Senate in 1970. In 1976, Brock was upset in his bid for reelection, losing to Democrat James Sasser.

Brock’s tenure as the RNC chairman has been called “The Brock Revolution.” As author A. James Reichley wrote, “Brock set out to rejuvenate and ultimately to revolutionize the National Republican Party.” Brock needed to make up for the defacing of the party by Richard Nixon and Watergate. Not only had the GOP been badly tarnished, but in 1976, incumbent President Gerald Ford had lost to Jimmy Carter.

No Outside Income

During his tenure as RNC chairman, Brock received no income from a Washington firm, nor did he do any consulting or lobbying on behalf of any interest. “Our rules said thou shalt have no other job,” Brock told the Center. “I took that very seriously.

“I’m as close to a purist as you can get. I don’t begrudge people who may receive dividends made from an investment long ago. But I find it impossible not to act in nonprejudicial ways when on retainer to a law firm, because it is inconceivable that the firm and the party’s interests coincide. I really have no right to comment on the other party’s rules, but in the Republican Party, I think people should divorce themselves from external responsibilities. And what constitutes full-time to me is 60 to 70 hours a week, year in and year out. That doesn’t leave anytime for anything but your family.

“I can’t imagine being the chairman of one of the major parties of the United States and not giving every ounce of energy.”

Assessing His Tenure

The Center asked Brock to reflect on his tenure as the leader of the Republican Party. “I was the first elected RNC chair,” he said. “Presidents or former heads of the party appointed chairs. I ran for the job. I was looking for work. I had no obligations to an individual. So we could really shape the committee to make a difference in raising money and motivating the workers. We did that by focusing on the state and local party organizations.”
Brock instituted major changes within the RNC. A direct mail fund raising program proved very successful; expenditures of $8 million in the 1977-78 election cycle yielded a return of $25 million. And in the 1979-80 election cycle, expenditures of $12 million brought in a net of $54 million. Direct mail was also less expensive than most other forms of fund raising.\textsuperscript{134}

"I really resented that the Republicans were called the party of the rich," Brock told the Center. "And the only way to prove that we have a broader base than the Democrats was to get more small gifts. So we put a great bulk of our funds in a small donor base. We had over a million people giving and an average contribution would be $29 and would range to $10,000. But I also had a lot of $10 contributors, and I used to throw that in the Democrats' face, because their average was $200-$300. If you give someone $10, you've got a stake in them. Someone that's giving you $10,000 is usually asking for something. Ten dollars is not asking for anything but a voice."

What was at stake to Brock was the GOP's very identity. "The party was in awesome disarray," he said. "We'd been decimated from two consecutive elections, 1974 and 1976. . . . The Watergate damage was pervasive. There were questions about whether the party should still exist. We had a lot of discussion about whether we should change our name.

"I wanted to get back to the perception of how the party was founded. It was founded by people who violently opposed slavery. Its initial actions as a party were the Emancipation Proclamation, the Land Grant College Act, and the opening of the West. And I thought, those are pretty much pillars on which to build a foundation, and we've gotten away from that.

"We did a survey of the party; asked them to describe themselves. They described themselves as White Male Anglo Saxon Protestants living in the East and driving a Buick. It wasn't what they were, but how they described themselves. And we had to change that. And we wanted to change that. We wanted to make it a party of blue-collar workers and environmental groups. And we did that. We won a lot of elections, but the best part about it was that we changed the structure. We made it again the party of individual problems. I used to talk about what was wrong with politics, like the advertising hype, taking power away from people; that's what I think TV has done. . . . The most essential human need for all is to be needed. We've got to get people involved, and to do that you can't ask WASPs living in the East and driving a Buick to carry an election. We had to ask people from different walks of life their ideas and their assessment."

Brock said that his biggest achievement as RNC chairman was "restoring the sense of the issues." He created five advisory councils on economics, foreign policy, energy and the environment, "human concerns," and other government policies. These councils consisted of more than 400 political leaders and experts who were to develop a program or platform for the Republican Party. There were separate units to revive state and local party organizations.\textsuperscript{155}

Political scientist A. James Reichley wrote: "After taking office, however, Reagan at first seemed disposed to undercut the RNC, much as Nixon had done. Brock, who narrowly escaped being purged at the Republican convention by Reaganes who resented his evenhandedness during the primary season,
entered the new administration as chief foreign trade negotiator. Much of the political machinery he had put in place at the national committee was permitted to run down.”

Brock also founded Commonsense, a magazine on public policy issues. The publication was supported by both traditional conservatives and even “neoconservative intellectuals who still identified themselves as Democrats, like Jeane Kirkpatrick and Michael Novak,” according to Reichley. This was part of an elaborate fabric of political thought and new ideas that was knit in the late 1970s by conservative and neoconservative organizations, which helped form the underpinnings of a rationale for returning a Republican to the White House.

Not all of the innovations of the Brock regime, however, were above the partisan fray. The Republican National Committee also published First Monday, which routinely attacked the Carter Administration and Democrats.

Brock told the Center that his only disappointment during his tenure at the RNC was that none of the GOP’s black candidates were elected to local, state, or national office.

Life After the RNC

In 1981, Brock was named U.S. Trade Representative, a position he held for four years. His accomplishments included the Caribbean Basin Initiative and the U.S.-Israel Free Trade Agreement. Brock began the talks that led to the U.S.-Canada Free Trade Agreement and the current Uruguay Round of trade negotiations. Brock said that he is particularly proud of “taking the lead to insure that the latter negotiations encompass the new issues of services, intellectual property, and investment.” Brock played a key role in the creation of the voluntary export restraints agreement with Japan.

In 1985, Brock was named Secretary of Labor. In his own description of his tenure at Labor, Brock says that he “revived a department in a virtual state of collapse, initiated the landmark study of work force and workplace demographic trends entitled Workforce 2000, achieved major pension reform legislation, and reinvigorated efforts at labor-management cooperation.”

In November 1987, Brock left the government to head the ultimately unsuccessful presidential campaign of Senator Robert Dole of Kansas.

The Brock Group

In April 1989, Brock formed The Brock Group. At the time, he was the only partner with an equity interest in the firm. The other partners -- with no management authority or control -- were Patrick Cleary, James Frierson, Richard McElheny, and Dennis Whitfield.

By the spring of 1990, The Brock Group’s letterhead listed Brock, Frierson, McElheny, Otto Reich, and Whitfield. The official “rationale” for the new company: “Change creates not only challenges but opportunities. Combining expertise on Europe, the Americas, and Asia, a wealth of government and
business experience, and an extensive network of contacts both here and abroad, The Brock Group is uniquely well-suited to help firms grasp the new realities.\textsuperscript{161}

Most clients of The Brock Group are U.S. corporations, including American Express and Bell Atlantic. According to Justice Department Records, the firm also has represented foreign clients, including Taiwan, Airbus Industries of North America, Panama Trade and Development, Bacardi Company, Ltd., and United Distillers South-East Asia. Brock and his firm are currently registered with the Justice Department as foreign agents. Brock and his firm also have consulted for Toyota.

In an interview with the Center two years ago, Brock said: "We live in a global economy. . . . We're part of the world out there. We're interdependent. . . . I am a little tired of this holier-than-thou attitude that exists. I have never seen a revolving door like that which exists in Japan, as they move from labor to business to government back to labor back to business. They all view it as Japan, Inc. Well, I don't think that's immoral or unethical or illegal.

"To say Bill Brock, you learned a whole lot about Indonesia and Japan and you can't use that to help Taiwan get into the GATT. I think that's crazy."

Brock also has co-chaired the MTN Coalition, a well-financed group of more than two dozen major U.S. corporations and trade associations organized to "educate" and lobby for congressional passage of the negotiated Uruguay Round GATT agreements.

Brock initiated conversations with Mexico about a free-trade Agreement when he was the U.S. Trade Representative back in 1982. He has been actively involved in helping Mexico and the Bush Administration make the North American Free-Trade Agreement (NAFTA) a reality that will face congressional approval in 1993. Brock's firm has been retained as a subcontractor by Burson-Marsteller to assist the Mexican Ministry of Commerce and Industrial Relations. According to Justice Department records, The Brock Group "provides strategic counseling on trade, labor, and political policy issues."

In April 1991, the Bush Administration asked Brock to step up the pressure for the "fast-track," multilateral trade agreement legislation. According to Brock, he was asked to "call for a meeting" of President Bush, U.S. Trade Representative Carla Hills, Commerce Secretary Robert A. Mosbacher and Council of Economic Advisers Chairman Michael Boskin.\textsuperscript{162}

Later, on April 18, Brock testified before the Senate Finance Committee about the Uruguay Round of multilateral trade negotiations. In his oral and submitted written testimony, he was very supportive of a U.S.-Mexican free-trade agreement. He told the committee to look to "our neighbor, Mexico. Look at where they were; they weren't even in the GATT when you and I were talking about this issue a few years ago. They not only are in the GATT; they are moving ahead of a lot of industrial countries in the speed with which they are trying to deregulate their economy, to remove tariff laws, to remove the regulatory barriers to competition. And if we are able to move to a negotiation of a free-trade agreement, we are going to have a world market here with 360 million people and a GNP over $6 trillion, and we will be a fundamentally stronger economy as a consequence of that."\textsuperscript{163}
At no time during his testimony did Brock mention his financial relationship with Burson-Marsteller or the Mexican government.164

When asked about this by the Center, Brock replied: “When I am asked to testify, I am in that hearing room at the committee’s request, not my own. I have never seen a definition of lobbying that includes a congressionally initiated request. As I told you, we had comments from senior officials at GAO that we have in this and other areas gone well beyond any requirements of FARA. In this case, we cited the Senate Finance Committee testimony in our six month update, not because we had to, but out of a desire to be more forthcoming.

“When you ask the entirely proper question about whether the Finance Committee is entitled to know about any relationships which could impact upon my testimony, the answer is of course they should. I am confident that they not only should but they did. The FARA reports were filed on October 13, 1989, before the invitation was even extended.”
RICHARD RICHARDS

At the request of President-elect Ronald Reagan, Richard Richards was elected as the chairman of the Republican National Committee on January 16, 1981. He served until February 1983.

Richards was born on May 14, 1932, in Ogden, Utah, thirty miles north of Salt Lake City. One of nine children, he is the son of a Welsh sign painter whose great-grandfather had emigrated to Utah.

After graduating from high school, Richards served in the Army Infantry as a Second Lieutenant for three and a half years, with an eleven-month stint in Japan. He then enrolled at Weber College in Ogden, where he majored in political science. Following college, Richards received his law degree from the University of Utah in Salt Lake City in 1961. Richards was active in Republican politics from an early age. While in law school, he chaired the Utah State Young Republicans for two years.

Richards continued to be very involved in GOP politics at both the state and national levels. From 1961 to 1962, he worked as a field representative for Senator Wallace F. Bennett of Utah. Later he was a legislative aide and administrative assistant to Representative Laurence J. Burton, also a Utah Republican. From 1966 to 1969, Richards was the chairman of the Utah Republican Party. In 1968, he was also the chairman of the Utah Delegation to the Republican National Convention, where he seconded the nomination of George Romney. Richards then served as the director of the RNC’s political division. In 1970, he waged an unsuccessful campaign to represent Utah’s Congressman for the First Congressional District. The following year, he became the deputy chairman of the RNC and was a delegate to the 1972 Republican National Committee.

Returning to state politics in 1972, Richards was the Utah state chairman of President Nixon’s reelection campaign and a regional director of the Committee to Re-Elect the President. He served as the chairman of the Utah Republican Party from 1975 to 1976 and also co-chaired Utah’s delegation to the Republican National Convention in 1976. The following year, Richards was defeated for the chairmanship of the RNC by Bill Brock.

Richards’s association with Ronald Reagan began in 1976, when he was a member of the executive committee of Citizens for the Republic, Reagan’s political action committee. He was a senior consultant to the Reagan for President campaign from 1979 to 1980. In 1980, Richards served as a regional political director for the Reagan-Bush campaign, directing efforts in nineteen states west of the Mississippi. Following the campaign, Richards was the leader of President-elect Reagan’s transition team for the Department of the Interior.

During this time, Richards also practiced law in a Utah firm, volunteering almost half of his time to politics and devoting the rest of his time to law.

In January 1981, when Richards became the chairman of the RNC, he announced that “my emphasis will be on continued grass-roots efforts. . . . While the [1980] election was to a large extent a personal victory for Ronald Reagan, at the same time the party had a victory, the kind that comes from hard work at the precinct level, for senators, governors, congressmen, state legislators.”

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One of Richards’s primary goals was to keep the party organized. “Winning elections is not an art,” he told the Republican National Committee. “It is a science.”156 In his acceptance speech, Richards said that the GOP had to continue to expand its field work and attract new voters to the party’s ranks.

No Outside Income

During his tenure as RNC chairman, Richards received no income from a law firm, nor did he do any consulting or lobbying on behalf of any interest. “The guy who is running the party,” he told the Center, “ought to be in the business of running the party and not in the business of making money.”

Richards added: “The Republican National Committee made a rule that the chairman must be a full-time chairman because they did not want Members of Congress to be the chairmen, and that’s why they said ‘full-time chairmen.’ I concluded that to mean that you should not be in business doing something else, and I just felt that that was a conflict if a law firm wanted to put my name on their letterhead while I was a chairman.”

Richards, in fact, was approached by Washington law firms. “I just said no,” he told the Center. “To be honest with you, I needed the money. They would have paid me to do it. I just said I did not think that was the way we ought to do it.”

Assessing His Tenure

Richards’s blunt honesty didn’t always endear him to other Republicans. “The first day that I became chairman started some problems between the Republican National Committee and some of the real conservative groups,” he said. Some of the extremely conservative leaders, such as Terry Dolan of the National Conservative Political Action Committee (NCPAC), he said, had “commented on television just a night before [my] election that ‘they were the people who elected Ronald Reagan president, and he’d better do what they want or they’ll damn well unelect him.’” At a news conference in the following days, Richards warned “right-wing organizations” not to overstate their importance or to try to tell President Reagan what to do.167

Richards also criticized the “New Right” groups for their independent expenditures in the 1980 elections, which he said had been devoted to “cutting up” President Carter.168 “I asked them to make an agreement with me that if in any event they became involved in an independent expenditure group where the candidate no longer wanted them in the race, that if the [candidate] asked them to get out of the race, they would get out of the race,” he told the Center. “I asked them to do the same with the political party, and they refused.” By the same token, Richards continued, “A candidate, in my opinion, should not be able to say ‘Oh, I disavow the commercial’ and yet behind the scenes encourage the conservative caucus to come in and run hatchet ads against his opponent.” By putting so much pressure on the conservative element, however, Richards alienated the party’s right wing, causing increased political tension within the GOP.169

Richards further angered the GOP’s right wing by appointing Richard N. Bond as deputy chairman, an important and powerful position within the RNC, in December 1981. Bond is a close ally of George
Bush and some of the more moderate members of the GOP. He was Bush’s deputy chief of staff and had worked for Senator Charles McC. Mathias of Maryland and Representative William Green of New York. Bond’s appointment represented an internal victory for James A. Baker III, the White House Chief of Staff. Richard A. Viguerie, the conservative direct-mail specialist, told The New York Times that the selection of Bond reflected the ascendance of Bush. “I can’t help but wonder where the Reagan people are,” he said. “I see movement of the Reagan people, but it’s movement of the wrong way.”

Mr. Viguerie continued, “Bush and his people clearly are in control of the government, and I see their influence growing in the party, too.” Fellow conservative Paul Weyrich, the director of the Committee for the Survival of a Free Congress, expressed reservations about Richards’s appointment. “Dick Richards was supposed to be the New Right’s party chairman,” he told The New York Times, “and he turned out to be a disaster.”

The great irony is that Richards was a Reagan selection and he is, in fact, extremely conservative. “I was as conservative as they were, but I think you can be conservative and you don’t have to be crazy,” he told the Center. He then complained that to so many of the hard-core conservatives: “You had to be 100 percent for them. If you ever deviate from them on one percent, you were a bad guy. And of course that can’t be true. We never really got along. . . . But I thought I was right then and I think I’m right today.”

Bond’s appointment was actually perceived as a way for the White House to tighten control over the RNC and to repair fissures within the GOP. Richards announced Bond’s appointment, but he was apparently handpicked by the White House political office. Because Bond replaced Charles Bailey, a close associate of Richards, he was expected to undermine Richards’s powers. Bond was to oversee the GOP’s 1982 election efforts, direct much of the RNC’s staff, research, and communications, and to “serve as the White House’s eyes and ears at the committee.” The White House wanted to beef up the political division of the RNC to prepare for the important 1982 elections, in which Republicans hoped to take control of the House, maintain control of the Senate, and win a majority of the 36 governorships up for grabs.

The White House had expressed growing dissatisfaction with Richards. The core of the criticism stemmed from comments Richards had made, in which he hinted that Reagan might not run for reelection and that David A. Stockman, the director of the Office of Management and Budget, and Richard V. Allen, President Reagan’s national security adviser, might be leaving the administration. Richards’s remarks were overheard by reporters at a fund-raising event. After they appeared in print, the White House had no qualms about expressing its anger with Richards. James Baker personally rebuked Richards, and another White House aide was quoted in The Washington Post as saying, “Dick has been a little too candid at times and that has caused some consternation.” In reply, Richards told a United Press International reporter, “I’m a very candid and straightforward guy -- I don’t lie to people.” Richards told the Center, “There are things that I said that they complained about, but what I said was truthful, and that just bothered somebody.”

Richards was also criticized for allegedly intimidating and harassing voters as part of a “ballot security” program in New Jersey and for polling delegates to the White House Conference on the Aging.

In December 1981, there was a flurry of speculation that Richards might be replaced as the RNC chairman. In fact, two other experienced Reagan hands were approached about the job: Lee Atwater, then
a White House political aide, who reportedly wasn’t interested in the position; and Haley Barbour, a former Reagan campaign aide, who decided to stay in Mississippi to run for a Senate seat.179 Richards, however, told reporters that he felt secure. “I expect to serve out my term,” he said. “I am not out of sync with the White House. I’m satisfied I have President Reagan’s confidence.”180

Raising money was one of Richards’s greatest fortes. In his first year as RNC chairman, he decided to use the anniversary of Reagan’s inauguration to raise a substantial amount of money. Both the Republican Senatorial Campaign Committee and Republican Congressional Campaign Committee objected to the event, however, because they usually had their big fund-raising drives in the spring, only a month or so after Richards’s planned “inaugural anniversary.” Richards went ahead and held the event despite objections from both committees.

By the end of Richards’s first year as RNC chairman, the Republican Party had raised about $32 million, a figure that was almost double the previous nonelection year record of $17 million in 1979 and very close to the election year record of $34 million. The additional money gave the GOP heavy ammunition for the vital 1982 congressional, state, and local elections.181

Richards told the Center that his greatest accomplishment as chairman was the RNC’s ability to raise so much money and the party’s use of that money. “We spent nearly a million dollars of our Republican National Chairman money to win the governorship of New Jersey with Tom Kean,” he said. “I don’t think the national party had given more than $50,000 to a gubernatorial race in the history of the party. . . . I believe that that was a smart expenditure of money, because you build a political party more from the governor’s position than from any other position in politics. After he was elected governor, he appointed all of the constitutional offices in the state. We later had control of that state for several years.”

“We’ve got money,” Richards once told a United Press International reporter. “And with money we can buy organization. You can’t win without organization.”182

In another controversial move, Richards cut off the RNC’s funding of several organizations, including those for Hispanics, blacks, women, and Republicans abroad. After examining what these groups had been doing with the money, Richards said, he “found that their budgets were essentially spent on conferences, travel, and entertainment.” Richards’s rationale for cutting off the budgets was that “if your organization isn’t worth enough to you to get out and raise the money, then it isn’t worth anything to us. . . . As long as you rely on us to provide your money for you . . . you’re never going to grow.” These groups, according to Richards, had been on “Republican National Committee welfare.” After the RNC discontinued their budgets, Richards said many of the groups more than doubled their fund raising and used the money to recruit minority candidates. “I think that this was my biggest achievement,” he said, “but it got a lot of bitter press.”

**Life After the RNC**

After Richards resigned as the RNC chairman in February 1983, he joined the law firm of Bliss, Craft, and Richards as a name partner. Bliss and Craft had lobbied on energy matters on Capitol Hill.183

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In 1985, Richards joined Commerce Consultants International, Ltd. According to Richards's biography from CCI, the firm specializes in trade relations between Pacific Rim companies and governments and U.S. companies and has “facilitated trade agreements involving commercial aircraft, jet engines, and military helicopters.” Some of CCI's clients included British Aerospace, Hughes Aircraft, Pratt & Whitney (United Technologies), Sunrider International, Thai Gypsum, Unibase, Young Brothers in Hong Kong and Thailand (aerospace), Aerospace Industries of America, Esquel Enterprises, Standard Oil of California, the office of the Prime Minister of Thailand, and Bradford Communications Corporation.

Democratic Representative Gerald Kleczka of Wisconsin told a House Government Operations subcommittee that Richards had telephoned a Federal Emergency Management Agency official to help Bradford Communications Corporation win a $90,000 contract to teach emergency personnel how to manage radioactive transportation accidents. Richards was said to have called Fred Villeta, then the number three official at FEMA, so that FEMA and the Federal Radiological Preparedness Coordinating Committee would endorse Bradford's bid.

*United Press International* reported that Villeta had left his FEMA position the previous year after a congressional hearing into allegations of mishandling federal funds.

The Government Operations subcommittee investigated Kleczka's accusations of favoritism at FEMA. According to *United Press International*, Kleczka declared that “they [FEMA] were putting the arm on for the stamp [of approval from the radiological preparedness committee] and that's why they brought in troops.” Richards reportedly said that he had helped Bradford Communications because of his “frustration” with the committee's repeated rejections of the company's bids. In his interview with the Center, Richards acknowledged that he called Villeta on behalf of Bradford Communications Corporation.

Democratic Representative Cardiss Collins of Illinois, who chaired the Government Operations subcommittee, produced an affidavit from an unnamed FEMA official that, according to UPI, said, “Villeta insisted that the contract be awarded despite the negative reaction of the [FEMA] staff and others.” The *UPI* report said that, according to the unnamed FEMA official’s affidavit, Villeta wanted “the award to go to good Republicans.” FEMA decided not to grant the $90,000 contract to twelve other competitive bidders, even though several federal agencies had complained.

Richards was hired by Kimball L. Young of Boettcher & Company to lobby Treasury Department officials against assessing an interest-rate penalty on $37 million in remarketed bonds. Boettcher & Co. and Shearson Lehman Brothers Inc. underwrote a $363 million tax-exempt bond pool in April 1987. They contended that they legally bypassed the tough restrictions on arbitrage that Congress had included in the Tax Reform Act of 1986. Some $37 million dollars worth of the bonds were scheduled to be remarketed in August of 1987 with the possibility of assessing an interest-rate penalty on them. The remarketed bonds would have caused loans to appear less attractive to Utah school districts, municipalities, and counties subscribing to the pool. Richards was hired by Young to ensure that the Treasury Department did not cancel future sales of the bonds.
Richards also lobbied the Energy Department to try to land the $4.4 billion Superconducting Super Collider project -- which was to be the world's largest atom smasher -- in Utah. \(^{193}\) Richards offered tens of thousands of dollars in free services to his home state. In December 1987, however, Utah was dismissed as a prospective location by the Energy Department. One of the factors against Utah's selection was an opinion submitted by the Air Force that the collider might present an "encroachment on military testing and bombing ranges and security involving a proposed electronic war games test range in the northern Utah desert." \(^{194}\)

Richards represented Patrick Jet Aircraft Manufacturers Inc. while Congress was amending the Clean Air Act. Jet-engine manufacturers are big noise and air polluters. He lobbied Congress to revise a portion of the Clean Air Act that specified that jet engines could not be tested on the ground. Richards told the Center: "I went to the administration and said, 'Hey, you guys, you've got your choice; you either test them [jet engines] on the ground or test them in the air on the airplane, and it doesn't make any sense that you won't allow them to test the jet engine before you put it on an airplane.'" The final amendments to the Clean Air Act contained a compromise on the testing restrictions for jet engines.

Richards acknowledged that he has gone to Members of Congress and to Executive Branch officials on behalf of his clients. "I'll go to a Congressman sometimes, or to [the] Chairman of the committee, or to the Department of Commerce on behalf of a client today," he said. As long as he is no longer the RNC chairman, Richards said, he doesn't see any conflict of interest or anything unethical in using his former ties to help his clients. He said it simply: "I play the role of the typical Washington rep."

As a partner in CCI, Richards has had several overseas clients. "There are good guys overseas and there are bad guys overseas," Richards said. "There are other parts of the world I refuse to represent." Richards has represented companies in Hong Kong and Bangkok, and has also represented the office of the Prime Minister of Thailand. \(^{195}\)

Thailand's prime minister hired CCI to protect the country from losing its trade benefits under the U.S. Generalized System of Preferences, which allows certain goods from eligible developing countries to enter the United States duty-free. The ensuing lobbying battle involved pharmaceutical patents. Many of Thailand's pharmaceutical products violate intellectual property rights. The U.S. Pharmaceutical Manufacturers Association lobbied heavily in Washington to pressure Thailand into recognizing pharmaceutical patents. Thailand's tax breaks were never omitted. \(^{196}\)

Richards told the Center: "When I get called on to represent a [foreign] client, I check with the State Department and others, and I check the client out to see if I want to represent them . . .

"Most of them [overseas clients] will pay you more money. The guy that's on the fringe will pay more than the good legitimate client, so you have to check them out or else you end up representing them. And I don't want to represent them, because what that does, in my opinion, is that it challenges your credibility whether you're doing things freely for the best interest of the country . . . I want to represent people I feel good about representing."
FRANK J. FAHRENKOPF, JR.

Frank J. Fahrenkopf, Jr., served as the chairman of the Republican National Committee from January 1983 to January 1989.

Fahrenkopf was born in Brooklyn, New York, on August 28, 1939. He graduated from the University of Nevada (Reno) in 1962 and the Boalt Hall School of Law at the University of California Berkeley in 1965. Following his graduation from law school, Fahrenkopf was hired by the Reno law firm of Breen and Young, where he was an associate until 1967.

Fresh out of law school, Fahrenkopf met all the members of the Nevada Young Republicans Club; a week later, Fahrenkopf was elected chairman of the club. Within two years the Nevada Young Republicans Club had more than 500 members. Frank Fahrenkopf was proving himself to be an active Republican from day one.

In 1967, Fahrenkopf left Breen and Young to become a name partner in Sanford, Sanford, Fahrenkopf, and Mousel, another Reno law firm, and also taught criminal law at the University of Nevada. He remained a partner in the firm until 1975, when he founded Fahrenkopf, Mortimer, Sourwine, Mousel and Sloane. The new firm’s clients included hotels, casinos, liquor vendors, and construction companies. Also in the 1970s, Fahrenkopf was retained by the Washington law firm of Hogan and Hartson. He worked as local counsel in Nevada when the firm represented Bethesda, Maryland-based Howard Hughes Medical Institute in litigation over Hughes’s will. In 1985, Fahrenkopf was hired as a “special partner” of Hogan and Hartson, which hoped to use Fahrenkopf’s national and international ties to help further develop its international practice.

In addition to his legal career, Fahrenkopf had a long and active history with the Republican Party. He was general counsel to the Nevada Republican Committee from 1972 to 1975 and its chairman from 1975 to 1983. In 1972 Fahrenkopf served as the Northern Nevada co-chairman of President Nixon’s reelection campaign. He also served on the executive board of directors for the Nevada Republican Central Committee.

Complementing his political activism at the state level, Fahrenkopf was deeply involved in national GOP politics. In 1975, he became a member of the Republican National Committee. He was a delegate to the Republican National Conventions in 1972, 1976, and 1980. From 1977 to 1979 he was a member of the Republican National Committee’s executive committee. And from 1981 to 1983, he was the national chairman of the Republican State Chairman’s Association. In January 1983, Fahrenkopf was elected chairman of the Republican National Committee.

Despite his insistence when he was elected that he would serve only one two-year term, Fahrenkopf became the longest-serving chairman of the RNC in this century and the second-longest in the history of the Republican Party.
Outside Income While Chairman

During his tenure as the RNC chairman, Fahrenkopf received income from law firms in Nevada and in Washington, and also worked for corporate interests. He remained a director of First Republic Bank Corporation of California. Also briefly overlapping his tenure as the RNC chairman, Fahrenkopf served as the president of the National Association of Gaming Attorneys from 1982 to 1983. He maintained ties with Fahrenkopf, Mortimer, Sourwine, Mousel and Sloane until 1985; he was counsel to another Reno firm, Woodburn, Wedge, Blakey, and Jeppson; and he became a “special partner” of Hogan and Hartson.

Legal Times reported that as a partner of Hogan and Hartson, Fahrenkopf was paid at least $100,000 a year.197 Fahrenkopf reportedly received $75,000 a year, plus a $2,000 monthly expense allowance, for his full-time position at the RNC. When asked about the possible conflict of interest in receiving money from a private law firm while serving as the RNC chairman, Fahrenkopf told the Center, “Remember, you’re not working for the government, you’re not talking about Congress, you’re not talking about getting a federal salary.” He said that the rules that apply to Members of Congress and other elected officials do not - and should not - apply to party chairman. He said that he took the money because he needed it. “There was absolutely no way that I could have probably done the job if my income had not been supplemented,” he said. “I had a daughter in law school [and] another daughter in college.”

Fahrenkopf said that his salary as the RNC chairman never rose into the “six figures,” and as for the issue of receiving outside income from law firms, he said: “I don’t think John Q. Public cares, but I think the way you handle that [any appearances of a conflict] is through full disclosure. I happen to be one who thinks one of the really great things to come out of the Watergate reforms was the fact of full disclosure.”

It should be noted, however, that the party chairmen have no public disclosure requirements when it comes to outside income, identification of clients, contacts with government officials, and so forth.

Despite his additional income and ties to outside law firms, Fahrenkopf said emphatically: “I was a full-time chairman. I was a full-time chairman. . . . I didn’t practice law -- never appeared in a courtroom anytime while I was chairman, other than when I was subpoenaed as a witness in a case.”

Yet many of Washington’s top lawyers never appear in courtrooms. Much of their work is power lunches, meetings, memos, and marketing. And few Washington lawyers work for more than one law firm while simultaneously holding down a full-time job.

In his first two years as RNC chairman, Frank Fahrenkopf remained “of counsel” to the Nevada law firm of Woodburn, Wedge, Blakey and Jeppson. Exactly what he did for the firm remains ambiguous. Partner Roger Jeppson told the Center in a telephone interview that Fahrenkopf “maintained clients in Nevada” while he was the RNC chairman. Jeppson said that because Fahrenkopf was unsure of his future in Washington, he didn’t want to cut his strong ties in Reno. According to Jeppson, Fahrenkopf kept “wandering back to Nevada . . . he had clients to take care of.” Jeppson added. “Frank was trying to ride two horses. He was the leader of the Republican National Committee, with an eye to a future in
Washington, yet he was also a Nevada-bred lawyer with Nevada connections -- connections that he was not yet willing to give up."

Fahrenkopf told the Center that he employs a time-tested method for avoiding conflicts of interest; one that he used while serving as the RNC Chairman. "My rule is, How will it look on the front page of The Washington Post tomorrow morning? I use the smell test. How will it smell? How will it look?... It's a pretty good test."

The Toyota Affair

One instance in which the smell test failed involved Toyota Motor Manufacturing USA -- a client of Fahrenkopf's firm, Hogan and Hartson.

In 1987, when Hogan and Hartson wanted to set up a high-level meeting on Toyota's behalf with Commerce Department officials, the firm turned to Fahrenkopf, its highly placed "special counsel." The RNC chairman not only arranged the meeting, but also attended it, along with Commerce Secretary Malcolm Baldrige, Commerce Undersecretary Bruce Smart, and Hogan and Hartson lawyers, who were registered lobbyists for Toyota Motor Manufacturing USA. The meeting concerned a federal tariff issue: Toyota wanted the Commerce Department to declare its Kentucky automobile plant to be in a "foreign trade subzone." This would ultimately save Toyota about $8 million a year in taxes because the "foreign trade subzone" status would allow Toyota to import car parts at lower tariff rates. The Commerce Department approved the foreign trade subzone. 198

Hogan and Hartson partner Gerald E. Gilbert confirmed that Fahrenkopf had set up the Toyota meeting. Gilbert told The Washington Post that he "asked Frank if he would arrange the meeting. . . . I knew he knew Mac Baldrige fairly well." 199 When newspaper columnists Rowland Evans and Robert Novak asked about the issue, Fahrenkopf said: "I talked to Mac [Baldrige] and to Bruce Smart and said, . . . 'Would they sit down with a representative of Hogan and Hartson to discuss the foreign trade zone issue?' I said I was not going there as an advocate. I did not argue . . . all I did was arrange it." 200

When Evans and Novak asked Fahrenkopf about the potential conflict of receiving a six-figure salary from Hogan and Hartson and complying with the RNC's "full-time" rule, Fahrenkopf replied, "I do not practice law." 201 Fahrenkopf explained that Hogan and Hartson, in paying him $100,000 annually, was "betting on the future."

In an interview with the Center, Fahrenkopf presented his side of the Toyota story. To this day, he bitterly resents the Evans and Novak column, which has been cited and repeated for five years now, and he said that "Novaki [sic] wanted to do a job on me."

Fahrenkopf insisted that all he did was to call to see if Baldrige would accelerate the apparent "backlog" on Federal Trade Zone applications so that the Toyota plant in Kentucky could begin its development. Fahrenkopf emphasized that it was a bipartisan issue: "Both the United States Senators, the governor, Martha Ray Collins, a Democrat -- the entire delegation overwhelmingly Democrat -- were

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trying to get this thing moving... I was called to ask if I would not set up a meeting with Malcolm Baldrige to see if we couldn’t get the process moving.” Fahrenkopf then went on to say that the only reason he went with his law firm’s representatives was that “Mac Baldrige said, ‘You come along, and after we’re through with these lawyers, we’ll go out for a drink and talk a little politics.’” In retrospect, Fahrenkopf said, he would not have gone to the meeting, not because he thought his attendance was improper, but because he thought it had “the appearance of impropriety.”

In addition to setting up the Toyota meeting, Fahrenkopf reportedly also arranged a meeting between top officials of the Environmental Protection Agency and officials of the Semiconductor Industry Association, which was also a registered client of Hogan and Hartson. This time, Fahrenkopf was asked to call Lee M. Thomas, the EPA administrator. As a result of this meeting, the Semiconductor Industry Association succeeded in modifying the scope of a study of pollutants in California’s Santa Clara Valley.202

Serving with a General Chairman

Senator Paul Laxalt of Nevada was elected to the newly created position of “general chairman” of the RNC on January 28, 1983, approximately a week after Fahrenkopf became its chairman. The new post was said to strengthen the hold of Reagan loyalists over the RNC and to help Reagan’s reelection committee.203 In fact, the decision that Reagan would select Laxalt to serve the new position of “general chairman” had been made back in early November 1982. Laxalt had strong, personal ties to Reagan: He had been the chairman of Reagan’s 1980 campaign, and he was the governor of Nevada at the same time Reagan was the governor of California. In short, Laxalt was generally perceived to be Reagan’s “eyes and ears” on Capitol Hill.204 In his new role as RNC general chairman, Laxalt would “be the day-to-day contact between the president and the party,” a White House official told The Washington Post.205 When asked about the general chairmanship in a recent interview with the Center, Fahrenkopf said: “We made Paul Laxalt the general chairman, where he was supposed to be the coordinator of the three committees [the Republican National Committee, the Republican Senatorial Campaign Committee, and the Republican Congressional Campaign Committee] and be our contact to the White House. And that enabled him to do a lot of planning for the ’84 campaign.”

Assessing His RNC Chairmanship

“I totally revamped the Republican National Committee and its approach,” Fahrenkopf told the Center. The RNC’s previous approach had been, he said, “what I called -- no pun intended -- a trickle-down-type theory.” As he described it, the RNC “worked with the state chairmen of the various states and you hoped that it went down through the infrastructure and in the states.” Fahrenkopf thought that the real strength of a state party was at the county and congressional district levels. Fahrenkopf, therefore, spent his first six months as the RNC Chairman “analyzing the strength of the party at the grass-roots level . . . in order to rebuild [the party at] the county level.” Fahrenkopf said that he wanted to “strengthen the party at the state and local level, concentrating on winning governorships . . . so that [we] could sustain a veto of an egregious gerrymandering, shooting at reapportionment in 1991.” The Republicans were, in fact, very successful in the gubernatorial races while Fahrenkopf was chairman, winning Alabama, Arizona, California, Florida, New Mexico, North and South Carolina, Oklahoma, and Texas.
Fahrenkopf not only wanted to rebuild the Republican Party at the grass-roots level, but he also wanted to totally reorganize its infrastructure. He told *The New York Times* that to do this, he used his first three months "to oversee the divisions of the country into eight regions instead of the current twelve, give more responsibility to regional directors and provide them with the resources to make demographic studies, recruit candidates, and get out the vote." His other goals included making a greater effort to reach out to minorities, especially blacks, Hispanics, and women, as well as finding "new ways to raise money, using computer technology."

Fahrenkopf told the Center that his biggest disappointment as the RNC chairman was that the GOP lost control of the Senate in 1986. "When Ronald Reagan was elected in 1980, he dragged in -- literally dragged in -- I think sixteen . . . Senators," he said. "A lot of them . . . were not very strong . . . A lot of them sat on their haunches and didn't really do the work that they had to do and then tried the last year, when they were running for reelection in '86, to try to forget the last five [years]."

**Awarding Consultant Contracts**

Under Fahrenkopf's stewardship of the RNC, the Republican Party drew harsh criticism for awarding several consulting contracts to former employees and White House aides. The three major GOP committees were reported to have awarded several lucrative consulting contracts of $3,000 a month and up. The beneficiaries included Michelle Laxalt, the daughter of Sen. Paul Laxalt, the RNC's general chairman, and Maureen Reagan, Ronald Reagan's daughter. Among the others: Edward J. Rollins, President Reagan's former assistant for political affairs, who received $101,000 in a two-year period, Richard V. Allen, President Reagan's former national security adviser, and James Rosebush, Nancy Reagan's former chief of staff.

What did these "consultants" do for their fees? A consultant who worked for the RNC told *The Washington Post* that he worked hard for his fees, yet at the same time he also said that "most of the consultants hired by the RNC do hardly anything to earn their fees and they get picked up because they know someone."

Fahrenkopf defended the practices, telling *The Washington Post* that, under his tenure, "consultants have to earn their money." Before he became the RNC chairman, however, Fahrenkopf had conceded to the *Post* that the RNC "had been a warehouse [for consultants]. They didn't do anything and they were getting money." While he was chairman, Fahrenkopf said, at least the consultants were actually doing work for their pay.

Fahrenkopf, however, insisted in the Center interview that he eliminated all consultants. "When I became chairman, the first thing that I did was fire every consultant that worked for the Republican National Committee -- every single one of them," he said "What had happened was that first two years of the Reagan administration, [the RNC] was used as a dumping ground. When they wanted to get someone out of the administration . . . they'd put them in the RNC for a little while."
The Work of Hogan and Hartson

Hogan and Hartson represented numerous foreign governments and corporations while Fahrenkopf was RNC chairman and a "special partner" to the firm as well as after he stepped down as chairman and was a full partner of the firm. According to Justice Department records, Hogan and Hartson's foreign clients included: the Embassy of Japan (which the firm began representing in 1971 and still represents) the Republic of Uganda, which it represented from 1984 to 1985; the China External Trade Development Council; the Council of European and Japanese National Shipowners; the Government of the Commonwealth of the Bahamas; the United Arab Emirates; Saudi Arabia; Daimler-Benz, A.G.; Poland; the Czech and Slovak Federation; the Czech Republic, Aermacchi, S.P.A.; Globe Nuclear Services and Supply, Ltd.; and Toshiba.

Toshiba

In 1987, Hogan and Hartson represented Japan's Toshiba Machine Company, which was being widely condemned for illegally selling restricted military technology to the Soviet Union. The firm worked on Toshiba's behalf under the guise of representing the Embassy of Japan. In the middle of a paragraph in an insert of a Foreign Agent Registration Act report for the Embassy of Japan, Hogan and Hartson noted that it was devoting "research and attention to the legislative developments in the Toshiba case and to trade bill developments." After Toshiba failed to abide by the international agreements, which prohibited the sale of restricted military technologies to the Soviets, "dozens in Congress demanded that Japan pay for the damages to U.S. security."\textsuperscript{210} Members of Congress smashed Toshiba cassette players with sledgehammers on the Capitol grounds, and many -- maybe most -- wanted to ban the sale of Toshiba products in the United States. According to economist Pat Choate, author of Agents of Influence, "Japan and Toshiba mounted a massive campaign to kill the pending sanctions," warning that such a ban would severely damage U.S.-Japanese relations.\textsuperscript{211} "Toshiba hired a small army of prominent Washington insiders to lobby on its behalf,"\textsuperscript{212} including lawyers at Hogan and Hartson, the RNC chairman's firm.

Hogan and Hartson reported to the Justice Department that "on November 16, 1987, the registrant [Hogan and Hartson] arranged a breakfast meeting for business executives at which Japanese Ambassador Nubuo Matsunaga gave a short presentation regarding the trade legislation pending in the U.S. Congress." The legislation would have imposed sanctions on Japan for threatening United States security. By virtually all accounts, Japan and Toshiba were successful in their lobbying efforts to defeat the legislation.\textsuperscript{213} When asked by the Center whether Hogan and Hartson had ever requested any assistance from him on the Toshiba matter--to make any telephone calls or set up any meetings for the firm, for example--Fahrenkopf replied: "No, never. Not a word."

Globe Nuclear Services and Supply

According to Justice Department filings, Fahrenkopf began representing Globe Nuclear Services and Supply, Ltd. on November 21, 1991, and still does. The company buys and sells uranium concentrates, which are necessary for the development of nuclear weapons. More than half of Globe Nuclear Services...
and Supply is owned by Techsnabexport, in the former Soviet Union; the remainder is owned by NUEXCO Exchange A.G., a Swiss corporation. Fahrenkopf represents the company in connection with Commerce Department and International Trade Commission allegations that it has been dumping (in a trade, as opposed to environmental, context) uranium oxide and uranium hexafluoride imported from the Soviet Union. A Washington lawyer told the Center that Fahrenkopf heavily lobbied the State Department, the National Security Council, the White House and several Senators from Western states, in an unsuccessful attempt to get the trade complaint dismissed. Even before a preliminary report from the Commerce Department was released, in fact, Fahrenkopf tried to sue the Commerce Department to prevent its issuance. He took the case to the Court of International Trade in an attempt to get an injunction, arguing that because the dumping occurred under the regime of the former Soviet Union, its newly formed republics should not be held responsible. When the Center asked Fahrenkopf about case, he expressed outrage that the case was continuing. "The Soviet Union ceased to exist, yet . . . this administration continues this case against these new emerging democracies," he said. "So we are now not only before the Department of Commerce, [but] we're in the International Trade Commission and we're in the Court of International Trade in New York, attempting to stop the actions."

The dumping, however, has allegedly continued.

Fahrenkopf told The New York Times that he has "written to the President" to try to get the case dropped. A legislative aide working on Capitol Hill told the Center, "It was obvious that Mr. Fahrenkopf was doing a lot of political dealing."

Hogan and Hartson has several hundred domestic clients. Many of them fall within a dozen or so major categories. The firm represents a host of electronics industry interests, including Digital Equipment Corporation, Hewlett-Packard Company, Intel Corporation, the Computer and Business Equipment Manufacturers Association, and the Semiconductor Industry Association. Its health and medical-related clients include insurance companies, hospitals, medical schools, and manufacturers of medical equipment and supplies. Hogan and Hartson's pharmaceutical clientele includes Bristol-Myers, Shering-Plough Corporation, and Marion Merrell Dow Pharmaceuticals Inc. Hogan and Hartson has also represented a number of engineering and construction companies, including B.E. & K. Construction, Fluor Corporation, Alabama Construction Contractors, Blount and Blount, and Rust Engineering. Fox Broadcasting Company, the Newspaper Broadcast Committee, and the Washington Post Company are among the firm's news media-related clients.

**Fahrenkopf and Nevada Casinos**

On February 15, 1989, less than a month after he resigned as the RNC chairman, United Press International reported from Nevada that Fahrenkopf had lobbied against proposed federal regulations to tighten money-laundering regulations for Nevada casinos. The Treasury Department sought these regulations to more easily track drug money; it wanted to require the casinos to keep records of the names and social security numbers of any players who bet or bought chips totaling $2,500 or more. As of 1989, Nevada casinos were required to record transactions of $10,000 or more. The purpose of keeping such records is to help law enforcement authorities track down major drug dealers who may be attempting to
launder their profits through casinos. The casino industry contended that tightening the regulations would intimidate players from gambling and in the end cost them $200 million more a year.\textsuperscript{217}

The proposed regulation never went into effect. When asked if the casino industry’s lobbying success was attributable to Fahrenkopf, Democratic Senator Harry Reid of Nevada, said that others also had something to do with the outcome.\textsuperscript{218}
LEE ATWATER

Lee Atwater served as the chairman of the Republican National Committee from 1989 until his death in 1991.

Harvey Leroy Atwater was born on February 27, 1951, in Atlanta. His family later moved to Columbia, South Carolina, and he attended Newberry College in the state. His college days were unremarkable until a Washington internship in the office of Senator Strom Thurmond of South Carolina awakened his interest in GOP politics. Atwater returned to school motivated, and he quickly became involved in the College Republicans. Noting the power of large universities in South Carolina’s College Republicans organization, Atwater asked for a constitutional convention and got it. Soon afterward, he became the chairman of the state’s College Republicans organization, which had come to be dominated by small colleges like his own. By the time he finished college, Atwater became the executive director of the College Republicans’ national office in Washington, D.C. He met George Bush, who was then the chairman of the RNC, in 1972.

After college, Atwater began a highly successful career of managing political campaigns in South Carolina. He also developed a reputation for using rough tactics against campaign opponents. Perhaps the most notorious example was a 1980 congressional race in which the Democratic candidate, Tom Turnipseed, faced allegations that he had undergone psychiatric treatment and electroshock therapy. Atwater, who managed the campaign of Turnipseed’s Republican opponent, remarked that Turnipseed had once been “hooked up to jumper cables.” He later apologized for the remark.

In 1980, Atwater managed Ronald Reagan’s South Carolina primary campaign, which Reagan won decisively. Atwater moved on to become the Southern regional director of the Reagan-Bush campaign and in 1981, at age 29, he became President Reagan’s special assistant for political affairs.

In 1984, Atwater became the director of the Reagan-Bush reelection campaign. After the election, he joined the consulting firm of Black, Manafort and Stone as a partner.

Black, Manafort and Stone received $3.4 million in lobbying fees from foreign interests in 1985, including more than $900,000 from Philippine interests allied with the late dictator Ferdinand Marcos.

In 1986, then-Vice President Bush asked Atwater to be the chairman of his political action committee, Fund for America’s Future, and to lay the groundwork for his 1988 presidential bid. In February 1987, it came as no surprise that Atwater became the manager of Bush’s presidential campaign.

Atwater was generally perceived as the shrewd, hardball strategist for Bush who was most responsible for “negative-campaign” tactics used against Democratic presidential nominee Michael Dukakis. Through speeches and television commercials, Dukakis was portrayed as “soft” on crime and national defense. The most famous-or infamous-moment in the 1988 presidential campaign was probably the television spot about Willie Horton, a convicted murderer who’d raped a woman during a weekend furlough from a Massachusetts prison. Horton is black; his victim was white. Atwater and the Bush
campaign were accused of injecting racial hatred and fear into the national campaign, but Atwater tried to downplay his role in the whole affair. "As a white Southerner, I have always known I had to go the extra mile to avoid being tagged a racist by liberal Northerners," he told a writer for The New York Times Magazine. "If anybody from the South says or does anything, it's racially motivated. I defy you to find any other campaign I have done where race has become the issue. . . . Race, politically, is a loser." 222

Shortly after Bush trounced Dukakis in November 1988, Bush named Atwater to become the chairman of the Republican National Committee.

No Outside Income

According to Gwen Ifill of The Washington Post, Atwater became a "passive partner" at Black, Manafort, Stone & Kelly when he took the position as RNC chairman. 223 As "passive partner," Atwater was "listed in corporate documents as a partner but received none of the firm's earnings."

Assessing His Tenure

As Atwater took the helm of the RNC, he announced plans for a campaign to increase the involvement of blacks in the Republican Party. In his acceptance speech, Atwater said that reviving black support for the GOP "is more than just a political necessity; it is a moral imperative." 224 He also promised to redouble the GOP's efforts to reach out to Hispanic, Asian, and disabled Americans.

Within weeks, however, the entire strategy seemed to be derailed when Atwater and the Republican Party suffered what The Washington Post called "a moment of excruciating embarrassment." 225 David Duke, former imperial wizard of the Ku Klux Klan, was elected to the Louisiana legislature -- as a Republican. Atwater immediately rejected Duke and Duke's identification of himself as a Republican, calling him a charlatan and an impostor. 226

A few weeks later, there was another acute embarrassment for Atwater and the GOP. He had been appointed to the board of trustees of Howard University, the historic black institution in Washington, D.C. His appointment sparked bitter and vehement student protest. Three thousand students, a fourth of the entire student body, crammed into a campus building for four days until two concessions were made: Atwater resigned, and James E. Cheek, Howard's president, agreed to address student concerns. 227

In this humiliating episode, it appeared as though the Willie Horton campaign commercial had come back to haunt Atwater and the Republican Party. Bush's campaign had made "Willie Horton . . . a household name." 228 Not only was the campaign tactic interpreted by many as a racist association of violent crime with blacks, but Atwater also suffered from his association with the Reagan administration and its positions, including its opposition to affirmative action and to a federal holiday in honor of Martin Luther King, Jr. In addition, Atwater had been extremely successful in helping to build the vastly white southern Republican Party. In southern campaigns, Atwater considered the black vote to be "reliably Democratic" while Republican candidates were to "win up to 70 percent of the white vote to offset the phenomenal black majorities of the opposition." 229
As if there had not already been enough controversy in 1989, another brouhaha soon ensued. In June 1989, just before Democrat Thomas Foley of Washington’s expected election to the Speakership of the House, the Republican National Committee circulated a memorandum. Mark Goodin, the RNC’s communications director, had written the “talking points” memo, which was titled “Tom Foley: Out of the Liberal Closet.” It compared Foley’s record with that of Representative Barney Frank, a Democrat from Massachusetts, in an attempt to demonstrate Foley’s liberalism and to dispel any ideas that he was a moderate. Once Republicans had received the memo and Atwater and other GOP leaders had read it, the focus became damage control. Goodin himself was to answer all questions about the memo. But the RNC was at the mercy of the news media, hoping unrealistically that the press would not discuss the homosexual innuendo in the title, “Out of the Liberal Closet,” or the comparison with Frank who is one of two openly gay Members of Congress. In early reports, neither the Associated Press nor The Washington Post mentioned the “out-of-the-closet” innuendo, but subsequent reports did. While Goodin maintained that he’d never intended for any sexual inferences to be drawn from the memo, he took complete responsibility for it and resigned from his position at the RNC.

For Atwater, the Foley memo was a nightmare. The Republican leadership had spent months on a successful public relations campaign, whose effects were destroyed in just a few days by the memo, which had originated at the RNC. Atwater reportedly read the release on Tuesday, June 6. When he actually saw the talking points letter, he realized what a deep mistake had been made: an attack on Foley at his peak moment. More significant, an unusual political advantage -- the resignation of House Speaker Jim Wright of Texas over ethical improprieties -- had unwittingly been nullified.

Democrats seized on the letter and showered stern reprimands on the RNC. Ronald Brown of the Democratic National Committee called Goodin a fall guy and demanded Atwater’s resignation. The barrage of Democratic criticism came from just about everyone but Foley himself, who said to The Washington Post, “It’s closed,” after having lunch with President Bush.

Atwater had been RNC chairman for only a year when he suffered a seizure. Doctors subsequently found a malignant brain tumor. Atwater fought the disease for a year before succumbing in March 1991.

One of the nation’s most respected political reporters, David S. Broder, of The Washington Post, put Atwater’s life and death in perspective. Had he not been struck down at age 40, Broder wrote, Atwater might have been a great GOP chairman in the tradition of such leaders as Leonard Hall, Ray Bliss, and Bill Brock. Atwater, he said, “symbolized the coming to power of both political consultants and the Republican South.”

“His friends -- and a few reporters -- knew that Atwater was a more sensitive man and a less vindictive politician than the reputation he had acquired,” Broder wrote. “Given time, he might have shown he could run campaigns that offer voters hope and inspiration, rather than play on their fears. That he was denied the time -- and opportunity -- deepens the tragedy of his early death.”
CHARLES R. BLACK, JR.

Charles R. Black, Jr., was never officially the chairman of the Republican National Committee. He acted, rather, as "chief spokesman" for then-RNC Chair Lee Atwater, from July 1990 through early 1991.

Atwater's illness and the corresponding void of power at the RNC called for the emergence of a strong leader, yet one acceptable to Atwater himself. Charles Black was that man. He performed his difficult role through the important 1990 elections.

During his tenure as "chief spokesman" -- in which he served as the de facto party chairman during his friend's tragic illness -- Black received no salary from the Republican National Committee. He continued as a founding partner of his lobbying firm, Black, Manafort, Stone and Kelly.

Black declined to be interviewed by the Center.

Black was born on October 11, 1947, in Charlotte, North Carolina. He received his bachelor's degree from the University of Florida and his law degree from the Washington College of Law at American University.

Black's political career began with his leadership of his college Republican group. His long friendship with Atwater began when they met in 1972. That year, he was the political director of Republican Jesse Helms's first bid for the Senate from North Carolina. He also served as the political director of Young Americans for Freedom and was a founding chairman of the National Conservative Political Action Committee (NCPAC), along with Roger Stone and Paul Manafort, with whom he would have long and prosperous relationships.236

Black's involvement with Ronald Reagan began when he became a regional director for the Citizens for Reagan Campaign in 1975. After serving from 1977 to 1978 as the political director of the Republican National Committee, Black resumed working with Reagan in 1979 as the national political director of his 1980 presidential campaign. He was a senior political consultant to the 1984 Reagan-Bush campaign. He began the 1988 campaign as Jack F. Kemp's manager, but, according to The Washington Post reporter Charles Trueheart, "ended up playing an important role in the Bush campaign."237 In 1992, Black is a senior adviser to the Bush-Quayle campaign.

A Lobbying Firm is Born

Ronald Reagan's winning presidential campaign of 1980 ended a quarter-century of Democratic control of Congress, as Republicans took over the Senate and a new generation of conservatives moved into the White House. The connections of many lobbyists to Democratic Senators and old-guard Republicans became virtually useless, and special interests needed new means to reach the new powers in Washington. Black, Manafort & Stone became one such vehicle. Domestic and overseas corporate interests needed access to U.S. government officials; suddenly, people like Charlie Black had it.
As Black once told The Washington Post: “I think I’ve got -- if you just want to call it access -- I guess I’ve got access to just about anybody in the government, but I don’t have a personal relationship with all of them . . . . I think I know most of them [those in the Cabinet], through the experience of campaigns and around town. I guess I know most of the people in sensitive positions in the administration.”\(^2\)

The founding in 1981 of Black, Manafort & Stone brought together a high-powered team of political operators, with the subsequent addition of Atwater bringing a new dimension. Indeed, beginning in the 1980s, the business pioneered by Black and others altered the course of political campaigns -- and political parties -- in the United States. Black and his firm, eventually known as Black, Manafort, Stone & Kelly, gained tremendous lobbying influence in both the Reagan and Bush administration and in the halls of the Capitol, benefiting high-paying clients from America and around the world.

Roger J. Stone, Black’s partner, worked in the 1984 and 1988 Bush campaigns. Paul J. Manafort, his other partner, was the political director of the 1984 Republican National Convention. In 1988, he managed the GOP convention in New Orleans. Manafort’s philosophy: “If politics has done anything for us, it’s taught us to treat everything as a campaign. . . . You have to have a strategy. The reason we are successful is that we are strategists.”\(^3\)

The resurgence of Democratic power in Congress in the mid-1980s impelled the firm to diversify. The recruitment of Peter Kelly and James Healey in 1985 were major successes -- and surprises to some, considering that both Kelly and Healey were Democrats. Kelly was the departing finance chairman of the Democratic Party. Healey’s history was no less impressive: Since 1970, he had served as a right-hand man to Democrat Rep. Dan Rostenkowski of Illinois, the chairman of the House Ways and Means Committee. The credential that reportedly earned him an offer of $400,000 a year from Black, Manafort.\(^4\)

**The HUD Scandal**

For years, Black, Manafort, Stone and Kelly has been the target of considerable criticism.

In a congressional hearing on June 20, 1989, Paul Manafort acknowledged during cross-examination that his firm’s work on housing projects for the Housing and Urban Development Department could accurately be described as “influence-peddling.” The term “influence-peddling” in this specific context described the process by which the well-connected executives of Black, Manafort, Stone and Kelly, had been able to contact and influence officials of the Housing and Urban Development Department to benefit a specific HUD project.\(^5\)

During the same cross-examination, when he was asked to list the HUD projects that his firm was handling, Manafort failed to mention five projects worth a total of $400,000.\(^6\)

**Overseas Clients**

Much of the controversy surrounding Black’s firm has centered around its overseas clients. Black, Manafort, Stone and Kelly reportedly landed a substantial contract to represent the Bahamian government
of Lynden O. Pindling. The Bahamas had become a hotbed of illicit drug smuggling to the United States, and Pindling and other top government officials were under a cloud of suspicion by U.S. law enforcement authorities.

In 1989, Black, Manafort signed a contract with Sese Seko Mobutu, the president of Zaire, for $1 million per year. Present at the signing was Tongson Park, a major player in the "Koreagate" scandal of 1976, although Black, Manafort maintained that Park was present at Mobutu's behest and that he had nothing to do with the making of the deal. Mobutu took power of Zaire (then called the Congo) in 1965 with the assistance of the Central Intelligence Agency; he has ruled the country with an iron fist for 27 years.244

Black's firm has also worked for other countries with well-documented histories of human-rights abuses, including Kenya, Nigeria, and UNITA, the Angolan rebel organization headed by Jonas Savimbi. In 1990, a spokeswoman for the firm, speaking on condition of anonymity, told a reporter: "Our clients are always compatible with U.S. foreign policy objectives . . . . Kenya and Zaire are of strategic importance to the Bush administration's African policy."245

The firm has also represented other politically controversial clients. President Bush's January 1992 trip to Japan, for example, was harshly criticized in light of the fact that Black -- a senior campaign adviser to Bush -- was representing a primarily Japanese trade concern at the same time Bush was discussing trade issues with the Japanese.246

Also in 1992, Black Manafort was part of a team of public-relations and lobbying firms working for the approval of the purchase of LTV, a major defense contractor, by Thomson-CSF and the Carlyle Group. Thomson is 58 percent owned by the French government. National security concerns made the deal controversial from the beginning. Thomson's purchase of LTV would have placed American military technology in the hands of a foreign-owned company -- indeed, a company owned by a foreign government.247

In the mid-1980s, Black, Manafort lobbied for a group of Philippine businessmen with close ties to President Ferdinand Marcos.248

**Burson-Marsteller Buys Black's Firm**

Early in January 1991, Black, Manafort, Stone & Kelly was acquired by the public relations giant Burson-Marsteller. The sale agreement required Black, Manafort to end its campaign consultancy business and to focus exclusively on lobbying. Individuals at the firm were permitted to work as volunteers in political campaigns, thus allowing Black to work on the 1992 Bush campaign.249
CLAYTON YEUTTER

Clayton Yeutter served as the chairman of the Republican National Committee from January 1991 to January 1992. After a brief stint as President Bush's domestic policy adviser at the White House, Yeutter returned to the RNC in August 1992 as its "general chairman."

Born in Eustis, Nebraska, on December 10, 1930, Yeutter received his bachelor's degree in agriculture from the University of Nebraska in 1952 and was named the nation's outstanding animal husbandry graduate. He served in the Air Force from 1952 to 1957, including a tour of duty in the Korean War. Yeutter received his law degree, cum laude, in 1963 and his doctorate in agricultural economics in 1966 from the University of Nebraska.

From 1960 to 1966, Yeutter taught agricultural economics at the University of Nebraska.

From 1966 to 1968, Yeutter was the executive assistant to the governor of Nebraska. He later became the director of the University of Nebraska's mission in Bogota, Colombia. The program, which is supported by six midwestern universities, aims to upgrade agricultural teaching, research, and extension efforts in Colombia. It was reportedly during this time that Yeutter learned to speak Spanish and developed an interest in international trade. He remained with the Bogota program until 1970.

Since 1957, Yeutter has operated a 2,500-acre ranch and cattle-feeding enterprise in central Nebraska.

On August 12, 1970, Yeutter joined the Agriculture Department as the head of its Consumer and Marketing Service (the name was later changed to Agricultural Marketing Service). He left the federal government in 1972 to join President Nixon's reelection campaign.

On January 4, 1973, the White House announced that President Nixon had nominated Yeutter to be the assistant secretary of agriculture for marketing and consumer services.

From March 1974 to June 1975, Yeutter was the assistant secretary of agriculture for international affairs and commodity programs. It was in this capacity that Yeutter helped to oversee the rapid expansion of U.S. grain exports.

From June 1975 to February 1977, Yeutter served as deputy special trade representative to U.S. Trade Representative Frederick Dent.

In addition, Yeutter became a senior partner of the law firm of Nelson, Harding, Yeutter and Leonard in Lincoln, Nebraska.

In 1978, Yeutter became the President of the Chicago Mercantile Exchange, the world's second-largest futures market. The "Merc" conducts futures trading in all major international currencies, interest-
rate contracts for Treasury bills, bank certificates of deposit, and Eurodollars; stock indices; and agricultural contracts, such as cattle and hogs. Yeutter was deeply involved in international affairs there for the next seven years, and during his tenure, the Merc’s volume more than tripled, to forty four million contracts in 1987.

In 1985, President Reagan nominated Yeutter to succeed William Brock as U.S. Trade Representative. He led myriad negotiations challenging unfair trade practices in many countries, including a highly successful agreement under which Japan has been phasing out its import quotas on beef and citrus. Yeutter also led the historic negotiation of the U.S.-Canada Free Trade Agreement.

Tobacco

During Yeutter’s tenure as U.S. Trade Representative, the industry reaped hundreds of millions of dollars from newly opened markets in Asia. Japan, South Korea, and Taiwan all opened up their markets, and the two U.S. companies lobbying the hardest for these changes were Philip Morris and RJR Nabisco.

During this period, Yeutter owned stock in two tobacco companies. According to his financial disclosure report, which was filled out on his next-to-last day in office as the U.S. Trade Representative, Yeutter reported stock in RJR Nabisco worth $15,000-$50,000 and Philipp Morris stock for a trust account in his daughter’s name valued at $15,000-$50,000.

After he was nominated to become Agriculture Secretary in 1989, ethics officials and Yeutter agreed that he should avoid the appearance of a conflict of interest by selling the stocks.251

During the inaugural events for George Bush in January 1989, Philip Morris, Inc., spent thousands of dollars to sponsor a reception in Yeutter’s honor. A spokesman from the U.S. Trade Representative’s office, Roger Bolton, told The Washington Post that the reception was “viewed here as a thank-you for his efforts on behalf of the tobacco industry at large while he was U.S. Trade Representative.”252

George Knox, a spokesman for Philip Morris, told the Post: “Our company is the largest processor of agricultural products in the United States, with Kraft, General Foods, Miller Brewing and the tobacco division. So we thought it would be nice and appropriate to celebrate the selection of an eminently qualified man [as Agriculture Secretary].”253

Before he was chosen to lead the RNC, Yeutter served two years as Agriculture Secretary in the Bush administration. During that period, he was actively involved in farm legislation and in negotiations to open markets for American farm products throughout the world.

Chairmanship of the RNC

Yeutter was nominated to be RNC chairman in January 1991, because of Lee Atwater’s illness. He was seen as an able spokesman and a team player who would be willing to work with White House Chief of Staff John Sununu and others.254
Outside Income While Chairman

During his tenure as RNC chairman, Yeutter received income as a consultant to -- and director of -- several corporations.

According to his 1992 financial disclosure report, he received $50,000 as a consultant to the National Bank for Co-Operatives, $18,966 in director fees from FMC Corporation, $16,700 in director fees from Caterpillar, Inc., and $3,775 in director fees from Oppenheimer Funds.255

Yeutter served in these capacities until early 1992, when he had to resign to assume his new White House position.

Yeutter said that his directorships meant nothing more than merely going to meetings. When asked where he drew the line in non-GOP work, he replied: “People draw their lines differently, as you may well perceive. And I thought about that a great deal before I went to the White House. I decided to draw the line at directorships, because I felt that was an appropriate place to do it. I doubt that I would have done anything beyond that. That was as far as I would have gone in terms of outside earnings. I would draw the line a lot differently than the way it’s been drawn in the other party recently. I could not handle it in that manner in good conscience. . . . In terms of what you’re talking about, it seems to me that you quickly begin to run into, at a minimum, perceptions of conflicts of interest and perceptions of self-interest that are totally unrelated to the folks of the party organization. Obviously, sitting on corporate boards is self-interest too, but it is a lot different than the kinds of things that you’re talking about [lobbying, working as a partner in a law firm, and so forth], . . . because the decisions are made by someone else subject only to the members of the board. And direct decision-making that has a direct impact on the financial well-being of the party chairman, and that’s a much different situation.”

The Center asked Yeutter how he decided what to do and what not to do in terms of non-RNC work. “What I was concerned about was sitting on corporate boards,” he said. “I really wanted to do some of that, because I visualized myself as gradually phasing back into the private sector. I didn’t intend to come back here [to the White House]. And I wanted to begin to establish those relationships that would carry in the future. I felt that as long as I limited myself on the number of boards on which I served to a point where it was not impeding my job as Republican chair was one of the criteria. And so I sat on a group of about three different boards which, of course, supplemented the earnings, which made it financially more desirable. And there was no conflict-of-interest problem there in terms of these were the kind of people we were wanting to get to support the Republican National Committee and party, so this actually facilitated my job. So the only question of ethics was whether I could do the job in a satisfactory way. And I cleared those with the executive committee to make sure they were in accord with the rules.”

Assessing His Tenure

When asked to name his greatest achievements as the RNC chairman, Yeutter told the Center: “We were extremely pressured about what the priorities would be. I did speeches back in the early days of my tenure, and I said that there were three Rs, and those three Rs were redistricting, raising money, and
recruiting candidates. And when one looks at the election-year environment we have now for 1992, we were really on target, because redistricting paid off; that was the best thing we could do during my tenure. We gave that our highest priority. We won nearly all the redistricting battles of this decade, because, you know, this only occurs every ten years. . . . We had better coordination at the state level through party organizations and state legislatures and through the governors where we had Republican governors. . . . Overall, we won nearly 90 percent of the redistricting battles in the country. . . . A lot of this was done before I got there. We really have an opportunity as a result of redistricting of gaining de facto control of the House of Representatives.

"Recruiting candidates is the other part of that, and we weren't really involved. We were the catalyst.

"Then the other part was raising money. When I got to the RNC they were really struggling financially due to the recession, which made it tough for anybody, including Democrats and the DNC. And part of it was because of our situation with Lee Atwater's illness interfered with all of their operations for a year. So, everything languished there, including the fund raising, which meant that shortly before I arrived they cut back nearly half the people . . . which left me the task of rebuilding morale and getting them to feel like they were part of a winning organization. . . . So we had to change all that. We had to settle down and build a business organization. I spent far more personal time getting that process underway than RNC chairmen typically do."

Yeutter said that his biggest disappointment was former Attorney General Richard Thornburgh's loss in 1991 to Democrat Harris Wofford in a special Senate election in Pennsylvania. "The Thornburgh-Wofford election raised a lot of attention," he said. "Somebody did not handle it well."

Iraqgate

Yeutter's name has surfaced in the complicated, emerging public scandal over the Bush Administration's extensive, covert relationship with Saddam Hussein and Iraq before the Iraqi invasion of Kuwait. The Los Angeles Times broke this unfolding story.256

Thomas Lippman of The Washington Post wrote that Congressional committees have investigated the "misuse of federal farm credit program to finance Iraqi arms purchases, alterations of key documents and apparent administration efforts to mislead Congress . . . "257 The goals of the investigations are to find what led the Bush administration to back loans to Iraq when it was not creditworthy, why Commerce Department documents were altered to disguise exports of military technology, and who was responsible for these unusual policies.258

Iraq received $5 billion in loans from 1983 to 1990 through the Atlanta branch of Italy's Banca Nazionale del Lavoro. As The New York Times columnist William Safire and others have reported, State Department Foreign Service Officer Frank Lemay wrote an internal memorandum dated October 31, 1989, that said, in part: "Payments required by Iraq of exporters . . . may have been diverted into acquiring sensitive nuclear technologies . . . , commodities were bartered in Jordan and Turkey for military
hardware....” and diverted funds “were used to procure nuclear related equipment.” Secretary of State James A. Baker III reportedly “leaned” on Yeutter, then Agriculture Secretary, to extend an additional $500 million to Saddam Hussein. Yeutter did so despite his pledge to Senator Patrick Leahy of Vermont, the chairman of the Agriculture Committee, not to issue new credits unless suspicions of corruption were resolved. The money was diverted to Iraq’s nuclear program.

**A Move from the RNC to the White House**

Yeutter has served as President Bush’s domestic policy adviser since January 31, 1992. The position has cabinet-level rank, but the title is honorific and no Senate confirmation was necessary. Yeutter is the head of a team of economic and domestic policy advisers to the White House.
RICHARD N. BOND

Richard N. Bond was elected chairman of the Republican National Committee on February 1, 1992. Bond was born on May 30, 1950, in New York City. He grew up in Rockville Center and graduated from Fordham University in 1972 with a bachelor’s degree in English and Philosophy.

His career in politics began soon after he left college, when he became a press assistant to Nassau County Executive Ralph G. Caso. In 1976, Bond was a New England field operative for President Gerald R. Ford’s reelection campaign. From 1978 to 1979, Bond was press secretary to Representative Bill Green, a moderate Republican from Manhattan. During this time, Bond took several breaks from politics, at one point working as a clam digger on the Great South Bay of Long Island.

In 1979, Bond managed George Bush’s presidential campaign in Iowa and Connecticut. His meticulous handling of the Iowa caucus helped make Bush the winner and earned Bond his reputation as a hard-driving political technician. Bush had first earned Bond’s respect in 1973 when, as the RNC chairman, he had distanced the party from Watergate.263

In 1980, Bond managed the campaign of liberal Republican Senator Charles McC. Mathias of Maryland.

The next year, Bond rejoined the newly elected Vice President Bush as his deputy chief of staff, a position he retained until 1982, when he moved to the RNC as deputy chairman under Richard Richards. When Frank Fahrenkopf, Jr., became the chairman of the RNC, he initiated an organizational shake up and eliminated the title of deputy chairman. Bond’s responsibilities remained unchanged. He oversaw political affairs, communications, and had operational jurisdiction over 150 RNC employees.263

In 1983, Bond resigned his post at the RNC to form a political consulting firm with Michelle Laxalt, the daughter of the RNC general chairman, Sen. Paul Laxalt of Nevada. Bond told The New York Times that his departure had nothing to do with the fact that Sen. Laxalt was reportedly trying to take control of the RNC.264

In the first two weeks of their partnership, Bond and Laxalt were hired by the Motion Picture Association of America to work on a controversial copyright issue and by State Senator Victor Ashe of Tennessee in his campaign to take over retiring Senator Howard Baker’s seat.265

The venture was soon dissolved because of personality conflicts,266 and Bond formed Bond and Company, Inc., which handled a variety of political clients, including numerous Senate, House, and gubernatorial campaigns.267

During the late 1980s, Bond had various consulting contracts with the RNC, the National Republican Senatorial Committee, and the National Republican Congressional Committee that were worth from $4,000 to $10,000 a month.268
The three major national GOP committees have long rewarded loyal operatives with consulting contracts. "It’s a little kingdom with a big pot of gold," Republican political strategist David Keene told *The Washington Post* in 1987. He recounted the story of a poker game at RNC headquarters in which he mentioned that he had no consulting contracts with the RNC. "All these people, their mouths fell open, like, 'How do you live?'"[569]

"I get assignments from the RNC nearly every day," Bond told *National Journal* in 1986. His work for the GOP ranged from fund raising to staff training to preparation of the RNC budget.[70]

In 1985 the Republican organization of Suffolk County, New York, hired Bond to lobby for jobs and money, making it perhaps the only county party organization to have its own Washington lobbyist. "He provides access and he serves as an election consultant," the Suffolk County GOP chairman told *The New York Times*. Bond was able to get a $50,000 grant from the RNC for a Suffolk voter registration program in 1984.[71]

**Bond Donatelli, Inc.**

While Bond was deputy campaign manager of the 1988 Bush campaign, he met regularly with Frank Donatelli, then the Reagan White House’s political director and assistant to the president for intergovernmental affairs and public liason, as part of an attempt to ease tension between the two rival camps.[72]

After winning the campaign and losing the RNC chairmanship to Lee Atwater, Bond returned to his consulting business. This time, however, he teamed up with his friend Frank Donatelli. On February 1, 1989, they formed Bond Donatelli, Inc., based in Alexandria, Virginia.

Bond apparently did not mind being disconnected from the administration he had helped to create, according to his comments to *The New York Times* in 1987, while he was still deputy campaign manager for Bush-Quayle. "I don't have the ambition to be a powerful figure in a Bush White House," he said. "I don’t have that ambition at all."[773]

Past comments notwithstanding, Bond went the way of many of his colleagues and maintained a close connection with the White House. A 1989 article in *The New York Times* reported that Bond was on the White House’s political “A List,” a group of highly placed Republicans who were given copies of major speeches, proposals, and initiatives to review and comment on. Many in Bush’s “kitchen cabinet” were consultants and lobbyists. Besides Bush’s children, people on the list included Roger Ailes, Lee Atwater, Charles Black, Mitchell Daniels Jr., Linda DiVall, Kenneth M. Duberstein, Frank Donatelli, Frank Fahrenkopf Jr., Craig Fuller, James Lake, Frederic Malek, Peter Teeley, and Robert Teeter.[74]

One of Bond Donatelli’s first clients was the Panamanian government-in-exile of President Eric Arturo Delvalle, which paid the firm $10,000 a month for six months in 1989, according to documents filed with the Justice Department. "That’s the anti-Noriega forces," Bond emphasized to the Center.

Bond Donatelli has represented a variety of clients, according to House of Representative lobbying records, including: Akin, Gump, Strauss, Hauer & Feld, the powerful law firm of former DNC chairman
Robert S. Strauss; American Financial Corporation; the American Petroleum Institute; the East Coast Tuna Association; Enron Corporation, a Houston-based energy holding company with interests in natural gas, oil, and other fuels; Foundation Health Corporation; FMC Corporation, which manufactures machinery and chemicals for industry, agriculture, and government, including weapons; Grumman Corporation, a New York based defense contractor, to lobby Congress and the Defense Department to keep them from cutting the Navy F-14 Tomcat jet fighter; the Legal Services Reform Coalition, to lobby to limit the services of the Legal Services Corporation, which provides a variety of free and low-cost legal services; the Long Island Light Company; Mass Mutual, to lobby on pension-fund and insurance issues; the National Association of Broadcasters to lobby on telecommunications issues; the National Basketball Association; Tuscaloosa Steel Corporation, to lobby on trade issues; and U.S. Sprint, in its contracts with the government. 275

A Long Road to the Chairmanship

Bond served with Bush again in his 1988 presidential campaign as deputy campaign manager and national political director. After the election Bond was hoping to be tapped for the chairmanship of the RNC, but campaign manager Lee Atwater claimed it for himself. With Atwater's death in 1991, the chairman's position was open again, and although Bond was considered to be a contender, he dropped out of the running because of his conflicts with John Sununu, Bush's chief of staff. 276

William Bennett was initially named to replace Atwater as the chairman of the RNC, but he withdrew his name several weeks later. 277 With the job again open, Bond received high-level Republican endorsements for the chairmanship and was reportedly on the short list for the job. "Look, I'd be very interested," Bond told Newsday, "but this is not something you lobby for." 278

Bond did in fact lobby for the job, according to The Washington Post, though never with President Bush because, Bond said, "it would have been unseemly." Rather, he made three visits to his dying mentor, Lee Atwater. "I promised this to you before, and I took it, and . . . I'm not going to make it," Bond remembers Atwater saying. 279

The job went to Clayton Yeutter, but after a year he was summoned back to the White House, leaving the chairmanship once again vacant.

On February 1, 1992, Bond was unanimously elected chairman of the Republican National Committee.

No Outside Income

During his tenure as RNC chairman, Bond has received no income from his consulting firm, and he told the Center that he hasn't done any consulting or lobbying for clients. According to Bond Donatelli's March, 1992 filing with the Virginia State Corporation Commission, Bond is the chairman and a director of the firm.
“I haven’t severed totally [from Bond Donatelli, Inc.] because I still am a stockholder [and I] have the right to be aware of business decisions, regarding hiring and firing and that kind of stuff,” Bond told the Center in an interview. “However, I have not taken income or salary from the firm, and in addition, have not nor will I meet with any client on any business related to the firm. They’ve all been kind enough never to bother me.

“I am here [at the RNC] full-time. I don’t go over there. And there have been no management decisions to make.”

Bond has said that he receives the same salary as a cabinet secretary, $138,900 a year, and that he has attended a cabinet meeting.

When asked if a client has ever asked him for special favors or access, Bond said no. He told the Center that he has been careful to avoid any potential conflicts of interest: “Because I had enough warning that I might get this job, in December I went to my clients and I said, ‘I want you to know that I may be offered this job. . . . However, I want to discuss with you, to say that if I did accept it, it would be on the basis that you understand that you’re not allowed to call me on business matters. Don’t ask me to forward letters, or to attend meetings, or to set up meetings. And I just need to make that clear and be up front.”

However, Bond told the Center that he sees nothing illegal or unethical about lobbying or in some way using the chairmanship for private gain. “It’s very easy,” he said. “My philosophical take is that I think it’s up to the individual to decide. My personal view of this was that the line has moved much further than it was back in the days of previous chairmen, and that for the year that I’m going to have this job it’s much easier to make the financial sacrifice than to leave myself, the party, or the President open to irresponsible charges or to inaccurate charges. So it’s easier just to forego than it is to be pounded.”

Bond said that he saw no violation of the public trust in simultaneously being a partner in a lobbying firm and the chairman of the RNC. “I think that the things that lawyers or people that represent business interests do are quite legitimate functions,” he said. “I think the problem is that it leaves itself open to questions of conflict, questions of extraordinary access that ordinarily wouldn’t be afforded people, and it’s because of that that I wanted to avoid it myself.”

Assessing His Tenure

When asked by the Center what he saw as his greatest achievement as chairman, Bond replied jokingly, “Getting the job?” He explained that he could not yet point to such an achievement because he had only been in office six months and that the staff and budget had been put together by a previous chairman.

“But thus far,” he continued, “simply being an activist chairman and not being shy, vis-a-vis Buchanan or vis-a-vis Perot or vis-a-vis Clinton, and I think re-establishing the voice of the RNC chairman in the councils of the campaign and in the councils of the White House.”
Bond is considered by many to be the consummate political operative: driven, brutally honest, and fiercely loyal to his politician. He has worked in national campaigns for Bush since 1979. "If I get the message tomorrow from George Bush that he wants me to hammer someone," Bond told a reporter, "they will be hammered."  

Not a Fan of Fund Raising

"I'm not big into the fund raising stuff," Bond told the Center. "This is heresy for a Republican," he said later in the interview, "[but] I don't have any particular animus towards the idea of voluntary public financing such as taxpayer check-offs." He said that he supports campaign finance reform as long as it does not create an "unfair playing field" that favors special interests.

Bond told the Center he has never been contacted by large donors seeking special favors. Even if it were to happen, he said, he would refuse to play along. "If a person sat there with his check and said, 'We've got this tremendous problem with the Republican party and we want to give money because we think you can fix it,'" Bond said, "I would say, 'Well, keep the money, and uh, [we] can't help you with it.'"

Which is not to suggest, however, that Bond has an instinctual aversion to GOP contributions. In an incident that occurred before Bond became chairman, he provided what The Washington Post called the "strong, sustained" backing needed to get Joy A. Silverman, a major Republican donor, appointed as the U.S. ambassador to Barbados and seven other Caribbean island nations. Silverman had no foreign policy experience, no job history and no college degree, but she had given more than $180,000 to Republican causes, including the Bush-Quayle campaign, in 1987-1988 election cycle. Her nomination was rejected by the Senate Foreign Relations Committee because of her lack of experience.
Endnotes


8. Ibid.


10. Ibid., pp. 40-41.


13. Ibid., p. 111.


24. Ibid.

25. Ibid.


27. Ibid.

28. Ibid.


32. Ibid.

33. Ibid.


40. Ibid.


43. Ibid.

44. Ferguson and Rogers, “Big business,” p. 43.

45. Ibid.


47. Ferguson and Rogers, “Big business,” p. 43.


49. Ibid.

50. Ibid.


63. Ibid.

64. Credit International Bank, N.A. brochure


67. Credit International Bank, N.A. brochure


70. Ibid.

72. House of Representatives Office of Records


74. Ibid.


76. E.J. Dionne, "The Democrats in Atlanta; Democrats after lean years are optimistic as they gather," The New York Times, July 17, 1988, p. 1.

77. Ibid.


85. Ibid.


91. Ibid.


108. March 2, 1992 amendatory agreement to May 8, 1991 contract between Patton, Boggs & Blow and the city and county of Denver. Both contracts were signed by Brown.


121. Ibid.


128. Ibid.


132. Ibid., p. 6.

134. Ibid.


142. Flynn and Calderone, “City Deal is Probed,” p. 23.


146. Form 10-Q for Chemfix Technologies, Inc., for the Quarterly period ending February 29, 1992 filed with the United States Securities and Exchange Commission.


November 11, 1991 Proposal to handle District of Columbia’s deferred compensation plan submitted by PEBSCO and Capital/PEBSCO, filed with Copeland Protest.


See Charles Lewis, America’s Frontline Trade Officials, December 7, 1990, for any biographical information not cited in this biography.


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173. Ibid.


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187. Ibid.

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201. Ibid.


205. Ibid.


208. Ibid.

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211. Ibid., p. 8.

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213. Ibid., pp. 9-10.


217. Ibid.

218. Ibid.


226. Ibid.


235. Ibid.


239. Ibid.

240. Ibid.

241. Ibid.

242. Ibid.


245. Ibid.


250. See Charles Lewis, America’s Frontline Trade Officials, December 7, 1990, for any biographical information not cited in this biography.

251. Ibid., pp. 37-38.

253. Ibid.


256. Scores of stories have been written by Douglas Frantz and Murray Waas in *The Los Angeles Times* since late 1991. See, for example, Frantz and Waas, "Bush Aides Tied to Effort to Withhold Iraq Data Technology," *The Los Angeles Times*, July 8, 1992.


258. Ibid.


260. Ibid.


267. Republican National Committee, biography of "Richard N. Bond, Chairman."


282. Ibid.

APPENDIX

Center Interviews with the Party Chairmen

All of the Center on-the-record interviews with the party chairmen were conducted by Charles Lewis, along with either David DePerro, Samuel Loewenberg, Meredith Reid, or Susan Smith.

Richard N. Bond was interviewed on July 30, 1992

William E. Brock was interviewed on July 14, 1992

Kenneth M. Curtis was interviewed by telephone on July 13, 1992

Frank J. Fahrenkopf was interviewed on July 14, 1992

Paul G. Kirk, Jr. was interviewed by telephone on July 10, 1992

Charles T. Manatt was interviewed on July 9, 1992

Richard Richards was interviewed on July 6, 1992

John C. White was interviewed on July 29, 1992

Clayton Yeutter was interviewed on July 7, 1992
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