

## **Dan Rather Reports**

**Episode Number:** 102

**Episode Title:** The Best Congress Money Can Buy

**Description:** Who's really running Washington? Lobbying in the nation's capital has grown into a billion dollar industry. *Dan Rather Reports* investigates the "shadow government."

### **Transcription:**

TEASE

DAN RATHER (ON CAMERA)

TONIGHT – WHO’S IN CHARGE HERE IN WASHINGTON. IS IT THE LAWMAKERS OR THE LOBBYISTS?

JOHN RAFAELLI, LOBBYIST

My job is to go in there and convince the committee that it’s not worth looking at. It’s not a good idea. There are so many other things you should be doing before you get to that.

RATHER

That’s what you tell the Congressman or his staff?

RAFAELLI

Absolutely. Absolutely.

RATHER (VOICE OVER)

THERE’S A NEW PARTY IN POWER NOW. AND FOR LOBBYISTS THAT MEANS THAT IT’S TIME TO MAKE NEW FRIENDS AND PARTY HARD.

CHARLES LEWIS

If folks want to see what really happens in Washington they should skip the Capitol and come over to this building. This is where the action happens.

RATHER (ON CAMERA)

GOOD EVENING I'M HERE IN OUR NATION'S CAPITOL JUST WEEKS AFTER A POLITICAL EARTHQUAKE OF CHANGE CRACKED ACROSS OUR COUNTRY. WHEN

THE VOTES WERE TALLIED AMERICANS HAD ELECTED MORE THAN 60 NEW NATIONAL LAWMAKERS AND HANDED THE DEMOCRATS CONTROL OF CONGRESS FOR THE FIRST TIME IN MORE THAN A DECADE. THE WAR IN IRAQ WAS THE OVERRIDING ISSUE. BUT FOR MANY OF YOU, IT WAS MORE INCLUDING THE GENERAL TONE AND SUBSTANCE OF WASHINGTON LEADERSHIP AND WASHINGTON'S OVERALL POLITICAL CULTURE OF BIG-MONEY INFLUENCE PEDDLING AND CORRUPTION. THE BIGGEST NAME FROM THE LAST CONGRESS WASN'T A LAWMAKER BUT A HIGH FLYING LOBBYIST NAMED JACK ABRAMOFF WHO HAD DEEP CONNECTIONS IN CONGRESS AND AT THE WHITE HOUSE. AFTER MONTHS OF INVESTIGATION, ONLY ABRAMOFF KNOWS JUST HOW DEEP THIS SCANDAL GOES. AMONG THOSE WHO WILL TALK TO US TONIGHT TAKING US INSIDE WASHINGTON'S SHADOWED GOVERNMENT IS AN INSIDER, A HIGHLY PAID LOBBYIST WITH A REPUTATION A CLEAN ONE, WHO TELLS ME HOW HE AND OTHERS OF HIS KIND, GOOD AND BAD OPERATE ON A PLACE CALLED "K STREET." K STREET IS NOT JUST A ROAD THAT CONNECTS ONE PART OF WASHINGTON, D.C. TO ANOTHER. IT IS SHORTHAND FOR WASHINGTON'S INFLUENCE INDUSTRY WHERE LOBBYISTS PERSUADE GOVERNMENT TO BEND THEIR CLIENT'S WAY ON EVERYTHING FROM TAX BREAKS TO AIRPLANE SAFETY RULES. AND TODAY, THE BUSINESS OF K STREET IS BOOMING. DECADES AGO, THERE WERE JUST A FEW HUNDRED REGISTERED LOBBYISTS. SIX YEARS AGO, THERE WERE 16,000. NOW THERE ARE MORE THAN 30,000. IT'S A MULTI-BILLION DOLLAR INDUSTRY THAT SHOWS NO SIGN OF SLOWING DOWN. IT SEEMS, WELL, EVERYONE NEEDS A LOBBYIST.

CHARLES LEWIS, CENTER FOR PUBLIC INTEGRITY

Everyone from the Girl Scouts to General Motors, every possible group in America is doing something in Washington You name it, they are all pushing something.

RATHER (VOICE OVER)

CHARLES LEWIS IS THE FOUNDER OF THE CENTER FOR PUBLIC INTEGRITY, A WATCHDOG GROUP IN THE NATION'S CAPITOL.

LEWIS

There's people who want specific things, that get their way, they get the ear of those in power and help keep those people frequently in power regardless of party. And the public ends up being a bystander in their own democracy. That is really what we are talking about here.

RATHER (VOICE OVER)

LOBBYING HAS GROWN SO MUCH IT IS BURSTING ITS SEAM.

LEWIS

When you go from 100 lobbyists to from 30,000 in a few decades, it's natural that they're not going to fit on one street. So they spilled over here. And this would be where you would want to spill because they want to meet with powerful officials in the executive branch and in the legislative branch in Congress and they don't have a lot of time to meet these people.

RATHER

So K Street is expanding to Pennsylvania, is that the point? Well it is.

RATHER (VOICE OVER)

PENNSYLVANIA AVENUE IS THE 16- BLOCKS THAT CONNECT TWO POWER CENTERS IN WASHINGTON, THE WHITE HOUSE AND CONGRESS. IT IS ALSO THE AVENUE THE NEWLY ELECTED PRESIDENT WALKS FROM THE GREAT DOME WHERE HE IS SWORN IN TO THE WHITE HOUSE.

RATHER

When school children are taken through the capitol, the great dome, they're taught, this is where laws are made. This is where the dance of legislation gets carried out. True?

LEWIS

That's where the laws are voted on, but that is not where they are first conceived and where the hard sausage-making process happens. It's all in these buildings and offices. I remember when I went to school they didn't even mention lobbyists in history books. There were the three branches of government. I had no idea until I was an adult and I arrived here that everything I read was basically, not right. It's not really how it works here.

RATHER (VOICE OVER)

TO SHOW HOW US HOW IT DOES WORK, LEWIS TOOK US TO A NEW KIND OF WASHINGTON MONUMENT DEVOTED TO INFLUENCE-PEDDLING. AT 101 CONSTITUTION AVENUE WHERE PENNSYLVANIA AVENUE ENDS AND CONGRESS BEGINS SITS A GLEAMING, NEW TEN-STORY BUILDING. IT IS HOME TO SOME OF THE BUSIEST PAID-PERSUADERS, AMONG THEM MINING, INSURANCE AND TOBACCO INTERESTS. ON THE GROUND FLOOR IS AN ELEGANT RESTAURANT CHARLIE PALMER WHERE LOBBYISTS AND LAWMAKERS MEET OVER \$80 STEAKS. 101 CONSTITUTION HAS BEEN CALLED K STREET IN A BOX.

LEWIS

If folks want to see what really goes on in Washington, they should skip the capitol and come over here to this building. This is where the action is. Thousands of people, hundreds of businesses representing every conceivable powerful interest in Washington almost.

RATHER

Well, they certainly have a glorious view of the Capitol, especially when you are on the roof.

LEWIS

Well they do. Frankly, you can't top it. I mean short of being at the capitol. This is as good as it gets. And of course, members can scurry over here very quickly for a drink, for a meeting, for a fundraiser and it is quite convenient.

RATHER (VOICE OVER)

WE INVITED TOP LOBBYIST JOHN RAFAELLI TO LUNCH AT CHARLIE PALMER WHERE HE TOOK US INSIDE THE WORLD OF LOBBYING.

JOHN RAFAELLI, LOBBYSIT

Everybody's got a lobbyist. I don't think there is anybody who doesn't.

RATHER (VOICE OVER)

RAFAELLI IS A WASHINGTON INSIDER HE WORKED FOR TEXAS SENATOR LLOYD BENTSON ON THE SENATE FINANCE COMMITTEE AND HELPED CLOSE FRIEND BILL CLINTON WIN HIS PRESIDENTIAL CAMPAIGN. FOR MORE THAN TWO DECADES, RAFAELLI HAS BEEN A LOBBYIST REPRESENTING DIVERSE CLIENTS FROM BABY EINSTEIN VIDEOS TO MICROSOFT.

RATHER

Are most lobbyists in it for the money?

RAFAELLI

Probably. You know, the same reason any job, why do you work? To take care of your family and this is a skill set you've got. And indoor work, no heavy lifting.

RATHER

Well that's true. It's the skill set you've got, but it's also but it's also a set of contacts, isn't it?

RAFAELLI

Contacts are made because of your skill. You know, you you're not going to have those relationships if you're not good at the business. The only thing you've got up there is your word. It's a credibility question because there you know, this town is about power. And if you lie to somebody up there, they will know and they will tell others. And you are toast.

RATHER

My only point here, and it's not a very sophisticated point, obviously, that even a photograph of you, that is to say the lobbyist, shaking hands with the door keeper to power. Even that picture of you taking a handshake in your office is worth something, isn't it?

RAFAELLI

Oh sure. I mean the reality is that I may be the smartest guy in the world about how the two committees work, but if people don't think I have the relationships with the members, or the ability to communicate to those members and make their case then it doesn't matter how brilliant I am. So do you want your picture taken with the chairman, sure. Do you want your picture taken with the speaker? Absolutely. Do you want your picture taken with the president? Sure. It means you've been around them and you've had the ability to get there some how and they think that is good.

RATHER (VOICE OVER)

BUT THERE ARE OTHERS LIKE LEWIS WHO BELIEVE THIS KIND OF ACCESS TO POWER IS NOT GOOD FOR DEMOCRACY.

LEWIS

I once sat with the head of the insurance industry. And while I was sitting there, a very famous senator called, that president of that trade association. And the next thing I know the person on the phone, the lobbyist is giving information. They had done private polling in the senator's state about an issue. And this is something the senator couldn't do himself. Didn't have the money. Hadn't taken the time. And he was in rapt attention on the other end of the phone. Then they were dependent on this organization, this lobbyist, not just for the money, which is a big dependency, but also the information.

RATHER (VOICE OVER)

PROVIDING SPECIAL FAVORS TO LAWMAKERS GIVES SPECIAL INTERESTS LEVERAGE WHEN THEY WANT SOMETHING IN RETURN.

RATHER

I have every reason to believe your not going to like this language, but if one of your clients calls you and say, "Hey, I hear there's a bill being proposed for X, and that's gonna hurt me a lot. Get in there and kill that thing." In that case, you're pretty much a hit man. You go in, and you want to shoot it in the head. Pretty much the way it works, isn't it?

RAFAELLI

My job is to go on in, convince the committee it's not worth looking at, and it's not a good idea. There are so many other things you should be doing, before you get to that.

RATHER

That's what you tell the Congress.

RAFAELLI

Absolutely. Everything you do is the right thing to do. The question is, why are we gonna do this one? Come on! You know? There's better things to do.

RATHER

But not everyone has a lobbyist.

LEWIS

Here's where it breaks down. What about the groups that don't have any lobbying at all? What about the 60-80 million who are under-insured or uninsured with healthcare? What about the one in six children living in poverty? Who do they talk to? They don't have a lobbyist. And so, what happens is you have thousands and I do mean thousands of lobbyists on one side imparting this very, very important information, that possibly might not be entirely objective information and you have no one on the other side saying." Well wait a minute. Are you sure? Did you think about this?"

RATHER (VOICE OVER)

WITHOUT A LOBBYIST, IT IS HARD TO DEVELOP RELATIONSHIPS WITH LAWMAKERS. AND THERE IS NO BETTER WAY OF DEVELOPING A RELATIONSHIP, SAYS LEWIS, THAN BY WHISKING A MEMBER OF CONGRESS OR THEIR STAFF AWAY FROM WASHINGTON FOR SO-CALLED "EDUCATIONAL" OR "INVESTIGATIVE" TRIPS.

LEWIS

The last five years Members of Congress or their staffs have taken 23,000 trips around the world.

RATHER

Twenty-three thousand trips?

LEWIS

Twenty-three thousand trips around the world.

RATHER (VOICE OVER)

AS INCREDIBLE AS THAT SOUNDS, BIG BUSINESSES LIKE THE NUCLEAR ENERGY AND PHARMACEUTICAL INDUSTRIES ACCORDING TO THE CENTER FOR PUBLIC INTEGRITY SPONSORED MORE THAN \$50 MILLION WORTH OF PRICEY TRIPS TO PLACES LIKE LAS VEGAS, THE CARIBBEAN, ITALY, AND FRANCE TO NAME A FEW. ALTHOUGH LOBBYISTS CAN'T SPONSOR THESE TRIPS, THEIR CLIENTS, INSTITUTES OR TRADE ASSOCIATIONS CAN.

LEWIS

What happens is they'll have an ostensible purpose for the trip like a conference on this or that. They'll take a whole group of industry lobbyists with them. That means every day, day in and day out, breakfast, lunch and dinner, not to mention drinks and did I say more drinks and golf, their hanging out with these guys, bending their ear, becoming their pal, hearing about their children, you name it, bonding.

RATHER (VOICE OVER)

AND BONDING DOESN'T JUST TAKE PLACE WHILE LOBBYISTS WINE AND DINE CONGRESSMEN OR TAKE THEM ON ALL-EXPENSE-PAID VACATIONS. IT ALSO HAPPENS, SAYS LOBBYIST RAFAELLI, WHEN YOU HELP A CONGRESSMAN WITH THE ENDLESS RACE FOR CAMPAIGN CASH.

RAFAELLI

Lobbyists give without any expectation of something is gonna come back on any particular issue.

RATHER

You're kidding me.

RAFAELLI

No I give with the hope that if you get reelected. Let's assume you are Congressman Stark from Oakland. If Congressman Stark will at least allow me to get into his office and make my case to him. I'd rather have you get re-elected from Oakland than somebody else. So lobbyists tend to become not Democrats or Republicans, they tend to become incumbents, you know the party of the incumbents. It is about access, but it is because you got a relationship with somebody who allows you to make the case to him that regardless of whether you're gonna win or lose on that issue.

RATHER

How do you feel about that? Feel okay? Would you rather not have to do that?

RAFAELLI

I mean nobody likes fundraising. There is no fun in fundraising. It's a pain in the butt. If you're going to a member and asking him to help you and everything and their biggest need for help is getting money to get re- elected or raise money for their party and they ask you to help and you say no. How are you going to have much of a working relationship? You're always there asking but you're never helping.

RATHER (VOICE OVER)

DURING THIS LAST ELECTION, SPECIAL INTERESTS AND LOBBYISTS HELPED LIKE NEVER BEFORE. THE CANDIDATES RAISED MORE THAN A BILLION DOLLARS MAKING THIS THE MOST EXPENSIVE CONGRESSIONAL ELECTION ON RECORD. AND THE RACE FOR MORE CAMPAIGN CASH IS ALREADY UNDERWAY IN WASHINGTON, AS K STREET FANS OUT ACROSS THE CITY ATTENDING FUNDRAISERS LIKE THIS ONE FOR CONNECTICUT SENATOR CHRIS DODD. AS DODD WORKS THE ROOM FOR CASH, HE IS SURROUNDED BY LOBBYISTS INCLUDING SOME FROM THE BANKING AND FINANCE INDUSTRIES EAGER TO HELP. AND AT MEET AND GREET EVENTS FOR LAWMAKERS AFTER THE ELECTION LOBBYISTS SEEK OUT ANY POLITICIAN THEY CAN FIND.

LOBBYIST

Hey senator, Steve from Independent Community Bankers, always glad to see you -- thanks much.

RATHER (VOICE OVER)

LOBBYISTS DON'T GIVE LAWMAKERS MONEY AT THIS EVENT. THEY LEAVE THEIR CARDS, SO LAWMAKERS CAN CALL THEM LATER AND ASK FOR CONTRIBUTIONS. AND MANY LOBBYISTS WITH TIES TO THE DEMOCRATS LIKE RAFAELLI ARE POISED TO MAKE BIG BUCKS NOW THAT LEADERSHIP OF CONGRESS HAS CHANGED.

RATHER

Would you agree or disagree that lobbyists have an image problem right now?

RAFAELLI

You know, it's a little like being a lawyer and lobbyist, I get the worst of both images. Yes. And why? Because generally the worst of what happens in Washington gets reported.

RATHER

Have or have not some lobbying firms engaged their own public relation firms and even their own lobbyists to lobby? To lobby for their lobby firms.



RAFAELLI

Even lobbyists believe lobbyists are necessary. It's a necessary evil even to have to hire 'em, you know for yourself. I think you don't want to fight some of the crazy battles that come up because when a Jack Abramoff takes you know something to the extreme, and the absurd and the obscene...and that becomes the entire image of your industry.

RATHER

You raised Jack Abramoff. Is what he did, what he was engaged in, is that sort of standard practice?

RAFAELLI

I mean the answer has to be no and it is obvious that you can prove the point that it is not a standard. Jack I think was a modern aberration.

RATHER (ON CAMERA)

COMING UP NEXT HOW THE ABRAMOFF SCANDAL HAS TURNED WASHINGTON UPSIDE DOWN AND STILL HAS IT WORRIED.

(BREAK)

RATHER(ON CAMERA)

JACK ABRAMOFF HAS BECOME THE POSTER BOY FOR WHAT HAPPENS WHEN A SUPER-LOBBYIST GOES BAD AND BREAKS THE LAW. LAST WEEK, HE BEGAN SERVING A 70 MONTH SENTENCE IN FEDERAL PRISON BUT WASHINGTON IS NOW BUZZING OVER THE NEWS THAT ABRAMOFF MAY BE PREPARING TO "NAME MORE NAMES." THE ABRAMOFF STORY IS A DISTURBING WAKE-UP CALL ON HOW A LOBBYIST CAN INFILTRATE WASHINGTON AT THE HIGHEST LEVELS IT'S ALSO A STORY OF HOW UNSUSPECTING CLIENTS CAN BE HOODWINKED BY A SMOOTH TALKING POWER BROKER.

RATHER (VOICE OVER)

IN JANUARY, ABRAMOFF PLEADED GUILTY IN U.S. DISTRICT COURT TO FRAUD, TAX EVASION AND CONSPIRACY TO BRIBE PUBLIC OFFICIALS ...LOOKING MORE LIKE A MOBSTER THAN A HIGH-POWER LOBBYIST. THE MAN WHO "BOUGHT" WASHINGTON PROVIDED LAVISH TRIPS, CAMPAIGN CONTRIBUTIONS, FREE MEALS AT HIS POSH RESTAURANT, "SIGNATURES" AND FREE TICKETS TO SPORTING EVENTS TO LAWMAKERS AND OTHERS IN EXCHANGE FOR FAVORS. SO FAR, SEVEN PEOPLE HAVE PLEADED GUILTY AND ONE PERSON HAS BEEN CONVICTED OF CRIMES, INCLUDING REPUBLICAN CONGRESSMAN BOB NEY OF

OHIO WHO WAS FORCED TO RESIGN AND IS HEADING TO PRISON. TO UNDERSTAND JACK ABRAMOFF AND HIS ELABORATE SCAMS, WE TURN TO ONE AMERICAN INDIAN TRIBE, NATIVE AMERICANS FAR AWAY FROM WASHINGTON. THE TIGUA TRIBE SITS ON THE OUTSKIRTS OF EL PASO, TEXAS AND IS MORE LIKE A SMALL TOWN THAN A VAST WIND-SWEPT RESERVATION. THEIR HISTORY IS ONE OF STRUGGLE.

ART SECLAIR, GOVERNOR OF THE TIGUA TRIBE

From 1682 when the tribe was brought down here by the Spanish, through history, we were slaves back then; we did build the missions, and by no means were we wealthy.

RATHER (VOICE OVER)

ART SECLAIR IS THE GOVERNOR OF THE TRIBE. HE SAYS EVERYTHING CHANGED IN 1993.

SECLAIR

The casino was opened up in regards to high stakes bingo, and we were able to become self-sufficient, not dependent on somebody else.

RATHER (VOICE OVER)

AND PROFITS FROM THE "SPEAKING ROCK CASINO" PAID FOR HOUSING, A SCHOOL BUS, FOOD FOR THE ELDERLY AND A LIBRARY.

SECLAIR

On a yearly basis, at its very peak it was bringing in approximately \$62 million a year.

RATHER (VOICE OVER)

BUT IN EARLY 2002, THE STATE OF TEXAS CLOSED DOWN THE TIGUA TRIBE'S CASINO, ENDING MANY OF THE PROGRAMS. SOON AFTER, JACK ABRAMOFF CONTACTED THE TIGUA TRIBE WITH AN OFFER TO HELP RE-OPEN THEIR CASINO.

SECLAIR

He was the front cover story on Time Magazine about his success with southern tribes through the legislative process.

RATHER (VOICE OVER)

CARLOS HISA IS THE LIEUTENANT GOVERNOR OF THE TIGUA.

HISLA

What I discovered in my research was that um, Jack Abramoff was the lobbyist, was the man, that he was a friend to tribes and that he had a record, successfully doing things for tribes out there.

SECLAIR

Did I find anything negative? No. Everything was that Abramoff knew how to work Washington and be able to be a success.

RATHER (VOICE OVER)

THEY WERE IMPRESSED WITH ABRAMOFF'S CONNECTIONS TO POWERFUL REPUBLICANS LIKE THEN HOUSE MAJORITY LEADER TOM DELAY AND WHITE HOUSE ADVISER KARL ROVE. ABRAMOFF WAS A KEY REPUBLICAN RAINMAKER RAISING MILLION OF DOLLARS FOR THE PARTY. IN FACT, ABRAMOFF WAS SO WELL-REGARDED AT THE WHITE HOUSE, ONE OF HIS AMERICAN INDIAN CLIENTS WAS INVITED TO VISIT. ABRAMOFF TOLD THE TIGUA IN A MEETING HIS PLAN TO RE-OPEN THEIR CASINO REQUIRED LOBBYING AND CAMPAIGN CONTRIBUTIONS TO THE "RIGHT" LAWMAKERS. IT WOULD COST THEM \$4.2 MILLION.

HISLA

I walked out of that room convinced that by October we would re-open the casino and we would be able to keep the staff he knew what he wanted to do, he knew how to get it and he was going to get it done.

RATHER (VOICE OVER)

LOBBYIST JOHN RAFAELLI SAYS ABRAMOFF WAS JUST A GOOD PITCHMAN.

RAFAELLI

What Jack Abramoff did was find very naive clients but they've read enough stories, heard enough stories about how lobbying works to believe, when you tell the tribes with brand new wealth to protect your position, you need to spend millions. That's what GE did that's what General Motors does, you've got to get in there with the big guys. They don't know any better. So they trust him and they buy in.

RATHER

Part of "buying in" involved hiring Abramoff's friend.

HISLA

The way Abramoff reported it he was not gonna get a penny of that because he was not registered as a lobbyist of the tribe so he could not receive a penny. This money was going to go to Michael Scanlon and some of the money was going to go for contributions as well.

RATHER (VOICE OVER)

MICHAEL SCANLON WAS A PRESS SECRETARY TO TOM DELAY, WHO BECAME A LOBBYIST AND THEN FORMED HIS OWN GRASSROOTS LOBBY FIRM. ABRAMOFF TOLD HIS CLIENTS, INCLUDING THE TIGUA, TO HIRE SCANLON'S LOBBY FIRM AND THEN IN A SECRET DEAL, ABRAMOFF AND SCANLON SPLIT THE PROFITS. ABRAMOFF ALSO DIRECTED THE TIGUA TO START FUNNELING CAMPAIGN CONTRIBUTIONS TO SPECIFIC LAWMAKERS.

HISLA

When Abramoff asked for I think it was a total of \$300 thousand to contribute to the Republican Party, it came as no surprise. I knew we would have to do that. It was just part of the game, part of the system the way things are being done in Washington.

RATHER (VOICE OVER)

AND ABRAMOFF HAD A FRIEND IN CONGRESS WHO DID HIM FAVORS.

SECLAIR

You're never gonna hear anybody say that but quid pro quo, you know, give something and I'll give you something in return.

RATHER (VOICE OVER)

PETER STONE IS A REPORTER FOR NATIONAL JOURNAL WHO FOLLOWED THE ABRAMOFF INVESTIGATION FOR MONTHS AS IT WAS UNFOLDING. HE'S WRITTEN A BOOK CALLED HEIST ABOUT THE SCANDAL.

PETER STONE, REPORTER FOR NATIONAL JOURNAL

One of the key elements of the Tigua shakedown was getting a commitment early on from Congressman Bob Ney.

RATHER (VOICE OVER)

STONE SAYS, CONGRESSMAN NEY, AS THE CHAIRMAN OF THE HOUSE ADMINISTRATION COMMITTEE, CONGRESSMAN NEY AGREED TO INSERT A PROVISION TO RE-OPEN THE TIGUA CASINO IN AN ELECTION BILL.

STONE

It was pitched very much as you know, he's gonna do us a favor. You know, we've gotta get these campaign contributions to him.

RATHER (VOICE OVER)

ON MARCH 20, 2002, ABRAMOFF E-MAILED SCANLON. "...JUST MET WITH NEY!!! WE'RE F'ING GOLD!!!! HE'S GOING TO DO TIGUA. CALL ME." ABRAMOFF E-MAILED THE TIGUA TO SEND CAMPAIGN CONTRIBUTIONS TO CONGRESSMAN NEY'S POLITICAL WAR CHEST. BUT ACCORDING TO ABRAMOFF, THE DEAL WAS STILL NOT SWEET ENOUGH FOR NEY: HE WANTED A GOLF VACATION.

HISLA

Abramoff did contact the tribe and ask for a \$50,000 contribution for a trip scheduled to Scotland. His pitch was that there were going to be some influential people going on this trip and that we needed to "get 'em on our side."

RATHER (VOICE OVER)

THE TIGUA DECIDED NOT TO FUND THE TRIP. HOWEVER, ANOTHER TRIBE THAT WANTED TO OPEN A CASINO DID.

RATHER (ON CAMERA)

IT'S AGAINST THE LAW FOR LOBBYISTS TO TAKE CONGRESSMEN ON TRIPS AND NO GOVERNMENT TRIPS ARE SUPPOSED TO BE A PAID VACATION. BUT IN 2002 THAT'S EXACTLY WHAT HAPPENED. ON HIS OFFICIAL DISCLOSURE FORMS, CONGRESSMAN NEY SAID HE MADE A SPEECH IN SCOTLAND AND THAT HE CAME HERE TO LONDON TO VISIT THE BRITISH PARLIAMENT. INSTEAD, CONGRESSMAN NEY AND TWO OF HIS STAFF MEMBERS PLAYED GOLF IN SCOTLAND AT A WORLD FAMOUS COURSE, WITH LOBBYIST JACK ABRAMOFF AND WHILE THEY DID COME TO LONDON, STAYING AT AN EXPENSIVE HOTEL, THEY NEVER VISITED THE BRITISH PARLIAMENT. THE COST OF THIS ALL-EXPENSE- PAID VACATION INCLUDING TRAVEL BY PRIVATE JET EXCEEDED 160 THOUSAND DOLLARS. ALL COURTESY OF JACK ABRAMOFF AND HIS CLIENTS. WHEN CONGRESSMAN NEY RETURNED TO WASHINGTON, HE MET THE TIGUA AT HIS CAPITOL HILL OFFICE.

STONE

Ironically, though, Ney had learned slightly before the trip took place that a Democratic senator, who Abramoff and Scanlon had said was going to be managing a similar provision in the Senate had never really committed to this bill whatsoever.

RATHER

So before Ney ever went to Scotland, he knew the re-opening of the casino was dead.

STONE

So Ney in effect continued to string the tribe along as Abramoff was stringing the tribe along on this "provision" that Ney had said he would put in.

RATHER (VOICE OVER)

WHAT THE TIGUA DIDN'T KNOW, IS THAT ANOTHER INDIAN TRIBE FELT THREATENED BY THE TIGUA'S CASINO AND HIRED ABRAMOFF TO SHUT IT DOWN.

SECLAIR

Abramoff was working two efforts. One of 'em was to shut us down once he succeeded in shutting us down, unbeknownst to us, then he came back and said, you know, " I want to be able to open you up." It's hard to speculate what he was thinking. I mean, he clearly, it was the dollar signs.

HISLA

I mean, it's devastating because these individuals worked on shutting us down and then they come back, and attack us at our at a very, very delicate moment where I'm gonna use the word desperate because we were.

RATHER (VOICE OVER)

AT THE SENATE INDIAN AFFAIRS HEARINGS IN FALL 2004, THE TIGUA LEARNED MORE ABOUT ABRAMOFF'S TRUE MOTIVE FOR CONTACTING THEM.

JOHN MCCAIN (SENATE INDIAN AFFAIRS HEARING)

Is life great or what, exclaimed Jack Abramoff in an e-mail to his friend and business partner, Michael Scanlon on February 19, 2002. Few would have quibbled with Mr. Abramoff at the time as we learned during the committee's September 29th hearing the two men shared a secret partnership that connived to collect at least \$66 million from six American Indian tribes across the nation.

RATHER (VOICE OVER)

SENATOR JOHN MCCAIN CONFRONTED ABRAMOFF AS HE READ ONE OF HIS E-MAILS BACK TO HIM.

MCCAIN (SENATE INDIAN AFFAIRS HEARING)

I'm on the phone with Tigua! Fire up the jet baby, we are going El Paso, wrote Jack Abramoff in a February 6, 2002 email. Responding Michael Scanlon summarized their objective, "I want all their money."

RATHER (VOICE OVER)

ANOTHER E-MAIL WAS READ BY BEN NIGHTHORSE CAMPBELL, THE ONLY NATIVE AMERICAN SENATOR AT THE TIME.

BEN NIGHTHORSE CAMPBELL, NATIVE AMERICAN SENATOR (SENATE INDIAN AFFAIRS HEARING)

At one time or another, according to your e-mails, you and Mr. Scanlon referred to tribes as "morons, stupid idiots, monkeys, f-ing troglodytes," which you defined as a lower form of existence and losers. My question concerning your definition of those clients is this: Why would you want to work for people that you have that much content for?

ABRAMOFF (SENATE INDIAN AFFAIRS HEARING)

Mr. Chairman, I respect the committee's process, that's why I am here today. But in light of the correspondence that occurred between the committee and my counsel including the committee's decision not to make any provisions for my testimony though the grant of legislative immunity, I have no choice but to assert my various constitutional privileges against having to testify.

RATHER (VOICE OVER)

ABRAMOFF INVOKED HIS CONSTITUTIONAL PRIVILEGE OVER AND OVER AGAIN.

ABRAMOFF (SENATE INDIAN AFFAIRS HEARING)

Senator I respectfully invoke the privileges as previously stated.

RATHER (VOICE OVER)

SENATOR CAMPBELL PUT THE HEARINGS INTO HISTORICAL PERSPECTIVE DURING THE TESTIMONY OF MICHAEL SCANLON, ABRAMOFF'S PARTNER IN CRIME.

CAMPBELL

I have to tell you that for 400 hundred years people have been cheating Indians in America, so you're not the first one Mr. Scanlon. It is just ashamed that in this enlightened day that you have added a new dimension to a shameful legacy of what has happened to American Indians. You're the problem buddy of what happens to American Indians. This committee is adjourned.

STONE

He pled guilty to violating laws, to try conspiracy to bribe public officials. He has done this in an extraordinary way. But there are mini versions of this in Washington that have proliferated in recent years as the pressure to give, the pressure for access, the pressure for more campaign money has mushroomed in many different ways.

RATHER (VOICE OVER)

LOBBYIST RAFAELLI HAD ANOTHER TAKE ON ABRAMOFF.

RAFAELLI

You know, unfortunately, the criminal element occasionally gets represented, you know? They may have been good people when they came up here, but greed, whatever, something takes over. And like in corporate America, the banking world or anywhere else, you have the guy who starts stealing money from the tiller.

RATHER

Well, if I read the papers right and read some of the reports about Abramoff stood to make as much as \$60 million.

RAFAELLI

Yeah, how that happened is beyond imagination. I mean every lobbyist in town, First, you had to resent what he did, but you also had to look and say , " Wow! How do you get those kinds of fees?" You know. Whoa. I've never had anybody pay that, you know.

RATHER

Those fees allowed jack Abramoff to live a lavish lifestyle in this million dollar mansion. He is now traded that lifestyle for a cell in this federal prison in Cumberland, Maryland.

RATHER (VOICE OVER)

COMING UP NEXT, TAKE A LOOK AT HOW MODERN-DAY LOAN SHARK'S USE K STREET.

(BREAK)

RATHER (ON CAMERA)

YOU MAY BE SURPRISED TO SEE WHAT HAPPENS WHEN K STREET IS HIRED TO PROTECT THE



INTERESTS OF AN INDUSTRY THAT HAS BEEN ACCUSED OF TAKING ADVANTAGE OF SENIOR CITIZENS AND U.S. SOLDIERS. IT WORKS LIKE THIS: MILLIONS OF AMERICANS TAKE OUT SMALL LOANS FROM SO-CALLED "PAYDAY" LOAN SHOPS AND THEN FIND THEMSELVES PAYING SKY-HIGH INTEREST RATES THAT CAN SOAR TO 500 PERCENT A YEAR. BUT MAKING LOANS FOR PEOPLE WHO LIVE PAYCHECK TO PAYCHECK HAS BECOME A BOOMING BUSINESS. AND, THANKS TO HIRED GUNS IN WASHINGTON AND ACROSS THE COUNTRY THERE'S NOTHING ILLEGAL ABOUT IT.

RATHER (VOICE OVER)

ONCE UPON A TIME, AT LEAST ACCORDING TO HOLLYWOOD, IF YOU DIDN'T PAY BACK YOUR LOAN ON TIME, YOU GOT A VISIT FROM FELLOWS WITH BRASS KNUCKLES AND BASEBALL BATS. NOWADAYS GETTING THE MONEY IS STILL EASY, BUT THE PAIN CAN BE FELT MORE IN YOUR WALLET. PAYDAY LOAN SHOPS ARE NOW A \$40 BILLION BUSINESS WITH MORE THAN TWICE THE NUMBER OF STORES AS STARBUCKS. SOME PAYDAY LOAN COMPANIES ARE EVEN TRADED ON THE STOCK EXCHANGE. THE ADS MAKE IT SEEM EASY.

TV ADVERTISEMENT

Stuff happens in life and sometimes that stuff costs a little more than we happen to have at the moment. When I'm feeling that squeeze, the only place I'll go is Advance America Cash Advance.

RATHER (VOICE OVER)

MARY ANN OLSON, WHO LIVES IN PORTLAND, OREGON, WAS SHORT THE MONEY SHE NEEDED TO BUY A PAIR OF ORTHOPEDIC SHOES. SHE THOUGHT A PAYDAY LOAN SOUNDED LIKE A GOOD IDEA.

MARY ANN OLSON

"I needed \$140 for the shoes, and I needed to get it 'cause of my feet, I went ahead to Pay Day Loan. And that's...and I borrowed \$150.

RATHER (VOICE OVER)

OLSON, WHO HAS MULTIPLE SCLEROSIS, LIVES IN AN ASSISTED LIVING HOME AND QUALIFIED FOR A LOAN BECAUSE OF HER STEADY SOCIAL SECURITY CHECKS.

OLSON

I remarked about the interest and they and they said, "Well, you're only be paying 5 or 10 percent interest." And ...and I believed them.

RATHER (VOICE OVER)

WHEN IT CAME TIME TO REPAY THE LOAN, OLSON WAS SHORT A FEW DOLLARS AND SO SHE SOLVED THE PROBLEM BY TAKING OUT ANOTHER LOAN.

OLSON

I just went to another Pay Day Loan and got more money to pay them off. And then a third Pay Day Loan to pay off the second one because it was every two weeks. It became a compulsion for me. I was sitting at the bus stop and across the street was another Pay Day Loan. And I just went right across the street and borrowed the money. It was that easy. Only takes about 20 minutes. They're nice. They have candy.

RATHER (VOICE OVER)

ED MIERSWINSKI, OF THE NON- PARTISAN U.S. PUBLIC INTEREST RESEARCH GROUP, DOESN'T THINK PAYDAY LENDERS ARE SO NICE. HE VIEWS THEM AS OLD-TIME LOAN SHARKS WITH MODERN-DAY POLITICAL SAVVY AND CONNECTIONS. HE AND A GROUP OF CONSUMER ADVOCATES ARE TRYING TO SHUT THE INDUSTRY DOWN.

ED MIERSWINSKI, U.S. PUBLIC INTEREST RESEARCH GROUP

It's kind of like the game of what we call "whack-a-mole" first you restrict them and then they pop up in another place and then you've got to beat them back again.

RATHER

Well, how does this work? What tactics do they use to get their influence spread and get their way in Congress with the regulatory groups at the federal level?

MIERSWINSKI

The first thing you do is you get a public relations flack. And your flack says, "Create an association with a benign- sounding name." And they created the Community Financial Services Association.

RATHER

Sounds wonderful.

MIERSWINSKI

It sounds very, very nice. You come up with a name that sounds wholesome even though the business you're in might be distasteful. I mean, lending money at 500 percent interest you want

to call yourself a community group because that deflects from the attention that you would otherwise get. Second, hire some lobbying firms to advise you on where to distribute your campaign donations.

RATHER (VOICE OVER)

THAT'S ADVICE PAYDAY LENDERS TOOK TO HEART. IN THE PAST FIVE YEARS, THEY'VE PONIED UP NEARLY FIVE MILLION DOLLARS TO LOBBYISTS. THEIR CHIEF ADVOCATE IS TIM RUPLI, WHO UNDER REPUBLICAN RULE WAS CONSIDERED ONE OF THE MOST INFLUENTIAL LOBBYISTS IN TOWN. WE WANTED TO SPEAK TO RUPLI, BUT HE DECLINED.

MIERSWINSKI

He happens to be the one that the payday lenders went to and said, "We need influence to prevent Congress from passing a bill that will make our loans illegal and we're going to pay you a lot of money to do that."

RATHER (VOICE OVER)

RUPLI HAS EARNED MORE THAN \$ 2 MILLION FROM PAYDAY LENDERS IN THE PAST THREE YEARS. HE IS A RENOWNED FUNDRAISER. IN THE PAST FIVE YEARS, RUPLI AND HIS WIFE HAVE DONATED MORE THAN \$250,000 TO LAWMAKERS. ALL TOGETHER, PAYDAY LENDERS, THEIR LOBBYISTS AND SPOUSES DONATED MORE THAN THREE MILLION TO MEMBERS OF CONGRESS SINCE 2001. FOR A LONG TIME, THE INVESTMENT PAID OFF, AS CONGRESS LOOKED THE OTHER WAY WHEN CASES OF PEOPLE DESTROYED BY PREDATORY LENDING CAME TO LIGHT.

MIERSWINSKI

The average member of Congress, if he or she is getting campaign donations from a payday lender. If he or she is generally hearing from these people that "We're just providing a choice. We're out there in the neighborhoods providing a service." They don't want to be the ones that just shut them down.

RATHER (VOICE OVER)

PAT CIRILLO, A STATISTICIAN WHO OFTEN WORKS FOR THE PAYDAY LOAN TRADE GROUPS, SAYS HER OWN RESEARCH SHOWS THAT CONSUMERS DO KNOW WHAT THEY'RE GETTING INTO.

PAT CIRILLO, STATISTICIAN

It's as simple as it gets. There's a poster on the wall. \$100 costs \$15, \$200 costs \$30. It's incredibly obvious. And when you talk to consumers, and they explain the costs of their various options, they clearly understand the difference."

RATHER (VOICE OVER)

BUT MANY, LIKE MARY ANN OLSON, DO NOT UNDERSTAND WHAT THEY ARE GETTING INTO. IN A SHORT TIME, SHE OWED MONEY TO NINE DIFFERENT PAYDAY LOAN SHOPS AND WAS CARRYING A SERVICE CHARGE THAT SWALLOWED MOST OF HER SOCIAL SECURITY CHECK. OLSON BEGAN BOUNCING CHECKS AND RUNNING UP BANK FEES. BEFORE SHE KNEW IT, THOSE \$150 ORTHOPEDIC SHOES HAD COST HER MORE THAN \$2,000.

OLSON

They were calling me 12 times a day. I had changed my telephone number. They overdrew my bank account knowing there was no money in there. It was devastating. I was a nervous wreck. I really was. You know, I had trouble sleeping, eating. I was out every day, trying to find money. And yet, you know what; it was partly my fault for not being a wiser consumer.

RATHER (VOICE OVER)

BUT CONSIDER WHAT CONSUMERS ARE UP AGAINST AN INDUSTRY THAT BENEFITS WHEN FOLKS DON'T READ THE FINE PRINT AND ONE THAT CAN PAY FOR POLITICAL PROTECTION.

MIERSWINSKI

You make donations to both sides of the aisle. You have a partner running the company from both sides of the aisle. The payday lenders have Mike Oxley, a Republican in the House. And they have Tim Johnson a Democrat in the Senate as their number one guns."

RATHER (VOICE OVER)

IN THE PAST FEW YEARS, BOTH OXLEY AND JOHNSON, AMONG OTHER LAWMAKERS, HAVE SENT LETTERS TO FEDERAL REGULATORS CRITICIZING PROPOSED PAYDAY LENDING RESTRICTIONS. THE INDUSTRY NURTURES ITS RELATIONSHIPS WITH LAWMAKERS AND KEY CONGRESSIONAL STAFFERS BY HOSTING CONFERENCES NEAR WARM, SUNNY BEACHES. LAST MARCH, PAYDAY LENDERS FLEW IN SENATOR. TIM JOHNSON, AND STATE LEGISLATORS TO PALM SPRINGS. ANOTHER FAVORITE SPOT IS JACKSON HOLE, WYOMING.

MIERSWINSKI

Once you're out in a beautiful place like Jackson Hole or Hawaii or Miami which are other favored delegation, you've got the member."

RATHER

So you have maximum access, which can result in leveraging quite a bit of influence. Is that the theory?

MIERSWINSKI

Absolutely.

RATHER

Is that the practice?

MIERSWINSKI

Absolutely. In fact, one of the best places is if you've got your own plane.

RATHER (VOICE OVER)

ADVANCE AMERICA, APPARENTLY AGREES. THE COMPANY HAS MADE ITS CORPORATE JETS AVAILABLE TO BOTH DEMOCRATIC AND REPUBLICAN LAWMAKERS, AMONG THEM: TOM DELAY, MARK WARNER, JOE LIEBERMAN AND MIKE OXLEY, PLUS THE DEMOCRATIC GOVERNORS ASSOCIATION. THESE RIDES ARE NOT FREE, BUT THEY ARE USUALLY GIVEN AT A FRACTION OF THE ACTUAL COST AND WELL BELOW FIRST CLASS AIRFARES.

RATHER

Well, consumer interest groups, including your own are looking to influence Congressmen as well. Do you take people on these junkets? Can you?

MIERSWINSKI

Ah-- if we had the money, I suppose it would be legal, but we would probably consider it improper.

RATHER (VOICE OVER)

FOR MORE THAN FIVE YEARS, PAYDAY LOBBYISTS BEAT BACK ALL ATTEMPTS AT CONSUMER PROTECTION. THEY HAD A LANDMARK VICTORY LAST YEAR, WHEN THEY WERE ABLE TO BOTTLE UP A PROPOSAL BY SENATOR ELIZABETH DOLE, OF NORTH CAROLINA, WHO WAS TRYING TO PREVENT PAYDAY LENDERS FROM GOUGING MILITARY PERSONNEL. THEY PRESSURED DOLE TO WITHDRAW HER BILL AND, INSTEAD, ASK THE PENTAGON TO STUDY THE MATTER. THE TACTIC BACKFIRED WHEN THE PENTAGON'S REPORT WAS RELEASED THIS FALL.

IT WAS DEVASTATING. ADMIRAL CHARLES ABBOTT TESTIFIED THAT PAYDAY LENDING IS THE MOST SERIOUS SINGLE FINANCIAL PROBLEM THE MILITARY HAS EVER ENCOUNTERED.

CHARLES ABBOTT, ADMIRAL

We see every day in our offices around the country individuals who have come in and fallen into the Venus flytrap of the payday lending problem and it has literally destroyed their lives."

RATHER (VOICE OVER)

JUST ASK BRIAN ANDERSON, AN AVIATION WARFARE SYSTEMS OPERATOR, FROM SAN DIEGO WHO BORROWED \$300 AND ENDED UP HAVING TO PAY BACK \$15,000.

BRIAN ANDERSON, AN AVIATION WARFARE SYSTEMS OPERATOR

I was very surprised when it happened to me. I didn't think I would get myself caught up in this vicious cycle.

RATHER (VOICE OVER)

ANDERSON, WHO IS 34, HAS BEEN IN THE SERVICE FOR HALF HIS LIFE. IN 2002, HE WAS SHORT ON CASH AND WORRIED ABOUT FEEDING HIS FAMILY.

ANDERSON

I have three kids, ages 13, 9 and 5. And all of them are in different growing cycles. And so you know you have to go out there and buy clothes for them, you have to feed them, they need they're toys and stuff. Plus you still have your everyday expenses that you have to take care of: your gas, maintenance of your cars, insurance, so it added up a lot.

RATHER (VOICE OVER)

HE FOUND A PAYDAY SHOP NEAR HIS BASE, AND BEFORE LONG, HE WAS CAUGHT IN THE SAME DEBT-TRAP AS MARY ANN OLSON.

ANDERSON

I couldn't stand for payday to come around because I would have to start my little routine of going to one store to pay them off, taking another loan out, going to another store to pay them off. And they figure with the military they have a good client because if I default to my loan they could go to the commanding officer and say hey you know this guy owes us money.

RATHER (VOICE OVER)

AT A SENATE HEARING THIS FALL, SENATOR JOHNSON MADE ONE LAST STAND SUBMITTING A PROPOSAL FROM THE PAYDAY LENDING INDUSTRY THAT HE ACKNOWLEDGED HE HADN'T ACTUALLY READ.

TIM JOHNSON

But one last question and I know nothing about this proposal myself, it was called to my attention that the CFSA has made a proposal to DOD.

RATHER (VOICE OVER)

BUT UNDERSECRETARY OF DEFENSE DAVID CHU TOOK ON PAYDAY LENDERS AND SENATOR JOHNSON.

DAVID CHU

You can have disastrous consequences for the quality of life and for the careers of service members.

TIM JOHNSON

Where do you suggest these guys go? What do you say to that young soldier? What he wants to go to his mother's funeral? What are you going to do?

CHU

This issue is predatory lending, lending or getting people in over their heads. Taking military people into a debt loan that they cannot sustain. It's not about airline tickets to a funeral.

RATHER (VOICE OVER)

IN THE END, THE PAYDAY LOBBY LOST THIS BATTLE. THE SENATE APPROVED A 36 PERCENT CAP ON LENDING TO MILITARY PERSONNEL AND THEIR FAMILIES, AS PART OF THE DEFENSE AUTHORIZATION BILL. AND, IMMEDIATELY, THE LARGEST PAYDAY LENDERS ANNOUNCED THEY'D CLOSE THEIR SHOPS NEAR MILITARY BASES AND STOP LENDING TO SOLDIERS ALTOGETHER.

MIERSWINSKI

It's unfortunate that it took a war to ban payday lending even to one segment of our society. But I hope that Congress will say, "Okay, we've protected military families. What about protecting everyone else?"

RATHER (VOICE OVER)

CINDY VEGA WORKS FOR A TRADE GROUP THAT REPRESENTS CHECK CASHERS AND PAYDAY LENDERS.

CINDY VEGA

Consumer groups claim it as a victory on the face of it may seem that way but the ultimate end to that may be that it restricts choice for military personnel in terms of how they handle their finances. And we think that's a shame.

MIERSWINSKI

The pay day loan business is absolutely going to try and regroup. They are going to try to pass a law next year to weaken what the Congress did. They are going to try and go state by state and make it easier to lend to the rest of us because they don't have the gravy train of the military families.

RATHER (VOICE OVER)

BUT AIRMAN BRIAN ANDERSON HOPES CONGRESS PUTS THEM OUT OF BUSINESS.

ANDERSON

A \$300 loan, many, many years ago turned into \$15,000 in fees and interest and return checks. And it's one of those things I wouldn't wish that upon anybody.

RATHER (VOICE OVER)

COMING UP NEXT, HOW FORMER MEMBERS OF CONGRESS CASH IN ON K STREET.

(BREAK)

RATHER (VOICE OVER)

THE INFLUENCE INDUSTRY IS FAMOUS FOR THE DOLLARS IT POURS INTO THE POCKETS OF CONGRESS. BUT WHAT'S HAPPENING MORE AND MORE THESE DAYS IS THE LURE OF MONEY FOR THOSE LEAVING CAPITOL HILL TO CASH IN ON K STREET.

CRIAG HOLMAN, LOBBYIST FOR PUBLIC CITIZEN'S CONGRESS WATCH

It is distressing how often it happens. It never used to be as frequent as it is today.

RATHER (VOICE OVER)



CRAIG HOLMAN IS A LOBBYIST FOR A CONSUMER ADVOCACY GROUP IN WASHINGTON CALLED PUBLIC CITIZEN'S CONGRESS WATCH.

HOLMAN

The tactic that lobbyists frequently use to try to persuade lawmakers or congressional staff to help them out is what we call the “revolving door.” And, you know, it's a very similar practice to handing over a wad of cash.

RATHER (VOICE OVER)

SIMILAR, HOLMAN SAYS, BECAUSE LOBBY FIRMS MAKE LUCRATIVE JOB OFFERS TO POLITICIANS IF THEY WALK THROUGH THE “REVOLVING DOOR” FROM GOVERNMENT INTO PRIVATE BUSINESS.

HOLMAN

When people get elected to Congress or get the privilege of serving as a staffer, they develop networks and knowledge of the people who are in government, the people who are staffing committees. What matters to them. Who's actually calling the shots on different policies issues. I mean, they've got this inside knowledge that no other Americans have.

RATHER (VOICE OVER)

AND MEMBERS OF CONGRESS INCREASINGLY USE THAT KNOWLEDGE AND BECOME LOBBYISTS. IN FACT, ACCORDING TO CONGRESS WATCH, OVER A RECENT SIX YEAR PERIOD ALMOST HALF OF THE RETIRING CONGRESSMEN JOINED LOBBY FIRMS.

RATHER

Well is this or is it not a case of government officials cashing in?

HOLMAN

Well it is. There is no question about it.

RATHER (VOICE OVER)

CHARLES LEWIS, FROM THE CENTER FOR PUBLIC INTEGRITY.

RATHER

What's wrong with having spent some time in government service, public service, get on the outside and make a better living?

LEWIS

Well, no it's, it's not only the America way; it is especially the Washington way.

RATHER (VOICE OVER)

AND THE WASHINGTON WAY, SAYS HOLMAN, IS NOT TO BE TROUBLED IF A CONFLICT OF INTEREST ARISES.

HOLMAN

Even if there is no real corruption involved in there, the mere fact that someone as a member of Congress is thinking in terms of getting a private sector job as a lobbyist for the pharmaceutical industry, while at the same time laying legislation and dealing with the lobbyist of the pharmaceutical industry, that is a potential conflict of interest.

RATHER (VOICE OVER)

THAT'S WHAT HAPPENED, HOLMAN SAYS, WITH FORMER REPRESENTATIVE BILLY TAUZIN FROM LOUISIANA, SAYS HOLMAN.

HOLMAN

Billy Tauzin was working on the prescription drug bill back in 2003. And he put in that bill everything the pharmaceutical industry wanted. He put in that bill that there would be no price controls on drugs. He put in that bill that the federal government could not use its market power to leverage lower prices in buying drugs.

RATHER (VOICE OVER)

TWO MONTHS LATER, HE ANNOUNCED THAT HE WOULD NOT SEEK RE-ELECTION AND STARTED GETTING LUCRATIVE JOB OFFERS, INCLUDING ONE TO BE THE PHARMACEUTICAL INDUSTRY'S TOP-GUN IN WASHINGTON.

HOLMAN

That just reeks of the potential of bribery. I mean it certainly doesn't pass the smell test.

RATHER (VOICE OVER)

TAUZIN SAYS HE WAS NOT NEGOTIATING FOR A JOB WITH THE PHARMACEUTICAL INDUSTRY WHILE HE WAS WORKING ON THE PRESCRIPTION BILL. NEVERTHELESS, A MONTH BEFORE TAUZIN STEPPED DOWN FROM CONGRESS ON JANUARY 3, 2005, HE ACCEPTED A POSITION AS THE CEO AND PRESIDENT OF THE PHARMACEUTICAL MANUFACTURERS ASSOCIATION, AT AN ESTIMATED YEARLY SALARY OF \$2 MILLION. ANOTHER FORMER MEMBER OF

CONGRESS WHO HAS CASHED IN ON HIS PUBLIC SERVICE IS REPRESENTATIVE BOB LIVINGSTON, ALSO OF LOUISIANA. YOU MIGHT REMEMBER LIVINGSTON AS THE MEMBER OF CONGRESS WHO ASKED FOR PRESIDENT BILL CLINTON'S RESIGNATION OVER THE MONICA LEWINSKY AFFAIR. CONGRESSMAN LIVINGSTON ADMITTED TO HIS OWN EXTRAMARITAL AFFAIR AND ANNOUNCED HE WOULD LEAVE CONGRESS.

HOLMAN

He resigned on a Thursday and the next Monday, he opened his lobby shop. And in the first year of his lobby shop he pulled in 1 million dollars. And now he is pulling in roughly about \$8 million a year.

RATHER (VOICE OVER)

AMONG LIVINGSTON'S CLIENTS: THE GOVERNMENT OF TURKEY. IN 2003, TURKEY WANTED LIVINGSTON TO STOP A RESOLUTION RECOGNIZING THE ARMENIAN GENOCIDE IN THE EARLY 1900S FROM PASSING IN CONGRESS.

HOLMAN

He had the representatives, the prime minister and others of Turkey stand outside the doorway where they greeted all the members of Congress as they went in for the floor vote on these issues.

RATHER (VOICE OVER)

AND THE STRATEGY WORKED. THE RESOLUTION DID NOT PASS. LIVINGSTON, LIKE MANY OTHER GOVERNMENT OFFICIALS WHO BECOME LOBBYISTS, MUST WAIT ONE YEAR BEFORE CONTACTING THEIR FORMER COLLEAGUES ON BEHALF OF CLIENTS. BUT, ACCORDING TO HOLMAN, LIVINGSTON FOUND A WAY AROUND THAT.

HOLMAN

He does all the research, all the planning. Pulls in the clients. Puts his name on the stationery. Puts his name on the masthead of the business itself. And then when it comes to picking up the phone and calling his former colleagues, he just has one of his associates do it. And his associate is saying, you know, "Bob Livingston is saying that you should do this."

RATHER (VOICE OVER)

ONE OF THE MOST FAMOUS SENATORS TO WALK THROUGH THE REVOLVING DOOR IS BOB DOLE. THERE ARE, TO BE SURE, LOTS OF WAYS TO THINK OF BOB DOLE. AMERICAN WAR HERO AND PRESIDENTIAL CANDIDATE. INTREPID SALESMAN FOR VIAGRA. PITCHMAN FOR PEPSI. IT IS DOUBTFUL, HOWEVER,

THAT MANY AMERICANS PICTURE DOLE IN PERHAPS THE MOST ACCURATE LIGHT: AS ONE OF WASHINGTON'S MOST POWERFUL, AND MOST EXPENSIVE, LOBBYISTS. DOLE'S CLIENTS WHO HAVE PAID HIM TOP DOLLAR INCLUDE DUBAI PORTS WORLD, A FOREIGN GOVERNMENT-OWNED COMPANY THAT CAME UNDER FIRE AFTER TRYING TO TAKE CONTROL OF SEVERAL KEY AMERICAN PORTS IN 2006.

HOLMAN

It's more than just picking up the phone. It's actually having a relationship and having a cemented relationship going on with the people who are calling the shots. You stand a whole lot better chance getting what you want than if you hire a lobbyist who's on the outside.

RATHER (VOICE OVER)

BUT BOB DOLE MAY HAVE GOTTEN MORE THAN HE BARGAINED FOR WHEN HE AGREED IN DECEMBER 2003 TO REPRESENT AN INDONESIAN BUSINESSMAN NAMED YOHANNES WIDJINARKO. AT THE TIME, WIDJINARKO WAS THE PRESIDENT OF PT BARITO PACIFIC, ONE OF INDONESIA'S LARGEST TIMBER COMPANIES WITH CLOSE TIES TO THE GOVERNMENT. WIDJINARKO PAID DOLE'S FIRM \$200,000 A MONTH AN EYE- OPENING RETAINER EVEN BY WASHINGTON STANDARDS. DOLE'S JOB WAS TO LOBBY U.S. OFFICIALS ON A VARIETY OF ISSUES THAT AFFECTED INDONESIA NOTABLY, TO GET THE U.S. TO RESUME SENDING MILLIONS IN MILITARY AID.

HOLMAN

Indonesia smartly hired Bob Dole, who they knew had an inside track right to the Bush administration, to lobby on their behalf to try to get military grants and assistance from the United States government reinstated, despite the fact that of their human rights record.

RATHER (VOICE OVER)

DOLE AND HIS LOBBY FIRM CONTACTED AND MET FACE TO FACE WITH DOZENS OF KEY SENATORS AND U.S. OFFICIALS TO TALK ABOUT INDONESIA. INDONESIA IS A TOUGH SELL IN WASHINGTON PRESUMABLY BECAUSE IT HAS ONE OF THE WORLD'S WORST HUMAN RIGHTS RECORDS ALONG WITH A GOVERNMENT THAT INTERNATIONAL WATCHDOG GROUPS HAVE LABELED "CORRUPT."

BUT BOB DOLE'S CLIENT WAS ABOUT TO HAVE BIGGER PROBLEMS. ONE OF THE INDONESIAN GOVERNMENT'S MOST IMPASSIONED CRITICS WAS AN ATTORNEY NAMED MUNIR SAID THALIB. WHILE ON A FLIGHT TO AMSTERDAM, HE SUDDENLY DIED. AN AUTOPSY REVEALED THE NOODLES HE WAS SERVED ON THE FLIGHT HAD BEEN LACED WITH A MASSIVE DOSE OF ARSENIC. ANDREAS HARSONO IS AN INDONESIAN JOURNALIST WHO WAS HIRED BY THE CENTER FOR PUBLIC INTEGRITY TO INVESTIGATE THIS CASE.

ANDREAS HARSONO, JOURNALIST

This is a sophisticated murder. It happened inside a plane. You are seeing a rather rare poison, arsenic.

RATHER (VOICE OVER)

So, what does any of this have to do with Bob Dole? It seems the man convicted of murdering Munir on the flight and a high-ranking officer in the Indonesian military made approximately 25 calls to each other before and after Munir was poisoned. And, according to evidence presented to an Indonesian court, the military officer's cell phone bill was paid by that Indonesian businessman Widjinarko, Dole's client.

HARSONO

Yohannes Hardian Widjonarko paid the telephone phone bill of the general that allegedly ordered the murder of Munir. So this general worked closely with Yohannes Hardian Widjonarko, the president of Barito Pacific.

RATHER (VOICE OVER)

The contract between Dole and Widjonarko was terminated, one month after Munir was murdered. In a statement Dole's office said they hope the government of Indonesia does a thorough investigation and those responsible are brought to justice. Munir's widow, said her husband received death threats and bombs were sent to their house. Even so, nothing prepared her for her husband's death and how to tell the children their father was gone.

MUNIR'S WIDOW

When they miss him, I tell them that their father will remain with us because he loved us very much and we love him so much too.

RATHER

Her only wish is to see her husband's killers brought to justice.

MUNIR'S WIDOW

My only hope is for this case to be resolved, who is the murderer, who is the perpetrator of this murder. I am still waiting for the rare justice in Indonesia to be upheld. That's what I am waiting for.

RATHER (VOICE OVER)

SHE MAY HAVE A LONG WAIT. THE SOLE CONVICTION IN MUNIR'S MURDER HAS NOW BEEN THROWN OUT SOME SAY, IN AN EFFORT TO SHUT DOWN ANY FURTHER INVESTIGATION INTO THE POSSIBLE INVOLVEMENT OF THE INDONESIAN GOVERNMENT. A FEW WEEKS AGO, A WIDOW BROUGHT HER STRUGGLE FOR JUSTICE TO WASHINGTON A ONE-WOMAN CAMPAIGN TO PERSUADE THE US GOVERNMENT TO PUT PRESSURE ON INDONESIA TO RESUME ITS INVESTIGATION WHEREVER IT LEADS. THE STATE DEPARTMENT ANNOUNCED THEY WOULD PRESS FOR A FULL INVESTIGATION INTO HER HUSBAND'S MURDER, HUMAN RIGHTS ACTIVISTS SAY THEIR WORDS MAY BE MEANINGLESS SINCE THE US GOVERNMENT HAS NOW RESTORED MILITARY AID TO INDONESIA.

HOLMAN

As of today, Indonesia is the glad recipient of military assistance from the United States federal government due to Bob Dole. By the way, all under the name of anti-terrorism.

RATHER

Why does a man with such a distinguished record as Senator Dole, great war record as well as public service and politics, what's he doing representing clients like that?

LEWIS

You see yourself as a tour guide; your job is to introduce people to Washington for a fee. But, you're selling public service, whether your hawking a product on T.V., in a commercial or your hawking the wares of some interest, god forbid it is a human right violator. Since when do you start distinguishing between the good ones and the bad ones? I mean at some point, they're all interests.

RATHER (ON CAMERA)

AT THE VERY BEDROCK OF OUR DEMOCRACY IS THE PRINCIPLE THAT THE PEOPLE'S GOVERNMENT IS MADE FOR THE PEOPLE, IS MADE BY THE PEOPLE AND IS ANSWERABLE TO THE PEOPLE. YOU'LL NOTICE THAT DOESN'T SAY MOSTLY JUST FOR PEOPLE WITH MONEY. YET THAT IS THE PRINCIPLE ON WHICH OUR GOVERNMENT NOW OPERATES TO A LARGE DEGREE. IT'S A SAD THING TO SAY AND IT OUGHT TO BE A SHAMEFUL THING TO HEAR BUT LIKE IT OR NOT THE POLITICS OF MONEY HAS BECOME OUR DEMOCRATIC PROCESS IN MANY WAYS. WE'VE NOW COME TO THE POINT WHERE LOBBYISTS ARE HELPING TO WRITE AND IN SOME CASES LITERALLY WRITE, THE VERY LAWS OF THE LAND. HOW DO WE FIX A SYSTEM THAT HAS BECOME EMBEDDED IN THE INSTITUTION THAT PASSES OUR LAWS AND PERPETUATES ITSELF WITH EVERY ELECTION CYCLE EACH MORE STUFFED WITH CASH THAN THE LAST? THE NEW CONGRESSIONAL LEADERSHIP SAYS LOBBY REFORM IS ONE OF IT'S TOP PRIORITIES BUT IF THAT REFORM IS TO TAKE PLACE, IT WILL DEPEND ON THE

VOICES FROM MAIN STREET SOMEHOW, SOMEWAY DROWNING OUT THOSE ON K STREET. FOR HDNET DAN RATHER REPORTING.

(END)