

RESURRECTING DEMOCRACY

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Political Corruption and Ethical Transgressions-

From the Founding of the Republic Through 1992

Government and corruption go hand in hand. Every organized political system must deal with citizens who try to gain an advantage by paying government officeholders to help them. Though corruption has tainted our democracy since its earliest days, it seems more ubiquitous now. However, that may be because of twenty-four hour media coverage of politics. I've been outraged by the repetitive reports of political corruption for decades. I have a naive belief that our elected representatives and their staffs should meet the highest ethical standards in their conduct. If corruption is permitted to flourish, democracy is meaningless. My vote will not be as important in determining policy as the votes of those who are willing to pay to see their wishes fulfilled. I wrote *Resurrecting Democracy* with the hope that a centrist third party could reduce the importance of money, and thus corruption, in American politics.

Political corruption includes election fraud, acceptance of funds from illegal sources, abuse of power, and breaking the law for ideological reasons. Some sexual relationships, even if consensual, can also be construed as an unethical abuse of power.

These three addenda provide a survey of corruption involving federal government personnel along with legislative measures intended to fight corruption. It covers the period of the nation's founding through the first two years of the Obama administration. Though not meant to be encyclopedic, it provides readers with an idea of the scope of corrupt activities. There is somewhat greater detail provided on unethical conduct that has occurred over the last twenty years. Without question, many other equally nefarious schemes never have seen the light of day.

The addenda provide substantial support for the formation of a centrist party that does not accept money from lobbyists or special interests and vows to remain corruption free. The other reasons why this party is needed and how it can be established are described in my book *Resurrecting Democracy- A Citizen's Call for a Centrist Third Party*.

The Early Republic

During this era, land speculation provided an opportunity for government officeholders to solicit payments in return for land grants. Contracts for army provisions were also awarded by officials who stood to gain from the business that was generated. But tariff legislation produced the greatest amount of “lobbying” as tariffs had a profound impact on society. Included among those trying to influence Congress were powerful special interests, from New England merchants to southern planters. A Philadelphia newspaper in 1795 described the way individuals would wait outside Congressional meetings to pass suggestions or advice to members.¹ And to court legislators in these early Congresses, merchants would throw lavish dinner parties where alcohol flowed freely. During the late 18th and early 19th centuries, the private Bank of the United States had a number of senators serving as directors in obvious conflicts of interest. However, Alexander Hamilton’s affair with Maria Reynolds was perhaps the most prominent scandal during the first decade of the new Republic, publicized by Republican opponents of the Federalist Hamilton.²

The “spoils system” and the development of patronage jobs during the late 1820s and the following decades by the existing political parties were major sources of corruption during this period. The term lobbying apparently first came into use in the 1830s. Then, agents of special interests gathered in the lobbies of Congress and state legislatures to try and buttonhole legislators to induce them to vote a certain way.³ At this time, journalists often functioned as lobbyists.⁴ Washington was a fairly provincial city then. Legislators left their families at home while they worked during the Congressional sessions. Residing in rented lodgings and boarding houses, Congressmen sought food and drink, social outlets and companionship. They connected with lobbyists in clubs, brothels and gambling establishments. And prior to the Civil War, seats on the House floor were allowed to members of the press. From there, they were able to lobby House members on pending bills in violation of House rules. Samuel Colt, the gunmaker, in trying to extend the patent on his pistol, spent profusely on entertainment and lobbying. His chief lobbyist was believed to have coined the epigram-

“To reach the heart or get the vote,
The surest way is down the throat.”⁵

The Civil War and the Post Civil War Period (The Gilded Age)

During the Civil War with the Republicans in power, the Army underwent a major expansion. Contracts for military supplies were frequently directed by the War Department to firms or individuals with political connections, rather than through competitive bidding. The Secretary of War, Simon Cameron was held responsible for the huge amount of procurement fraud and dismissed from office in 1862.⁶ Reforms in the acquisition of provisions and equipment for the Union Army by Cameron's replacement, Edwin Stanton, helped to secure its subsequent victory.

The opportunities for personal enrichment and corruption by government personnel rose dramatically in the post Civil War period. Industrial growth was skyrocketing and the number of lobbyists in Washington increased substantially. The powerful railroads and other businesses hired these lobbyists to secure favorable Congressional action. In fact, they often used a number of different agents to be certain their voices were heard. The cost of this was daunting. Free railroad passes (a greatly desired commodity) were dispensed liberally along with food and wine. And payments to Congressmen were common.

As described by Senator Robert Byrd- "Some of the lobbying techniques of the Gilded Age were not unlike those of today, with speeches supplied, analyses prepared, opposition arguments suggested, personal contacts with key members, appearances before committees, and grass roots campaigns generated by lobbyists."⁷ Women were used as well to work their "charms" on willing legislators to try and influence voting. However, lobbyists also provided needed assistance for legislators who were often overwhelmed with the volume of work they had to handle.

Dishonesty and graft in Washington were not limited to its legislative bodies during this time. The administrations of Ulysses S. Grant from 1869 through 1876 were plagued by rampant corruption. New scandals involving important figures erupted continuously. These included Grant's first vice president, Schuyler Colfax, cabinet members, ambassadors, tax and revenue officials, and his personal secretary. Many of them had been Grant's friends. Members of his family, his brother and son, were also implicated in some of these improprieties. Perhaps naive, or perhaps in denial, Grant defended these malefactors. He also went out of his way to assist

them in fighting the charges brought against them. None of the significant government figures involved were ever sent to prison. However, some did forfeit the posts they held. During this period, calls came for government reform to eliminate ethical and criminal misconduct. These arose from the public and the press, as well as from a small coterie of reform minded politicians, but to little effect. The Republicans, who controlled the government, were unwilling to relinquish any sources of funding. And the Democrats did not make it a major issue, waiting for their turn at the trough.

The presidential campaign in 1876 between Democrat Samuel Tilden and Republican Rutherford B. Hayes was a poisonous political battle. Partisans of the two candidates excoriated and insulted their opponents with blatant lies and misstatements.⁸ Tilden won 250,000 more popular votes than Hayes. But he wound up losing the election because of vote manipulation and fraud by Republican governors in several southern states. A fifteen member “balanced” Electoral Commission was appointed by Congress to adjudicate the controversy. It declared Hayes the winner after several months, with the Democrats receiving several desired political tradeoffs. Hayes never lived down the contested election. He was called “His Fraudulency” and “Rutherfraud Hayes” among other names even though he was a reformer and generally governed well.⁹

Because of the public uproar over lobbying abuses, in 1876 the House embarked on its first attempt at regulation. It ruled that all lobbyists had to register with the clerk of the House.¹⁰ However, as lobbying gained in legitimacy and importance, former congressmen joined the profession. They were able to use their contacts with colleagues and access to the legislative chambers to their advantage.

Initial attempts at civil service reform began shortly after the Civil War. But proposed measures were never enacted because legislators were afraid of the adverse effect they might have on the political parties.¹¹ As pressure for reform grew, the Pendleton Act was passed in 1883. It instituted a merit system for federal employment and heralded a metamorphosis in the way government was conducted.¹² Chester A. Arthur, who became President after the assassination of James Garfield, helped push the legislation through Congress against determined opposition.¹³ Though only a small percentage of federal positions were covered by this bill, it

was gradually expanded over the following decades. An independent Civil Service Commission was established by the act. It was mandated to create competitive examinations for the 10 percent of the federal workers who were originally included. As patronage jobs controlled by the political parties were eliminated, a source of their power and funding was taken away. In addition, the politicians lost a ready work force to help with campaigning. Contributions now began to be increasingly solicited from businesses and affluent individuals.

The Late 19th and Early 20th Century

The last quarter of the 19th century saw the rise of big city political machines which remained important well into the 20th century. These organizations were overwhelmingly Democratic, often with Irish leadership. Their strength came mostly from new immigrants willing to exchange votes for jobs and special favors. Local patronage positions oiled these machines. Invariably, they were able to deliver the votes (legally or not) to those politicians who were in bed with them. Businessmen who wanted contracts with the city had to go through the leaders of these organizations with kickbacks and payoffs. There were many other schemes as well to skim off funds in various ways from city coffers. Eventually, most state and municipal government jobs were awarded impartially on the basis of competitive examinations. But even today, party connections may still play a role.

At the end of the 19th century and the early years of the 20th, smaller and mid-size American corporations begin to merge into giant trusts like Standard Oil and U.S. Steel. They all established substantial lobbying operations in Washington to influence legislation.¹⁴ Some senators were even employed by these trusts while still in office. Reform-minded presidents Theodore Roosevelt and Woodrow Wilson aggressively attacked the lobbyists and big business, with Roosevelt developing a reputation as a “trust-buster.” In January of 1907, with prodding from Roosevelt, Congress passed the Tillman Act. This barred corporations and banks with a national charter from contributing funds to the campaign of any candidate for federal office.¹⁵ Within a few years, this was followed by bills requiring disclosure of campaign contributions over \$100. Enforcement of these laws however, was lax.

The 18th Amendment in 1919 ushered in the era of Prohibition. This fostered enormous opportunities for corruption by public officials and the growth of organized crime, as the manufacture and smuggling of illicit spirits generated huge profits. Along with this came bribery

and graft of law enforcement agents, judges, prosecutors, and government officials at all levels. Unrelated to Prohibition, the Teapot Dome scandal was the most notorious example of corruption by federal officials during the “Roaring Twenties.”¹⁶ There was leasing of public land with oil reserves, (one of which was the Teapot Dome oil field in Wyoming) in secret deals by Albert Fall, the Secretary of the Interior under Warren Harding, in return for kickbacks. Fall was eventually convicted of bribery in 1929 and served a year in prison.

In 1925, as a reaction to the Teapot Dome scandal, Congress passed the Corrupt Practices Act. The law aimed at reforming campaign financing, though Teapot Dome had not involved this.¹⁷ Limits were established on campaign expenditures for the House and Senate, along with the reporting of contributions over \$100. But the legislation lacked enforcement teeth. Both parties and their candidates quickly devised ways to avoid compliance. As often happened, this was more about the politicians showcasing their desire for reform rather than passing measures that would actually control abuses.

Mid 20th Century

In 1935, Senator Hugo Black of Alabama led an investigation of Congress’ “hidden persuaders.” This occurred after lobbyists for public utility corporations tried to derail a bill aimed at splitting up utility holding companies.¹⁸ The Hatch Act passed by Congress in 1939 and 1940, restricted partisan political activities by government workers. It also banned campaign contributions from them.¹⁹ War profiteering and sweetheart contracts for war materials were the focus of corruption inquiries during World War II. Following the war, hearings on ways to improve Congressional efficiency focused on how lobbying subverted the legislative process, among other issues. In 1946, the Federal Regulation of Lobbying Act was enacted as a component of legislative reorganization. Certain reporting requirements were placed on lobbyists. These included funds received or spent, to whom and for what purpose these funds were paid, and the proposed legislation the lobbyist was employed to support or oppose. They were also required to keep detailed accounts of all contributions of five hundred dollars or more made to members of Congress. Though criminal penalties were assigned for violations of this act,²⁰ the measure was ineffective, resulting in no changes in conduct by lobbyists or legislators.

Ethical questions haunted the administration of Harry Truman from 1945 to 1952, with special interests influencing some government decisions.²¹ Suspicions were also raised about conflicts of interest by Truman appointees, a number of who capitalized on stock speculation. Even more damaging were assertions of bad loans made by the Reconstruction Finance Corporation. A Senate investigation in 1951 attributed them to political considerations and misconduct. There were problems as well at the Bureau of Internal Revenue. Here, agents were accused of soliciting payoffs from derelict taxpayers to favorably settle their accounts. Eisenhower's presidency was also affected by corruption and ethical improprieties. Conflict of interest problems were uncovered in the Dixon-Yates affair.²² And there was intercession by his Chief of Staff, Sherman Adams, with the Federal Trade Commission and SEC on behalf of a New England businessman and friend, Bernard Goldfine, during the mid 1950s.^{23, 24}

The 60s and 70s

During John F. Kennedy's brief presidency, few problems of an ethical nature were reported.²⁵ (The scope of his philandering only came to light after his assassination.) Shortly after Kennedy entered the White House in January of 1961, he established an advisory committee to generate recommendations regarding ethics in government. Subsequently, he issued directives with guidelines for officials and government employees. His administration's pressure on Congress for clearer and more stringent laws in this area resulted in the Bribery and Conflict of Interest Act of 1962. This was also supposed to limit former executive branch officials from lobbying federal agencies. One major scandal on Kennedy's watch involved Billie Sol Estes, a Texas wheeler-dealer associated with Lyndon Johnson. Estes went to prison for fraudulently manipulating agricultural contracts and loans to amass a fortune, leaving the Department of Agriculture hung out to dry.²⁶ Another controversy was over a Department of Defense contract for a new fighter-bomber given to General Dynamics. Conflicts of interest by the Deputy Secretary of Defense, Roswell Gilpatric and Secretary of the Navy, Fred Korth, were disregarded in making the decision.

Bobby Baker was secretary to the Senate majority leaders Lyndon Johnson and Mike Mansfield. Using his position and government contacts, he acquired contracts for his vending machine company in defense plants during the 50s and 60s. He was also able to accumulate real estate, oil properties and bank operations.²⁷ Johnson tried to block a Senate Rules Committee's

investigation of Baker's dealings in 1964 unsuccessfully. Testimony included tales of bribes, payoffs to Johnson and others, and illegal campaign contributions to the Democratic Party. Baker himself took the Fifth Amendment and refused to testify. In 1967, he was convicted of tax evasion, theft and conspiracy to defraud the government.

In July of 1969, Ted Kennedy's presidential hopes were permanently drowned along with twenty-eight year old Mary Jo Kopechne. This occurred in the waters around Chappaquiddick Island off Martha's Vineyard in Massachusetts.²⁸ Both Kennedy and Kopechne, an attractive young secretary, had been drinking at a party on Chappaquiddick before Kennedy offered to drive her home around midnight. Apparently missing a turn on a dark road, Kennedy accidentally drove his black sedan off an unmarked small bridge into the water which was about eight feet deep. While Kennedy swam to safety, the young woman could not get out. Kennedy did not notify the police of the accident until the following morning. A week afterwards in the local court, he pleaded guilty to leaving the scene of an accident. He was punished by the loss of his driver's license, a year's probation and a two month suspended prison sentence. In a mea culpa on national television, he admitted that his failure to report the accident immediately was "indefensible," pleading for understanding. Subsequently, a grand jury failed to indict him. An inquest hearing in October of 1969 was closed to the press at Kennedy's request. He was re-elected to the Senate by the Massachusetts voters in 1970 and five times afterwards.

The administration of Richard Nixon was plagued with ethical problems following his election to the presidency in 1968. These culminated in the Watergate scandal. As opposition to the Vietnam War mounted, Nixon felt he was under attack from all quarters. He had his aides compile a list of those considered to be "enemies" who might be subjected to intimidation and maligned in various ways.²⁹ With Nixon's Attorney General John Mitchell as chairman of the Committee to Re-elect the President (CREEP) in 1972, illegal fund raising brought in millions of dollars to sustain the campaign. And a "dirty tricks" operation was established to rattle and subvert Democratic presidential aspirants. This included spreading false information about opponents and wiretapping. In addition, members of the "plumbers unit" were engaged by CREEP to acquire intelligence on Democratic strategy and candidates. The lid blew off these activities on June 17, 1972. Five of these Nixon spies were caught inside the Democratic Party

national headquarters in the Watergate complex with cameras and electronic surveillance equipment.³⁰

The subsequent cover-up of the Watergate affair with the lies and denials by Nixon and his staff led to a near constitutional crisis. The president refused to acquiesce to demands by special prosecutors for secret tapes he was withholding, insisting that he had done nothing wrong. Eventually, Nixon admitted his role in Watergate and resigned to avoid impeachment. However, he was pardoned by his successor, Gerald Ford, for any crimes he might have committed while he was president. This prevented the full extent of his actions from being disclosed and a public reckoning for his misconduct. Many of his top aides were convicted for obstruction of justice and perjury, and received prison sentences. These included John Ehrlichman and H. R. Bob Halderman, Nixon's Chief of Staff. The Republican Party was also thrashed by the Democrats in the mid-term elections of 1974, partial payback by the American electorate for Nixon's misdeeds.

While Watergate was playing out, Vice President Spiro Agnew resigned in October 1973. This elevated House Speaker Gerald Ford to the office.³¹ Agnew was found to have taken bribes and kickbacks. These occurred while he had been Baltimore County executive and governor of Maryland, prior to becoming vice president. Pleading no contest to the charge of criminal tax evasion, he accepted a \$10,000 fine and three years probation from federal prosecutors.

In May of 1974, the Washington Post reported that the Nixons had received expensive jewelry from Arab officials (insured for \$580,000) without disclosing the gifts.³² Unreported gifts to other public officials also came to light at this time, including Agnew and his wife, and the wife of William Fulbright, the Democratic Chairman of the Senate Foreign Relations Committee. Interestingly, his committee had drawn up the 1966 legislation dealing with gifts to government employees.

That same year, in reaction to Watergate and the abuses of Nixon's re-election committee, Congress passed a bill prohibiting individual contributions of more than \$1000 to candidates for federal office and \$25,000 to a national party.³³ Furthermore, individuals could not give more than a total of \$25,000 in any one year. (However, no curbs were mandated on contributions by political action committees- PACs). Presidential campaigns were limited to expenditures of \$10 million for the primaries and \$20 million for the general election. Caps were also set on House and Senate races. A Federal Election Commission was established and directed to monitor

adherence to the rules and the regulations spelled out in the legislation. However, the law was challenged in court by Senators James Buckley, a conservative Republican and Eugene McCarthy, a liberal Democrat. They claimed it infringed upon citizens' First Amendment rights to free speech.³⁴ In January of 1976, a Supreme Court decision overturned the cap on campaign spending and independent political expenditures. Following this decision, Congress passed further amendments to the act and the limits on campaign spending for federal office were eliminated.

At the end of Gerald Ford's term in 1976 extending into Jimmy Carter's, a congressional scandal known as "Koreagate" was exposed. This involved payments to congressmen to influence American policy. The Koreans had their intelligence agency devise a plan to lobby congressmen and senators. Cash, women and honorary degrees were used in an attempt to prevent American troops from being transferred from the Korean peninsula.³⁵ The effort was managed by a South Korean businessman named Tongsun Park. The House Ethics Committee started to look into the affair in 1977. Numerous congressmen and ex-congressmen were believed to be involved and it was thought that an intentional cover-up was occurring. Two former Democratic congressmen went to prison for criminal conspiracy in the case and three serving congressmen were reprimanded by the House. Park noted in his testimony at congressional hearings- "I thought I was taking part in the American political process. So far as I was concerned, I was helping congressional friends who were loyal to me."³⁶ He acknowledged delivering \$850,000 to these "friends" though much more was believed to have been dispersed.

Jimmy Carter came into office in 1976 promising integrity in government and a strengthening of ethics laws covering federal officials.³⁷ The Ethics in Government Act passed by Congress in 1978 was the result of Carter's pressure and public disgust over Watergate. Financial disclosure by top officials of all three branches of the federal government was mandated. Yearly statements of all assets and liabilities, including those of spouses and children, were covered, with broad ranges of value deemed acceptable, rather than specific numbers. The act also established the process authorizing special prosecutors (called independent counsels as of 1982) to investigate suspected misconduct by high-level members of the executive branch, including the president and the cabinet. These counsels were to be chosen by a three judge panel of the

U.S. Court of Appeals at the request of the Attorney General. The act also barred former government officials from trying to influence employees in the departments where they previously worked for a year after their departure. However, little change in conduct resulted from the passage of this legislation.

Notwithstanding Carter's focus on ethics and integrity, Bert Lance, his director of the Office of Management and Budget resigned in 1977 after nine months on the job. Illegal activities were alleged when he had been president of a Georgia bank, including improper loans, bank overdrafts and other improprieties.³⁸ Though Carter defended his friend and seemed convinced of his innocence, Lance was charged with fraud by the S.E.C. in 1978. Acquitted at a trial in 1981, Lance subsequently became Chairman of the Georgia Democratic Party and ran Walter Mondale's presidential campaign in 1984. Carter's brother Billy was another thorn in the President's side. In the summer of 1980, just prior to the Democratic National Convention, he registered as an agent of Libya, announcing payments to him of \$220,000 which he described as "loans."³⁹ He had broken the law by initially failing to register as a foreign agent and not disclosing these payments.

After Watergate, the Department of Justice created a Public Integrity Section and worked with U.S. Attorneys and the FBI to investigate corruption charges involving federal officials. Complex "sting operations" were also employed to pursue corrupt officeholders.⁴⁰ Abscam was the most famous of these actions. In 1979 and early 1980, individuals working for the FBI approached some members of Congress seeking favors for wealthy Arabs while secretly videotaping the meetings. Some Congressmen agreed to these requests in return for cash payoffs. They sponsored special legislation permitting the Arabs to stay in the United States, the acquisition of government grants, and gambling licenses. Four sitting Democrats and one Republican House member, along with Democratic Senator Harrison Williams of New Jersey were indicted by a federal grand jury in 1980 on corruption charges and later convicted. One of the Congressmen, Joseph Myers, a Democrat from Pennsylvania, was heard saying on the videotape as he accepted a bribe- "I'm gonna tell you somethin' real simple and short. Money talks in business and bullshit walks. And it works the same way down in Washington."⁴¹

The Reagan-Bush Years, 1981-1992

Ronald Reagan's administration was roiled by allegations that a number of his appointees were involved in ethical infractions or illegal activities. There were also concerns about questionable management of some federal programs.⁴² During the eight years he was in office, over one hundred administration stalwarts were involved in conflicts over ethics. But only a handful resulted in criminal indictments. His national security advisor, Richard Allen, was forced to resign in 1981 for accepting payment from a magazine to set up an interview with Reagan's wife, Nancy.⁴³ Other illegalities were also discovered regarding the previous sale of Allen's business and a failure to list some income on his taxes. In 1983, it became known that the Reagan Campaign Committee had acquired a copy of Jimmy Carter's confidential debate briefing book prior to the televised presidential debates in 1980.⁴⁴ Reagan's spokesman Larry Speakes noted "It's the way politics works."⁴⁵ And the columnist William Safire declared "Everybody's doing it."⁴⁶

Environmental laws were also disregarded by Reagan's appointees who wanted to reduce government oversight. In 1982, the Environmental Protection Agency was chastised about the way it was running various programs, particularly the Superfund sites.⁴⁷ There was a consistent decrease in the EPA's budget and apparent laxity in monitoring private industry, allowing illegal corporate pollution.⁴⁸ In 1983, critics charged the Reagan administration and the EPA with "mismanagement, conflicts of interest and sweetheart deals with corporate and industrial polluters."⁴⁹ Rita Lavelle, who had worked for Aerojet General Corporation in California (one of the state's worst polluters) prior to her job at the EPA, directed the Superfund clean-up. With intimations of conflict of interest by EPA officials, subpoenas were issued by congressional subcommittees for the necessary documents. However, Reagan enjoined Anne Burford, the head of the EPA, from releasing the documents, threatening to invoke executive privilege. Subsequently, Burford resigned from her position and Lavelle was fired by Reagan. Because of her testimony before two House subcommittees, Lavelle was tried for perjury and sentenced to six months in prison. (Reagan eventually handed over the contested documents to Congress.)

Edwin Meese III, who was Reagan's White House Counselor and Attorney General, was the focus of inquiries by two independent counsels. Their findings, however, did not warrant criminal charges.⁵⁰ Mike Deaver, who had been Reagan's Deputy Chief of Staff, was investigated by an independent counsel in 1986. He was found guilty of perjury by a U.S. District Court in 1987 and sentenced to community service and a \$100,000 fine. Lyn Nofziger, another Reagan

staffer and political consultant, was indicted for illegal lobbying in 1987, and convicted the following year. A federal appeals court reversed his conviction in 1989.

However, whatever bru-ha-has had transpired previously were minor compared to the Iran-Contra scandal. This called into question the Reagan administration's abilities, trustworthiness and reputation, both at home and abroad. In addition to his strong anti-communist stance, Reagan had pledged to fight terrorism vigorously, not negotiate with terrorists and go after them wherever they might be. Thus, in November of 1986, the American public was shocked at reports the government had paid millions of dollars to clandestinely ship weapons and spare parts to anti-American Iran. This was to promote the release of American hostages held by militant Muslims in Lebanon who were felt to be Iranian surrogates.⁵¹ The equipment was sent through Israel and profits generated by the arms sales secretly disbursed to the contra rebels in Nicaragua who were battling the Sandinista government. The legality of the entire operation was uncertain at best, with many experts believing the actions were criminal. American allies viewed the affair as evidence of hypocrisy, as the U.S. had urged other countries not to make deals with terrorists or terrorist supporters like Iran.

Multiple investigations were launched by Congress, the executive branch and an independent counsel, Lawrence Walsh, to untangle the complex web of covert activities and determine who was responsible. The pivotal players turned out to be Oliver North, a young Marine Lieutenant Colonel on the staff of the National Security Council and the national security advisor Admiral John Poindexter. Also involved was the previous national security advisor, Robert McFarlane, who asserted that Reagan had approved the proposal. When North and Poindexter came before the Senate Intelligence Committee, they refused to testify, citing their Fifth Amendment rights. In their report, the congressional committees declared "that President Reagan had failed in his constitutional obligation to faithfully execute the law."⁵² North and Poindexter in 1989 were found guilty of various charges. North was fined and given probation, Poindexter a six month sentence. McFarlane pleaded guilty and received probation. William Casey, the CIA director, who was probably part of the conspiracy, died in 1987 before any action could be taken against him. The former Secretary of Defense, Casper Weinberger, was indicted in June of 1992 for obstructing the Iran-contra investigation. He was pardoned by President George Bush later that year.

An accurate account of what transpired, who was involved, and whether President Reagan was aware of what was happening, will never be known. The evidence was concealed and lies were spawned in attempts at a coverup. Walsh's final report in 1993 described Meese as giving a "false account of a 1985 Iran arms- for-hostages deal to protect President Reagan."⁵³ It was too late to bring any charges against him.

Another instance of government corruption during the Reagan administration was the Wedtech Scandal.⁵⁴ A small company located in the Bronx, New York, Wedtech was anxious to obtain government contracts being directed to minority-owned businesses. Mario Biaggi, a Democratic Congressman from the Bronx, in 1979, and Lyn Nofziger, who had previously been on Reagan's staff, in 1982, were hired to provide assistance. Edwin Meese set up a meeting in the White House involving Wedtech executives, Army officials and personnel from the Small Business Administration. They fashioned an agreement awarding Wedtech a \$27.7 million dollar no-bid contract to manufacture small gasoline engines for the Army. Over the next five years, Wedtech acquired additional no-bid contracts worth hundreds of millions of dollars. By 1986 however, questions surfaced about Wedtech's eligibility for these government programs that were supposed to be reserved for minorities. In February of 1987, four Wedtech executives pleaded guilty to a number of violations, admitting that they had bribed federal officials. As noted previously, Nofziger was convicted of illegal lobbying. Mario Biaggi was found guilty of fifteen felony counts in 1988 and was given a prison sentence.⁵⁵

A series of stories surfaced in 1980 and 1981 about illicit sexual relationships of elected officials in Washington. Some of these were brought to light by Rita Jenrette, the attractive wife of a congressman convicted in the Abscam sting, whom she later divorced for infidelity.⁵⁶ In a book published in 1981, she detailed philandering, heavy drinking and the use of drugs by important officials. An alluring lobbyist, Paula Parkinson, corroborated the ubiquity of adultery and sexual liaisons in Washington involving powerful men and willing women. As a lobbyist, Parkinson had been very effective in getting House members to support legislation favored by the special interests who employed her. Admitting to affairs with some congressmen, she rejected reports that she had exchanged sex for votes. No criminal charges related to these sordid tales were ever brought against anyone.

Shortly after George H. W. Bush's inauguration in 1989, he set up the President's Commission on Federal Ethics Law Reform to review ethical standards for all branches of government.⁵⁷ The Commission generated a number of recommendations which were released in March of that year. These included prohibiting honorariums for all federal employees, instituting a congressional ethics office, and augmenting certain criminal ethics laws to cover members of Congress. For the next several months, the Bush administration could not get Congress to enact the new legislation. The Ethics Reform Act of 1989 was finally passed in November, after Bush approved a pay raise for members of congress as a quid pro quo for their forgoing honorariums. When the Senate banned honorariums in 1991, Bush agreed to their pay raise as well.

The Bush years were relatively devoid of ethical troubles in the executive branch. However, a number of Congressional scandals occurred during his term. Jim Wright, the Democratic Speaker of the House from Texas, was referred to the Ethics Committee by a Republican representative from Georgia, Newt Gingrich, in 1988.⁵⁸ Numerous copies of a book Wright had written, Reflections of a Public Man, had been bought by lobbyists and offered at political rallies, with Wright pocketing 55% in royalties. Following a ten month inquiry, in April 1989, the Committee found Wright had violated earned income limits with his book-selling plan and had received inappropriate favors from a Texas developer. Within two months, Wright stepped down as Speaker and resigned from the House shortly afterward.

Tony Coelho, a Democrat first elected to Congress from California in 1978, became House Majority Whip due to his proficiency at fund raising. He appeared destined to succeed Wright as Speaker.⁵⁹ However, a few days prior to Wright's formal announcement of his resignation, Coelho himself resigned from the House under pressure. He allegedly had been cheating on his taxes, had been involved in fund raising irregularities and conflicts of interest.⁶⁰ Never indicted, Coelho subsequently became an investment banker with a major firm and gained appointments to the boards of a number of public corporations. In 1999, Vice President Gore made Coelho the head of his presidential campaign. Coelho left the post shortly afterward when new charges of financial irregularities began to surface,^{61, 62} though he escaped indictment once more.

The Savings and Loan debacle was a major breach of the public's trust involving a number of Senators. Its seeds were sewn through the 1980s as corrupt real estate moguls

acquired savings and loan institutions throughout the west, then systemically looted them.⁶³ Taxpayers were left holding the bag, reimbursing depositors to the tune of \$5 to \$10 billion. Charles Keating was one of the major culprits in this fraudulent activity, ruining the Lincoln Savings Bank of Irvine, California. There were bookkeeping irregularities, manipulation of loans and other transactions, and tens to hundreds of millions paid out to Keating and his family. As questions were raised about its operations, government regulators began investigating Lincoln Savings and Keating in 1987. Perhaps in anticipation of this, Keating had made large contributions to fund-raising groups connected to nineteen representatives and five senators (the latter group is sometimes called the Keating five). Included were both Democrats and Republicans, the senators being John McCain, Alan Cranston, Dennis DeConcini, John Glenn and Don Riegle. These senators alone received \$1.3 million from Keating and in 1987 met with federal regulators on his behalf. They supported Keating's contention that Lincoln Federal should not be shut down, a move that would have saved the federal government substantial sums of money. In 1989, Lincoln finally self-destructed, the most expensive of the savings and loan disasters at \$3.4 billion.

The Senate Select Committee on Ethics launched hearings in November of 1990 regarding the ill-advised intervention by the five Senators for Keating. The Senators claimed they had merely interceded to help their constituents.⁶⁴ The Committee's report in February of 1991 declared that Senator Cranston of California had breached Senate ethics rules, while rebuking the others for poor judgment. In November, Cranston was reprimanded by the entire Senate and declared that he would not stand for re-election in 1992. Keating was found guilty in a California state court on seventeen charges of securities fraud in 1991 and sentenced to ten years in prison. Two years later in a federal court he was convicted on seventy-three counts and given twelve and a half years. Both convictions were reversed on appeal in 1996 after Keating had spent less than five years behind bars. The burden on taxpayers continued for many years.

A Department of Housing and Urban Development scandal bridged the Reagan and Bush years. The scheme benefited department personnel, real estate moguls, and Republican partisans. In various deals and subsidies, participants were able to extract millions of dollars in federal funds meant for low-income housing.⁶⁵ One HUD administrator, Deborah Gore Dean, was shown to have favored individuals with links to the Republican Party and top government officials when

she granted contracts, subsidies and tax credits. Samuel Pierce, the HUD Secretary under President Reagan from 1981-1989 rejected suggestions of lax oversight or favoritism, though he was shown to have been involved in several questionable actions. Neither Pierce, nor any of the “consultants” who obtained the lucrative HUD contracts and fees were ever punished. Deborah Gore Dean was convicted on multiple counts of fraud, perjury and conspiracy in 1994.

Fraudulent conduct involving hundreds of members of the House of Representatives came to light in 1991. The General Accounting Office issued a report showing that members of Congress had issued over 8000 bad checks drawn on their House bank accounts over twelve months prior to June 30, 1990.⁶⁶ Further investigation revealed that 20,000 overdrafts for \$10.8 million had been written between 1988 and 1991, with no penalties or fees assessed.⁶⁷ The Democratic House leadership House called the overdrafts a “minor administrative snag” and closed the bank to forestall further problems. But there was a public outcry over the issue. The worst offender turned out to be a Republican, Tommy Robinson of Arkansas, who had issued 966 bad checks for \$251,000.⁶⁸ A Democrat, Robert Mrazek, was second with 920. In addition, it was disclosed that three members of Bush’s cabinet had also written bad checks when they had been in Congress. Secretary of Defense Dick Cheney (later to be vice president) had twenty five overdrafts, Edward Madigan, Secretary of Agriculture, forty-nine, and Secretary of Labor Lynn Martin, sixteen. Newt Gingrich, the Republican minority leader in Congress had three overdrafts, and the Democratic House Speaker Tom Foley, one. Ultimately, seventy-seven Congressmen resigned or did not seek re-election due public disclosure of the scheme which was also called Rubbergate because of the bounced checks.⁶⁹ Four former Congressmen were prosecuted and convicted or pleaded guilty to criminal charges, including bribery and conspiracy.

In 1978, Congressman Charles Diggs was convicted of criminal fraud and receiving kickbacks from three of his Congressional aides.⁷⁰

During the 1980s, a number of congressmen were involved in sexual misconduct, both Republicans and Democrats, homosexual and heterosexual. Included were Robert Bauman, Daniel Crane, Gerry Studds, Barney Frank and Buz Lukens. They ran the gamut from conservative Republicans to liberal Democrats.

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