

House Select Committee on Intelligence in 1997, courtesy of then-GOP Speaker of the House Newt Gingrich, after playing a key role in protecting Gingrich in an ethics investigation.

In the aftermath of the 1998 release of the CIA Inspector General's reports, following the 1996 exposé of the crack cocaine scandal by now-deceased journalist Gary Webb, Waters demanded a full, open investigation by the House Select Committee on Intelligence.

Since 1996, Waters had vigorously pursued the investigation of the Webb revelations which appeared in the San Jose *Mercury News*. She conducted an in-depth investigation of the charges, including using her own money for a trip to Nicaragua to interview CIA assets and cocaine traffickers who were named in the Webb series, and held a forum at the 1996 conference of the Congressional Black Caucus.

On March 16, 1998, Waters and Rep. Juanita M. McDonald testified at a hastily-called hearing before Goss's Intelligence Committee, which was prompted, at least in part, by the fact that the CIA Inspector General Fred Hitz had announced that he was going to resign after Parts I and II of the report were released.

Hitz testified at the hearing that "during the Contra era, CIA worked with a variety of people to support the Contra program. These included CIA assets, pilots who ferried supplies to the Contras, as well as Contra officials and others. Let me be frank about what we are finding. There are instances where CIA did not, in an expeditious or consistent fashion, cut off relationships with individuals supporting the Contra program who were alleged to have engaged in drug trafficking activity...."

In her testimony, Waters not only detailed her own interviews, but passionately emphasized that *only* Congress had the subpoena powers to get to the bottom of this story. Neither the CIA, nor the Justice Department, nor the White House had such powers. She noted in speeches and interviews, that Iran-Contra chieftain Col. Oliver North had never been questioned about the drug trafficking. In the *New York Times*, North went after Waters for demanding such a useless and "baseless investigation."

In late 1998, Part II of the CIA IG's report finally came out, with extensive evidence of knowledge by high-level officials in the CIA and the White House, in 1984-86, of the cocaine-trafficking allegations. Referring to the new disclosures, Waters wrote a letter to Goss demanding another hearing.

"[T]he dramatic new developments in this ongoing scandal make it imperative that the House Intelligence Committee hold full public hearings to be able to fully and adequately complete its investigation," wrote Waters. "I ask you to set a date for the commencement of these hearings as soon as possible...."

Part II of the IG report came out in the midst of the impeachment against President Bill Clinton, and in that witchhunt atmosphere, Waters' letter was completely ignored. Even worse, reported investigative journalist Robert Parry, in *Consortium News*, when the follow-up Congressional probe that Goss had promised a year earlier was held in May 1999, it was a *closed, secret* hearing, where Goss did not even allow Waters to sit in.

But Waters did not stop fighting Washington's cover-up of the cocaine trafficking and money laundering. In 1999, she wrote letters to every top official in the bank regulatory and criminal justice chain of command demanding a halt to the proposed Citibank-Travelers Insurance merger, based on evidence of Citi's money laundering. Not only was Citi laundering drug money, she warned, but the creation of such a "mega-bank" would further destroy the access by minority communities' to credit and banking services.

Waters' interventions made her an enemy of Wall Street and the speculators, and that is what is behind the persecution of her today.

Rangel Mounts Strong Defense in Congress

Here is Rep. Charles Rangel's speech on the House floor Aug. 10. (Subheads have been added. We recommend watching the video at <https://www.youtube.com/watch?v=hIMlvrA0bx8>.)

Thank you, my dear friends and colleagues.

I rise to the floor because the newspapers and the media have indicated that there's a concern among some of the Members of that House that I retire or remove myself from this body, and I've always tried to play by the rules, and I cannot think of *anybody* that has encouraged me to speak here. I want to thank all of you who are concerned about me, for saying that "a guy's a fool to represent himself," as some of the people have said. But I have been losing a lot of sleep over these al-

legations, and my family and my community.

And some of these rules that they have, that I'm restricted by confidentiality, but for years, I have been saying, "no comment, no comment, no comment," to a lot of serious allegations, because I could not comment, and I would refer them to the Ethics Committee.

And when the Ethics Committee finally brought out their statement of alleged violations, there was a long list of things, and somehow the chairman of the subcommittee of investigation, indicated that I had received a lot of offers to settle this thing, so that it would not cause embarrassment to my Democratic friends. And that I've been offered a reprimand, and a lot of people kind of felt that sounded like a wonderful opportunity to remove this, so that I could leave the Congress with some degree of dignity.

Why, some people have even said that the President has suggested that *his* life might be made easier if there was no Charlie Rangel so-called "scandal." But I interpret it another way. I think when the President said that, that he wanted me to end my career "in dignity," he didn't put a time limit on it, and I would think that his concern would be, that if any Member of the House of Representative has been accused of serious crimes or allegations, that somehow, within the process—even though we're not entitled to a court process—there has to be some process in which the Member has an opportunity to tell his constituents, his family, his friends, what he didn't believe.

So, when the chairman of the investigation committee said I had been offered a settlement, it reminded of something that I will devote my retirement years to, besides education, which is the major thrust of my attempt here; but it's something that those of you who go anywhere near the criminal courts would know, that we have a terrible thing that happens throughout these United States, that someone gets arrested for a very serious crime, and they get their lawyer, and the lawyer explains that, "I think it's better that you plead guilty to a lesser crime"; and he says, "I'm not only not guilty, I don't even know what's involved here." And they say, "I'm not suggesting that you plead guilty if you're innocent, but we think you ought to know that this judge, if you're found guilty, is going to send you away for 20 years; but on the other hand, you have no offenses, you're a first offender, and if you could just forget about this thing and explain later what happened." And so he continues to tell his lawyers, "Hey, I'm willing to admit what I've done wrong, and I've done some things

wrong, but I shouldn't have to..."

Well, anyway, he says, "We would never tell you to quit or resign; we're just telling you that it would be easier for us if this is not an issue." But knowing the President as I do, I think he believes "dignity" means that everybody is entitled to be judged for allegations against them.

I Have a Primary Coming Up

Now, what's working against me? We come back to this House, because the Speaker has called us here in order to make certain that we would provide resources for governors and mayors to maintain our teachers and firefighters, and Rangel's not on the schedule for anything. Which is okay, because I know that the members of the Committee—they work hard, it's a selfless job. God knows I wouldn't take it, I respect the time they place on this—and it's been almost two years. But I have a primary that takes place a few of days before they even thought about meeting. And then I found out from my lawyers that even when they meet on the 13th of September, that there is no trial date, for then.

And I don't want to be awkward and embarrass anybody, and as a matter of fact, those people that believe that their election is going to be dependent on me resigning, I'd like to encourage them aggressively, and I think Republicans have given you enough reason to get re-elected, and they continue to do something. But quite frankly, I think I've given—, and a lot of people don't know but, when the...

I don't want to be critical of the Ethics Committee; and the lawyers said, "You can't get annoyed with them, because there still may be room for settlement." And I thought about it, and, well, when I found out that one of the Republicans that will be sitting on what they call the adjudication committee, had made remarks condemning me for my contributions to City College, that it was a "Rangel thing," an "ego thing," and a "corrupt thing," and he was going to judge me, I asked my lawyer, "How can they do that?" And they said, "Well, the Ethics Committee can do what they want."

I said: "Well, do me a favor. I've paid close to 2 million dollars, I continue to owe you money, and you're telling me you have no idea when there's going to be a hearing, and every time I talk to you there's six or seven lawyers. Do me a favor," I said on Friday, "let's see what happens today, in terms of reaching out to settle this thing, because I can't afford to be represented by counsel."

Each and every day, the expenses build up. And I think that I have an obligation to younger Members of Congress, to be able to tell them, “If you couldn’t raise the 2 million dollars, you’re out of business, no matter what the allegations are, because no one’s going to read the defense.” And of course, just the allegations by themselves—for Members who have close districts, Republicans or Democrats—they would be out of business.

So I’m here, because I could afford lawyers for close to two years. But everyone would know, that there comes a limit, so I told them, “Just put everything on hold, see what happens when we meet here.” And, guess what? Nothing happened. There’s no agenda. So what they’re saying is, that while the Ethics Committee will be leaving, for Members to be able to work in their districts and to get re-elected, and I’m having a primary, that I have to wait until after my primary, to find out when the Ethics Committee intends to have a hearing. And then that hearing comes just before—maybe—the general election.

There must be something wrong with the rules, because people would advise me that I can only hurt myself, by coming before this committee. Nobody has tried to protect the integrity of the Congress, with almost two years of investigation, to say that the mistakes that Rangel has made, should be public. And it should have been public earlier than now.

And I couldn’t say anything, because I didn’t want to offend, and don’t want to offend, the Ethics Committee. But the Ethics Committee won’t even tell me when I’m going to have a hearing. And heck, people who are concerned about me—I’m 80 years old, I don’t want to die before the hearing—and I think my electorate are entitled to finding out who their Congressman for 40 years, is. *Who am I? Am I corrupt? Did I get a nickel? What did they offer me?*

And I want to be a role model for new Members, and tell them the mistakes I’ve made, so they don’t make [them]. And so they list the foundations that specialize in providing funds for education for kids.

And so I’m convinced that the President wants some dignity in knowing, that not only am I one of his



Rep. Charles Rangel addressing the House of Representatives Aug. 10.

C-SPAN

strongest supporters, but I know that you know, that unless we are able to provide education for every child that’s there, almost by any means possible, that our nation’s national security is being threatened by foreigners, that our ability to be ahead of the curve in terms of trade—and nobody is more supportive of the President in trade—clear up some of the things in the Korean bill so you don’t hurt us; clear up a little violence and corruption in Colombia; move on with the thing—so the whole idea is really, me trying to have some dignity in making sure that America is stronger.

It May Be Stupid, But Not Corrupt

Now, the thing is that, in the haste of sending out hundreds of letters, never asking for a penny, but still suggesting: I wish you’d meet with these people, because I hoped that they would convince them to provide money. A lot of people have done that; it doesn’t mean that it’s right, but the rules have changed, and so there has to be a penalty for grabbing the wrong stationery, and not really doing the right thing. *But it’s not corrupt.* It may be stupid, it may be negligent, but it’s not corrupt. And there’s no indication that any sworn committee would say I’ve received a benefit. Some might say that “the benefit was that you have a legacy with your name up there.” Well, you should go to my website to take a look at my answers. This is a broken-down build-

ing, that you have to run away from, if someone's going to put your name on it. But it's still there.

And then they say that I would receive a luxurious office. The sworn testimony was that they never told me they were giving it to me. Who the heck needs an office, with 40 years of service in the Congress, in a broken-down building? And then they said, "Well, we didn't ask him, we just put it in there, so that we encourage people to put it in there." And they said the name, they thought, was not a benefit to me, but a benefit in order for them to get the money. I can't imagine why, because of all of these things: that I used government personnel, that I didn't buy stamps. . . Well, if you think that it's official, and you're wrong, then I violated the franking benefits; and at the end of the day, the inferences are very serious, and mistakes can be made, and these things shouldn't have happened.

But I can't walk away, and have you guys doing your campaign, because I'm annoying, and the action is out there calling me corrupt, and no one's coming forward saying, "Rangel's not corrupt, Rangel didn't make a nickel." No witness ever said there was preferential treatment given, and the one guy that had an issue before the Senate staff, the Democrats, the Republicans, are saying "It never came before the House," but they keep putting it down there, and guess what?

It was the District Attorney of New York for over 40 years, that suggested that I meet with him because he was in the education/philanthropic business, in addition to having business in the Senate, which Republicans and Democrats say, never came to the Ways and Means Committee, and staff certainly can prove it. I don't know how far you go in making a mistake in trying to help kids, but you have to be very careful, new Members, of making certain that when they change the rules, that you know what happens. And I'm prepared to say, "I'm very sorry for any embarrassment that that has caused."

Another issue has to do with having an office, a Congressional office, in the building that I live in. Now, forever, people say I took advantage, in having four rent-controlled, rent-stabilized apartments. Nobody has said that the Ethics Committee never found four stabilized apartments. No one said I broke any laws. No one said that the apartment that they considered two, had always been considered one at the least. No one said that ten years ago, the apartment—the one-bedroom apartment—that I got for my family, for my political friends that I no longer have—. But the concern was:

well, how do you explain the Congressional office?

Well, let's read the landlord's testimony: he said it was 20% vacant, that he needed money, that he knew the checks were paid by the Congressional committee, that the mail came in there "Rangel for Congress," and that the lawyers have told him, and the officials of the City and State of New York, that there was no violation of any law or rules.

And, what was the benefit? The benefit was that your colleague and friend was not sensitive to the fact, that there were appearances, though, that I was being treated differently than anyone else. But the landlord said, he didn't treat me differently. No one said that they did treat me differently. But, I have to admit that, I wasn't sensitive to anything, because I never felt then, that I was treated any differently than anybody else. And so, that ends the apartment thing. But, I plead guilty of not being sensitive.

The Tax Issues

Now, when it comes to the negligence of the disclosures and the tax issues, there's absolutely no excuse—that's there. When accusations were made, I hired a forensics accountant, and told them to check out what the heck is going on, because I want to make certain that when I stand up and speak, that it's true. Well, after I found out that it was far more serious than the accusations, I then referred it to the Ethics Committee. It wasn't as though someone tracked me down—the IRS, or the Clerk of the House. I filed the correct papers. And the taxes that were paid, an accountant might say that, "Had my accountant recognized, that this \$32,000 down payment for a house in the Dominican Republic, that was promised to be paid off in seven years, would be a complete failure, and if indeed they did not give me one nickel, but whenever they thought they were making a dollar or two, they reduced the mortgage, then there's no question—you don't have to be a tax expert to know—that if you didn't report that income, notwithstanding the fact that if you'd done the right thing, you'd have no liability, because the taxes that were paid to the Dominican Republic, would have been deducted." And with depreciation, I'd have had no liability.

Having said that, is that an excuse that's worthy? Of course not! And the fact that there was negligence on the part of the person who for 20 years did it, and the fact that I signed it, does not really give an excuse as to why I should not apologize to this body for not paying the attention to it that I should have paid to it. But there

is no—not one scintilla bit of evidence, that the negligence involved in the disclosures, that there was some way, to hide from the public what I had. Because, the value of the property—they would say it was \$25,000, \$100,000, \$200,000, or whatever it would be—that it didn't make any sense that I was trying to disclose it.

So, why did I take the floor today, when I haven't found one lawyer that said I should do it? I haven't even found one friend that said I should do it, but I thought about it. If the lawyers are going to continue to charge me—and I don't even know when the hearing's going to be. And I can't tell them that I want one, and not six lawyers; I don't want to offend the Ethics Committee; they're doing the best they can. But hey! I'm in the position...

[Interruption by presiding chair to clear out all floor conversations; she then instructs Rangel to resume]

A Life in Public Service

I'm 80 years old. All my life has been, from the beginning, public service. That's all I've ever done. Been in the Army, been a state legislator, been a federal prosecutor, 40 years here, and all I'm saying is, "If it is the judgment of people here—for *whatever reason*—that I resign, then heck!, have the Ethics Committee expedite this." Don't leave me swinging in the wind until November.

If this is an emergency, and I think it is, to help our local and state governments out, what about me! I don't want anybody to feel embarrassed, awkward. Hey, if I was you, I would want me to go away, too.

I am not going away! I am here! [sustained applause]

And I do recognize that—I'm not saying there's any partisanship in this, because if I knew, of all the people that have been accused of accusations... I'm in a close District, and I—they were Republicans, I'd give a couple of moments of thought to see whether or not—especially if I didn't have anything to work with to get re-elected, I would say, "Take a look at these Republicans; they've been *accused!*"

But I don't really think that the unfairness of this is to me. I don't take it personally. I'm thinking about all of you. The President wants dignity; let's have dignity in this House where the Ethics Committee means something, and that none of you, if the newspapers say anything, will have to wait *two years* before you can say, "No comment."

And in addition to that, once they make the accusa-

tion, they have no business making any mistakes, in saying that I didn't cooperate. I've got papers with my signature on, I've got a paper saying that I tried my darndest. I've got papers, where my lawyer tells me, she has every reason to believe that the full committee would sign on, and there was space for people to sign. I'm the only one who signed. I don't know what changed their mind about settling this case.

'Don't Offend the Ethics Committee'

But, my lawyer says: "Don't offend them." My friends say: "Don't go to the floor." And I say, "What are you going to do me?" Suppose I do get emotional. Suppose I do think of my life, the beginning, and the end. Are you going to expel me from this body? Are you going to say, that while there's no evidence that I took a nickel, asked for a nickel, that there's no sworn testimony, no conflict, that I have to leave here? As much as I love you Democrats that figure it would be easier for you, I'm the guy that was raising money in Republican districts to get you here, but does that mean I'm criticizing you for saying, "That's great, but that was then, and I'm running for re-election now"? I mean, do what you have to do.

And Republicans; Hey, you don't have much to run on, but—you know, but what the hell? If Rangel is an embarrassment, based on newspaper articles, I can see why you would do it. But think. Think. Isn't this historically the first time, that it appears as though partisanship is—the Ethics Committee? Isn't it historically the first time that the recommendations of the subcommittee of investigation is turned down?

And darn, who in the heck would want somebody who politically called you corrupt, to be the ranking bipartisan guy to judge you?

Now, I don't expect answers today, and I know you're going home, and I wish all of you well. But at the end of the day, somebody—somebody has to do more than wish I go away. Somebody has to tell me, when does Rangel get a chance to talk to witnesses? I haven't talked with any member of the Ethics Committee. I mean, in terms of settlement, my lawyers have. I haven't talked with any of the witnesses. And they had to expedite this case.

In other words, I have a shorter time to prepare, for reasons that they tell me, "Don't challenge the Ethics Committee. They make up this stuff as they go along."

So my lawyer—I can understand how financially this thing can go on longer than I can afford. But she is

willing to assist me in working out something in *pro bono*, and I'll expect the leadership to help me.

Don't let this happen to you! Don't walk away from here because it's convenient that I disappear. Because not all of you will be able to withstand it as I have. If there's no issue of corruption, if everybody, including the leader over here, has to start off with what a great American I am before he drops the bomb, well, I think that should count for something.

And I am not asking for leniency. I'm asking for exposure of the facts. They've made a decision. I want you to make a decision.

Now, I apologize to the leadership. I feel for those people, especially the newcomers, that love this place so much that—. Like someone said, "Charlie, they all love you." And I paused until they finished—"But they love themselves better." I understand that, you know.

But for God's sake, just don't believe that I don't have feelings, that I don't have pride. That—that I do want the dignity that the President has said. And the dignity is that, even if you see fit to cause me not to be able to come back, because you're not going to do it in my district, but if there's some recommendation that I be expelled, for me—*for me*, that would be dignity. Because it shows openly that this system isn't working for me. And I hope some of you might think: If it doesn't work for me, that it may not work for you.

No Evidence of Corruption

So I know we're anxious to get home. I know I can't get on the agenda. I know that sometime, somewhere, I would have a hearing. So while you're saying I should resign, I do hope that you might think about what happens if the whole country starts thinking, it's better that you resign and don't make anyone feel uncomfortable, than to have the truth, at least a person, an opportunity, to say: You have made alleged violations. I am saying that you're wrong, based on sworn testimony. And I want somebody (and I don't think it's going to be people who have been critical of me for doing the same thing) that's going to be the judge.

And I know outside doesn't count, because we judge the conduct of our own members. Adam Powell knew that when they wouldn't let him be seated, and the courts, of course, overruled it. *But if I can't get my dignity back here, then fire your best shot, in getting rid of me through expulsion.*

Now, I apologize for any embarrassment that I've caused. I'm prepared to admit and try to let young

people know that you never get too big to recognize that these rules are for junior Members, as they are for senior Members. And that you can't get so carried away with good intentions that you break the rules, because the rules are there to make certain that we have some order, some discipline and respect for the rules. And I violated that. And I'm apologizing for it. And I don't think apologies mean that this is a light matter. It's very serious. But corruption? No evidence, no suggestion that this was ever found.

And lastly, I close by saying that there is an organization that some of you know—National Truth in Government—whatever. And the only thing I can say that some of my more important Democrats on the list that sent out mail soliciting money in order to get rid of me, even before I became the chairman.

And they have a Web site that I will be giving you, because they've got a lot of our Members, including Black Caucus members, on their list. What I do remember is, "Send your money in now. We've got Rangel against the ropes. And we've got to get rid of him." Everyone knows who they are.

And they followed me on vacation. They followed me when I was doing business. They're at the airport. They're outside where I live. It's kind of rough.

I'm sensitive to your feelings and the hard work by the Ethics Committee. *But this has to stop sometime.* It has to stop. One month, one year, two years. Primaries, election. And all I'm saying is, *I deserve and demand the right to be heard.*

And if I hurt anybody's feelings, believe me, it's the equity and the fairness and the justice that I'm asking for, and not your feelings. We're entitled to our political feelings, in what we want done. But we have to respect each other, and this institution, which I love.

I love my country. I love my Congress. And there's nothing I wouldn't do to preserve this from going on. I love the disagreements. I love the debates. I love the arguments. But you're not going to tell me to resign to make you feel comfortable.

So to all of those that tried to help me to help myself, let me appreciate it. And for those who disagree, I'm sorry, but that's one thing you can't take away from me.

So thank you for listening. I do hope that—that you have a pleasant time while you're away. And maybe, just maybe, the members of the Ethics Committee might think about telling me when they think they might have a hearing, so that whatever they decide, I can let my

constituents, my families, my friends, know that I did the best I could as an American, as a patriot, and someone that loves this country.

Thank you for your attention. Go home.

Maxine Waters: 'No Benefit, No Case'

Here are excerpted remarks from Rep. Maxine Waters press conference Aug. 13. (We recommend watching the video at <http://www.c-span.org/video/?295040-1/maxine-waters-reaction-ethics-committee-investigation>.)

I want to thank you for all being here today, especially on a Friday during recess.

The press and public have now had an opportunity to read the statement of alleged violation and have shown a lot of interest in the ethics matter that is now pending before the Committee on Standards of Official Conduct.

I am, indeed, eager to be able to have an opportunity to present my case, and that is why I have requested that the Standards Committee schedule a hearing as soon as possible.

Unfortunately, the committee has not yet specified a date for a hearing on this matter, and, given the Congressional schedule, it is possible that no hearing would be held for months, even after the November elections.

Such a delay is unacceptable, considering the investigation has dragged out for almost one year. It does not provide due process. It prevents my constituents and the American public from getting answers, and it delays me from being able to respond to the charges spelled out in the SAV [Statement of Alleged Violation].

I'm pleased that the committee released the SAV and related documents earlier this week, as I had insisted after waiving my right to have the SAV remain private until the adjudicatory hearing. I've arranged this press conference to present my facts in the case and to clear up ambiguities and misinformation.

I recognize the transparency that I'm providing may not eliminate an adjudicatory hearing. To reiterate, I am, in fact, anxious to share these facts with you and the public, because I have not violated any House rules.

I fully disclosed all of my financial information, as requested by House rules, and, in fact, went above and

beyond what was required by repeatedly disclosing my and my husband's financial interests during Financial Services Committee hearings. Neither my staff nor I engaged in any improper behavior, and we did not influence anyone, and we did not gain any benefit.

We are here today because I believe my actions and the allegations against me are not easily understood. Today I want to be absolutely clear about one thing: This case is not just about me. This case is about access. It's about access for those who are not heard by the decision makers, whether it's having their questions answered or their concerns addressed.

Access for Minority-, Women-Owned Businesses

For the past 34 years I've served in elective office, both at the state and national level, and I've made one of my top priorities opening doors and providing access for small, minority- and women-owned businesses.

In fact, my advocacy and assistance in providing access for the National Bankers Association is why we're here today. The National Bankers Association consists of 103 minority banks, and I have worked with this association and their concerns for many years. I've spoken at their conventions on many occasions. I have participated in hearings about their issues, and I've worked with our federal agencies on their behalf, including the Treasury Department, FDIC, and Fannie Mae and Freddie Mac.

My telephone call to then-Secretary of the Treasury Hank Paulson during the worst economic crisis this nation has faced in 80 years was to provide access to the National Bankers Association, which was concerned about the fact that Treasury had placed Fannie Mae and Freddie Mac into conservatorship.

It was represented to me that many minority banks had over-leveraged their capital in Fannie and Freddie, and the association wished to know whether or not their members' capital was lost, or if the government was responsible for protecting the capital that they had invested in preferred stock.

They had attempted to get a meeting with the Treasury Department, but had received no response. And so they sought me out to assist them in setting up a meeting.

The question at this point should not be why I called Secretary Paulson, but why I had to. The question at this point should be why a trade association representing over 100 minority banks could not get a meeting at the height of the crisis.