

## **STATEMENT OF MARC SCHWARTZ**

**November 17, 2004**

Thank you, Mr. Chairman and distinguished members of the committee. My name is Marc Schwartz and I have had the honor of being able to work with the Tigua Tribe in matters involving public relations and government affairs since 1998.

Since the outset of the press coverage of the actions by Mr. Abramoff, Mr. Scanlon, and their contemporaries, against Indian Tribes across the country, not a day has passed that I haven't relived all of the events of my unfortunate association with them.

As I was preparing for our visit here today, I was reminded of a trip I made with two members of the Tigua Tribal Council in August of 2002 to attend a briefing with Congressman Bob Ney and Mr. Abramoff for the so-called legislative effort that was underway at the time. We arrived with much anticipation and I felt a great deal of pride to be in the company of the Council members who had never been inside the Capitol much less to visit with such an esteemed member of Congress who held a leadership position in our nation's system of democracy.

During that meeting, Congressman Ney was very animated about Mr. Abramoff's skill and repute as a leader in the lobbying circles. We were told about the impending success of Mr. Abramoff's legislative plan and how much Congressman Ney wanted to help with to restore the Tribe's ability to conduct gaming on their reservation. On the plane back to El Paso, I listened intently to the Council members as they recounted their thoughts, and the day's achievements. I recall vividly how wonderful it was for them to have had the experience and the good fortune of the Tribe to have Jack Abramoff working for them.

As a result of that meeting, I would never have expected to be sitting before this august body two years later to testify and answer questions regarding what, in my opinion, is the most despicable acts of greed and fraud that I hope to never, ever see again.

It goes without saying that I am personally grateful and appreciative to you, Mr. Chairman, and the members of this committee and the Commerce Committee and your collective staffs for the professionalism and dedication that is evident as you search for answers to this horrific episode. It is through that tenacity and desire to seek nothing more than the truth that I join you here today.

Mr. Chairman and members of the Committee, shortly after the first reports began to surface regarding the liberties Mr. Scanlon and Mr. Abramoff took against their clients, I spoke with both of them regarding the various allegations and I must report that their deception continued unabashedly. In particular, after my discussion with Mr. Scanlon, he sent an email dated February 24, 2004 that I distributed to the Tribal Council as an explanation for the motivation behind the story. He attributed it to political infighting among the Tribes quoted and even still reinforced that the work he had done for the Tigua Tribe remained as he had always represented it to our team.

I'm sure many of you are wondering just how this started and, maybe more importantly, how seemingly bright folks could have fallen for Scanlon and Abramoff's schemes. During a particular Tribal Council meeting in early February of 2002, one of the Tigua Tribal Attorneys reported on a contact one of their partners had received regarding Jack Abramoff. Mr. Abramoff, through an attorney representing the Choctaw Tribe of Mississippi had offered to visit with the Tigua Tribe to offer his help. Mr. Abramoff was unknown to us at that time and I was assigned the task of making contact with him to determine what he wanted to discuss. A simple internet search at the time revealed that Mr. Abramoff was a highly respected lobbyist with extensive ties to the Republican leadership, including Representative Tom DeLay and others. I recall some of the reports referred to him as the "uber" lobbyist, one who was in such an elite position with friendships that extended directly to the White House.

You must bear in mind that, during those times, virtually the only relationship the Tiguas had with Republican elected officials was either in a courtroom or exchanging quotes in news articles. Nonetheless, during my conversation with Mr. Abramoff on February 6, 2002, he expressed his indignation over what had occurred with the Tigua Tribe in Texas and specifically

referred to the need to “right the terrible injustice” that had been brought upon the Tribe. He offered pro-bono services for himself and his firm, Greenberg-Traurig to effect this legislative solution. I remember thinking how confident he was in each of his statements and invited him to meet with the Pueblo’s Tribal Council to speak directly to them. I must clarify here that during the period where the Tribe’s litigation with the State of Texas was ongoing, there were many individuals from all walks of life that contacted the Tribe and me, attempting to sell their “guaranteed” solutions for the Tribe’s problems with the State. Most would be dismissed immediately, and others that required a bit of research generally always turned out to be nothing more than offers to separate the Tribe from their money. However, Mr. Abramoff had both the credentials, as best as could be determined, and more importantly had offered the services of both himself and his firm at no charge. This was quite a difference from the usual band of con men who surface during a crisis to prey on those involved in the crisis.

Throughout our telephone conversations Mr. Abramoff spoke about his broad relationships with Republican party leaders and their overall concern for how the Tribe had been mistreated by his party’s leaders in Texas. It was obvious from those conversations that the Tribal Council and Mr. Abramoff needed to meet. That meeting took on February 12, 2002 and included Mr. Scanlon.

Scanlon and Abramoff spent the first few minutes providing an overview of their individual biographies and purpose for the visit. It was during this meeting that, for the first time, I began to believe there might be some hope for a legislative solution from Congress. Mr. Abramoff characterized his presence at the meeting alternately as he being interested in righting the wrong that had been perpetrated on the Tribe and representing the Tribe after his ultimate success in a legislative effort. He explained to us that Mr. Scanlon was the “preeminent expert in grassroots politics” and that with his experience with Representative Tom DeLay, had developed a reputation as the “go to guy” for the most difficult campaigns.

During this first meeting, Mr. Abramoff told us that his part of the work would be relatively easy but that we would need a “bulldog” on our side to keep the effort from being undone. He stated that he had already spoken to several of his friends on the hill and that he was confident it could be passed in secret, but that once the President signed it there would be lots of people out to

restore the original language and that is where Scanlon's efforts were so important. Mr. Scanlon represented that his part of the effort would be expensive, essential, and exclusive. He described in his proposal to the Tribe shortly after the first meeting that "Operation Open Doors is a massive undertaking fueled by a nationwide political operation. This political operation will result in a majority of both federal chambers either becoming close friends of the tribe or fearing the tribe in a very short period of time". Scanlon through his proposal also confirmed much of what he presented us at the first meeting. Again, quoting from his proposal, "Simply put, you need 218 friends in the U.S. House and 51 Senators on your side very quickly, and we will do that through both love and fear".

Throughout all these discussions, Abramoff represented his work and that of Greenberg Traurig to be pro-bono, but the Tribe would need Scanlon's efforts in order to ensure success. During a telephone call shortly after the presentation that his efforts would be completely wasted if we didn't have the ability to maintain the win in the subsequent assault. After the initial meeting, in an email to me dated February 18, 2002, Abramoff said and I quote, "As we discussed, until we are able to achieve the federal legislative fix, we at Greenberg Traurig will not be engaged by the tribe for services officially. All our work will be done on a pro-bono basis. Once the legislation is signed by the President, we would anticipate the tribe engaging us to represent it at the federal level and assist with the effort to obtain a Class III compact. Our normal rate in our tribal government practice is between \$125,000 to \$175,000 per month for our clients."

Key to all of these issues was the financial requirements that Tribe would have to provide. In both his presentation and proposal, Michael Scanlon detailed several items critical to the success of the campaign, including a database that would provide the most thorough single source of information that could be created. This customized product would be created by his staff, due to the confidential nature of our program, and would be proprietary to the Tribe.

Critical to the success of the program according to Abramoff and Scanlon was the necessity to maintain absolute and complete secrecy. The friendly legislators that would be carrying this measure for Abramoff required this and Abramoff explained that this was the most important concept to the program...of course second possibly to the political contributions that had to made

in support of his friends. This particular and peculiar request for so much secrecy was not troubling to me at the time, since we had already spoken with staff members from the Greenberg firm and exchanged contact information, etc., and with that firm's reputation and Mr. Abramoff's openness about "his" firm left me with no doubt at the time of the legitimacy of this requirement.

Abramoff and Scanlon were instructed to provide a proposal, which I have quoted from earlier, and to send it to the Tribe. Due to an internal issue, it was decided that Scanlon and Abramoff should make a return trip for additional discussions. That meeting took place on February 22, 2002 and although Mr. Scanlon was not able to attend, Mr. Abramoff did return and presented their proposal.

The Tribal Council took extraordinary measures to meet and consider their proposal. It was decided to accept Mr. Abramoff's offer of help and retain Mr. Scanlon for the efforts Abramoff described as critical. Almost immediately, Mr. Scanlon was requesting payments in order to begin the arduous task before him. Throughout those exchanges, I had several conversations with Abramoff where he placed subtle pressure for the Tribe to finalize payments with Scanlon since he and his staff had already spoken with several members of Congress and they were willing to help.

From every outward view, Mr. Abramoff was searching for legislation and "friends" on the Hill that would do this for him. Mr. Scanlon and his associates were busy creating this monolithic political response effort that would be centered around the aforementioned customized data source, one that I had come to believe would be the envy of even the most sophisticated Presidential campaign.

Even before the contract or document between the Tribe and Scanlon had been completed, Abramoff had sent me a list of contributions that had to be made immediately. That list represented some \$300,000 and he asked that the checks be drawn and sent to him for distribution.

Of course throughout this process the key word was secrecy and so there was a very tight circle of people who knew about this effort. On March 11, 2002, Abramoff reported the first potential bill that he had targeted and in an email suggested that the language would be offered in the Terrorism Insurance Bill. These types of communication are significant in that it offered some measure of proof that the effort, at least from Abramoff's side of the equation, was moving forward and he would probably meet his goal of having this completed in a few months.

In a variety of ways, Abramoff and Scanlon continued to report on minor successes. Even when reporters began questioning the size and recipients of the Tribe's political contributions, Abramoff would call and reassure that the contributions were critical in order to have the support needed to keep the measure under wraps until absolutely necessary.

In late March of 2002, Abramoff had reported that he and his staff had spoken to Representative Bob Ney who was carrying the election reform bill and had agreed to carry the Tigua language in that conference committees report. On March 26, 2002 I received a phone call from Abramoff telling me that the Tribe needed to make additional contributions to Congressman Ney through some PACS he had. He told me it was critical. I approached the Tribal Council with the request for the \$32,000 in contributions and it was approved. Later that same day, I received an email from a Greenberg Traurig staff person with the breakout and addresses for those contributions.

Each of these additional contributions were outside of what the Council had previously approved as part of the initial agreement with Abramoff. But those kinds of requests continued throughout the summer of 2002. On June 7<sup>th</sup>, of that same year, I received an email from Abramoff stating that Congressman Ney had asked if the Tribe could cover the expense for a trip to Scotland. The cost was suggested to be \$50,000 and again Abramoff referred to him as "our friend".

These types of requests became all too common during the process, but by following the progress of the election reform measure, we knew it was a stop/start proposition so there was a great deal of down time.

Throughout this entire episode, I requested on behalf of the Tribe comprehensive reports in order to keep the Tribal Council informed as to the progress of the initiative. Several of these reports stated that the process Scanlon and his team were working on required a great deal of his staff's time and energies but would be completed and ready when needed. As early as April of 2002, Scanlon reported to me that the database and assorted other assets were ready and in use. On April 16<sup>th</sup> he reported they were "already laying down cover for Senators in New York and Connecticut.

As the Election reform measure languished through the summer, Abramoff and Scanlon continued to report on substantial progress and a virtual guarantee of success. During that time, I requested a meeting with Abramoff and Scanlon to brief the Council on those efforts. I suggested that we would be in Washington and would like to meet with Congressman Ney. Abramoff set the meeting up in early August of 2002. In an email to me, Abramoff mentioned that Congressman Ney didn't want his trip to Scotland brought up, as he would show his appreciation to the Tribe later. During the meeting with the Congressman the schedule of the expected passage of the Election Reform bill along with the Tribal language included.

For the rest of the months leading up to October of 2002, both Abramoff and Scanlon continued to report that the Senate side would not be a problem since Senator Dodd had agreed to include the solution through his side of the conference committee. It wasn't until the announcement of the final passage of the election reform measure that Abramoff phoned to say that he had just spoken with Congressman Ney who had reported that Senator Dodd had gone back on his word and stripped the measure from the committee report. Abramoff suggested that we contact any Democratic members and see if we could get them to intercede with Dodd to restore the language. We did, in fact, contact our own Congressman who reached Senator Dodd and reported to us that Senator Dodd knew nothing about the issue, but would be happy to talk to the Congressman about it when they returned from recess.

Mr. Chairman and members of the Committee, you can only imagine the sheer disappointment we all felt about these events. For an almost sure thing, as Abramoff had stated numerous times to utter defeat was extremely hard to take. In a phone call on October 4<sup>th</sup>, Abramoff said that

Congressman Ney wanted to speak directly to the Tribal Council to express his outrage. On October 8<sup>th</sup>, Congressman Ney held a conference call with the Tribal Council and told them about his disbelief that Senator Dodd had gone back on his word. He further reported that he would continue to work on the issue and believed that the Tribe was entitled to their gaming operation and he would personally continue to seek a solution.

As a result of all of the activities I have chronicled for you, I assure you that both Abramoff, Scanlon and their associates were extremely convincing in their efforts and so it came as quite a surprise to learn of the details of their other schemes and activities.

Thank you, Mr. Chairman and members of the committee for the opportunity to share this information with you and I would be happy to answer any questions, you may have.