

8

PRO 10 - CON 3 - IND 3 - McCRAE

PRO 4 - CON 9 - IND 3 - DeCONCINI  
(OPEN PHONES)

Comments



CABLE SATELLITE PUBLIC AFFAIRS NETWORK

80 calls

- called to say DeLoon is wrong - Inouye comments were in AZ papers -
- why are you giving them a forum?

# News Release



Cable-Satellite Public Affairs Network

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(202) 737-3220

Contacts: Rayne Pollack  
202-626-4863  
Kristin Wennberg  
202-626-7975

## C-SPAN PLANS LIVE COVERAGE OF ALL "KEATING FIVE" HEARINGS

### Senate Ethics Committee Hears Testimony in Savings and Loan Case

Washington, D.C., November 13 -- C-SPAN will air live every Senate Ethics Committee hearing on the "Keating Five" -- as well as a gavel-to-gavel prime-time re-air -- providing the most extensive television coverage of the savings and loan case.

C-SPAN's live coverage of the first hearing begins Thursday, November 15, at 9:30 AM (ET), with same day re-air starting at 8:00 PM (ET).

Five senators -- Dennis DeConcini (D-AZ), Alan Cranston (D-CA), Donald Riegle (D-MI), John McCain (R-AZ), and John Glenn (D-OH) -- are being investigated for possible misconduct regarding their relationships with savings and loan executive Charles Keating.

The committee hearings are scheduled to continue November 16, 19, 20, 26, 27, 29, and 30. C-SPAN plans live coverage of all these hearings beginning at 9:30 AM (ET) each day, with re-air of the hearing each evening beginning at 8:00 PM (ET).

Mr. Keating made political contributions to the senators, who later contacted federal banking officials on Mr. Keating's behalf. The committee will decide in these hearings if these actions amounted to the senators' exerting undue political pressure for a contributor.

Robert Bennett, the Ethics Committee's special counsel, will present his finding from a nine-month preliminary inquiry into the matter to the committee. Mr. Bennett recommended in September that the cases against Sens. Glenn and McCain be dropped. The Ethics Committee nonetheless decided to formally review all five senators.

C-SPAN is available in 51.5 million households nationwide and around the world via satellite. The network is privately funded and is a public service of the cable television industry.

VIEWER REACTION AFTER DECONCINI INTERVIEW:

- o DeConcini received support from six of 20 callers.
- o 11 of the 20 criticized his dealings with Charles Keating.
- o Three made general statements about the savings and loan situation.

VIEWER REACTION AFTER MCCAIN INTERVIEW:

- o McCain received 10 supportive calls.
- o Three viewers were critical of his relationship with Keating.
- o Three callers made general statements about the savings and loan situation.

Also, this week the Viewer Information Dept. has taken 80 calls on our coverage of the hearings. (This is the first week that they have kept a separate tally for this hearing.) Most wanted to find out about live coverage and re-air times, but some people called in to ask why we would give the Keating Five senators a forum on our call-in programs. A few people felt it wasn't appropriate considering they have an already powerful voice as politicians to defend themselves.

One person also called our Viewer Information Dept. to respond to a charge Sen. DeConcini had made during his C-SPAN interview on Tuesday. He claimed the Arizona papers were only covering the allegations against him, but nothing on Sen. Inouye's testimony defending the five senators. A woman from Arizona then called to say that indeed, her newspaper did carry a large story on Inouye's testimony.

There were no calls on Black's testimony yesterday, either on the air or to our Viewer Information Dept.

To: Kristin  
Weinberg

From: Anne Hazard  
States News  
Service

*Black - U-I.  
Black  
morning call-ins  
U.I. Inyo*

In call

Callers Oppose DeConcini: Almost 2-1

By Anne Hazzard  
States News Service

WASHINGTON, Dec. 8 -- Respondents to a cable television call-in show spoke against Sen. Dennis DeConcini by a margin of almost 2-1 after the Arizona Democrat was interviewed by C-SPAN Monday.

DeConcini did not stay to answer questions after being interviewed on the public affairs program, as Sen. John McCain, R-Az., had done two weeks earlier.

Several callers said they were outraged over the savings and loan crisis and referred to DeConcini as a "crook."

A Scottsdale, Ariz., man said he believes DeConcini will be defeated if he seeks reelection in 1994.

But, DeConcini also received the support of six of the approximately 20 callers, including a Gainesville, Fla., resident who called the Senate ethics hearings a "witch hunt."

"I honestly don't see that they (the Keating Five senators) have done anything wrong but aggressively represent their constituents," one woman said of the five lawmakers, including DeConcini and McCain, who are being probed by the Senate Ethics Committee over whether they improperly intervened on behalf of Charles K. Keating Jr.

Eleven callers criticized DeConcini's role in meeting with federal regulators on behalf of failed Lincoln Savings and Loan Association. Six callers spoke in support of the Arizona Democrat, and the remaining three callers made general statements about the savings and loan crisis.

One caller from York, Pa., referred to federal savings and loan regulator Michael Patriarca as a believable witness because he is a professional banking official, rather than a politician.

Patriarca provided damaging testimony against DeConcini before the ethics committee last week, saying DeConcini had acted as Keating's chief negotiator at a meeting DeConcini and the other senators held with federal regulators on behalf of Lincoln in April 1987.

Several other callers said DeConcini used "poor judgment" in intervening for Keating, who has since been indicted in California on criminal fraud charges.

In contrast to Patriarca, Sen. Daniel Inouye, D-Hawaii, testified Monday that DeConcini had done nothing wrong in going to bat for Lincoln, and that a senator's willingness to act aggressively on behalf of a constituent is normally seen as a virtue.

In contrast to Patriarca, Sen. Daniel Inouye, D-Hawaii, testified Monday that DeConcini had done nothing wrong in going to bat for Lincoln, and that a senator's willingness to act aggressively on behalf of a constituent is normally seen as a virtue.

Like Inouye, the Saineville caller supported DeConcini, calling the ethics hearings "a witch hunt ... They're trying to establish rules that weren't in place" when the five senators acted on Keating's behalf, the caller said.

"Most all of the other senators do the same thing at one time or another," but unfortunately the intervention on behalf of Lincoln precluded the collapse of the savings and loan industry, resulting in the biggest taxpayer bailout in history, another caller noted.

The call-in program "is not at all scientific," in gauging public opinion, said C-SPAN political editor Steve Scully. "But, 'it does kind of' give you an idea of what people are saying."

DeConcini argued during the 30-minute interview that he had not acted improperly by attending two meetings with federal regulators on behalf of Lincoln in 1987, but had done so to protect 2,000 jobs held by employees of American Continental Corporation, Lincoln's parent company.

Scully said DeConcini agreed to do the interview but did not want to answer callers' questions.

DeConcini spokesman Bob Maynes said the senator had agreed to do a taped interview when he could find the time, and that, to his knowledge, the subject of viewer call-in questions had not come up.

-36-

keyword(s):

state(s): (1)

BT

DAY 24: THURSDAY, JANUARY 10, 1991

20133A - 65:02  
B - 89:13  
C - 89:13  
D - 87:21  
E - 89:53  
F - 27:27

TRT: 7:28:09

WITNESSES: GRIFFIN BELL, FMR. ATT. GENERAL CARTER ADMINISTRATION  
(1977 - 1981), ROSEMARY STEWART FRM. DIR. OF  
ENFORCEMENT, FEDERAL HOME LOAN BANK BOARD; MARJORIE  
WAXMAN, FMR. COUNSEL TO CHARLES KEATING

DAY 25: TUESDAY, JANUARY 15, 1991 - CLOSING SESSION

20185A - 77:08  
B - 66:42  
C - 39:19  
D - 77:22  
E - 68:46

TRT: 5:29:17

WITNESSES: CRUZ REYNOSO, FMR. CA. SUPREME COURT CHIEF JUSTICE

DAY 26: WEDNESDAY, JANUARY 16, 1991 - CLOSING DAY

20189A - 81:49  
B - 24:18  
C - 42:10  
D - 90:25  
E - NO TAPE  
F - 85:31  
G - 4:26

TRT: 5:28:39

WITNESSES: COUNSELS FOR SENATORS - CLOSING REMARKS



DAY 20: FRIDAY, JANUARY 4, 1991

20090A - 82:16  
B - 11:28  
C - 87:55  
D - 14:57  
E - 45:05  
F - 59:21  
G - 84:17  
H - 16:41

TRT: 6:42:00

DAY 21: MONDAY, JANUARY 7, 1991

20095A - 64:01  
B - 51:05  
C - 86:02  
D - 22:09  
E - 90:05

TRT: 5:13:22

WITNESSES: JILL ABRAMSON, REPORTER, WALL STREET JOURNAL

DAY 22: TUESDAY, JANUARY 8, 1991

20105A - 74:13  
B - 65:13  
C - 67:37  
D - 4:31

TRT: 3:31:34

WITNESSES: SEN. DAVID PRYOR (D-AR); SEN. TRENT LOTT (R-MS)

DAY 23: WEDNESDAY, JANUARY 9, 1991

20116A - 55:52  
B - 73:57  
C - 12:11  
D - 69:57  
E - 78:18  
F - 19:26

WITNESSES: SEN, DAVID PRYOR (D-AR)

Contacts: Rayne Pollack  
202-626-4863  
Kristin Wennberg  
202-626-7975

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"Heating Five" hearing coverage

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11-3-00

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"Heating Five" coverage

Broadcast Editor  
~~John~~ Haynes  
Geoff  
813 259-4946

AZ ✓

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"Kearney S" hearing coverage

602-254-9573

News editor

Journal of the American Medical Association

535 North Dearborn Street

Chicago, Illinois 60610

Attention: News Editor

11/12/88

Dear Sir:

I am writing you regarding the article in the

Journal of the

Sincerely,



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NOTE:

"Keating Five" coverage

619. 293. 2333

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"Keating Five" coverage

-▶ Kathy Rizzo

AP Bureau/DC

-▶ Ohio reporting

→ 828.9699

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"Keating Five" coverage

1870-1875

1875-1880

1880-1885

1885-1890

1890-1895

1895-1900

1900-1905

1905-1910

1910-1915

1915-1920



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Main: 694.6354

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Heating Five hearings

334-4480

2000-01-15

11-11-10

10-30-10

10-20-10

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NOTE:

Viewer reaction to hearing 5 hearings

334.5451



STATEMENT OF THE SELECT COMMITTEE ON ETHICS  
FOLLOWING HEARINGS INVOLVING  
SENATORS CRANSTON, DECONCINI, GLENN, MCCAIN AND RIEGLE

INTRODUCTION

The United States Senate Select Committee on Ethics initiated Preliminary Inquiries into allegations of misconduct by Senator Alan Cranston, Senator Dennis DeConcini, Senator John Glenn, Senator John McCain, and Senator Donald Riegle, in connection with their actions on behalf of Charles H. Keating, Jr. and Lincoln Savings and Loan Association. In the course of its Preliminary Inquiries, the Committee held hearings over a two month period which began November 15, 1990. These hearings were conducted for the purpose of determining whether there is sufficient credible evidence of possible violations by any of the five Senators involved in the Preliminary Inquiries. Because this process was investigatory in nature, a wide net was cast and evidence was admitted with few limitations.

The Committee has met on more than a dozen occasions to consider the evidence produced at the hearings and the written arguments of Special Counsel and counsel for each of the Respondent Senators. The task of the Committee has been to sort through this exhaustive record to ascertain the relevant facts, and to identify any evidence of wrongdoing and any exculpatory evidence.

FINDINGS AND RECOMMENDATIONS

Having deliberated at length upon the issues presented, the Committee has weighed the relevant evidence and makes the following findings and recommendations:

Intervention in the Administrative Process

It is a necessary function of a Senator's office to intervene with officials of the executive branch and independent regulatory agencies on behalf of individuals when the facts warrant, and it is a Senator's duty to make decisions on whether to intervene without regard to whether they have contributed to the Senator's campaigns or causes. Ample evidence was received during the hearings showing that Senators should and do provide essential constituent services. In this case, each of the Senators under inquiry had information that reasonably caused concern about the fairness of the Federal Home Loan Bank's examination of Lincoln Savings and Loan Association (Lincoln), and which was sufficient to justify the Senator's contacting Bank Board personnel.

The degree of intervention with the regulators varied as to each Senator. The evidence clearly shows that their contacts with federal regulators regarding Lincoln did not cause the eventual failure of Lincoln or the thrift industry in general.

Prior to April 1987, four of the Senators (Cranston, DeConcini, Glenn, and McCain) had officially expressed opposition to or raised

questions about the adoption of a "Direct Investment Rule," promulgated by the Federal Home Loan Bank Board (FHLBB). This Rule was opposed by many Members of Congress and a large number of thrift organizations. The Committee has concluded that, when considered without regard to any contribution or other benefit, the opposition expressed or the questions raised about the Direct Investment Rule did not violate any law or Senate rule.

There were two meetings between Federal Home Loan Bank personnel and groups of Senators. The first, on April 2, 1987 between Federal Home Loan Bank Board Chairman Edwin Gray and four Senators (Cranston, DeConcini, Glenn, and McCain), ended when Chairman Gray advised the Senators that he had no knowledge about the Lincoln examination being conducted by the San Francisco Federal Home Loan Bank (FHLB), and indicated that he would arrange a meeting with, and suggested that they could obtain the information they sought from, the San Francisco FHLB personnel. When considered without regard to any contribution or other benefit, no Senator violated any law or Senate rule by merely attending the meeting.

One week later, on April 9, 1987, there was a second meeting in Washington between four representatives of the San Francisco Federal Home Loan Bank and five Senators (DeConcini, Glenn, McCain, Riegle; and Cranston making a one-minute appearance). One of the FHLB personnel wrote an account of the meeting in reasonable detail, which was amplified by testimony. The Committee finds that, when considered without regard to any contributions or other benefit, no Senator, merely by virtue of his attendance at this meeting, violated any law or Senate rule. At this second meeting, the FHLB representatives advised the Senators that a "criminal referral" was going to be filed relative to the conduct of certain unnamed officials of Lincoln.

Following the two meetings, neither Senator McCain nor Senator Riegle took any action on behalf of Lincoln.

Ten months after the April meetings, Senator Glenn was host at a luncheon meeting he arranged for Mr. Charles Keating to meet House Speaker Jim Wright. There is disputed evidence as to whether Lincoln's problems with the FHLBB were discussed at this meeting. The weight of the evidence indicates that Senator Glenn's participation did not go beyond serving as host and there is no evidence that Senator Glenn was asked to or did take any action on behalf of Lincoln.

Between February and mid-April 1989, Senator DeConcini made several telephone calls to FHLBB members and other regulatory officials urging prompt consideration of applications for the sale of Lincoln.

In 1987 following the April meetings, and in 1988, Senator Cranston set up a meeting between FHLBB Chairman M. Danny Wall and

Mr. Keating, and made several telephone inquiries to Chairman Wall on behalf of Lincoln. Additionally, in 1989, Senator Cranston made calls to FHLB Board members and other regulatory officials urging consideration of applications for the sale of Lincoln.

The Committee finds that, when considered without regard to any contribution or other benefit, none of the activities of Senator Cranston, Senator DeConcini, or Senator Glenn concerning Mr. Keating or Lincoln, following the April 1987 meetings, violated any law or Senate rule.

#### Official Actions and Campaign Contributions

While the Committee has concluded that none of the Senators' actions described above, when considered without regard to any contribution or other benefit, violated any law or Senate rule, each act must also be examined against more general ethical standards to determine if there was any impropriety because of any relation between those actions and campaign contributions or other benefits provided by Mr. Keating and his associates.

It is a fact of life that candidates for the Senate must solicit and receive assistance in their campaigns, including the raising of campaign funds. Such fund-raising is authorized and regulated by law, and contributions and expenditures under the Federal Election Campaign Act are required to be publicly disclosed. Additionally, contributions under the Federal Election Campaign Act are not personal gifts to candidates.

Mr. Keating, his associates, and his friends contributed \$49,000 for Senator Cranston's 1984 Presidential Campaign and his 1986 Senatorial Campaign. Mr. Keating also gave corporate funds at the behest of Senator Cranston: \$85,000 to the California Democratic Party 1986 get-out-the-vote campaign; \$850,000 in 1987 and 1988 to several voter registration organizations with which Senator Cranston was affiliated; and \$10,000 to a PAC affiliated with Senator Cranston in January 1989. Mr. Keating's Lincoln Savings and Loan also made a \$300,000 line of credit available to Senator Cranston's campaign in the fall of 1986 on an expedited basis, although the loan was not used.

Mr. Keating, his associates, and his friends contributed \$31,000 to Senator DeConcini's 1982 Senatorial Campaign and \$54,000 to his 1988 Senatorial Campaign.

Mr. Keating contributed a total of \$200,000 in corporate funds to the non-federal account of Senator Glenn's multi-candidate PAC in 1985 and 1986. Mr. Keating, his associates, and his friends contributed \$24,000 for Senator Glenn's Senatorial Campaign, and \$18,200 for his Presidential Campaign. Senator Glenn received no contribution from or through Mr. Keating after February 1986.

Mr. Keating, his associates, and his friends contributed \$56,000 for Senator McCain's two House races in 1982 and 1984, and \$54,000 for his 1986 Senate race. Mr. Keating also provided his corporate plane and/or arranged for payment for the use of commercial or private aircraft on several occasions for travel by Senator McCain and his family, for which Senator McCain ultimately provided reimbursement when called upon to do so. Mr. Keating also extended personal hospitality to Senator McCain for vacations at a location in the Bahamas in each of the calendar years 1983 through 1986.

Mr. Keating organized and hosted a Riegle re-election campaign fund-raising event in March 1987 in Detroit at his company's Pontchartrain Hotel. As a result of Mr. Keating's efforts, approximately \$78,250 was raised from Keating associates and friends for Senator Riegle's 1988 campaign.

Based on all the available evidence, the Committee has concluded that in the case of each of the five Senators, all campaign contributions from Mr. Keating and his associates under the Federal Election Campaign Act were within the established legal limits, and were properly reported. Similarly, from the available evidence, the Committee concludes that the Senators' solicitation or acceptance of all contributions made in these cases to state party organizations, political action committees, and voter registration organizations were, standing alone, not illegal or improper; nor did any such contribution constitute a personal gift to any Senator.

With respect to each Senator, there remains the question of whether any actions taken by the Senator, standing alone or in combination with contributions or other benefits, constitutes improper conduct or an appearance of impropriety. The Committee has examined the specific conduct of each Senator and has determined that under the totality of the circumstances: the conduct of each of the five Senators reflected poor judgment; the conduct of some of the Senators constituted at least an appearance of improper conduct; and the conduct of one Senator may have been improper.

The Committee believes that every Senator must always endeavor to avoid the appearance that he, the Senate, or the governmental process may be influenced by campaign contributions or other benefits provided by those with significant legislative or governmental interests. Nonetheless, if an individual or organization which contributed to a Senator's campaigns or causes has a case which the Senator reasonably believes he is obliged to press because it is in the public interest or the cause of justice or equity to do so, then the Senator's obligation is to pursue that case. In such instances, the Senator must be mindful of the appearance that may be created and take special care to try to prevent harm to the public's trust in him and the Senate.

The Committee believes that appearances of impropriety are particularly likely to arise where a Senator takes action on behalf of a contributor. Such appearances are even more difficult to avoid when large sums are being raised from individuals or corporations for unregulated "soft money" accounts and for independent expenditures by third parties. Over 80 percent of the funds raised by Mr. Keating for or on behalf of the five Senators was "soft money."

A full report respecting the Committee's decisions will be issued at the earliest possible date. The Final Report will also contain at least two recommendations (summarized below) for further Senate action.

#### SPECIFIC FINDINGS

The Committee finds that there is substantial credible evidence that provides substantial cause for the Committee to conclude that Senator Cranston may have engaged in improper conduct reflecting upon the Senate and, therefore, has voted to proceed to an Investigation (see attached). The Investigation will proceed as expeditiously as possible.

The Committee's conclusions in the cases concerning the other four Senators are also set forth in attachments.

#### RECOMMENDATIONS TO THE SENATE

Section 2(a)(3) of Senate Resolution 338 (88th Congress) places a duty upon the Committee to recommend additional rules or regulations to the Senate, where the Committee has determined that such rules or regulations are necessary or desirable to insure proper standards of conduct by Members, officers, and employees in the performance of their official duties.

In fulfilling its duty under this section, the Committee will make the following recommendations to the Senate in its Final Report on the Preliminary Inquiries.

#### Recommendation for a Bi-Partisan Task Force on Constituent Service

As noted in the course of the Committee's hearings, the Senate has no specific written standards embodied in the Senate rules respecting contact or intervention with federal executive or independent regulatory agency officials. While unknown to many Senators, there are general guidelines. These are best expressed in House Advisory Opinion No. 1 and the writings of Senator Paul Douglas.

The Committee believes that the Senate should adopt written standards in this area. A specific proposal should be developed either by the Senate Rules Committee or by a bi-partisan Senate Task Force created for this purpose. The Rules Committee or Task Force

will, of course, need to address the special ethical problems which may arise when such contact or intervention is sought by individuals who have contributed to the Senator's campaigns or causes.

Such standards could be similar to House Advisory Opinion No. 1 or could be more specific. Until such time as such Committee or Task Force has finished its work and the Senate has adopted specific standards respecting contact or intervention with executive or independent regulatory agencies, all Senators are encouraged to use House Advisory Opinion No. 1 as a source of guidance for their actions.

The Committee hopes that the adoption of specific standards governing contact or intervention by Senators with executive or independent regulatory agencies will minimize the potential for appearances of impropriety. Members of the Committee are especially mindful that the success of any democratic government, designed to execute the will of a free people, is ultimately dependent on the public's confidence in the integrity of the governmental process and those who govern.

#### Recommendation for Bi-Partisan Campaign Reform

The inquiries in these five cases have shown the obvious ethical dilemmas inherent in the current system by which political activities are financed. The Committee notes that over 80 percent of the funds at issue were not disclosed funds raised by candidates for Senate or House campaigns under the Federal Election Campaign Act. Rather, such funds were undisclosed, unregulated funds raised for independent expenditures, political party "soft money," and a non-federal political action committee. Any campaign finance reform measure will have to address these mechanisms for political activities, as well as campaign fund raising and expenditures directly by candidates, in order to deal meaningfully and effectively with the issues presented in these cases.

The Committee urges the leadership and Members of both the Senate and the House to work together in a bi-partisan manner to address the urgent need for comprehensive campaign finance reform. The reputation and honor of our institutions demand it.

RESOLUTION FOR INVESTIGATION

Whereas, the Select Committee on Ethics on December 21, 1989 initiated a Preliminary Inquiry into allegations of misconduct by Senator Alan Cranston, and notified Senator Cranston of such action; and

Whereas, the Committee retained Special Counsel Robert S. Bennett to assist the Committee in conducting the Preliminary Inquiry into the allegations, and received and considered a report related thereto; and

Whereas, in the course of its Preliminary Inquiry the Committee held hearings from November 15, 1990 through January 16, 1991 and heard evidence relating to the allegations; and

Whereas, the Committee received and considered post-hearing memoranda from Special Counsel and counsel for Respondent Senators;

It is therefore RESOLVED:

(a) That the Committee finds that there is substantial credible evidence that provides substantial cause for the Committee to conclude that, in connection with his conduct relating to Charles H. Keating, Jr., and Lincoln Savings and Loan Association, Senator Cranston may have engaged in improper conduct that may reflect upon the Senate, as contemplated in Section 2(a)(1) of S. Res. 338, 88th Congress, as amended. To wit, there is substantial credible evidence that provides substantial cause for the Committee to conclude, based upon the totality of the circumstances, including but not limited to the following conduct or activities, that Senator Cranston engaged in an impermissible pattern of conduct in which fund raising and official activities were substantially linked:

(1) From April 1987 through April 1989, Senator Cranston personally, or through Senate staff, contacted the Federal Home Loan Bank Board on behalf of Lincoln, during a period when Senator Cranston was soliciting and accepting substantial contributions from Mr. Keating. On at least four occasions, these contacts were made in close connection with the solicitation or receipt of contributions. These four occasions are as follows:

(i) As a result of a solicitation from Senator Cranston in early 1987, Mr. Keating, on March 3, 1987, contributed \$100,000 to America Votes, a voter registration organization. This contribution was made during the period leading to Senator Cranston's participation in the April 2 and April 9 meetings with Federal Home Loan Bank Board Chairman Edwin J. Gray and the San Francisco regulators.

(ii) In the fall of 1987, Senator Cranston solicited from Mr. Keating a \$250,000 contribution, which was delivered to the Senator personally by Mr. Keating's employee James Grogan on November 6, 1987. When the contribution was delivered, Mr. Grogan and Senator Cranston called Mr. Keating, who asked if the Senator would contact new Federal Home Loan Bank Board Chairman M. Danny Wall about Lincoln. Senator

Cranston agreed to do so, and made the call six days later.

(iii) In January 1988, Mr. Keating offered to make an additional contribution and also asked Senator Cranston to set up a meeting for him with Chairman Wall. Senator Cranston did so on January 20, 1988 and Chairman Wall and Mr. Keating met eight days later. On February 10, 1988 Senator Cranston personally collected checks totaling \$500,000 for voter registration groups.

(iv) In early 1989, at the time that Senator Cranston was contacting Bank Board officials about the sale of Lincoln, he personally or through Joy Jacobson, his chief fund raiser, solicited another contribution. (This contribution was never made. American Continental Corporation declared bankruptcy on April 13, 1989.)

(2) Senator Cranston's Senate office practices further evidenced an impermissible pattern of conduct in which fund raising and official activities were substantially linked. For example, Joy Jacobson (who was not a member of his Senate staff and who had no official Senate duties or substantive expertise), engaged in the following activities with Senator Cranston's knowledge, permission, at his direction, or under his supervision:

(i) Senator Cranston's fund raiser repeatedly scheduled and attended meetings between Senator Cranston and contributors in which legislative or regulatory issues were discussed.

(ii) Senator Cranston's fund raiser often served as the intermediary for Mr. Keating or Mr. Grogan when they could not reach the Senator or Carolyn Jordan, the Senator's banking aide.

(iii) Senator Cranston received several memoranda from Ms. Jacobson which evidenced her understanding that contributors were entitled to special attention and special access to official services. Senator Cranston never told her that her understanding was incorrect, nor did he inform her that such a connection between contributions and official actions was improper.

(b) That the Committee, pursuant to Committee Supplementary Procedural Rules 3(d)(5) and 4(f)(4), shall proceed to an Investigation under Committee Supplementary Procedural Rule 5; and

(c) That Senator Cranston shall be given timely written notice of this resolution and the evidence supporting it, and informed of a respondent's rights pursuant to the Rules of the Committee.



DECISION OF THE COMMITTEE CONCERNING  
SENATOR MCCAIN

Based on the evidence available to it, the Committee has given consideration to Senator McCain's actions on behalf of Lincoln Savings & Loan Association. The Committee concludes that Senator McCain exercised poor judgment in intervening with the regulators. The Committee concludes that Senator McCain's actions were not improper nor attended with gross negligence and did not reach the level of requiring institutional action against him. The Committee finds that Senator McCain took no further action after the April 9, 1987, meeting when he learned of the criminal referral.

The Committee reaffirms its prior decision that it does not have jurisdiction to determine the issues of disclosure or reimbursement pertaining to flights provided by American Continental Corporation while Senator McCain was a Member of the House of Representatives. The Committee did consider the effect of such on his state of mind and judgment in taking steps to assist Lincoln Savings & Loan Association.

Senator McCain has violated no law of the United States or specific Rule of the United States Senate; therefore, the Committee concludes that no further action is warranted with respect to Senator McCain on the matters investigated during the preliminary inquiry.

DECISION OF THE COMMITTEE CONCERNING  
SENATOR GLENN

Based on the evidence available to it, the Committee has given consideration to Senator Glenn's actions on behalf of Lincoln Savings & Loan Association. The Committee concludes that Senator Glenn, although believing that the Lincoln matter was in the process of resolution, exercised poor judgment in arranging a luncheon meeting between Mr. Keating and Speaker Wright in January, 1988, some eight months after Senator Glenn learned of the criminal referral. There is disputed evidence as to whether Lincoln's problems with the Federal Home Loan Bank Board (FHLBB) were discussed at that meeting. The evidence indicates that Senator Glenn's participation did not go beyond serving as host. The Committee further concludes that Senator Glenn's actions were not improper or attended with gross negligence and did not reach the level requiring institutional action against him.

Senator Glenn has violated no law of the United States or specific Rule of the United States Senate; therefore, the Committee concludes that no further action is warranted with respect to Senator Glenn on the matters investigated during the preliminary inquiry.

DECISION OF THE COMMITTEE CONCERNING  
SENATOR RIEGLE

Based on the evidence available to it, the Committee has given consideration to Senator Riegle's actions on behalf of Lincoln Savings & Loan Association. The Committee finds that Senator Riegle took steps to assist Lincoln Savings & Loan Association with its regulatory problems at a time that Charles Keating was raising substantial campaign funds for Senator Riegle. During the course of the hearings, possible conflicts arose concerning actions on the part of Senator Riegle that caused the Committee concern, but the Committee finds that the evidence indicates no deliberate intent to deceive. The evidence shows that Senator Riegle took no further action after the April 9, 1987, meeting where he learned of the criminal referral.

While the Committee concludes that Senator Riegle has violated no law of the United States or specific Rule of the United States Senate, it emphasizes that it does not condone his conduct. The Committee has concluded that the totality of the evidence shows that Senator Riegle's conduct gave the appearance of being improper and was certainly attended with insensitivity and poor judgment. However, the Committee finds that his conduct did not reach a level requiring institutional action.

The Committee concludes that no further action is warranted with respect to Senator Riegle on the matters investigated during the preliminary inquiry.

DECISION OF THE COMMITTEE CONCERNING  
SENATOR DECONCINI

Based on the evidence available to it, the Committee has given consideration to Senator DeConcini's actions on behalf of Lincoln Savings & Loan Association. While aggressive conduct by Senators in dealing with regulatory agencies is sometimes appropriate and necessary, the Committee concludes that Senator DeConcini's aggressive conduct with the regulators was inappropriate. The Committee further concludes that the actions of Senator DeConcini after the April 9, 1987, meeting where he learned of the criminal referral, were not improper in and of themselves.

While the Committee concludes that Senator DeConcini has violated no law of the United States or specific Rule of the United States Senate, it emphasizes that it does not condone his conduct. The Committee has concluded that the totality of the evidence shows that Senator DeConcini's conduct gave the appearance of being improper and was certainly attended with insensitivity and poor judgment. However, the Committee finds that his conduct did not reach a level requiring institutional action.

The Committee therefore concludes that no further action is warranted with respect to Senator DeConcini on the matters investigated during the preliminary inquiry.