

Statement of Representative Henry A. Waxman
December 15, 1999

I had intended to waive my statement today, but as I thought more about this hearing I realized it was important to make some facts and observations part of the record.

The Burton investigation started in 1996, after the LA Times, Wall Street Journal, New York Times, ABC, CBS, NBC, CNN, and other media sources broke stories about campaign irregularities in the 1996 presidential campaign.

In the past 38 months, this Committee has uncovered little new. But we have settled into a familiar and predictable pattern.

Phase One begins with the Chairman making a sensational and unsubstantiated allegation. A newspaper headline follows. We move into Phase Two when Mr. Burton pledges he won't rest until he gets the facts because the American people have a right to know.

Phase Three involves getting the facts, which invariably don't support the allegation made in Phase One. That's a problem.

Phase Four solves the Phase Three problem—that's when the Chairman accuses the White House, the President, Janet Reno, the Justice Department, or Democrats on this Committee of stonewalling, obstructing justice, or covering up. And Mr. Burton generally says he won't stop until he gets what he wants, because the American people have a right to know.

Phase Five is always interesting, because that's when the White House, Justice Department, or FBI capitulates and we actually receive what was said to be the smoking gun. But just as in Phase Three, that material never seems to support the original allegation.

At that point, we enter Phase Six. Forget the original allegation...forget the facts...pretend it never happened...and don't admit a mistake. Instead, make a new sensational and unsubstantiated allegation, go back to Phase One, and hope no one ever notices.

There has never been a congressional investigation quite like this one.

In three years Chairman Burton has unilaterally issued over 883 subpoenas. Let me repeat that--883 subpoenas relating to the campaign finance investigation. To fully appreciate how astounding that is, consider that from 1960 to 1994, not a single Chairman of any House Committee ever issued a unilateral subpoena. It is simply amazing.

Mr. Burton tries to rationalize this by claiming he's been blocked at every turn. But the fact is that the Committee has received over 1.5 million pages of documents and deposed over 160 witnesses. Mr. Burton has asked the Committee to immunize 12 witnesses—the Committee's Democrats have immunized all 12 witnesses, even in instances that didn't seem to

make much sense. And the Committee has been given a virtually unlimited budget -- and spent over \$7 million last Congress alone.

What do we have to show for this, aside from these hearings with Mr. Huang? The Washington Post wrote that the investigation “runs the risk of becoming its own cartoon, a joke and a deserved embarrassment.” The New York Times called it “a parody of a reputable investigation.” And Norm Ornstein noted that it was “a case study in how not to do a congressional investigation.”

Reputations have been recklessly smeared. Some of those smeared have been public figures, like Bruce Babbitt...Maggie Williams...Hazel O’Leary...Cheryl Mills ... and Janet Reno. Others have been ordinary citizens, like Professor Chi Wang, whose bank records were erroneously subpoenaed; Chief Petty Officer Charles McGrath, the career military officer in charge of the office that was falsely accused of doctoring White House video tapes; and Col. Raymond Willson, another career officer, who was wrongly accused of “witness intimidation” and “mob tactics” for trying to respond to a legitimate Senate inquiry.

Even those who have done something wrong—like Webster Hubbell or John Huang—end up in the strange position of being wronged themselves when our Committee gets involved.

On October 9, 1997, for instance, Mr. Burton held his very first hearing with a blockbuster witness—David Wang. The Chairman promised that if Mr. Wang were granted immunity, his testimony would show that John Huang illegally laundered campaign contributions while a DNC official. As the Chairman put it, “this is the first time we have found an active person at the DNC who was involved in money laundering ... and we will be able to prove that.”

Once granted immunity, Mr. Wang confessed to an illegal tax and immigration scheme that was more serious than his conduit contribution violation. Even worse, the testimony he gave to the Committee about John Huang was demonstrably false. His account was factually wrong and debunked as he appeared before the Committee.

To this day, however, Mr. Burton refuses to acknowledge his mistake and admit that his allegations about John Huang were wrong.

If this investigation has a redeeming feature, perhaps it’s that future congressional investigators will have a model for what not to do. The Burton investigation has suffered from at least five fundamental flaws that future Chairmen should avoid at all costs.

First, tread carefully when making allegations. I just mentioned the David Wang fiasco, but that’s not the only unsubstantiated allegation made about John Huang.

In April 1997 Newt Gingrich alleged that “John Huang [was] clearly being given secrets while going to the Chinese Embassy.” Mr. Burton suggested on national television that Mr.

Huang “may very well have given information that he shouldn’t to the Chinese and others” and could be a Chinese spy.

Two years have passed and there’s still no evidence to support these over-the-top accusations—but they have resulted in over 7,000 news stories about Mr. Huang. And in a strange and unfortunate way, by raising the stakes they have actually ended up minimizing the serious violations Mr. Huang actually committed.

Instead of recklessly crying treason, we could have worked together to shine a spotlight on conduit contributions. But we didn’t.

Partisanship is the second obvious flaw. Congressional investigations need to be bipartisan to be credible, and all wrongdoing—Democratic or Republican--has to be on the table.

When this investigation began, I offered to work with the Chairman in a bipartisan way with no-holds barred. He rejected that offer.

I mentioned earlier that to date Mr. Burton has issued 883 subpoenas--874 of those subpoenas have been issued to Democratic targets, and only 9 have been sent to Republican targets.

The fact is that the Burton investigation won’t ask any questions about Republican wrongdoing.

Last August every Democrat on this Committee sent Mr. Burton a letter asking that we investigate a serious conduit contribution scheme that involved Tom DeLay, one of the three most powerful House Republicans.

A Republican businessman, Peter Cloeren, admitted to participating in a conduit scheme that he said was suggested by Mr. DeLay. Mr. Cloeren provided specific and credible information that deserved further scrutiny.

Not one subpoena has been issued, no documents have been requested, and no hearings have been scheduled. Remarkably, Mr. Burton has never even had the courtesy to respond to our letter.

Now it’s important to keep in mind that the illegal scheme Mr. Cloeren participated in was indistinguishable to the one Mr. Huang participated in. The only difference was that it involved Republicans.

I know some people believe there’s more than partisanship at work. They genuinely believe there’s a clear anti-Asian bias, and that Mr. Huang has received such extraordinary scrutiny and been accused of treason simply because he’s Asian.

Those feelings only deepened when one Republican Senator called Charlie Trie’s actions

“classic activities on the part of an Asian who comes out of that culture” and a House Republican joked that we’ve found only “the tip of the eggroll.”

And people are genuinely puzzled why Mr. Huang is being singled out to testify for an unprecedented four days on conduit contributions when the FEC has investigated literally hundreds of individuals for similar violations over the past several years.

Some believe it’s simply partisanship. Some see a clear anti-Asian bias. Whether it’s partisanship or bias, it’s wrong. A credible investigation can’t be selective.

The Burton investigation’s third flaw is inexcusable—incompetence. One Republican Committee member called it “frightening.” Sometimes the mistakes—such as staking out the homes of innocent individuals—have been simply embarrassing. At other times they are almost comical. When the Chairman released doctored transcripts of Webb Hubbell’s telephone conversations from prison, the doctored transcripts quoted Mr. Hubbell as saying: “The Riady is just not easy to do business with me while I’m in here.” The actual tape, of course, was significantly different. What Mr. Hubbell actually said was: “The reality is it’s just not easy to do business with me while I’m here.”

The bottom line is that careless mistakes undermine credibility.

Just as important, bullying and fulminating should never replace genuine investigating. Our fourth mistake is that the Committee has often used tactics intended to punish and intimidate witnesses into providing information. Witnesses who don’t do what the Chairman wants are routinely subpoenaed and threatened with contempt, even if they have legitimate reasons for their actions. One witness who crossed the Chairman was humiliated in a public hearing simply for asserting his Fifth Amendment rights.

Last, future investigators shouldn’t fall in love with their theories of wrongdoing. The biggest problem in this investigation is that Chairman Burton has been convinced from the start that he knew what happened. As the Chairman said in one revealing interview, “if I could prove 10 percent of what I believe happened, [the President] would be gone. ... That’s why I’m after him.”

And each time the evidence hasn’t panned out, it’s only made him more sure he’s right. And it seems to have convinced him that everyone is in a conspiracy against him—the White House, Janet Reno, me, other Democrats on the Committee.

In recent weeks it’s even extended to the media. Despite the fact that it’s been investigative reporters from the networks and major newspapers that uncovered the scandal, Mr. Burton doesn’t think he’s getting enough attention. He’s accused the press of ignoring his work and keeping the facts from the American people. So now the media is part of the conspiracy.

As a result, the Chairman has spent thousands of taxpayer dollars installing a new camera system in the Committee room so he can broadcast the hearing himself. His staff calls the

expensive new system “Dan-Span.”

Some of you who have closely followed the history of this investigation will remember that last year the Chairman directed his staff to build a fake brick wall in the Committee room. That too wasted taxpayer dollars, and ended up ruining one of the walls in this room. And then taxpayers had to foot the bill to fix the wall.

I don’t know if the new camera system will be worth the thousands of taxpayer dollars we’re spending on it, but it does seem to be yet another indication of lost perspective.

I want to thank everyone for their patience in allowing me to make my observations part of the record, and want to close with a final word about Mr. Huang.

Mr. Huang, I think you owe the American people an apology for the conduit scheme you participated in. No matter how many mistakes the Burton investigation has made, nothing excuses your illegal conduct. I hope you will take full responsibility for your actions today.

At the same time, if there’s no evidence to support the allegations of money laundering, spying, and treason you have been accused of, I hope the Chairman will acknowledge that and correct any false statements that have been made.

Thank you.