

THE OFFER OF R. WARREN MEDDOFF

Two weeks prior to the November 5, 1996 election, the President attended a DNC fundraiser in Florida. At that fundraiser, as the President walked along the rope line meeting and greeting people, R. Warren Meddoff thrust a business card in his hand. The President continued walking and read the words written on the back of the card: I have an associate that is interested in donating \$5 million to your campaign.¹ The President then returned to Meddoff, and asked for another card to give to his staff.

The President gave this second card to Harold Ickes, Deputy Chief of Staff of the White House, and asked him to call Meddoff about the potential contribution, which Ickes did within two days. Ickes' calls to Meddoff from the White House and Air Force One regarding contributions continued from October 24, 1996 to October 31, 1996. Then, on October 31, 1996, only five days prior to the election, Ickes directed the White House to fax instructions to Meddoff steering donations to the DNC and several nonprofit groups favorable to the President. Later the same day, Ickes called Meddoff and told him to "shred" the fax. All of this was done without the knowledge of the background of R. Warren Meddoff or the actual donor.

From October 1996 until July 17, 1997, R. Warren Meddoff was the Director of Government Affairs for Bukkehave, Inc. ("Bukkehave") of Fort Lauderdale, Florida.² Bukkehave is a wholly owned U.S. subsidiary of a Danish corporation, Bukkehave, Limited.³ Prior to his employment with

¹ Testimony of R. Warren Meddoff, September 19, 1997, p. 7.

² Deposition of R. Warren Meddoff, August 19, 1997, p. 6; *see also* Meddoff testimony, p. 4. According to Meddoff, Bukkehave "supplies vehicles and spare parts primarily to governments, the United Nations, and charitable organizations operating in the third world." *Id.*

³ Meddoff deposition, p. 6. Meddoff testified in his deposition that the owners of Bukkehave, Limited were represented to him as Hans Christian Bukkehave and Christian Haar, both Danish nationals. *Id.*

Bukkehave, Meddoff was a self-employed consultant in the areas of real estate, investment development and brokerage, and in financial matters with several foreign governments.⁴

Meddoff also had a business relationship with William Morgan, a Texas businessman,⁵ dealing in pre-World War II German governmental gold-backed bearer bonds.⁶ Morgan indicated to Meddoff in early October 1996 that he would soon be closing a business transaction involving the sale of bearer bonds from which he would receive approximately \$300 million in revenues.⁷ Morgan told Meddoff that since they “previously had made commitments to both presidential campaigns,” he would honor that obligation and donate \$5 million to each campaign.⁸ Morgan subsequently called Meddoff on October 22, 1996 to inform him that the transaction was proceeding and asked him to notify the appropriate individuals that he would be prepared to make the donations by the end of that

⁴ Meddoff testimony, p. 4.

⁵ Meddoff deposition, p. 11. Although Meddoff had a business relationship with Morgan, they have never personally met. *Id.* at p. 13.

⁶ Meddoff testimony, p. 5.

⁷ Meddoff deposition, p. 14.

⁸ *Id.* See DNC memorandum from Penny (no last name listed) to Bonnie (no last name listed) regarding \$1,000,000 contribution, July 29, 1996 (Ex. 1) (noting that Penny had “received a call from Meddoff who relayed that Morgan wanted to contribute in excess of \$1 million to the Democratic campaign.”) This memorandum also notes that “Leon Panetta was apprised of the plan [to contribute] over a year ago. Meddoff convinced Morgan to contribute the money through himself and Mitchell [Berger] because Mitchell ‘is a real nice guy.’ Meddoff said Morgan is not looking for any appointments, favors, etc. However, he would like some kind of tax benefits, if possible.” See also Letter to Senator Robert Dole from R. Warren Meddoff, Feb. 22, 1995 (Ex. 2). This letter states that Meddoff and his client want to make a donation to the Republican Party. Meddoff followed up on his letter with a phone call to Senator Dole’s office. A member of Senator Dole’s staff informed Meddoff that when the funds were available to please call back and he would be instructed on how to make a proper donation to the Republican party. Meddoff deposition, p. 22.

month.⁹ Meddoff previously had been invited by Mitchell Berger¹⁰ to attend a fund-raising dinner for the President on October 22, 1996 at the Biltmore Hotel in Coral Gables, Florida.¹¹ Meddoff attended the fund-raiser to speak to the President on behalf of a client of Bukkehave, Inc. to gain support for permitting humanitarian flights to Cuba, which had been hit by a hurricane.¹²

Although Meddoff attended the fund-raiser primarily to speak to the President about those flights, he had talked earlier that day to Morgan about informing the “presidential campaigns” of Morgan’s intent to make a large contribution to each.¹³ Morgan and Meddoff discussed the possibility that Meddoff would be unable to speak directly to the President at the fund-raiser that

⁹ *Id.* at pp. 14-15.

¹⁰ According to Meddoff, Mitchell Berger was “in charge of fund-raising for the Democratic Party in the State of Florida.” *Id.* at p. 22. Meddoff previously mentioned to Berger’s law partner, Manuel Kushner, that he would be making a large donation once a gold bond transaction closed and that it could go through Berger so he would get credit for such a large donation. *Id.* at p. 24; *see also supra* note 8.

¹¹ Meddoff deposition, p. 22.

¹² Bukkehave paid \$1,500 for Meddoff to attend the dinner. Meddoff deposition, p. 22. According to Meddoff, the Administration’s policy did not permit direct flights from the U.S. to Cuba. Bukkehave’s client, Catholic Relief Services, had materials warehoused in Miami to assist the victims of the hurricane but was not allowed to deliver the materials because of this policy. *Id.* at p. 23. The morning of the fund-raiser, Meddoff faxed a letter to the White House expressing his intention to speak to the President on this policy. *Id.* at p. 25. *See also* Letter from R. Warren Meddoff to President Clinton regarding Cuban humanitarian relief, October 22, 1997 (Ex. 3).

¹³ Meddoff deposition, p. 14. It is illegal to give contributions to a Presidential federal election campaign that has agreed to limit its spending in return for receiving public financing. There is a \$1,000 individual contribution limit to presidential primary candidates. 2 U.S.C. § 4412(a)(6). There is also a prohibition on additional funding to presidential candidates in the general election. 26 U.S.C. § 9003(b)(2) and 9012(b).

evening. They concluded that Meddoff should write the offer of a donation on the back of a business card and hand it to the President.¹⁴

At the fund-raiser that evening, Meddoff approached the President and said, “ Mr. President, this is for you,” and handed the President his business card.¹⁵ The back of the business card read, I have an associate that is interested in donating \$5 million to your campaign.¹⁶ As the President walked away, he glanced down and read the card, then returned to Meddoff and asked for another card to give his staff. The President promised that someone from his staff would be in touch.¹⁷ According to Meddoff, the President also briefly discussed the situation in Cuba and told him that humanitarian flights to Cuba could resume.¹⁸ The entire conversation lasted less than five minutes.¹⁹

On October 23, 1996, the day after the fund-raiser, Meddoff contacted Morgan to inform him that he had spoken directly to the President and relayed his message regarding the contribution.²⁰ Harold Ickes left a message for Meddoff on Bukkehave’s answering machine on Saturday, October 24, 1996.²¹ Because Ickes left the message on a Saturday, Meddoff did not receive the message

¹⁴ Meddoff deposition, p. 28.

¹⁵ *Id.* at pp. 28-29.

¹⁶ Meddoff testimony, p. 7.

¹⁷ Meddoff deposition, p. 29.

¹⁸ Meddoff testimony, p. 8.

¹⁹ Meddoff deposition, p. 29.

²⁰ *Id.* at p. 30.

²¹ Meddoff testimony, pp. 8-9. Ickes testified that he ordinarily would have asked someone at the DNC to follow-up on Meddoff’s offer. However, given the shortness of the time and the fact that the President had approached him directly about it, he pursued the offer himself. Deposition of Harold Ickes, June 27, 1997, p. 40.

until that Monday, October 26, 1996.²² Ickes was not in the office when Meddoff returned his call on Monday, October 26, 1996. Instead he was informed him that Ickes needed to speak to Meddoff and would get back to him.²³

Later that same day, Ickes called Meddoff and informed him that the President had given him Meddoff's business card.²⁴ They discussed Morgan's proposed contribution. Meddoff indicated that he did not expect the funds to become available until at least November 1, 1996.²⁵ Meddoff also told Ickes that Morgan was looking for a "tax-favorable way" to make the donation and was assured by Ickes that this could be worked out.²⁶ Meddoff further testified that Ickes told him "that there were methods of making tax-favorable contributions."²⁷ According to Ickes, he informed Meddoff that because this was a general election, contributions to the President's campaign were restricted by the FECA, but that there were other ways of making contributions to assist the President's re-election.²⁸

²² Telephone message from Harold Ickes produced by R. Warren Meddoff., October 26, 1996 (Ex. 4).

²³ Meddoff testimony, p. 9.

²⁴ Meddoff deposition, p. 38. Ickes testified that President Clinton related the facts Meddoff testified to and asked him to call Meddoff. Deposition of Harold Ickes, June 27, 1997, p. 38.

²⁵ Meddoff deposition, p. 38. Meddoff did not recall whether Ickes asked about how Morgan would be able to make such a large contribution. *Id.* at p. 39. Ickes testified, however, that he "tried to find out a little bit about it. It was very vague, that he-that Morgan has come into or had substantial funds, wanted to make contributions, would prefer that some of those contributions go to organizations that would be basically tax-exempt." Deposition of Harold Ickes, June 27, 1997, p. 40.

²⁶ Meddoff deposition, p. 39.

²⁷ Meddoff testimony, p.10.

²⁸ Deposition of Harold Ickes, June 27, 1997, p. 39.

Meddoff also recalls discussing with Ickes that the initial donation would be in the amount of \$5 million, but that Morgan anticipated being able to make a total contribution in excess of \$50 million over a period of time.²⁹

Meddoff testified that during his conversation with Ickes, he was acting “strictly in [the] capacity of forwarding on messages and very much so just being an individual in the middle that was trying to facilitate Mr. Morgan’s wishes to make a contribution and Mr. Ickes’ desire to get a contribution.”³⁰ According to Meddoff, both Ickes and Morgan asked him if he would continue in his capacity as intermediary.³¹ Morgan refused to be interviewed by the Committee,³² but he has been quoted in newspapers to say that he was strictly non-political and all he was doing was some tax planning.³³

²⁹ Meddoff deposition, p. 44. See Ickes’ handwritten notes taken during his telephone conversation with Meddoff in which he wrote “\$55 million and \$5 million,” these notes confirm Meddoff’s testimony regarding the telephone conversation. October 30, 1996 (Ex. 5).

³⁰ Meddoff deposition, p. 43.

³¹ Meddoff deposition, pp. 43-44.

³² Morgan was not subpoenaed by the Committee because he did not have firsthand knowledge of the conversations that occurred between Meddoff and Ickes.

³³ Robert Nolin, “Businessman Regrets Contribution Offer,” *Sun-Sentinel* (Ft. Lauderdale), September 28, 1997, p. 3.

Ickes testified that after he hung up with Meddoff, he called Eric Berman, who was the head of research at the DNC.³⁴ Ickes relayed his conversation with Meddoff to Berman and asked him to personally run a check on Meddoff and Morgan.³⁵

Ickes testified that he recalled receiving from Eric Berman “either directly before or directly after the election, a very slim packet of material about Morgan and company, and just misplaced it.”³⁶ He further testified that because of press inquiries he sent an additional memo on November 19, 1996 to Berman requesting replacement for the information he lost.³⁷ The Committee finds this explanation incredible because the Meddoff incident did not come into the public eye until February 1997.³⁸

Ickes contacted Meddoff on October 29, 1996 and asked whether \$1.5 million could be disbursed within the next 24 hours because the campaign had an immediate need for money.³⁹ When

³⁴ Deposition of Harold Ickes, June 27, 1997, p. 40. This immediate call to the DNC contradicts his testimony that he did not have time to refer the matter to the DNC. *See supra* note 21.

³⁵ *Id.* Ickes told Berman to “get his ass in gear himself, not to pawn this off on anybody.” *Id.*

³⁶ *Id.* at pp. 54-56.

³⁷ While Ickes never spoke to Meddoff after his October 31, 1996 telephone conversation about shredding the fax (see below), apparently his interest in Meddoff and Morgan continued. *See* Memorandum from Harold Ickes to Eric Berman regarding William R. Morgan and R. Warren Meddoff, November 19, 1996 (Ex. 6). Berman in response provided a fax with biographies on November 25, 1996. *See* fax from Eric Berman, Dan Fee and Rick Hess to Harold Ickes and Jessica Fitzgerald regarding Meddoff, Morgan, Vaduz and Bukkehave, November 25, 1996 (Ex. 7). Deposition of Harold Ickes, June 27, 1997, pp. 54-56.

³⁸ Michael Isikoff, “The White House Shell Game,” *Newsweek*, February 10, 1997, p. 34.

³⁹ Meddoff deposition, p. 41.

Meddoff told him that it was not possible to have the money the next day, and that Morgan and he had not received any instructions as to how to structure the donations and transfer the funds. Ickes then asked whether it could be available in the next 48 hours.⁴⁰ After discussing this request with Morgan, Meddoff relayed to Ickes that there was a possibility that the money could be disbursed within that time, but that he needed the information regarding where the funds should be sent.⁴¹ Ickes told him that he would fax the instructions.⁴² Ickes also told Meddoff that he would receive information on nonprofit organizations that were friendly to the President's campaign but inquired into whether Morgan would also be willing to make a contribution to the DNC that would not be tax deductible.⁴³ Meddoff replied that he would talk to Morgan about it, but thought that Morgan probably would be willing to make such a contribution.⁴⁴ Meddoff subsequently contacted Morgan who was amenable to making a small donation that would not be tax deductible.⁴⁵

Ickes testified that after speaking to Meddoff, he believes that he called Minyon Moore, then political director of the DNC, to ask if she knew any "legitimate organizations" that could use last-minute money.⁴⁶ She suggested the nonprofit group National Coalition of Black Voter Participation.

⁴⁰ Meddoff testimony, p. 12.

⁴¹ Meddoff deposition, p. 41. Morgan told Meddoff that he was having difficulty in closing the transaction but that he would "try to put together the funds." *Id.* at p. 43. He instructed Meddoff to have Ickes tell him to which groups the money should be sent. *Id.*

⁴² *Id.* at p. 41.

⁴³ Meddoff deposition, p. 50 and Testimony of Harold Ickes, October 8, 1997, p. 100.

⁴⁴ Meddoff deposition, p. 50.

⁴⁵ *Id.* at pp. 52-53.

⁴⁶ Deposition of Harold Ickes, June 27, 1997, p. 52.

In addition to the organization Moore recommended, Ickes himself selected Vote Now 96, an organization to which the DNC had in the past directed money.⁴⁷ Ickes was familiar with Hugh Westbrook and Gary Baron, individuals involved with Vote Now 96, a voter registration organization. He testified that “they were always out trolling for money.”⁴⁸ Ickes further testified that he may have called Gary Baron directly and told him there may be some money forthcoming, but made no promises.⁴⁹ Ickes also selected a group called Defeat 209 because he knew Pat Ewing, the Executive Director, and the President had spoken out against California’s Proposition 209, a ballot initiative to ban preferential treatment on the basis of race, gender and other immutable characteristics.⁵⁰

Ickes then called Karen Hancox, the Deputy Director of Political Affairs at the White House, from Air Force One. He dictated to her a list of these nonprofit organizations, as well as their bank account and contact information, for her to send to Meddoff, so that Morgan could immediately wire his donations to them.⁵¹ Hancox typed this information into a memorandum to Meddoff from Ickes, and directed one of her staff to fax the memorandum to Meddoff.⁵² This memorandum was faxed from the White House to Meddoff on October 31, 1996 at approximately 9:42 a.m.⁵³ Ickes’

⁴⁷ See the section of the report on the Teamsters.

⁴⁸ Deposition of Harold Ickes, June 27, 1997, p. 53.

⁴⁹ *Id.*

⁵⁰ *Id.* at p. 52.

⁵¹ Deposition of Karen Hancox, June 9, 1997, p. 149. See also Memorandum from Harold Ickes to R. Warren Meddoff regarding donations, October 31, 1996, p.1 (Ex. 8).

⁵² Hancox deposition, p. 149.

⁵³ Ex. 8 at p.1.

instruction to and use of White House staff and equipment to send a fax providing information to send donations to the DNC and nonprofit organizations is a potential violation of the law.⁵⁴

After having the fax sent, Ickes called Meddoff later the same day and informed him that DNC Finance Director Richard Sullivan would contact him.⁵⁵ Approximately 30 minutes after Meddoff received the faxed memorandum, he received a telephone message that Sullivan had called.⁵⁶ Meddoff and Sullivan spoke several times on October 31, 1996, during which Sullivan expressed his concern regarding Ickes' handling of the matter.⁵⁷ In fact, Sullivan commented to Meddoff that "that's not the way that they did things at the DNC."⁵⁸ Meddoff testified that he talked to Sullivan at least four or five times that day.⁵⁹

Upon receiving the memorandum faxed from the White House, Meddoff immediately faxed a copy to Morgan and contacted him regarding the information "within ten minutes of the receipt of this fax."⁶⁰ Morgan instructed him to "proceed forward to see what they wanted."⁶¹ After reviewing the memorandum, however, Morgan told Meddoff that the organizations were

⁵⁴ If Ickes solicited Meddoff for contributions, it would appear that he violated criminal provisions of the Hatch Act, specifically 5 U.S.C. § 7323(b) which prohibits a federal employee from soliciting political contributions from any location at any time.

⁵⁵ Meddoff deposition, p. 47.

⁵⁶ *Id.* at pp. 47-48.

⁵⁷ *Id.* at p. 55.

⁵⁸ *Id.*

⁵⁹ *Id.* at p. 56. Sullivan testified that he called Meddoff "probably four" times. Deposition of Richard Sullivan, September 5, 1997, p. 48.

⁶⁰ Meddoff deposition, p. 54.

⁶¹ Meddoff deposition, p. 55.

“unacceptable.”⁶² By this time, however, Meddoff was no longer dealing with Ickes but with Sullivan.

During the same day he received Ickes’ fax, Meddoff also called Don Fowler, Chairman of the DNC, at the suggestion of Sullivan.⁶³ Meddoff testified that he talked to Fowler three to five times.⁶⁴ Meddoff testified that both Sullivan and Fowler were “concerned about who Morgan was, where the funds were coming from; that they wanted to slow down.”⁶⁵ Sullivan testified that when he talked to Fowler about his conversations with Meddoff, “Mr. Fowler said, this situation makes me nervous, let’s put this on hold and see if we can find out something about Mr. Meddoff and/or Mr. Morgan.”⁶⁶

Meddoff informed Sullivan that Morgan wanted a letter “expressing appreciation for contributions to these efforts.”⁶⁷ He received a letter by facsimile the same day around 12:56 p.m. from Don Fowler.⁶⁸ Fowler’s letter reads, “Please accept my deep appreciation for the substantial financial support you have offered to the Democratic Party. Your support will help advance President Clinton’s agenda for the American people as we enter the 21st Century. We look forward to working

⁶² *Id.*

⁶³ *Id.* at p. 56.

⁶⁴ *Id.*

⁶⁵ *Id.*

⁶⁶ Deposition of Richard Sullivan, September 5, 1997, p. 51.

⁶⁷ *Id.* at p. 49.

⁶⁸ Letter from Don Fowler to R. Warren Meddoff, October 31, 1996, p. 1 (Ex. 9).

with you in the future.”⁶⁹ Meddoff marked up this letter to add references to the President and to note that Morgan was the individual making the contribution, and sent it back by facsimile to Fowler.⁷⁰ Although Fowler told Meddoff that he would send out the revised letter, he never did. In fact, the DNC “went silent” and did not return Meddoff’s telephone calls inquiring into the status of the letter and the contribution.⁷¹ Sullivan was instructed by Fowler not to pursue the matter any more.⁷²

According to Meddoff, Ickes called him sometime on the afternoon of October 31, 1996 to explain that the fax was sent in error and requested that he “shred” it.⁷³ Ickes testified before the Committee that he did not tell Meddoff to “shred the fax,” but may have told Meddoff that the fax was “inoperative.”⁷⁴ Meddoff testified that he immediately called Morgan because he was “rather amazed at a request to shred a document from somebody in the White House.”⁷⁵ After the conversation that afternoon, Meddoff had no further contact with Ickes.⁷⁶ Also, no one from the DNC returned Meddoff’s calls.

⁶⁹ *Id.* at p. 2.

⁷⁰ Meddoff deposition, p. 60. *See* Letter from Donald L. Fowler to R. Warren Meddoff with handwritten notes, October 31, 1996 (Ex. 10).

⁷¹ Meddoff deposition, p. 61.

⁷² Deposition of Richard Sullivan, September 5, 1997, p. 71.

⁷³ Meddoff testimony, p. 16.

⁷⁴ Deposition of Harold Ickes, June 27, 1997, p. 42; *see also* Ickes testimony, p. 187 (testifying that Ickes did “not recall that I said shred it. I am confident that I did not. I don’t use that kind of language.”).

⁷⁵ Meddoff deposition, p. 58.

⁷⁶ *Id.* at p. 62.

The next time Meddoff heard anything about making contributions to the Democratic Party was the next month, November 1996, when Mitchell Berger, the fundraiser who had invited Meddoff to the dinner at which he met the President, “approached him.”⁷⁷ Berger informed him that the DNC was not looking for large single donations but smaller donations. He told Meddoff that all future donations should go through him after the “foul-up” with Ickes.⁷⁸ Meddoff testified that Berger contacted him on “numerous occasions” after that discussion for contributions.⁷⁹ In December 1996, Berger requested that Meddoff donate \$500 to the campaign of Florida Lieutenant Governor Buddy MacKay. The money was donated by Bukkehave, and Meddoff subsequently attended a private meeting with the Lieutenant Governor at Berger’s office.⁸⁰

Berger and Meddoff also met in December 1996 to “discuss donations, support of the administration, and the agenda of the Vice President.”⁸¹ At that time Berger suggested getting together for breakfast with Bukkehave’s Chief Executive Officer, Christian Haar, to discuss how Bukkehave could make donations to support the Democratic Party. In a December 23, 1996 memorandum sent by facsimile prior to the breakfast meeting, Meddoff indicated to Berger that he wanted to discuss arranging a meeting or photo-op with the President and Vice President when he

⁷⁷ *Id.* at p. 63.

⁷⁸ *Id.*

⁷⁹ *Id.* at pp. 63-64.

⁸⁰ *Id.* at p. 64.

⁸¹ *Id.* at p. 68.

and Haar were to be in Washington, D.C., from January 27 through 29, 1997.⁸² During the meeting between Berger, Meddoff and Haar, Meddoff and Haar made clear that Bukkehave wanted to communicate its concerns to the Administration through the Vice President⁸³ regarding the United Nations and its procurement policies concerning U.S.-manufactured goods. Berger requested that they put their concerns in a letter, which he would forward to the appropriate individual.⁸⁴

Immediately after their meeting, Meddoff forwarded a letter to Berger listing Bukkehave's concerns.⁸⁵ Berger forwarded this letter to Leon Fuerth, Vice President Gore's National Security Advisor.⁸⁶ As a result of this correspondence, and Berger's help, Meddoff was able to arrange a meeting in Washington with Fuerth on January 14, 1997.⁸⁷ Because Fuerth could not attend the meeting, he instead sent John Norris of the Vice President's staff.⁸⁸ During this meeting at the Old Executive Office Building, Norris and Meddoff discussed the UN's procurement policies.⁸⁹

Three days after the meeting with Norris, Berger contacted Meddoff to request that he send a \$25,000 contribution to the Presidential Inaugural Committee by overnight mail to Mary Pat

⁸² Memorandum from R. Warren Meddoff to Mitchell Berger, December 23, 1996 (Ex. 11).

⁸³ Meddoff deposition, p. 72.

⁸⁴ *Id.*

⁸⁵ *Id.* Letter from R. Warren Meddoff to Mitchell Berger regarding restrictive UN purchase practices, December 26, 1996 (Ex. 12).

⁸⁶ Letter from Mitchell Berger to Leon Fuerth, December 30, 1996 (Ex. 13).

⁸⁷ Meddoff deposition, p. 75.

⁸⁸ John Norris' calendar for January 14, 1997 (Ex. 14).

⁸⁹ Meddoff deposition, p. 74.

Bonner, a consultant who was helping coordinate the event.⁹⁰ Berger indicated that if the donation was made, Meddoff and Haar could attend a private dinner with the President and Vice President during the week following the inauguration, when they were scheduled to be in Washington.⁹¹

Because Meddoff and Haar felt uncomfortable about being asked to send such a large amount by overnight mail on the basis of one telephone call, arrangements were made to meet Bonner for lunch on January 28, 1997 to present the contribution in person.⁹² Berger telephoned Meddoff the day before the scheduled lunch to tell him that the DNC/Inaugural Committee could not accept the contribution because Haar was not a U.S. citizen, and “they had great concerns over accepting funds from a non-U.S.-based company.”⁹³ Despite this conversation, Meddoff and Haar went to their scheduled meeting with Bonner.⁹⁴ When Bonner did not appear, Meddoff telephoned her office and spoke to Bonner and Berger. When Meddoff told Berger that it was “not right to have people in Washington standing by and then at the last moment you deciding that you are not going to accept the contribution,” Berger told him “[t]hat’s just the way it is. It’s tough luck.”⁹⁵ Meddoff reminded Berger of the information he had from his dealings with Ickes, to which Berger replied for him to “take your best shot and let it out.”⁹⁶ Shortly thereafter, Meddoff spoke with *Newsweek* regarding

⁹⁰ *Id.* at pp. 67-76.

⁹¹ Meddoff testimony, p. 20.

⁹² Meddoff deposition, p. 65.

⁹³ *Id.* at p. 66; Meddoff testimony, p. 23.

⁹⁴ Meddoff deposition, p. 78.

⁹⁵ *Id.* at p. 81.

⁹⁶ *Id.*

his contacts with the President and Ickes and provided its reporters with a copy of the October 31, 1996 memorandum from Harold Ickes.⁹⁷

Neither Ickes nor the White House produced the original memorandum to the Committee. Rather, Ickes and the White House each produced a copy of the fax that Ickes had received from *Newsweek*, which had received it from Meddoff.⁹⁸ Ickes testified in his deposition that he never saw the original of the memorandum.⁹⁹ The Committee also has never seen the original.¹⁰⁰

This incident illustrates the misuse of nonprofit entities by presidential campaigns and by donors seeking tax advantages. Morgan through Meddoff, told Ickes he was interested in aiding the President's re-election in a tax favorable way. Ickes then attempted to steer Morgan through Meddoff to nonprofit organizations that supported the President's re-election efforts. Ickes' conduct was an attempt to circumvent both the federal general election contribution prohibition and spending limits imposed upon campaigns receiving public financing.

If Vote Now '96, The National Coalition of Black Voter Participation or Defeat 209 had communication with Clinton/Gore campaign officials about the steering of donors to these entities, any contributions received under those circumstances would result in illegal in-kind contributions to

⁹⁷ *Id.* at pp. 82-83.

⁹⁸ Ex. 8 (This memorandum, which Ickes produced to the Committee, contains a tag line at the top of each page indicating that *Newsweek* had sent the memorandum by facsimile to Ickes).

⁹⁹ Deposition of Harold Ickes, September 22, 1997, p. 232.

¹⁰⁰ The destruction of a document to conceal a criminal violation may constitute obstruction of justice. Similarly, destroying a document that is responsive to this Committee's subpoena may violate 18 U.S.C. §1505 (obstruction of proceedings before departments, agencies, and committees).

the campaign. 11 C.F.R. § 109.1(c).¹⁰¹ The Committee was not able to determine whether these organizations knew that Ickes was referring donors to them for the purpose of advancing the President's re-election. Further investigation is warranted. The Committee believes Congress would do well to examine whether it should continue to be legal for campaigns to refer donors to nonprofit entities that, for all intents and purposes, will further a candidate's election, and whether such contributions to nonprofit entities should continue to be tax deductible.

Additionally, resolution of whether Ickes told Meddoff to shred the fax requires reconciling contradictory testimony from two witnesses. Nonetheless, there is no doubt that Ickes sent Meddoff a fax using official government resources, nor that the White House did not produce the original fax. If Ickes did instruct Meddoff to shred the fax, that conduct may constitute obstruction of justice. 18 U.S.C. §1505. Finally, the Meddoff incident is indicative of the extent to which the White House involved itself in raising money.

¹⁰¹ Vote Now '96 and The National Coalition of Black Voter Participation are 501(c)(3) entities, donations made to these organizations are tax deductible. Defeat 209 is a 501(c)(4) entity. Donations made to a 501(c)(4) entity are not tax deductible.

