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education is, where, shows, bound, to, say, Only, it, one, assumes that the purpose of education may be to enable a child to master the T. O. mote control, but, not to master the world.

Obviously, a Chicago schoolchild will not have absorbed the elements of wheat farming from her environment, as would most children from Iowa. She will, however, have grown up in a city where the world's largest agricultural commodity exchanges operate and account for thousands of jobs, and in a state whose largest industry is agriculture.

The amount of money available for her education will be determined to some degree by the needs and income of farmers and agribusiness in her state.

She may, while being "TV-influenced," hear news reports about the president's energy tax dying a death of a thousand cuts, one of them inflicted by farm interests worried about the cost of running

People, should, children in a poor Chicago neighborhood waste time learning something as useless to their lives as how to count to 100 in Swahili?

Fairness. Utility. Whatever the ostensible concern, the result is the same: a constricted notion of education that assumes where a child starts out is where she will end up.

Is it too much to suppose that a child from Chicago's South Side might someday go beyond her neighborhood—might travel, perhaps, to Africa with knowledge of agricultural techniques that would put an end to those harrowing, grotesque television pictures of starving children?

Is it too much to suppose that education, even now and even in urban America, can be a liberating experience, inspiring children not just to dream, but to follow their dreams?

## Political passion vs. legal process

Nothing is so much fun for a politician as an opponent's scandal, and Republicans in the U.S. House of Representatives may be forgiven for enjoying the spectacle of Democrats coping with the serious charges made against one of their titans, Ways and Means Committee chairman Dan Rostenkowski of Chicago. But at some point the fun can become irresponsible, as it has for the House GOP.

A brouhaha erupted Thursday on the floor over whether to release the records of the House post office investigation conducted by a special House task force. Federal prosecutors are also digging into the matter and last week elicited a guilty plea from former House postmaster Robert V. Rota of providing a "largely untraceable source of illegal cash" to several House members, including a "Congressman A," generally believed to be Rostenkowski.

The Democrats balked at the Republican demand for instant publication on the reasonable ground that the publicity could only jeopardize the prosecu-

tors' work. You don't have to take their word for it: Interim U.S. Attorney J. Ramsey Johnson wrote a letter to House leaders asking them not to make the records public because doing so would have "a significant adverse effect on the ongoing criminal investigation."

That request was the subject of the loudest exchange on the floor, after California Republican William Thomas suggested that Speaker Thomas Foley had solicited the letter to justify his action. Foley angrily denied doing any such thing and Thomas was forced to apologize for his groundless charge.

There is nothing to be gained by haste in releasing the evidence and plenty to be lost. The evidence against the House members, if it is credible, will come out soon enough. Until then, the needs of criminal justice should continue to take precedence over the preferences of the Republicans, whose apparent motive is not to inform the public but to embarrass the opposition.

## A very hard landing, indeed

*He flew through the air with increasing unease,  
This puzzled blimp pilot let down by the breeze.  
His actions were futile—no control of the ship!  
The craft hit a rooftop, done in by a rip.*

—Anon,  
with apologies to George Leybourne

You remember the July 4 story of Bigfoot, a colorful advertising blimp that lost altitude over New York and crash-landed atop a seven-story apartment building, instantly decorating the structure for the Independence Day holiday.

The deflating experience, caused by an undetected rip in the blimp's bag, ended better than it might have for pilot Lee Cermak and copilot Pat Russell. Russell wasn't seriously hurt, but broken bones kept Cermak hospitalized for more than a week.

"We kind of slapped down hard; the impact went through my spine," said Cermak as he prepared to return home to Oregon, where he plans to resume his career in blimps in the fall. "I didn't intend to

visit New York in this manner."

That's not all Cermak had to say to reporters, however. Perhaps appreciating that chances to grab a few seconds of fame in the Big Apple come along very infrequently, the Bard of Blimpdom delivered himself of this poem:

*It was July 4, 1993.*

*There was three: a beautiful airship, a copilot and me.*

*We were just cruising down the river on a Sunday afternoon—the beautiful airship, the copilot and me;*

*When all of a sudden, she did a flip and a flop,  
And on a Manhattan rooftop, we all came to a sudden stop—the airship, her copilot and me.*

*And now, like you, I wonder why  
There's only two—the copilot and me.*

Well, what's to add after that? Only this: Keep the day job, Mr. Cermak.

"Anon" promises to do the same.

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# Foley to Open Post Office Data

By Michael Briggs

Sun-Times Washington Bureau

WASHINGTON—House Speaker Thomas S. Foley on Sunday pledged to open post office records to prosecutors who said documents appear to be missing from files sought in an embezzlement investigation that has ensnared Rep. Dan Rostenkowski (D-Ill.).

"We're going to cooperate fully and openly with the U.S. attorney's office in seeing that all documents available that are proper to their investigation be released," Foley said.

He said Acting U.S. Attorney J. Ramsey Johnson will be allowed to double-check post office records. "I pledge my cooperation," Foley told CBS News. He said he knew of no missing documents.

Among the records prosecutors have described as "unaccounted for" are recent correspondence files for former House postmaster Robert V. Rota, who pleaded guilty last week to conspiracy and embezzlement of post office funds by several congressmen. Without specifically naming the Ways and Means committee chairman, Rota and Rostenkowski and his aides are expected to cooperate with prosecutors as part of his plea bargain.

A letter from Johnson to House Administration Committee Chairman Charlie Rose (D-N.C.) surfaced late last week on Capitol Hill. The prosecutor did not specify what other files "appear to be missing" from documents previously provided to investigators.

"At this stage in our continuing investigation, we simply want to make sure that no records were overlooked or forgotten," he wrote. The letter also detailed how House lawyers in the past, despite repeated requests by prosecu-

tors, delayed for months before making post office records available to be reviewed.

Last spring, when former U.S. Attorney Jay B. Stephens repeatedly complained at press conferences about attempts to obstruct the post office investigation, Foley had said that all requested records had been turned over to a federal grand jury.

A Capitol Hill source acknowledged in March that there had been "difficulties" satisfying some requests for records, but the source, who spoke on condition of anonymity, said "nobody was trying to stonewall." Prosecutors privately expressed concern that Rostenkowski allies in Congress were uncooperative.

Rostenkowski broke his silence Saturday for the first time since Rota pleaded guilty, asserting his innocence and denouncing "unfair, false and baseless allegations."

President Clinton, who is relying on Rostenkowski to help steer through Congress a package of taxes and spending cuts to reduce the budget deficit, is expected to appear with Rostenkowski tonight in Chicago at a Democratic Party fund-raiser.

Treasury Secretary Lloyd M. Bentsen on Sunday reasserted the Clinton administration's confidence in Rostenkowski's leadership of the conference committee that is hammering out the budget bill.

Bentsen told NBC News the legal cloud over Rostenkowski has not hampered him in Congress.

"I think Chairman Rostenkowski and the conferees are committed to trying to get this package passed, and that will be their priority," Bentsen said. Asked if Rostenkowski was distracted by his legal troubles, Bentsen said: "I have been in negotiations with

## On Rosty's Turf, Views Unchanged

By Neil Steinberg

Staff Writer

The allegations swirling around Dan Rostenkowski and his financial dealings don't seem to have affected how his Northwest Side constituents view the congressman.

Those who already disliked him had their reasons—some unexpected—before the scandal broke.

And those who like him—and most of those asked Sunday said they still do—apparently are going to continue supporting him.

"Why don't they leave him alone? It's really not big money involved," said Sophie Madj, proprietor of the Busy Bee Restaurant, dismissing any talk of financial improprieties. "He is a good man, and I think people should leave him alone."

"I like him. He's been in this neighborhood a long time," said retiree John Paulson, 72. "Everybody thinks he's dishonest, but you never know. Money is a temptation."

Those critical of Rostenkowski have old grievances they're eager to air.

"If he's guilty, they should throw the book at him," said Richard Zymantas, 43, out walking his miniature schnauzer. Zymantas criticized Rostenkowski for not cleaning up after his own dog or relating well to fellow dog owners.

He told of a time when his Schnauzer sniffed



SUN-TIMES/Robert A. Davis

John Paulson, 72, still likes his beleaguered congressman, Dan Rostenkowski.

over toward Rostenkowski's dog.

"He said, 'Keep your dog away from me,'" said Zymantas. "I said: 'I'm just walking my dog like you.' He's a grumpy old guy—I think he should retire."

"It's payback time," said a homeless man resting on a bench in Pulaski Park a few feet from Rostenkowski's Chicago home. "At night he sits there, looks out his window, sees us and calls the police. The police come and say, 'The congressman doesn't like seeing you. Move on.' But we have nowhere else to go. If he gets indicted, he brought it on himself. If you're in Congress, you're supposed to help the homeless, not call the police to chase them out of sight."

Supporters said it wouldn't make sense for Rostenkowski, at this point in his career, to commit crimes of the magnitude cited in the press.

"We like him as a man. I believe he's not guilty," said Mohammed Majeid, a grocery store owner. "He's been there 20, 25 years. He's not going to do something wrong."

Chairman Rostenkowski, as chairman of the Finance Committee, where we went 15 hours straight. So I know about that fella's energy and commitment."

There have been calls for Rostenkowski, who has not been

charged with any crime, to resign as chairman. Committee chairmen who are indicted are required to do so under House Democratic rules.

House Minority Whip Newt Gingrich (R-Ga.) told CBS that

Rostenkowski should not surrender his chairmanship under the current circumstances.

"I don't think anyone can presume anybody is guilty until they have had an opportunity to clear their name," Gingrich said.

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(Indicate page, name of Page 9  
newspaper, city and state.)  
Chicago Sun-Times  
Chicago, Illinois

Date: September 24, 1993  
Edition: Late Sports Final

# Decision Expected Soon On Rosty Indictment

Title: DECISION EXPECTED SOON  
ON ROSTY INDICTMENT

Character:  
or  
Classification:  
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Indexing:

WASHINGTON—Federal prosecutors are expected to decide next month whether to ask for an indictment of Rep. Dan Rostenkowski (D-Ill.) from the federal grand jury that has investigated embezzlement from the House post office.

The Senate confirmation this week of Eric H. Holder Jr. as U.S. attorney for the District of Columbia cleared the way for the resolution of the investigation.

Holder takes over from U.S. Attorney Jay B. Stephens, the Republican who said he was on the brink of winding up the investigation when he was forced out of office last April by Attorney General Janet Reno.

Holder's swearing-in is scheduled for mid-October, but he will be briefed before then on pending investigations, including the House post office case.

Holder has been a Superior Court judge in the District of Columbia since 1988. He was a trial attorney from 1976 to 1988 in the public integrity section of the Justice Department.

He told the Senate Judiciary Committee during his confirmation hearing that convictions of a federal judge in Pennsylvania for taking bribes to fix

cases and an embezzlement conviction of an FBI agent were among his most significant cases during the period when he was "specializing in official corruption."

Rostenkowski's attorney, Robert S. Bennett, has engaged in a publicity campaign to raise doubts about evidence that apparently implicates the Chicago congressman.

"Hopefully, in the coming season the professional prosecutors at the U.S. attorney's office and the Department of Justice will take a hard look at the quality of their evidence and the credibility of their potential witnesses and decline prosecution," Bennett wrote in a Sept. 16 column in the Washington Times. "This would, of course, take political courage."

Without naming Rostenkowski, prosecutors in July implicated him in an embezzlement scheme when they accepted a guilty plea by former House Postmaster Robert V. Rota. As part of a plea bargain in which Rota agreed to cooperate with prosecutors, he admitted providing cash to House members in transactions disguised as postage stamp purchases.

Rota pleaded guilty to embezzling \$21,300 for a "Congressman A" on dates and in amounts that match House expense account records for

Rostenkowski postage purchases.

Former post office supervisors James C. Smith and Mary C. Bowman also have testified before the grand jury. In interviews with the Chicago Sun-Times, both said they provided cash to the postmaster that Rota told them was for select congressmen.

The grand jury investigation of Rostenkowski has expanded beyond the post office into other aspects of his campaign, congressional and personal finances. Witnesses who appeared before the grand jury this summer were asked about vehicles Rostenkowski leased in Chicago.

Documents subpoenaed by the grand jury show a Wilmette auto dealer handled Rostenkowski's acquisitions of three vehicles as purchases and not as government leases, as Rostenkowski maintained.

The government has tried to determine if Rostenkowski illegally used \$73,000 in government funds to buy the vehicles and then disguised the payments as government leases for mobile offices.

Rostenkowski has denied wrongdoing. He has used campaign funds to defray legal expenses for himself and aides subpoenaed to testify before the grand jury. He recently formed a legal defense fund.

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# The Washington Times

WASHINGTON, D.C., FRIDAY, NOVEMBER 12, 1993 \*

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## Rostenkowski records subpoenaed

By Paul M. Rodriguez  
THE WASHINGTON TIMES

### Postal grand jury's request reaches to '57

The federal grand jury probing the House post office has issued new subpoenas to the House for records dating back to 1957, including all documents on Rep. Dan Rostenkowski since he took office.

The two subpoenas are part of an effort by the grand jury to piece together a complete picture of the Illinois Democrat's dealings since he became a congressman in 1959 by exploring transactions by him and his office.

The grand jury has been investigating embezzlement, drug sales,

improper cash transactions and money laundering at the post office.

The subpoenas, both dated Oct. 29, seek records detailing Mr. Rostenkowski's handling of his office's financial dealings, especially in the past five years.

One subpoena seeks "any communication" between Mr. Rostenkowski, the influential chairman of the House Ways and Means Committee, and the House Administration Committee between 1959 and 1993 "concerning expenditures of official

funds."

It also demands "all documents made available for members of the House consisting of letters, pamphlets, notebooks, books or memorandum relating to the rules, regulations or policies governing the expenditure of funds" between 1957 and 1985.

The second subpoena is narrower in scope and asks for documents on Mr. Rostenkowski's office-supply purchases between Jan. 1, 1988, and Jan. 31, 1993.

Specifically, the second subpoena seeks "all documents, copies or originals, in any way related to Rep. Dan Rostenkowski or his office including but not limited to sales tickets, special order forms, invoices, receipts, certificates of deposit, returns, monthly statements, payment records for non-official purchases, checks and money orders" issued to or received from the congressman or any of his offices.

"They either got something or — else they're trying to just torment

everybody," said one of several congressional sources who spoke with The Washington Times on the condition of anonymity.

"It's really kind of mind-boggling if you ask me," said a second source familiar with the grand jury's request.

"Who knows if the records go back that far?" a third source said.

The sources, including current and former congressional and federal law enforcement officials, said the latest subpoenas — and delays in the sentencing of some people convicted in the post office scandal —

see POSTAL, page A20



Way back: Rep. Dan Rostenkowski must produce all of his documents.

# POSTAL

From page A1

suggest that the criminal probe will continue well into next year's political season.

"The timing just couldn't be any worse for him," said one of the sources, referring to Mr. Rostenkowski and his ability to garner political support in his hometown, Chicago, for a 19th term in office.

"We're hearing complaints from some of the precinct captains that they can't get their people to collect enough signatures to put him on the ballot for the primary," said a source with close ties to the Illinois Democratic Party.

"It just gets worse for this guy," said one of several Democratic officials who asked not to be named. "It [the grand jury probe] goes on and on."

Next month will mark the second full year that federal prosecutors have been formally looking into accusations of criminal wrongdoing at

the congressional mail facility, which operates in five locations on the House side of the Capitol.

As first reported in *The Times* in January 1992, the probe initially centered on sales of cocaine and thefts by post office employees. The probe quickly expanded to check charges of money laundering by higher-ups and some members of Congress.

Six former clerks, the former chief of staff and the former postmaster of the facility have been convicted on charges ranging from illegal drug sales to embezzlement.

An administrative assistant to former Rep. Joe Kolter, Pennsylvania Democrat, has also been convicted of drug dealing as a result of the ongoing criminal probe.

Mr. Kolter, Mr. Rostenkowski and Rep. Austin J. Murphy, Pennsylvania Democrat, have been implicated, mostly by anonymous accusers, in a variety of ethical and criminal violations.

All three have denied any wrongdoing, and they have invoked their Fifth Amendment rights by refusing

to testify before the federal grand jury.

Robert V. Rota, the House postmaster forced to resign in March 1992, has reportedly told prosecutors that he illegally diverted about \$23,000 in phony stamp purchases to Mr. Rostenkowski during the 1980s.

Other former post office clerks have reportedly told prosecutors that Mr. Rostenkowski improperly used his congressional privilege of free mail to send his golf clubs and personal items around the country and nonofficial mail overseas.

In addition, prosecutors have investigated reports that Mr. Rostenkowski improperly used official House funds to lease cars and rent district office space from a building he and his family own.

Furnishings in the congressman's Chicago offices and his use of campaign money also are being reviewed.

Led by new U.S. Attorney Eric Holder, prosecutors empaneled a second grand jury this month to pick up the pace of the previous grand jury, which expired at the end of October.



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(Indicate page, name of newspaper, city and state.)

10/17/93

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The Washington Post

OCTOBER 12, 1993  
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Life and  
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# BOSS ROSTY

*A Cautionary Tale*

*By Peter  
Carlson*



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# Dan Rostenkowski

*The chairman of the Ways and Means Committee doesn't want to be remembered as a machine hack from Chicago. But his current troubles raise the question: Has he really left Ward 32 behind?*

## Goes Down

HE'S A BIG GUY with a big appetite for red meat, so he likes to eat at Morton's of Chicago, an upscale Georgetown joint where the steaks are measured in pounds, not ounces. Danny Rostenkowski, the Chicago Democrat who chairs the House Ways and Means Committee, has eaten at Morton's so many times they named part of the place

## In History

after him. The sign on the wall reads: "Rosty's Rotunda."

He's a big guy, 6 feet 2 and well over 200 pounds, and he strides into Morton's with the lumbering gait of his favorite movie star, John Wayne. He's never alone. He's always got

an entourage of congressmen, ex-congressmen and frequently a corporate lobbyist, who tends to pick up the check.

Sometimes there's no table available but one immediately appears, even if the waiters have to set it up in

BY PETER CARLSON

ILLUSTRATION BY C. F. PAYNE

## Kernels of Knowledge

**H**ow does teacher Sue Sizer-Gillette know when her students have enjoyed their field trip to Clagett Farm? "If they're really tired and they smell," she says, "then I know it's been a successful day."

Sizer-Gillette, who teaches biology and environmental science at Eleanor Roosevelt High School in Greenbelt, is a regular visitor to the Upper Marlboro site, which plays host to more than 3,500 area students every year. The 283-acre working farm, a former tobacco plantation, was bequeathed to the Chesapeake Bay Foundation 11 years ago by Charles Clagett, who made it clear in his will that he

wanted the place used for educational purposes.

Though the farm is actually 14 miles from the Chesapeake (and has the distinction of being the foundation's only landlocked facility), it is used to teach students about the estuary's far-reaching ecosystem. "I'm constantly amazed at how divorced [kids] are from the bay," says Sizer-Gillette, who uses the opportunity to tell them how chemical runoff from agricultural operations can affect the bay's waters.

The trip to gently rolling fields of corn, wheat and organic vegetables is a working adventure. "They get there in the morning and shovel stalls. They sling cowpies," says Sizer-Gillette. "Then they feed the cows. Kids aren't used to that," she adds. "It's scary."



manager Michael Heller. "You just don't get that hanging out at the mall or watching TV."

The farm is a for-profit enterprise, says Heller, who lives on the premises and supervises a small staff of educators and interns. The harvest is sold like any other; while the vegetables are organically

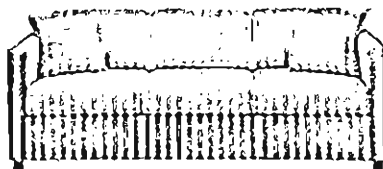
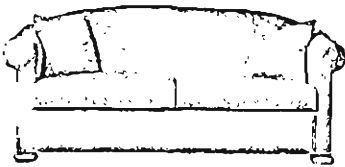
grown, the field crops are treated with a small amount of commercial pesticide.

For Sizer-Gillette, the Clagett Farm visit brings a creative slant to teaching. "It's a classroom without walls," she says. "I think we rely too much on books and not enough on experiences." —TONY GLAROS

ILLUSTRATION BY DAVID PLUNKERT

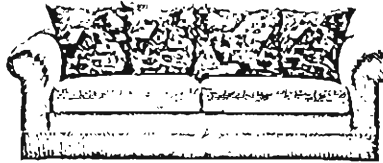
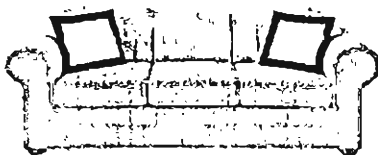
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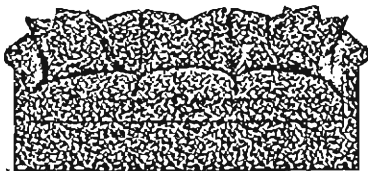
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a walkway. At Morton's, they owe Rosty. Back in the early '80s, he did a favor for his pal Arnie Morton: He came in a couple of times with Tip O'Neill, who was then speaker of the House, and suddenly the place became very popular with lobbyists.

Sometimes, Rosty spots one of his favorite lobbyists sitting at a table with a client and he goes over and slaps his pal on the back and tells the client that this guy is the best damn lobbyist in town.

"That's always helpful," says Tom Downey, a former New York congressman turned lobbyist. "You're taking your client to Morton's, and the chairman of the Ways and Means Committee comes over and puts his arm around you and says how great you are. That only has to happen once or twice and you're set."

Before dinner, he orders a martini or two—Bombay gin straight up with a couple of those little onions. At Morton's, they don't give you a menu; the waiters come around with a cart loaded with huge slabs of raw meat and you take your pick. Rosty likes his steaks cooked Pittsburgh-style—black on the outside, blue on the inside. He washes them down with his favorite wine, Chateaufort-du-Pape. He loves the sound of that name and he gleefully rolls those mellifluous French syllables out in his gravelly Chicago accent: *shat-toe-noof-doo-pap*.

Ordering at Morton's is a ritual that some people find quite bizarre. Andy Jacobs, for instance. Jacobs, an Indiana Democrat who serves on Ways and Means, is a vegetarian and has been for decades, but Rosty kept pestering him to come to Morton's and finally Jacobs accepted.

"I'm sitting at this end of the table and Danny's holding court at the other," Jacobs recalls, "and some stevedore brings around these dead animals and shows 'em to you. Which one do you want? And how do you want it further desecrated by fire? And Danny's at the head of the table and he bellows out to the stevedore when the cart gets to my position: 'HE'S MY FRIEND, MAKE HIM LOTSA VEGETABLES!'"

Over dinner, the chairman tells stories—great stories, usually about politics, which is the only line of work he's ever been in. He's 65 now, and he's held elective office since shortly after he reached voting age. Before that, he watched his father, who was a powerful Chicago pol back when Danny was in diapers. Rosty tells great stories about his old friend Jack Kennedy, and his old boss Mayor Dick Daley, and his political hero, Lyndon Johnson.

One time, he says, he got a call from President Johnson, who told him that Chicago was going to get federal money to improve the JFK Expressway. Great! The JFK serves Rosty's neighborhood on the Northwest side. So Rosty calls Mayor Daley to tell him the good news and Daley says, Hmmm, the JFK, huh? And 20 minutes later, Rosty gets another call from LBJ, who says, I made a little mistake, Danny, the money's not for the JFK, it's for the Dan Ryan . . . Which just happened to be the highway that served Daley's neighborhood on the Southwest side. That son-of-a-buck Daley called LBJ and put in the fix!

Which is the theme of many Rostenkowski stories: power and how it really works in America—with back-room deals and

phone calls from the right guy. He tells his tales with great gusto and grand hand gestures, and when the punch line comes, his huge face lights up with childlike delight. Danny Rostenkowski loves the sheer fun of the great game of politics.

At least he used to love it. It's not so much fun anymore, now that he's got this post office scandal hanging over his head. For more than a year, federal prosecutors have been investigating several allegations about Rostenkowski, including the charge that he embezzled \$21,000 through bogus stamp deals at the House Post Office. Rosty denies any wrongdoing. As this magazine went to press, reports indicated that the new U.S. attorney, Eric H. Holder Jr., would make a decision on whether to seek an indictment sometime this month.

There's a cloud hanging over Rostenkowski, and it's made him nervous, he'll admit that.

He was born into the sleazy Chicago political machine, and for years he was dismissed as a ward hack, a machine pol, "Mayor Daley's man in Congress." Over and over again, he told friends and interviewers that he wanted to overcome that image, to become a respected national leader. And in the mid-'80s, he finally did it, engineering the most sweeping revision of the tax code in generations, and rising to something approaching statesmanship. "No man has ever grown more in the Congress," wrote Tip O'Neill. Now, just when he's Bill Clinton's point man on passing a health care bill, this low-budget scandal threatens to pull him right back into the muck.

These days, when Rosty walks into Morton's—or any other public place—he'll see people look up, recognize him and then quickly turn their heads, and he wonders: *Are they thinking about the stamps? Is that why they looked away?*

When he lays his big head down on his pillow at night, he thinks: *What are they gonna say about Dan Rostenkowski in the future? Will it be tax reform or just those goddam stamps?*

#### BIG JOE'S BOY

Rosty's got a million great stories, but he never tells the one about how two of his

father's precinct workers were shot dead in front of his house back in 1938. He says he doesn't remember much about it. That makes sense: He was only 10 years old.

Their names were Leo "Cowboy" Moszinski and Bruno Switaj. They'd been out barhopping all night, and shortly after 6 in the morning, they were sitting in a parked car in front of the home of their boss, Alderman Joseph P. Rostenkowski. A car pulled up next to them and stopped. The driver kept the motor running while his passenger got out and fired four bullets into Moszinski and Switaj. Then the shooter jumped back into the car and the driver stepped on the gas.

"I haven't the faintest idea of what happened or why," Alderman Rostenkowski told reporters. "Both men worked for me but I don't know of any enemies they might have had."

The newspapers reported that the two men had been running a slot machine racket, but the murders were never solved. Neither was another shooting at the same site three months later:

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TOP ROW: Young Dan packs clothes for the 32nd Ward's poor during the Depression; his father stacks boxes behind him. At right, Alderman Joe Rostenkowski, far right, poses with other Chicago powers at the 1944 Democratic National Convention. MIDDLE ROW: Dan Rostenkowski as a state senator in 1955, and with his family in 1968. BOTTOM ROW: With Chicago Mayor Richard Daley in the mid-'70s, with House Speaker Thomas P. "Tip" O'Neill Jr. discussing 1986 tax reform legislation, and, at right, facing the press last July.



Somebody fired five shots into the tavern on the first floor of the Rostenkowski home on the same night that shots were fired into the office of an alderman allied with Rostenkowski.

Chicago politics was rough in those days, but Joe Rostenkowski was rough too. Built like a bull—stocky and powerful with a huge round head—he was known as Big Joe Rusty. For three decades, from the '30s through the '50s, Big Joe was king of the 32nd Ward. He was an alderman, which meant that he sat on the Chicago City Council, and he was a Democratic ward committeeman, which meant that he controlled hundreds of patronage jobs and helped decide who ran for which office. Like many ward bosses, he was also an insurance agent, which meant that he sold policies to any businessman who wanted to insure that he stayed on the right side of city government.

Big Joe Rusty rose to power in the Depression, when the 32nd Ward was very Polish and very poor. To his impoverished constituents, Big Joe was frequently the only hope against destitution. He'd give them a basket of food or a bucket of coal or get their sick relatives into a charity hospital or put somebody in the family on the city payroll. Sometimes, the story goes, when an immigrant from the 32nd Ward took a citizenship test, he'd be asked, "Who's the president of the United States?" and he'd reply, "Joe Rostenkowski."

Of course, Chicago ward bosses were seldom saints and they required something in return for their favors. People who got food were expected to vote right. People who got jobs were expected to kick back 1 or 2 percent of their salary to the ward organization, and to serve as precinct workers during campaigns. And any businessman who wanted a favor—a permit, a zoning change, a city contract—generally had to pay cold cash for the service. Mathias "Paddy" Bauler, the legendary saloonkeeper pol who ran the 43rd Ward, summed up the Chicago political system in a now-famous quote:

"Listen: You think we should do things for them people for nothin'? They got to have somethin' done—raise the cab fare or get a city parkin' lot lease or somethin' like that—holy Chri', you don't think they expect to get it for nothin', do you? What's fair is fair, you know."

Big Joe Rusty was, in fact, a good buddy of Paddy Bauler. In 1952, the Chicago Daily News reported that Big Joe had three no-show employees on his committee payroll and one of them was Paddy Bauler's bartender. The next year, in an anti-corruption editorial, the Sun-Times called Bauler, Big Joe and a couple of other aldermen "the council's worst specimens." In 1955, the same paper termed Big Joe "an undeviating member of the plunderbund that now controls the council."

Into this way of life Daniel David Rostenkowski was born in 1928, the only boy in a family of three children. He remembers helping his father distribute clothes and a ham or a duck with all the trimmings to the unemployed at Christmastime.

During the war, Big Joe sent his son to St. John's Military Academy, a Catholic boarding school in Wisconsin. He enrolled as Daniel Rosten—Anglicizing one's name was common among

Polish Americans back then—and he thrived at the school, winning 14 letters in baseball, football, basketball and track. In his senior year, he was voted most athletic, most popular—and runner-up for most conceited.

"I loved it there," he once told the Chicago Tribune. "It was one of the greatest things my father ever did for me. I wasn't the alderman's son anymore. I was on my own. I started even. It taught me responsibility and how to make my way on my own."

After graduation, he joined the Army and served a stint in prewar Korea. When he returned, he played minor league baseball in Florida until his father summoned him back. "You'll never be Babe Ruth," Big Joe said. "Come home."

Dutifully, Danny returned. Big Joe got him a job as an investigator for the city's corporation counsel, and he took some night classes at Loyola, although he never got a degree. One night, he had a blind date with a beautiful blonde named Laverne Pirkins, who wore a dress in his favorite color, purple, and in 1951 they were married.

Then, in 1952, Big Joe used his power as ward committeeman to squeeze out the incumbent state representative and run Danny for the legislature. The kid put the "-kowski" back on his name and won the election, becoming, at 25, the youngest member of the Illinois House. Two years later, the party bosses dumped an incumbent state senator and ran young Rostenkowski instead, and Danny became the youngest member of the Illinois Senate. Obviously, Chicago politics wasn't like St. John's—he didn't make his way on his own—but he did make good. By all accounts smarter and smoother than his father, Danny was soon winning editorial endorsements from the same Sun-Times that vilified Big Joe. He was, the paper said, "a vigorous and able exponent of progressive legislation."

In the 1955 mayoral primary, Big Joe backed the party's choice, Richard J. Daley, over a Polish American rival. Daley won big, but not big enough to carry Big Joe, who lost the aldermanic election in the heavily Polish 32nd Ward. Lat-

er, Daley rewarded Big Joe for his loyalty by appointing him superintendent of sewer repairs, a job that, according to one alderman, required no work. Which left Big Joe plenty of time to be ward committeeman, a post he held for another five years before passing it on to his son, who kept it for 28 years.

"I'm going to rebuild with youth," Big Joe told reporters. "I'm going to get young men and young women into the organization to give it life. And I'm going to build it around my son, the senator."

#### MAYOR DALEY'S MAN IN CONGRESS

Boss Daley had a great gift for Dan Rostenkowski in 1958: a really good job, clerk of Superior Court.

But Rostenkowski had another idea: He wanted to run for the seat of retiring Congressman Tom Gordon.

Congressman? It was unthinkable! It wasn't that the kid was setting his sights too high. Quite the contrary, he was setting

## With Rostenkowski,

'there's always  
an angle,' John  
Sherman says.

'You're always  
doing business.

That's his  
nature. That's  
his culture.'

them too low. In those days, no ambitious young Chicago pol wanted to be a member of Congress. The real go-getters wanted to be a committeeman or an alderman or parks commissioner—something that gave them a power base and some patronage jobs and a chance at the ultimate office, which was, of course, mayor of Chicago. Not to mention the chance to rake in all those gratuities from people who wanted a driveway permit or a stop sign in front of their house. Members of Congress, by contrast, were off in Washington, far from City Hall, where the action was. Back then, Congress was where the machine sent you to retire, a cushy job given to loyal old-coots who were over the hill. That's why the average age of the Chicago congressional delegation was 72.

It's time to send young guys to Congress, Rostenkowski suggested to Daley. Then they can build up seniority and take over the powerful committees that decide where the bacon goes. That's what the South-erners do, and it's time to do the same.

Daley was skeptical but he said okay, and in January 1959, at the age of 31, Rostenkowski became the youngest man in the House of Representatives.

He took LaVerne to Washington but she wasn't impressed. Everybody was from somewhere else and there were no real neighborhoods, not like back home. She told her husband that she was staying in Chicago with the kids—they had four daughters—and if he wanted to work in Washington, he'd have to commute.

He's been commuting ever since, sleeping a couple of nights a week in a little apartment he calls "the junkyard."

In the old days, before House members got airfare allowances, he used to drive to Washington in a station wagon with a few other representatives. They'd leave about 10 on Monday night and arrive by noon Tuesday, in time for the first House session of the week. Then on Thursday afternoon, when the House recessed, they'd hop in the wagon and drive back. They'd get into Chicago early Friday morning and Rostenkowski would go brief Boss Daley on what was happening in Congress.

In Chicago, Rosty worked hard on constituent services. Maybe too hard. In 1963, a local judge ordered him to stop paying constituents' parking tickets with party funds. Rosty admitted that he spent as much as \$1,400 a year on this particular service but he insisted that he wasn't "fixing" tickets. "We don't fix them. We pay the fines. Of course, we try to get them reduced to the minimum."

In Washington, Rosty quickly became known as "Mayor Daley's man in Congress." It was a slightly insulting title—who wants to be somebody else's man?—but it did open a lot of doors. In those days, Congress was run a lot like the Chicago machine: A few old men at the top called the shots and young members were expected to shut up and do as they were told. "You put in your time, you rose through the ranks and you didn't rock the boat," he recalls.

Rostenkowski followed those rules. He wasn't a leader in the crafting of public policy, but he was very skillful at the inside politics of the House—the vote counting and vote trading and pork barreling. He also had a gift for impressing older, powerful men. Speaker John McCormack took a liking to the handsome young Polish kid, and so did Lyndon Johnson. Soon, Rostenkowski was moving up. In 1963, he was chosen as the House's youngest assistant whip. The following year, Tom O'Brien, Chicago's man on Ways and Means, died at age 85 and Rostenkowski took his place.

Ways and Means was an incredible coup for a 36-year-old with only five years' seniority. It was the committee that met behind closed doors and decided who would have to pay taxes—and who wouldn't. It was controlled by the legendary Wilbur Mills, a man who liked to bring the tax code home at night for a little light reading. Rostenkowski wasn't that studious or that interested in taxes—far from it—but he was very excited about another of the committee's functions: For Democrats, Ways and Means was the "committee on committees," which meant that its 17 Democrats decided what committees all their colleagues would serve on. That meant enormous power—the ability to reward friends and punish enemies.



That power helped when Rostenkowski ran for chairman of the House Democratic Caucus in 1966. He won, and at the tender age of 38, he was in the House leadership.

#### HE IS THE WALRUS

John Sherman was watching a nature show on TV when it suddenly hit him: Dan Rostenkowski is a walrus.

Sherman worked for Rosty for years before quitting to run a Virginia country inn, and when he saw a walrus cavorting on TV it reminded him of his beloved old boss. Up on the rocks, the walrus waddled around awkwardly, looking uncoordinated and out of place. But then it slid off the rocks and swam underwater, where it was as graceful as a hawk.

"I think that's very analogous to Rostenkowski," Sherman says. "He is not somebody who spends a lot of time in the higher social echelons. Because he's not of

*continued on page 34*

*The diagnosis was Parkinson's, a cruel disease for*

*which no cure—and little treatment—has been*

*found. Then she heard about some new*

*research involving fetal cell*

*transplants, and*

*signed on for an*



## xperiment in Hope

WHEN I WAS 36, IN THE SUMMER OF 1979, AS I WAS DRIVING home from my job at a consulting firm in Washington, I noticed my right hand was trembling a little. Later I became aware that I was holding my right arm closer to my body than usual, instead of letting it swing freely as I walked. I attributed it to the killer pace

BY MARGIE TIVOL *Illustration by Scott Hunt*

## ROSTENKOWSKI

continued from page 15

the blow-dried generation of politicians, he can seem a bit awkward in Washington . . . But when he has a political job to do, then he gets underwater, and he's as graceful and powerful as anything I've ever seen. It's something wonderful to watch. He is that walrus."

Rostenkowski is on the rocks when it comes to abstract political theorizing, but when it's time to get a bill passed, he slips underwater and glides. "I like the floor action," he said years ago. "You know, the maneuvering, the counting heads, getting people lined up."

What he really loves to do is pass legislation. That sounds absurd: After all, passing legislation is a lawmaker's job. But many congressmen prefer posturing and crafting sound bites and appearing on TV. Rosty could care less about that stuff. What gets him excited is grabbing a bill the way a fullback grabs a football, running it past all the obstacles and carrying it over the goal line. He loves the game of it. And he loves to win.

"He's a politics guy versus a policy guy," says one Ways and Means staffer. "He's more interested in doing the deals than in what the deals contain. He's a closer, that's his skill . . . If the caucus said, we're going to pass a bill to go back on the gold standard, he wouldn't say, 'Why?' He'd say, 'Okay.'"

"He likes the process. He likes being in the middle of the give-and-take, dealing with the president and the speaker and the Senate," says former representative Tony Coelho. "He knows getting something through the House is only half the battle. The conference with the Senate is the real battle. So you put things in the House bill that you know will be taken out in conference and you leave things out of the House bill that you know will be in the Senate bill. It's like a chess game—you outmaneuver your opponents—and that's what he's very, very good at."

"He loves to do the deals," says ex-congressman Downey. "To him it was: 'I'm giving you this, what are you giving me?' So if I would say something like, 'Look, I think we need to help these poor people.' He'd say, 'Fine, what are you going to give me?' And I'd say, 'No, no, this is not for me, this is for them.' And he'd say, 'No, no, if you want this, this is for you.' . . . If I wanted to help these people, fine. He was prepared to help them too. What was I going to give him?"

Rostenkowski has spent so long in the world of deal-cutting and horse-trading that he sometimes forgets that there's more to life than swapping favors.

"I'll tell you a funny and revealing story about this guy, who's been in ward pol-

**Ways and Means determines who will pay taxes, and, consequently, people who dislike paying taxes frequently want to be friendly with the chairman.**

itics all his life, where friendships are essentially based on a kind of give-and-take," says Sherman. "He had his appendix out and when he got home I called him." This was long after Sherman had left Rosty's staff. "He answered the phone and I said, 'How are you?' And there was sort of a pause and he said, 'What do you want?'. . . That was his instinct. It wasn't unfriendly. It was sort of natural. 'So you called. What are we doing here?' Well, we weren't doing anything. I just wanted to see how he was."

Sherman laughs at the memory. With Rosty, he says, life is a series of deals. "There's always an angle. You're always doing business. That's his nature. That's his culture. I laughed about it with him."

### ROSTY'S REVENGE

Dan Rostenkowski was a rising star in the House of Representatives until he followed Lyndon Johnson's orders at the 1968 Democratic National Convention in Chicago. It nearly ruined his career.

Outside the convention hall, the Chicago police were bludgeoning anti-war demonstrators and dragging them into paddy wagons. Inside the hall, Sen. Abraham Ribicoff of Connecticut denounced "Gestapo tactics on the streets of Chicago," and an angry Mayor Daley stood up and screamed obscenities at him.

Watching on television at his Texas ranch, President Johnson got mad and called the convention hall. Dan Rostenkowski, working the phones backstage, took the call and got an earful of LBJ's wrath. Bellowing, Johnson told Rosty to get rid of Carl Albert, the dimin-

utive House majority leader who was chairing the convention, and restore order. "Get that SOB out of there!" Johnson yelled. "Take the gavel away from him!"

Rostenkowski did what he was told.

Three years later, Albert, who had a long memory, became speaker of the House. When his new majority leader, Hale Boggs, recommended Rostenkowski for the job of whip, the third-ranking post in the House, Albert turned him down cold. No way would he give the job to the man who'd helped humiliate him. So Tip O'Neill became whip. Within six years, Albert had retired, Boggs had died and O'Neill was speaker.

Nor was that the only setback Rostenkowski endured. Albert's candidate, Olin "Tiger" Teague, unseated Rosty in the election for chairman of the Democratic Caucus. The twin defeats left him devastated. "It destroyed me," he told the Chicago Tribune years later. "I just wanted to crawl in a hole and die. I had been on the crest of a wave and now I was drowning."

In the '70s, Rostenkowski was reeling. In 1972, the anti-war reformers who controlled the Democratic convention denied Rosty a seat as delegate. In 1974, Wilbur Mills, Rosty's mentor on Ways and Means, was found drunkenly cavorting with an Argentine stripper at the Tidal Basin. And then, in 1975, the House, egged on by a freshman class of post-Watergate reformers, stripped Ways and Means of Rosty's favorite function—its power over committee assignments. After that, Rostenkowski, the former go-getter, started skipping committee meetings, and he soon earned a reputation for laziness.

"He was in a rotten mood," his aide Jim Healey later told a reporter. "He lost interest."

In those days, about the only issues that could stir passion in Rostenkowski were congressional pay raises, which he strongly supported, and limits on representatives' outside earnings, which he strongly opposed.

"I'm sick," he grumbled after losing one fight for a pay raise.

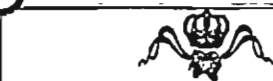
On the Ways and Means Committee, Rostenkowski often seemed, as one newspaper account put it, "half indifferent to tax questions." But for one memorable moment in 1976, that changed. Rosty was assigned to the conference committee that was negotiating a tax bill with the Senate when he noticed that Abe Ribicoff was pushing a provision to benefit the insurance industry, which was powerful in his home state. This was the same Abe Ribicoff who'd denounced Daley's "Gestapo tactics" at the convention eight years earlier. The prospect of revenge roused Rosty from his torpor. He hit the books,



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spending hours mastering obscure details of tax law. When the provision came up in conference, Rosty shot it down with a blast of erudition that nobody expected.

"I went into the room," he recalled with a big grin years later, "and just kicked the brains out of them."

#### 'THE HOGS WERE REALLY FEEDING'

Ronald Reagan's 1980 landslide buried many House Democrats, but it did wonders for Dan Rostenkowski.

Swept away in the Republican onslaught were John Brademas, the House majority whip, and Al Ullman, who had succeeded Wilbur Mills as chairman of Ways and Means. Rostenkowski was directly in line for both jobs. He could take either one. The choice was his.

Most of the pols and pundits figured he'd take the whip post. It was the job Carl Albert had denied him years earlier and it would put him on a direct path to become speaker. Besides, a whip does exactly what Rosty was best at—vote-counting, arm-twisting, horse-trading. He was a natural for it. On the other hand, the chairmanship of Ways and Means is a more cerebral job. You've got to study the tax code, as Mills did, and master arcane legal and economic issues. Rosty's no scholar, the smart money said. He's a lazy Chicago machine pol. He'll go for whip.

"The chairmanship offered a terrific risk of failure," Sherman recalls, "but it also offered a tremendous opportunity to mitigate the sort of burly, ethnic Daley machine image."

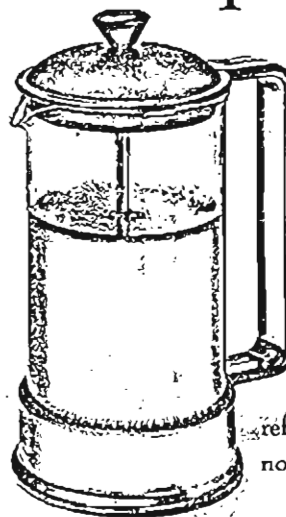
After a month of waffling, Rostenkowski decided to take the challenge, to prove himself as a man of substance. "I made that decision," he said a few months later, "because otherwise they'd have thought I was running away from becoming the student of tax law."

Immediately, the new chairman faced a very tough test—Reagan's tax-cut plan. The president proposed a three-year 25 percent tax cut, with most of the benefits going to affluent taxpayers. The idea was that the rich would get richer and invest more money, which would make the economy grow. Republicans called it "supply-side economics." Rostenkowski called it "apple pie in the sky." But he knew it was very popular. People love tax cuts. So Rosty crafted an alternative plan—a two-year 15 percent tax cut with the benefits skewed a bit more toward moderate income taxpayers.

"I want a tax bill that can win," he told his committee. "I don't do anything that I don't fight to win."

"It was Danny's first bill, and he knew Wilbur Mills had never lost a bill, and Danny wanted to emulate Mills," Coelho recalls. "He wanted to be perceived as

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somebody you had to deal with, somebody you couldn't run over."

To attract the support of the boll weevils—conservative Southern Democrats—Rosty started adding sweeteners to his bill: a break for the oil business, a break for the sugar business, a break for the real estate business. . . . It was Rosty in his horse-trading mode, but this time the Republicans just grinned and added bigger sweeteners to *their* bill. So Rosty added even bigger ones to *his* bill. It was a bidding war, and soon both bills were loaded with literally billions of dollars in tax breaks for special interests.

"The hogs were really feeding," Reagan aide David Stockman later said.

A week before the July 1981 showdown, Rosty was talking tough. "We've been sparring and sparring and now the audience is starting to say, 'You better start hitting each other. We came here to see a fight.'" He was confident enough to stake his reputation on the outcome. "I don't know whether I'm a good chairman yet," he said. "I'll know next week."

The next week, Reagan's bill won big.

"They beat the heck out of me," Rosty said recently. "But, you know, I learned."

At the time, he was less philosophical. It was his first test in his new job and he'd failed it. He felt awful, and he took it out on Kent Hance.

Hance was a Texas boll weevil who'd had the audacity to sponsor the Reagan bill while sitting on Rosty's committee, and the chairman decided to torment him. First, Rosty took his committee on a junket to China. Except for Hance. He wasn't invited. Then, when they got back to work, Hance found that the rollers were removed from his chair in the committee room. He had an aide put them back on. The next day they were gone again. This went on for weeks. Later, the committee took a bus trip to Baltimore. This time Rosty let Hance come along. Hance climbed on the bus and noticed that the front seats were labeled with the names of committee members, but Hance's name wasn't there. He stepped farther back on the bus and saw seats bearing the names of committee staffers, and his name wasn't there, either. He kept moving back and finally found his name—on the seat next to the toilet.

"He was sending a message," says Hance, now back in Texas. "I understood that. I'd read stuff about that fellow Capone. He was from Chicago too, so I didn't mind the way Rostenkowski sent messages. It could have been a lot worse."

#### THE KING OF HONORARIA

When you're the chairman of the Ways and Means Committee, people just love to give you money and other nice things.

## The blind trust

did very well,  
later earning Rostenkowski more  
than \$50,000,  
according to the  
Sun-Times, on an  
investment of  
only \$200.

Ways and Means determines who will pay taxes, and, consequently, people who dislike paying taxes frequently want to be friendly with the chairman. They're only too eager to buy him fancy dinners or fly him halfway around the world to play golf, or pay him big bucks to speak to them, or donate large sums to his campaign committee.

It's quite a temptation for any mortal. And Dan Rostenkowski did not manage to resist it. Quite the contrary. With characteristic gusto, he grabbed the goodies with both hands.

Although he had the safest of seats, Rosty raked in more than \$2 million in donations to his campaign committee and his personal political action committee between 1985 and 1991. Although he is not an orator to rival Churchill, he regularly led his congressional colleagues in the collection of honoraria, which are the fees paid for speaking to special-interest groups. He was, in fact, the undisputed King of Honoraria. In 1984, he topped the list with \$93,000, and he was still leading the league in 1990, the last year House members could keep honoraria, when he took in \$310,000. Due to House rules, he could only keep about \$27,000 per year. The rest had to go to charity. But he kept right on orating, perhaps because many of the speeches were delivered to groups convening in lovely locales with good golf courses. Rosty loves golf. During the winter, he can frequently be found golfing, on some lobbyist's tab, in such warm places as Miami and Maui and Palm Springs and Palm Beach.

Of course, none of these activities was illegal. And, as Rosty's friends are eager to

point out, nobody is buying the chairman's vote. No way. In fact, Rosty sometimes takes a perverse delight in accepting a campaign contribution and a free golf jacket from some group and then getting up and telling them that they've been too greedy and he's going to close their favorite tax loophole. In such circumstances, he likes to pass on a bit of Chicago folk wisdom: "Pigs get fat," he says, "but hogs get butchered."

Of course, Rosty has also been known to help those who help him.

In 1984, in a late-night conference committee meeting, Rostenkowski inserted into a tax bill a provision that helped a few hundred commodities traders—most of them from Chicago—and many of them contributors to his campaign committee—in a dispute they were having with the IRS. The provision, called a "giveaway" by Sen. Howard Metzenbaum, was worth at least \$300 million to the traders, according to Common Cause, the Washington watchdog group.

In 1986, annuity brokers, upset that the Senate version of a tax bill had closed their favorite loophole, held a fund-raiser in Los Angeles and collected \$83,000 for Rosty's personal PAC. When the chairman emerged from the subsequent House-Senate conference committee, the loophole was safe. Newspapers cried foul, but Rosty's spokesman said there was "no quid pro quo."

And then there's Presidential Towers, a 2,346-unit apartment complex in Chicago. In 1980, according to the Chicago Sun-Times, Rostenkowski inserted into a tax bill a provision that permitted Presidential Towers to receive a \$159 million federally insured mortgage without meeting a federal requirement that 20 percent of the apartments be reserved for low-to-moderate-income residents. Two years later, he inserted into another bill a provision that saved the project an estimated \$7 million in taxes. Rosty said he was just trying to help rebuild a blighted part of Chicago, but the Sun-Times noted that one of the project's developers was Daniel J. Shannon, Rosty's close friend, and former partner in a real estate venture, who was then running the chairman's blind trust investments.

The blind trust did very well, later earning Rostenkowski more than \$50,000, according to the Sun-Times, on an investment of only \$200. Presidential Towers did less well, later defaulting on its \$159 million federally insured mortgage, the largest default in the history of the Federal Housing Administration.

#### POLITICS, CHICAGO-STYLE

In 1983, a black man won the Chicago Democratic primary for mayor and a siz-

able portion of the city's Caucasian population panicked.

It happened because the old Democratic machine was divided: One faction supported incumbent Mayor Jane Byrne while another backed Richie Daley, son of the legendary Boss, who died in 1976. With the white vote split, Harold Washington, a black congressman running on an anti-machine platform, won a narrow plurality and became the official Democratic nominee in a city that hadn't elected a Republican mayor in more than 50 years. This led many white ward committeemen to do what they had previously considered unthinkable—endorse a Republican, Bernie Epton. "The people in my area just don't want a black mayor," said one defecting ward boss. "It's as simple as that."

Dan Rostenkowski, boss of the 32nd Ward, was not among those bolting the party, but his tepid endorsement of Washington came late and lacked anything approaching enthusiasm. Meanwhile, many Rostenkowski precinct workers were canvassing the ward, urging voters to support Epton. One of those voters was Luis Gutierrez, now a freshman in the House. Gutierrez, who supported Washington, got so angry that Democratic precinct workers were asking him to vote Republican that he chased them down the street, yelling to neighbors, "Don't listen to them!"

During the campaign, Gary Rivlin, then a reporter for a Chicago weekly, called the 32nd Ward office pretending to be a confused voter and asking for advice. He was urged to vote for Epton. Rivlin, author of *Fire on the Prairie*, a book on Chicago in the Washington era, blames Rostenkowski for the actions of his precinct workers. "If he had made it clear that they couldn't work for Epton, they wouldn't have worked for him," he says. "These guys are cowering in their boots at the ward boss. He controls their jobs."

On the day before the election, one of Rostenkowski's precinct captains pulled a gun on a Washington campaign worker named Sal Quinones. He threatened to kill Quinones, and pulled the trigger—twice. The gun didn't fire, and the precinct captain fled, according to a lawsuit filed by Quinones. Following a jury trial, Quinones won a civil judgment of more than \$100,000.

It was a time when the bitterly divided city desperately needed leadership, Rivlin says, and Rostenkowski failed to provide it. "To me, pretending to help his party's own nominee while clandestinely working for the other side in an overtly racial fight is at least as scandalous as any charges of corruption."

Asked for comment on the actions of the precinct captains, Rostenkowski's

spokesman said only: "He supported Harold Washington in 1983."

Angry at Rostenkowski, Gutierrez, then a social worker, decided to run against him for ward committeeman in 1984. He thought he had a decent chance to win because he is Puerto Rican, as is a large segment of the ward. But he soon found that ethnic ties are no match for the Rostenkowski machine.

"No Latino businessman would put my posters up. None," he recalls. "I'd hit them with ethnic pride, and they'd look at me, like, Are you crazy? Against Dan Rostenkowski? Who the hell are you? You'll be gone tomorrow and I'll get a call from his people the next day. No thanks."

Despite such talk, Gutierrez campaigned avidly, attacking Rosty as an evil Reaganite. As the campaign entered the final weeks, he could see no evidence of any Rostenkowski activity. Maybe Rosty was overconfident, he thought. Maybe he could be beaten.

Late one Saturday night, after a long day of wooing voters, Gutierrez went to bed thinking he might actually win.

The next morning, he stepped outside and saw that every house on his block—every single one except his!—had a big, bright blue-and-orange Rostenkowski sign in the window.

And it wasn't just his street. They were all over the ward. Rosty's precinct captains had spent weeks quietly getting permission to put up the signs and then, in a one-day blitz, they'd covered the ward.

That night, as Gutierrez lay in bed and shut his eyes, all he could see were those damn blue-and-orange signs.

#### FROM HACK TO HERO

Just as he was about to go on nationwide television to deliver the Democrats' response to President Reagan's speech on tax reform, Dan Rostenkowski leaped out of his chair, yelling, "I'm not going to do it!"

The camera crew gasped. Then Rosty smiled and said he was only kidding. He sat back down and delivered the best speech of his life.

"Working families file their tax forms with the nagging feeling that they're the biggest suckers and chumps in the world," he said. And they were right, he added, because the rich could move their money "from one tax shelter to another." If Ronald Reagan really wanted to reform that system, Rosty said, he'd be glad to help. But it wouldn't be easy, so he urged viewers to send messages of support. "Even if you can't spell Rostenkowski, put down what they used to call my father and grandfather—Rosty. Just address it to Rosty, Washington, D.C. The Post Office will get it to me."

Rostenkowski was dead serious that night in May 1985. He was truly determined to reform the tax code. As he knew better than almost anybody, the code was riddled with loopholes. He'd helped put a lot of them in there. The 1981 tax bill—created in the infamous bidding war between Rosty and Reagan—contained the largest collection of tax breaks for business in history. As a result, 128 large, profitable corporations, such household names as GE, Dow, Boeing and Lockheed, paid no federal taxes for at least one year in the early '80s. In 1983 alone, 30,000 individuals earning more than \$250,000 paid less than 5 percent of their income in taxes. Meanwhile, the middle class got stuck with the bill. Rosty saw the pay stubs of his daughters, who were airline flight attendants, and he was shocked at how much was withheld in taxes. It just wasn't fair.

But fairness wasn't the only reason why Rostenkowski was so eager to pass a tax reform bill. He had a personal agenda too. After humiliating defeats on tax bills in 1981 and 1982, he was determined to prove himself a chairman who could get things done. And, as he told reporters over and over, he wanted to show that he was not just a hack pol from Chicago: "A lot of people assume that because I'm from the big city and from quote unquote a machine operation, that all I want to do is play politics. I want to be a patriot too."

He'd picked a tough way to prove himself. Every loophole in the tax law had its own constituency, its own lobby, its own clique of congressmen. But Rosty was obsessed. For the next 18 months, the man once dismissed as lazy worked tirelessly for tax reform. He held months of public hearings. He took his committee on retreats with economists. He held committee meetings on weekends. He twisted arms, he cut deals, he formed coalitions, he cajoled, he reasoned, he begged, he threatened. He used every trick he'd learned in a quarter-century of inside politicking to get a tax reform bill through the Ways and Means Committee. "He played the committee like Yehudi Menuhin plays the Stradivarius," said Henson Moore, a Louisiana Republican on Ways and Means. "It was a virtuoso performance."

Then, when it came time to get the bill through the House, Rosty used another weapon: his power to bestow—or withhold—"transition rules." These are little amendments put into the bill, supposedly to aid a struggling business's transition from the old tax law to the new one. In reality, they are special favors granted to favored constituents of the representatives who support the bill. Rosty played these too, like a maestro.

One Saturday afternoon, recalls Ray



McGrath—who was then a congressman from New York and one of the few Republicans on Ways and Means supporting Rosty's bill—the chairman called him at home. "Look, we have some water projects in New York state that are looking for transition rules," Rosty said. He rattled them off. They were all in Republican districts. "Should I put them in?"

"Sure," McGrath replied.

"I think you should call these guys," Rosty said. If these representatives wanted transition rules, they'd have to vote for the bill.

So McGrath phoned his Republican colleagues. "The chairman just called to tell me he wants to include this in the transition section of the bill," he'd say. "And he wants to know how you're gonna vote on the bill."

The replies were agonized. "Oh, Christ, he's not going to make me do *that*!"

"Yes, he is," McGrath said.

In the end, there were more than 600 transition rules worth \$10 billion in the tax reform bill, which was a new record. It was ironic to find hundreds of tiny loopholes in a bill designed to close loopholes, but Rosty didn't mind. "Danny's perspective," recalls Downey, "was that you had to buy people off to vote for this thing."

Finally, after all the wheeling and dealing, the bill passed the House and then the Senate and was signed by President Reagan in 1986. It was far from perfect—it did nothing to reduce the deficit, for instance—but it was easily the most sweeping tax overhaul since World War II. It closed a multitude of loopholes, ended the ability of profit-making companies to avoid taxes, shifted a large portion of the tax burden from individuals to corporations, reduced the number of tax brackets, cut the top tax rate from 50 percent to 28 percent, and removed more than 4 million low-income workers from the tax rolls.

"The 1986 tax law was the best thing that happened to the tax code structurally," says Robert McIntyre, head of Citizens for Tax Justice, the labor-backed group that had blown the whistle on those 128 corporations that had escaped taxes in the '80s. "Rostenkowski is a hero."

Of course, the bill was not universally popular, particularly the tax cut for upper-income individuals. "Tax cuts were given to the high rollers of this country," says Andy Jacobs, who voted against the bill. "It was another tax shift from the high rollers to the low rollers—to the middle-income people."

Overall, though, reviews were good, and headlines heralded a new Rosty: "Rostenkowski becomes a star on tax reform," said the Chicago Tribune. "Tax Vote Overhauls Rostenkowski's Image," said The Washington Post. A cartoon in

## Rosty raised

\$768,000 for the

Ways and Means

Committee gala.

'Who doesn't

want to be on my

good side?' the

chairman joked.

the Chicago Sun-Times showed Rosty in a rocking chair patching the loopholes in the flag. The caption read: "Betsy Rostenkowski."

Rosty loved it. He reveled in his rise from hack to hero. "I wanted to prove to the rest of the House," he said, "that maybe Wilbur Mills was a great chairman of the Ways and Means Committee, but if you take on the Big One and you can accomplish it, you're the chairman."

### INCUMBENCY INCARNATE

In 1989, Dan Rostenkowski stood up in public and spoke the unspeakable: "I want to announce that I'm for the pay raise."

Incredible! This was shortly after a presidential commission recommended raising congressional pay from \$89,500 to \$135,000, and the taxpayers responded with roars of protest. After that, you couldn't find a pol who wanted a raise. They were falling all over each other to say that they didn't deserve it, they didn't want it and they wouldn't accept it. It was a display of hypocrisy that disgusted Rosty.

So he did what he seldom does: He introduced a bill he knew would fail, just to make a point. It advocated allowing members of Congress to select any salary between \$89,500 and \$135,000.

"I would personally sign in at the highest end of the scale," he said. "If the people of the Eighth Congressional District of Illinois conclude that having the chairman of the Committee on Ways and Means, in his 30th year of experience . . . is not worth top dollar to them, then they will be free to make that clear in the next

election. In the following Congress, they would have the opportunity to address their grievances to a freshman member with a minor committee assignment and relatively limited means of getting the job done. On the other hand, he or she would come at the bargain rate."

Rosty was riding high in those days. He was the domineering leader of the most powerful committee in Congress. He'd helped to pass a major tax bill, a welfare bill, a trade bill and a bill that saved Social Security from insolvency. A poll of 400 congressional staffers had named him the "most effective legislator in Congress." He'd given more than a million dollars in honoraria to various charities. He'd lectured at Harvard. He was a regular on TV—and not on lowbrow slugfests like "The McLaughlin Group" but on "MacNeil-Lehrer." The guy from the 32nd Ward was a PBS savant!

So Rosty decided to throw a party. It was a celebration of the bicentennial of the Ways and Means Committee, although a lot of people said (behind his back) that it was really a celebration of Dan Rostenkowski.

Rosty had great plans for the Ways and Means gala. This wasn't going to be one of those parties where everybody brings a six-pack and the host sets out some chips and dip. No way. This was going to be a high-tone affair worthy of his august committee.

Such parties don't come cheap. So Dan Rostenkowski did one of the things he does best: He got on the phone and asked big corporations to donate money.

And they ponied up more than \$768,000.

"Who doesn't want to be on my good side?" Rosty joked.

"Everybody wants to be on the good side of the chairman of this particular committee," said Larry Armour, spokesman for American Express, one of the corporate donors.

You can buy a lot of party for \$768,000, and Rosty did. There was a lunch and a cocktail reception and a formal dinner. There were party favors—gold cuff links and stickpins and hardcover copies of a specially commissioned 526-page illustrated history of the committee. And after dinner, there was a preview of a specially commissioned \$500,000 documentary on the committee—a film that showed, among other things, Wilbur Mills gushing about what a "fine fellow" Dan Rostenkowski is.

The party was big fun for Rosty, but the rest of the Bush years were not. It was an era of gridlock and frustration. Rosty was promoting his "Rostenkowski challenge"—a plan to balance the budget by freezing spending and raising income taxes on the wealthy and excise taxes on

gas, tobacco and booze—but Bush had promised “no new taxes” and so the plan died.

By 1991, Rosty was confiding to friends that he was seriously considering retirement. He was 63 and getting tired. A lot of his old pals in Congress were gone, replaced by the new breed of blow-dried pols that Rosty loved to grumble about. And Bush seemed like a shoo-in for reelection, which promised more gridlock. The job, he said, just wasn’t that much fun anymore.

And there was one other factor: If he got out, he could, under House rules, keep his accumulated campaign contributions. If he stayed in beyond 1993, he could not. The sum in question was more than \$1 million.

That factor turned out to be the deciding one, but not the way his critics had predicted. “I think he ran again,” says his old friend Tom Lyons, chairman of the Cook County Democratic Party, “because he didn’t want people to say he took the million dollars.”

He said as much himself: He wanted to go down in history as the guy who reformed the tax law, not as the guy who quit Congress for a million bucks.

So he tossed away a million-dollar bankroll and entered what he knew would be the toughest race of his life. His district, which had been redrawn after the 1990 census, was two-thirds new, and it now included a slice of the lake front, home of white-collar liberals who were not his natural constituency. His opponent in the Democratic primary was a lake-front liberal named Dick Simpson, a political science professor and former alderman, who was bashing Rosty as incumbency incarnate, the honoraria-grabbing king of “back-room deals and payoffs.”

So Rosty did something he’d never done before: He hired a political consultant. The consultant, David Axelrod, designed a series of radio ads that ran for eight weeks, highlighting how much federal pork Rosty had brought back to Chicago over the years. Rostenkowski also did something else he hadn’t done in years: He actually campaigned, attending community meetings and shaking hands at shopping centers. It worked. He didn’t collect his usual 70 percent of the vote, but he beat Simpson, 57 percent to 43 percent.

In November, he trounced his Republican opponent, a political neophyte named Elias Zenkich, whose novel campaign strategy was to legally change his middle name to “Non-Incumbent.”

Rosty was thrilled at the prospect of working with Bill Clinton, the first Democratic president in 12 years. “I love this guy,” he told Downey. “He just wants to get it done.” Which is the highest praise in

Rosty’s vocabulary. The chairman was particularly excited about helping Clinton pass a health reform bill. That would be “a tremendous trophy to hang on the wall of a so-called machine city politician,” he said, “the crowning glory of a success story.”

But that shot at glory might never come. By the time he was sworn in for his 18th term in Congress last January, Rostenkowski was knee-deep in scandal.

#### CONGRESSMAN A

The scandal crept up slowly on Dan Rostenkowski.

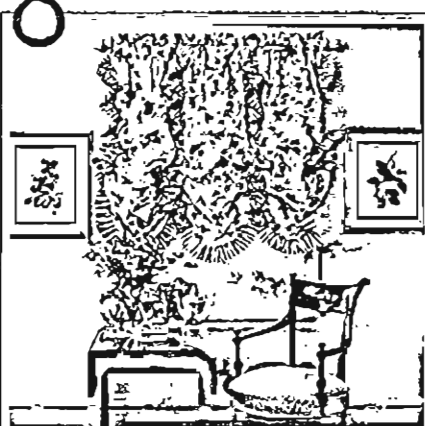
The first inkling came in the spring of 1992, when a grand jury investigating the troubled House Post Office issued subpoenas for six years of Rostenkowski’s office expense records—including, but not limited to, vouchers for postal stamps—as well as similar records from two Pennsylvania Democrats, Joe Kolter and Austin Murphy. “I will be happy to cooperate,” Rostenkowski said in a written statement. “I am interested in learning what this is all about.”

A few weeks later, he learned: Grand jury sources told reporters that James C. Smith, a supervisor at the House Post Office, had testified, under a grant of immunity, that Rostenkowski had skimmed about \$20,000 in transactions disguised as official stamp purchases. Rosty termed the charge “totally untrue.”

Two months later, Rostenkowski, Kolter and Murphy refused to appear before the grand jury, citing their Fifth Amendment rights against self-incrimination. But the grand jury kept working, subpoenaing more than a dozen Rostenkowski aides in Chicago and Washington—some of them several times—as well as the chairman’s daughters, and the records of his reelection committee. Rosty called the probe a “fishing expedition.”

In December 1992, the Chicago Sun-Times ran a huge front-page headline: “Rosty’s Phantom Office.” The story revealed that Rostenkowski’s campaign committee paid him \$1,250 a month—more than \$73,000 since 1986—to rent office space in a building owned by Rosty and his sister. The storefront office, located in a building that abuts Rosty’s house, had no phone and no sign, and appeared to be “little more than a mail drop.” Rosty’s sister, Gladys, who lives above the office, told the Sun-Times that it had been vacant for years but Rosty said it was a “normal office” used to store campaign materials. Asked who staffed the office, he replied: “I am the staff.”

A month later, the Sun-Times revealed that Rostenkowski had used more than \$68,000 in taxpayers’ money to lease



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three cars that later became his personal property. After that, the grand jury subpoenaed the congressman's car records.

Pressure was intensifying. Common Cause asked the House ethics committee to investigate Rostenkowski. A New York Times editorial seconded that notion and urged House Democrats to "call on Mr. Rostenkowski to step aside as chairman." Worse, a Chicago Tribune editorial hit Rosty right in his pride: "The boss of all bosses operates like a shifty-eyed precinct captain on the make... These are activities one would expect of a small-time ward heeler, not a figure of such influence and stature."

Rosty took these blows and soldiered on, helping to shepherd Bill Clinton's deficit reduction package through a reluctant House.

Then, in July, he was hit with worse news: Robert Rota, former House postmaster, pleaded guilty to two counts of embezzlement and one count of conspiracy in connection with an alleged scheme to help two House members convert congressional expense money into cash. The members were identified in legal documents only as "Congressman A" and "Congressman B," but they were easily identifiable as Rostenkowski and Kolter, respectively. Rota—who had twice previously testified that no such scheme existed—now claimed that between 1985 and 1991, he had given Rosty \$21,300 in cash in return for expense vouchers for postage stamps.

According to the indictment, Rota explained the scheme to the newly promoted Smith "on or about" July 26, 1989—which was two days after Rosty's gala Ways and Means party: "Congressman A took care of them, so they had to take care of Congressman A in return." It almost sounded like Paddy Bauler.

A couple of days after Rota's plea, Smith talked to the Sun-Times about Rosty: "He is a larger than life figure, like some Shakespearean figure, a noble man with a tragic flaw. It's not like this is an evil man we're dealing with here. He gives thousands of dollars to charities. He's a good congressman. He just has some human frailties."

The next day Rosty called a press conference in the Ways and Means Committee room, the scene of so many of his triumphs, and read a brief statement: "I want to make it absolutely clear that I have committed no crime and have engaged in no illegal or unethical conduct." He seemed shaky and he sounded winded. He took no questions, citing his attorneys' advice.

Those attorneys were costing him a lot of money—more than \$350,000 for his own legal bills and those of his subpoenaed staffers. For a year, he paid those

## Rostenkowski

and Downey sat  
in the car awhile.

Then, out of the  
blue, Rosty said:

'Jesus, Tom, this  
is awful. It's  
killing me.'

bills out of his campaign coffers. Then, in late August, he set up a legal defense fund and began soliciting contributions from sympathetic individuals, corporations and unions. It was yet another way, critics chided, for special interests to do a favor for the chairman.

For the next two months, as Rosty waited to see if he'd be indicted, his many friends defended his integrity, worried about him, took him out to dinner, tried to cheer him up. "He talks about his stomach being hamburger," says Downey. "It's gotten him down. How could it not? Thirty-five years in Congress and his legacy will only be that he chiseled on some stamps."

"The last time I saw him," says Ray McGrath, "I looked him in the eye and said, 'How are you doing?' and he said, 'How the [expletive] you *think* I'm doing?'"

Rostenkowski doesn't talk much about his feelings, but every once in a while they slip out. One night, after they watched the movie "In the Line of Fire," Downey drove the chairman back to that little apartment he stays in when he's in Washington. They sat in the car awhile, talking about how the city had changed, about buildings that had come and gone during their years here. Then, out of the blue, Rosty said: "Jesus, Tom, this is awful. It's killing me."

### 'WHAT ARE THEY GOING TO SAY ABOUT DANNY ROSTENKOWSKI?'

"I've been talking to your friends and your adversaries—"

"Tell me what my adversaries are say-

about me," Rostenkowski interrupted. "They say you're corrupt, you're out of touch with your district, you won't win again."

"I'm out of touch with my district? That [ticks] me off," he said in his famously gruff voice. "Because I'm trying to lead, and I'm not trying to cater to the special interests, because I try to put packages together that ultimately will help people over the long haul, they think I'm out of touch. That really makes me mad."

He was sitting in one of his offices in the Capitol, a tiny alcove with room for just a blue divan and a couple of chairs. He wore a red-and-white striped shirt, a blue tie, gray slacks and brown loafers. A yellow pencil stuck out of his right shoe, which rested on his left knee. He was perched on a white chair that was set into a recessed window so that the royal blue curtains hung at his side, almost as if he were on a throne. He'd agreed to talk—for just half an hour or so—with a reporter who'd been interviewing his friends and adversaries for weeks. But there was one ground rule: no questions about the stamps scandal. And now, before a single question was asked, he'd launched into a monologue on his political philosophy.

"If there's an emphasis, it's getting as much done as possible," he said. "I've always felt that way. I'll do 60 percent and let the other 40 percent go for another day. But I'll get *something* done. I don't like to sacrifice the possible in pursuit of the perfect."

He crossed his legs, took the pencil from his shoe, tapped it on his lips, used it to prod his huge, creased face. Soon he was off on a spirited defense of pork-barreling. "I'm not ashamed of doing that," he said. "If somebody on Public Works wants to get money for paving a highway in Texas, why shouldn't I try to get money for paving a highway in the state of Illinois?"

Then he launched into colorful tales of Dick Daley and Sam Rayburn and Lyndon Johnson. When Rosty describes Johnson, he sounds like other people describing Rostenkowski: "He wasn't the most personable guy or the most likable guy, but boy, he knew how to move this building. It was: 'Lyndon's done a few things for you, now it's your turn to do a few things for Lyndon.' I enjoyed Lyndon Johnson."

"What about Wilbur Mills? What did you learn from him?"

"I learned that you gotta be patient. I learned that—well, times are so different now. When Wilbur Mills wrote a health bill, it took him four years. I gotta do it in three weeks. Everything is pushed against a crisis these days."

A bell rang indicating a vote in the

House and Rosty's aide said, "Ten minutes."

"I've been chairman of this committee for—what?—13 years. Wilbur Mills was chair for about 16 or 18 years. I'll put my record of accomplishment, of legislative gain, against his record and any other chairman's record."

"What is your biggest accomplishment?"

"Oh, the '86 tax reform act, no question about it," he said. He mentioned other bills—welfare, trade, Social Security—but kept returning to the tax bill. "Tax reform was kind of a throwaway until I got serious about it. And I'll tell you the truth, if I'd have known how complicated, and how much of my life I was going to spend on it, I don't think I would have done it."

"Why did you do it?"

"Because that was going to establish if I was chairman of the committee or not," he said, his voice booming. "Don't forget, my first year and a half with Ronald Reagan was devastating."

Another bell rang and the aide said, "Five minutes."

"I really didn't think I was going to stay around here as long as I did," he said. "I figured I'd put in maybe five or seven or eight years as chairman of the Ways and Means Committee and get out. Go into business."

"Why didn't you?"

"I don't know." He voice softened almost to a whisper. "I made a big mistake."

"Why was it a mistake?"

"Well, I don't know." He laughed. "I got all kinds of problems now."

"With those problems hanging over your head, is it less fun?"

"Yeah, it's less fun. It's something I gotta be concerned with."

He talked about how he watches people recognize him in public places and then quickly avert their eyes. He wonders if they're thinking about the stamps scandal. "You just become more aware of yourself when you've got this cloud. And you interpret things differently . . ."

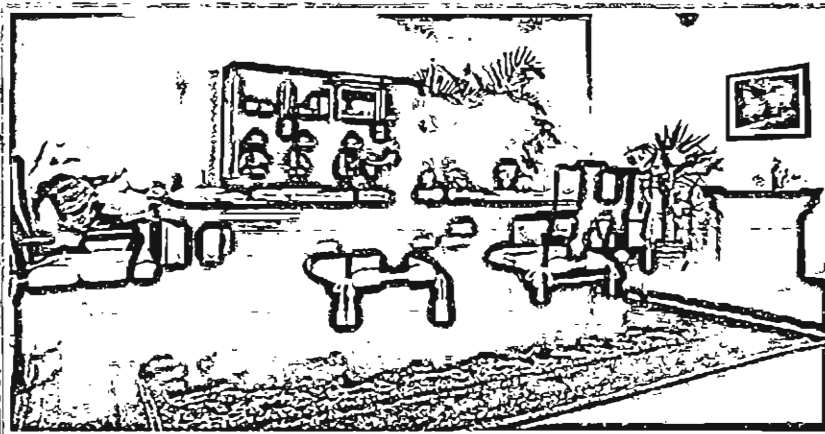
"I don't worry about health care as the last thing I do when I go to bed these days," he said. "I don't worry about NAFTA as the last thing I do when I go to bed. I think of, first of all, my image in the future: *What are they going to say about Danny Rostenkowski?* . . . It preys on me, but the fact of the matter is: I gotta get some things done."

Another bell rang and the aide said, "One minute."

"I gotta get some things done and I'm just tunnel vision on trying to leave a good record."

Then he stood up, shook hands and lumbered off to the House chamber to vote. ■

## SOLID ROSEWOOD



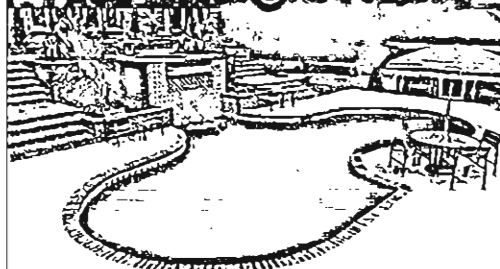
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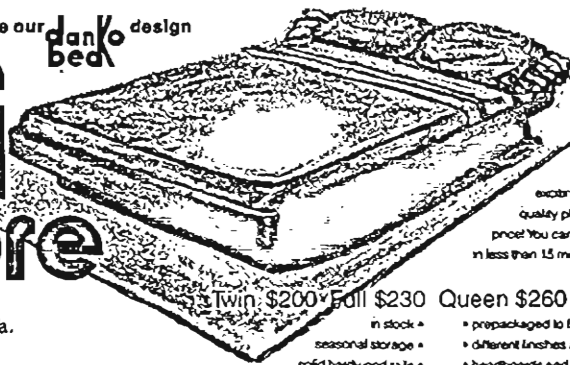
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## PARKINSON'S

continued from page 19

was sent around to meet the various people who were working on the project. These were people I would get to know pretty well. I learned that the transplant research was supported by many groups and individuals at Yale.

There were psychiatric tests and interviews and physical histories and exams. The old neuro tests, I called them. I had done them a thousand times before—finger to nose, finger to nose. My memory was tested, as were my reasoning powers, my physical strength, hand-eye coordination (how I hated that stupid computer with that nasty little mouse I never did get to work for me). They tested my verbal ability and my emotional stability. My favorite part was being asked if I ever heard voices in my head or had hallucinations—I told the doctor no, unless you count those telling me to lead the armies of France into battle. Luckily for me, the psychiatrist had a sense of humor.

I thoroughly enjoyed talking about myself, but found myself dreading the biggest test of all—at least to my way of thinking—the drug holiday. While it sounds like a good time on a tropical island somewhere, it is really a horrible experience. It requires one to stop taking any drugs at all for a specific length of time. In my case that was 48 hours without Sinemet, a drug that contains L-dopa. This allows the doctors to see how far the disease has progressed. It is no fun. In the past, at Walter Reed, NIH and elsewhere, I had tried to hold out for the entire time required, but was unable to do so despite my best efforts. The combination of constant shaking, as though you are in an aerobics class from hell, and the pain from sore and cramping muscles was always too much for me.

For me, the drug holiday meant very severe tremors in my legs and arms, followed by muscle rigidity. Then I would be like stone, unable to move except very, very slowly.

Periodically, the staff would videotape my progress during the drug holiday. To protect my privacy, I was dressed in surgical scrubs and my face was not shown.

In spite of much pain and exhaustion, I lasted the whole time. I was amazed! Everyone was amazed! The only explanation I have is that Ed was allowed to be with me the whole time. He knows me so well that he can offer the right words (and funny comments) that I need. He has always been there for me.

At the conclusion of the drug holiday, I met Dennis Spencer, who headed the neurosurgical team. I liked him immedi-

ately. I told him the next drug holiday took would be in the Cayman Islands. He asked if I wanted my personal neurosurgeon to come along.

All the testing was over. I was ready. All I needed now was the operation.

THE SURGERY REQUIRED COORDINATING the schedules of all the participants. With all the departments involved and the strict adherence to a full set of safeguards regarding the patient and the acquisition of the fetal material, scheduling was a complex task. I had been placed in the group that was to undergo surgery immediately. The other group, the control group, would also receive the implants, but after a further year's worth of data gathering. Placement into one or the other group was purely random, but I was happy that I wouldn't have to wait another year.

*For many years  
I have felt like  
a disease with a  
woman attached.  
Now I feel like a  
woman with  
a disease.*

The most fearsome part of the operation (as far as I was concerned) was the head shaving. My whole head was to be shaved, and I was not looking forward to it. I know that it is "in" in some circles to shave your head these days, but a 48-year-old woman? I was convinced I would either look like Elmer Fudd or a Nazi collaborator. Though shopping excursions were tiring, my friend Sue and I went hunting for scarves to cover my head, and Ed and I bought a wig that was so like my own hair that most people didn't even notice. It looked better than the results I usually got from trying to make my hair do what I wanted.

Even though I was pretty well convinced that the operation would not change my life (at least not right away) and tried not to think about its success or failure (actually, I didn't think about it failing—I thought it would work, the only question was how much and how soon), I was more than ready to get on with it.

The date was set and then changed to a later date because of schedule conflicts. Disappointed at first, I was ready when the call came with my firm date—November 1, 1991.

Once again we drove north to New Haven, knowing that on our return trip home things would be changed for Ed and me.

I CHECKED INTO THE HOSPITAL AND went through further tests to be sure that everything was ready and in good shape to get on with the transplant. Anita Farhi had told us earlier that we could bring our own music to play during the surgery, and Ed had put together two tapes containing some of my favorites, a mixture of classical, Paul Simon and the '60s.

I remember very little about the operation. I do remember lying on the gurney outside the operating room waiting for the procedure to start. Allen Gerber, a member of the neurological team, came out and tried to engage in small talk so I wouldn't be nervous. It worked to some extent. I don't think I was nervous as much as excited. Anyway, I am always happy to talk; it's actually one of my favorite things to do.

Knowing how worried I was about having my head shaved, Dr. Spencer shaved my head himself. There was an awkward minute when the shears pulled at my hair, making me flinch. Apparently when I had washed my hair the day before, I had not gotten all the EKG glop out of my hair. After rinsing out the shear-resistant glop, he finished the job. Then, under mild sedation, I was moving in and out of consciousness, aware of having my head attached to a frame and collar to hold me in place, hearing Dr. Spencer ask me questions about how I was feeling and how I was doing. The Mamas and the Papas were singing in the background about California dreaming and someone was holding my hand. I never felt alone or even concerned, while Anita, my hand holder, was talking to me.

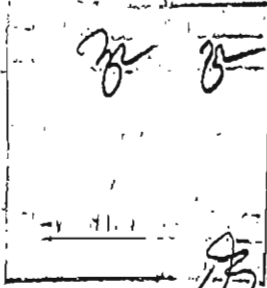
The operation lasted six hours. When I was aware that it was over, and Dr. Spencer was asking how I felt and telling me how well it had gone, I was profoundly glad and relieved and hopeful for the future. But more than anything—and this is pretty embarrassing—I needed to empty my bladder of the fluids that had been dripping into my veins all day. Exit Dr. Spencer and crew and enter someone with a bedpan. When that was accomplished they came back in and stood around me, and I felt great. They asked me if there was anything I wanted, and I told them the only thing I really wanted was a hug from Ed. They asked if it had to be from Ed; they would be happy to give

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(Mount Clipping in Space Below)

# Rostenkowski Staff Payroll Is Scrutinized

## Friends Got Salaries For Little or No Work, Chicago Paper Says

From News Services

CHICAGO, Dec. 19—Rep. Dan Rostenkowski (D-Ill.) paid numerous Chicago friends and neighbors federal salaries even though many did little or no work for the congressman, according to a report published today in a Chicago newspaper.

In its story, the Chicago Sun-Times named several people, connected either politically or personally to the longtime chairman of the House Ways and Means Committee, who were paid tens of thousands of dollars. The report said the payroll included double-dipping city workers and employees who did not show up for work on Rostenkowski's staff.

The newspaper said 40 current and former Rostenkowski employees it contacted over several months confirmed they had been subpoenaed by a Washington grand jury looking into Rostenkowski's finances.

Rostenkowski also has been investigated about his dealings with the House Post Office amid allegations the 18-term congressman received up to \$21,300 in cash by exchanging free stamps. Questions also have arisen about leases on automobiles and campaign offices that Rostenkowski owned but used federal money to rent.

Rostenkowski repeatedly has denied any wrongdoing, and no charges have been brought against him.

(Indicate page, name of newspaper, city and state.)

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Edition: WASHINGTON POST

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[Rostenkowski's attorney, Robert Bennett, told The Washington Post Sunday that "because of the current status of the (federal grand jury) inquiry, it would not be appropriate to respond to press allegations. Should it become necessary, we will submit appropriate responses to the United States Attorney's Office."]

James Nedza, the son of a former Illinois state representative, received \$48,000 between 1983 and 1986 as a part-time employee, the newspaper said. Other Rostenkowski employees interviewed by the Sun-Times said they had never heard of Nedza or seen him working.

Nedza's lawyer, Richard Troy, declined to comment to the Sun-Times.

During the same period his son was paid by Rostenkowski, Edward

See ROSTENKOWSKI, A11, Col. 1.

## Rostenkowski Said to Have Paid Friends

**ROSTENKOWSKI, From A1**

Nedza put two of Rostenkowski's daughters in succession on the state payroll, according to public contracts.

The Chicago Sun-Times article also said:

- Celeste Gabinski, the wife of Chicago Alderman Terry M. Gabinski, remained on Rostenkowski's payroll for five years after she quit working in his Chicago district office in 1987. She was paid \$79,000 over that period and went off the payroll in May 1992, when the probe into Rostenkowski's finances became public.

- A schoolteacher whose husband worked for Alderman Gabinski and

later got a job as a city carpenter was paid up to \$4,000 a month as a temporary worker.

- Instead of paying rent on a satellite office, Rostenkowski put the storefront's co-owner on his payroll.

- An elderly next-door neighbor of Rostenkowski was listed on his payroll, but she denied having done any work for him since babysitting his children, the youngest of whom is 33. Sophie Palasz, 77, appeared four times on Rostenkowski's payroll between 1985 and 1989.

- Many full-time Chicago city workers simultaneously have been Rostenkowski employees.

- From 1979 to 1990, Rostenkowski averaged one-third more

employees per year than any other member of the Illinois delegation, even though they all had the same amount to spend for staff.

The newspaper quoted the former payroll counselor for the House of Representatives, H. Bruce Avner, as saying Rostenkowski was unlike fellow representatives in that he handled his own office payroll.

He would spend the entire amount budgeted for congressional payrolls—which this year was \$557,400—and would shift temporary employees on and off his staff roster.

House members are allowed up to 18 full-time and four part-time staff members on their payroll at any time.



# Rusty Payroll, Hiring Probed

## Revolving-Door Pattern Questioned

By Chuck Neubauer,  
Michael Briggs  
and Mark Brown  
Chicago Sun-Times

Gov. Dan Rostenkowski controlled a payroll that included employees who did not show up for work at his office, double-dipped their salaries, and worked at his family-owned building, a Chicago Sun-Times investigation has found.

Rostenkowski's hiring practices for his congressional payroll also are being scrutinized only two months after a federal grand jury in Washington, D.C., indicted Rostenkowski's employees have told the Sun-Times.

The Sun-Times previously had reported Rostenkowski used tax-payer money to acquire virtually

all his cars and used company funds to pay himself for a Gulf Coast trip.

Both matters have come under investigation by the grand jury, which is probing Rostenkowski's use of his alleged \$100 million a year in income tax deductions from the House of Representatives.

quit her job in 1987 to stay home and start a family. AIA, federal employee in that office told the Sun-Times she knows that a man who collected \$48,000 over four years for allegedly working in the same small office while she worked there.

Another woman listed on the congressman's payroll—an elderly neighbor of Rostenkowski—told the Sun-Times she quit her job in 1987 to stay home and start a family.

These are some of the latest in the Sun-Times' investigation of Rostenkowski's payroll, which has revealed the names of Rostenkowski's employees. Larry M. Gebhardt, 67, listed as the congressman's driver for five years and received \$48,000 in pay over the years.

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popular through the years by a large number of temporary employees, many of whom also were full-time city workers or tenants in his family's buildings.

Rostenkowski put a woman on the payroll to cover the rent on a storefront he was leasing for use as a satellite office, despite regulations requiring that payroll funds be used only for employees.

Rostenkowski's lawyer, Robert Bennett, declined to answer questions or comment on the Sun-Times' findings.

The Sun-Times contacted 40 current and former Rostenkowski employees, and most refused to answer questions except to confirm they have been subpoenaed by the grand jury. Many are being represented by Washington lawyer James Cole, who is paid by the Rostenkowski campaign committee. Some said they had been instructed not to talk to the press, and they referred questions to Cole, who has not returned telephone calls from the Sun-Times.

As recently as two weeks ago Cole was in Chicago preparing Rostenkowski workers for interviews being conducted here by federal prosecutors.

Investigators appear to be paying particular attention to the many temporary employees who have appeared on Rostenkowski's payroll for his Chicago office—some for as little as a month or two.

From 1973 to 1978, Rostenkowski averaged a third more employees per year than a similar member of the Illinois delegation who served less than that time, even though he paid the same amount to staff.

MONTHLY PAYROLL	
<p>Approximate number of employees who served continuously throughout the year.</p> <p>op. Dan Rostenkowski's payroll with his Illinois staff.</p>	
<p><b>Dan Rostenkowski</b> (D-Chicago)</p>	
<p><b>Marlin Russo</b> (D-South Holland)</p>	
<p><b>Edward Madigan</b> (R-Lincoln)</p>	
<p><b>Phillip Crane</b> (R-Mount Prospect)</p>	
<p><b>Robert Michel</b> (R-Piscola)</p>	
<p><b>Charles Collins</b> (D-Chicago)</p>	
<p><b>Henry Hyde</b> (R-Bonsenville)</p>	
<p><b>Sidney Yates</b> (D-Chicago)</p>	
<p><b>Frank Annunzio</b> (D-Chicago)</p>	
<p>Each House member is allotted the same amount of money annually to pay staff.</p>	

SOURCE: Sun-Times survey of U.S. House records

SUN-TIM

employees reap-  
oll at irregular  
intervals over many years. Al-  
though they generally received just  
a few thousand dollars at a time,  
some were paid significant amounts  
for their short times on the payroll.

"I think they were looking more  
or less at people with sporadic em-  
ployment," said Eleanor Georgalas,  
an immigration specialist in Ros-  
tenkowski's Chicago office from  
1981 through 1987, in reference to  
her interview by FBI agents.  
"They're looking for people who  
were on a month, off a month."

James Nedza, son of former state  
Sen. Edward Nedza, is one of the  
many employees who went on and  
off the congressman's payroll.  
Nedza did four-month stints on  
Rostenkowski's payroll in 1983,  
1984, 1985 and 1986, collecting  
\$12,000 each time, according to  
House records.

Although that rate of pay made  
Nedza the highest-paid employee  
on the congressman's staff during  
some pay periods, Georgalas said  
she never had heard of him before  
she was questioned by the Sun-  
Times.

Nedza's lawyer, Richard Troy,  
declined comment. Nedza told the  
Sun-Times last summer that he  
had worked as a "legislative aide"  
in the congressman's office, per-  
forming clerical duties such as an-  
swering the telephone.

During the same four-year period

that his son was paid by the con-  
gressman, the elder Nedza put two  
of Rostenkowski's daughters in suc-  
cession on the state payroll, public  
contracts show. They were paid  
\$12,000 a year, too.

Georgalas also recalled that Ce-  
leste Gabinski, then newly married  
to the alderman, quit working in  
Rostenkowski's office about the  
same time she did in October,  
1987—perhaps a little sooner.

Records show that was nearly  
five years before Mrs. Gabinski left  
the payroll in May, 1992—the same  
month it was first revealed publicly  
that a federal grand jury was look-  
ing into Rostenkowski's affairs.

Mrs. Gabinski's absence from the  
office was confirmed by Eva Wier-  
zynska, who replaced Georgalas as  
Rostenkowski's immigration spe-  
cialist in Chicago, and by others  
who asked not to be identified.

"I never saw her working," said  
Wierzynska, who said she was once  
told that Mrs. Gabinski did some  
bookkeeping work from home.

Mrs. Gabinski did receive a pay-  
reduction beginning in 1988, re-  
ords show. After collecting \$28,864  
in 1986 and \$29,339 in 1987, she  
slipped to \$20,000 in 1988, \$12,000  
as a part-time employee in 1989,  
\$19,968 in 1990, \$17,649 for five  
months in 1991 and \$11,666 for  
four months in 1992.

After the Gabinskis were married  
in February, 1987, she obtained an  
insurance broker's license and set

up an insurance broke  
records show. The Gal  
their first child in April, 1988, and  
second in January, 1991.

Neither of the Gabinskis re-  
turned phone calls.

Before she married the alderman,  
Mrs. Gabinski worked as her pro-  
spective husband's secretary, nu-  
merous co-workers said.

Her salary, however, was coming  
from Rostenkowski. House records  
show.

Records also show that when  
Mrs. Gabinski, whose maiden name  
was Kropidowski, went on the fed-  
eral payroll full time in January,  
1981, one of Rostenkowski's daugh-  
ters went on the City Council pay-  
roll.

City personnel records don't  
show which alderman put the  
daughter on the payroll. But re-  
cords do show that a City Council  
committee chaired by Gabinski was  
paying one of Rostenkowski's sis-  
ters during part of the period Ce-  
leste Kropidowski was employed  
by the congressman.

Stephanie Chomko Muir, who co-  
workers say replaced Mrs. Gabinski  
as the alderman's secretary, also  
received her \$31,000 salary from  
the congressman. House records in-  
dicate. During her time on the fed-  
eral payroll Muir also was paid less  
than \$2,000 a year as a part-time  
City Council employee, according  
to city work records subpoenaed by  
the grand jury. Muir, 30, who is

currently on a leave of absence  
from Rostenkowski's office, de-  
clined comment.

Until this year, Rostenkowski's  
congressional office shared space  
with Gabinski and the 32nd Ward  
Regular Democratic Organization  
in a building own-  
gressman's family  
Damen.

phie Palasz, 77, who has lived door to the congressman for 40 years in a two-flat his owns at 1370 W. Evergreen, of at least four Rostenkowski who have appeared on his payroll.

In an interview at her home, Palasz said she hasn't done any work for the congressman in the decades she has lived at his four daughter's home.

Rostenkowski paid her \$36,841, but she said she got no money from him.

Her son, Daniel, a county employee who lives downstairs from her in the same building, said his mother's memory is failing, but he said he, too, knows of no work she performed for the congressman and doesn't believe she received any pay.

Mrs. Palasz, who was 72 when she last appeared on the payroll for \$3,012 for one month's work in 1989, said she never stuffed envelopes or any other similar task for which politicians say they occasionally hire extra help.

"I didn't do no cards, envelopes," she said. "If he asked me, I would tell him to do it himself."

Another tenant who was on Rostenkowski's payroll was Joanna Hojnowski, who collected amounts ranging from \$795 to \$7,125 per year between 1971 and 1985 while living in an apartment above the Damen Avenue congressional office.

Mrs. Hojnowski could not be reached for comment, but her husband, Leo, told the Sun-Times last summer that she was a seamstress and may have done some sewing work for the congressman and alderman. Contacted again recently, however, Mr. Hojnowski, a retired city worker and Democratic precinct captain, said his wife had earned the money by cleaning up the congressional office.

When the Hojnowskis moved out in 1986, Lucille and Emanuel Dudzinski moved into their apartment and onto Rostenkowski's payroll. Mrs. Dudzinski was paid \$30,199 through July, 1992.

She could not be reached for comment, but her husband, a city Water Department employee and a precinct captain, declined to discuss what work his wife did for the congressman.

Rostenkowski paid \$200 to his son, Daniel, who appeared on the congressman's payroll between 1987 and 1987.

Russo was paid \$11,136 in 1976, before her husband died. He collected \$81,888

held a job as a city Water Department employee, even during the stretches of up to five months that he was carried on the congressman's payroll at a salary of up to \$5,107 per month. The Russos also would not answer questions about their work for the congressman.

At least five other full-time employees collected sizable pay in short stints on the congressman's payroll, even though their personnel records indicate no long absence or other gaps. House rules require that congressmen pay their employees only for the time period they are carried on payroll, not for past or future services.

The moonlighting city payrollers include Leo Moskal, a policeman, and Leonard Pawlowski, a top official in the forestry division.

Moskal received \$8,600 for two months' work in 1988 and another \$8,000 for two months in 1990—more than his policeman's salary. He could not be reached for comment.

Pawlowski has been paid up to \$3,000 by Rostenkowski for a month's work. His wife, Carol, also has shown up on the congressman's payroll. They referred questions to their lawyer, Cole.

## SATELLITE OFFICE

Barbara Koziol said the \$7,500 annual salary she received from 1978 to 1985 was mainly to cover rent for a storefront she and her husband, Marion, owned at 5051 W. Fullerton, where Rostenkowski maintained a satellite office. The storefront was opened initially as a campaign office and often was used for political purposes, she said.

The Koziols said they never had questioned the propriety of Rostenkowski paying his rent by putting Mrs. Koziol on the payroll until they were asked about it by the Sun-Times and FBI agents.

"There are a lot of things that we're hearing about that we never heard of before," Marion Koziol said.

## CHICAGO POLITICS

Patricia Kardasz held a job as a Catholic schoolteacher while she was bouncing on and off Rostenkowski's payroll at salaries of up to \$4,000 a month until early 1992. She was on the payroll often during the school year.

Mrs. Kardasz said she did typing and filing for the congressman, some of it from her home. Wierzyńska, the former immigration specialist whose tenure in the office overlapped four years that Kardasz was on the payroll, said Kardasz did not work from the Damen Avenue office during the four years she was on the congressman's payroll.

Kardasz's husband, John, top aide to Gabinski before a job as a city carpenter in 1987. He also performed dry work on the congressman's Chicago and Wisconsin homes.

Kardasz said she did not know if her husband was paid for that work. Her husband would not even meet.

Mrs. Kardasz said she was questioned closely during an appearance before the grand jury 6 years ago about the wrapping shop's relations between Congress and aid to the war effort in the Dominican Republic and Cuba.

"I told the grand jury, 'You just don't know how Chicago business works,'" Mrs. Kardasz said.



This building at 2146 S. W. Damen, owned by relatives of Dan Rostenkowski, for many years housed his congressional office, the 2nd Ward Democratic Organization and Ald. Terry Gabbert's office.

# The Philadelphia Inquirer

KNIGHT-RIDDER NEWSPAPERS

## A legislator's latest trouble isn't his alone

New allegations against Rep. Dan Rostenkowski, a key player in the House, could be one more obstacle for the President and his 1994 agenda.

By Aaron Epstein  
INQUIRER WASHINGTON BUREAU

WASHINGTON — New allegations that Rep. Dan Rostenkowski hired nonworking employees at taxpayers' expense have deepened the powerful Chicago Democrat's legal troubles — and rekindled anxiety at the White House and in Congress.

For President Clinton, the disclosures are especially untimely. His main priorities for 1994 — health-care reform, welfare reform and approval of the trade agreement known as GATT — must go through Rostenkowski's Ways and Means Committee.

Rostenkowski, a power broker in Congress and a key figure in Clinton's drive for economic and health-care reforms, has been under federal criminal investigation for 19 months. He has denied earlier allegations and declined to comment on the new ones. The complex investigation could last well into the new year. Prosecutors have been explaining the details to a second grand jury because the tenure of the first one expired at the end of October.

If the burly, 65-year-old Rostenkowski is indicted, he would be required to step down as committee chairman. His likely successor would be Florida Democrat Sam M. Gibbons, 73.

"That would be very difficult because President Clinton relies on him [Rostenkowski] very strongly," said Rep. Thomas M. Foglietta (D., Pa.). "Sam's a damn good guy, but it would take him a long time to develop Rosty's leadership and relationship with members of the House. Rosty does a fantastic job."

Health economist Lynn Etheredge, who has strong ties to the White House, said Rostenkowski was important to passage of Clinton's health-care

legislation but not indispensable. He said House Majority Leader Richard A. Gephardt of Missouri would play a more critical role in brokering a compromise among Democrats.

At the heart of the most serious new allegations about Rostenkowski is old-fashioned political patronage.

For generations, in Chicago and many large Eastern cities, officeholders often placed the names of friends, relatives, political allies, and friends and relatives of political allies on public payrolls.

When the apparent recipients of such benefits do little or no work, as sometimes happens, they are called ghost employees. Employing ghost workers violates federal law.

Rostenkowski's congressional payroll showed payments of tens of thousands of dollars to people who did not show up for work, according to a detailed report Sunday in the Chicago Sun-Times. Many of them have been subpoenaed to testify before the grand jury.

The paper reported that:  
• Payments to the wife of Chicago Alderman Terry Gabinski continued for five years after she quit working in Rostenkowski's Chicago office in

1987 to stay home and start a family. She was paid \$79,000 over five years and went off the payroll when the federal investigation of Rostenkowski surfaced last year.

• Sophie Palasz, 77, received more than \$4,000 between 1985 and 1989 but could not recall doing any work for the congressman since baby-sitting his daughters. The youngest of Rostenkowski's daughters is 33.

• The Rostenkowski payroll also funneled money to Chicago city workers and tenants of buildings owned by the congressman's family. Instead of paying rent for a political office, Rostenkowski put the owner of the building on his payroll at a \$7,500 annual salary.

**A panel shake-up would hurt, one Democrat said. "Rosty does a fantastic job."**

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Rostenkowski aides who have been questioned by the FBI said the investigators were particularly interested in "a succession of employees who went on and off the congressman's office payroll."

By using temporary workers in his Chicago office, Rostenkowski was able to place additional people on his congressional payroll without exceeding House payroll limits.

Rostenkowski hired one-third more workers than anyone else in the Illinois congressional delegation from 1979 to 1990, even though all had the same amount of money to spend for their staffs, the Sun-Times reported.

The chairman handled his own payroll, dealing directly with H. Bruce Avner, a former House payroll counselor assigned exclusively to Rostenkowski.

"He didn't want anybody to know what he was doing," said Avner, who was fired recently for improperly altering his own payroll records.

The new disclosures appear related to the discovery in September that 210 Rostenkowski payroll files had vanished. The discovery was made after the grand jury subpoenaed the records. The files contained signed authorizations for the hiring of employees and changes in their salaries, House officials said.

The House ethics committee, which has suspended its probe of Rostenkowski's conduct until the criminal inquiry ends, has been asked by another committee to look into the disappearance of the records.

Based on earlier grand jury testimony, investigators suspect that Rostenkowski illegally converted \$23,000 of congressional and campaign money into cash by purchasing stamps at the House post office.

Other lines of inquiry focus on alleged payments of more than \$73,000 in campaign money to Rostenkowski and his sisters for a little-used office, improper leasing of cars with House office money and use of the congressional free-mail privilege to ship golf clubs and other personal items.

R.A. Zalkover of the Inquirer Washington Bureau contributed to this article.

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# Grand jury subpoenas records relating to Rostenkowski's travels

By Paul M. Rodriguez  
THE WASHINGTON TIMES

The federal grand jury probing Rep. Dan Rostenkowski has subpoenaed all House records relating to the Illinois Democrat's extensive travels in the United States and overseas, according to court documents.

The latest subpoena also seeks all documents regarding the assignment and rotation of payroll and financial management counselors for all House members from Jan. 1, 1978, through Wednesday.

House officials are required to personally appear with the documents before the grand jury on Jan. 18, according to the subpoena, which was issued on Wednesday.

The subpoena for Mr. Rostenkowski's travel records covers the period Jan. 1, 1985, to Jan. 5, and includes, but is not limited to, airline tickets,

travel itineraries, taxi receipts and related expenses.

The probe of Mr. Rostenkowski, the powerful chairman of the tax-writing House Ways and Means Committee, has entered its third calendar year.

In November, a federal grand jury issued subpoenas to the House for Mr. Rostenkowski's financial records dating back to 1957.

Current and former federal law enforcement and congressional sources said that the investigation is expected to continue at least several more weeks before prosecutors decide whether to seek an indictment of the Chicago-based congressman.

Mr. Rostenkowski has denied any wrongdoing and has invoked his Fifth Amendment right against self-incrimination to avoid testifying before the grand jury.

Federal prosecutors are seeking

Mr. Rostenkowski's travel records to determine if he billed the House for unofficial trips or charged taxpayers for trips that should have been paid either with personal or campaign funds.

The request for extensive records on payroll and financial management counselors stems from a discovery last year of missing payroll records related to Mr. Rostenkowski's staff and his use of the same payroll counselor for over 10 years.

House rules require payroll counselors, who work in the House Finance Office, to be rotated at least every two years.

Prosecutors are trying to determine why that occurred and if other members sought similar treatment.

The long-running probe originally centered on illegal drug sales and embezzlement at the House post office by clerks and managers. It



Rep. Dan Rostenkowski has denied wrongdoing in the lengthy probe.

quickly expanded to include allegations that congressional staff and House members were also improperly cashing checks at the facility and illegally trading stamps for cash.

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# Rostenkowski Charges Reportedly Outlined

By Pierre Thomas  
and Ruth Marcus  
Washington Post Staff Writers

U.S. Attorney Eric H. Holder Jr. has sent to the Justice Department an outline of proposed charges against House Ways and Means Committee Chairman Dan Rostenkowski (D-Ill.) in the House Post Office investigation, placing at risk the political career of one of the most influential members of Congress, sources said last night.

Holder sent the recommendations to the Justice Department for review earlier this week and may seek a grand jury indictment of Rostenkowski as early as the end of this month, the sources said.

Holder's action is a significant development in the two-year-old case. "Theoretically, the Justice Department has the final decision on this case, but given the political sensitivity, the U.S. attorney's decision would probably stand," one law enforcement source said yesterday.

Rostenkowski, who previously has denied wrongdoing, said last night he had no knowledge of the latest development. "I didn't have any idea," Rostenkowski he said. "They [prosecutors] haven't told me. I don't know anything about any charges."

Rostenkowski's attorney, Robert Bennett, did not return telephone messages seeking comment. The Justice Department and Holder's office declined to comment on the case.

An indictment of Rostenkowski would be a serious blow to the administration's effort to speed passage of a health care reform this year. As chairman of the House Ways and Means Committee, Rostenkowski is viewed as the legislative equivalent of Senate Majority Leader George J. Mitchell (D-Maine), a critical player in any successful effort to forge a consensus on health care.

See ROSTENKOWSKI, A9, C6

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# Federal Prosecutor Is Said to Outline Criminal Case Against Rostenkowski

ROSTENKOWSKI, From A1

If Rostenkowski were indicted, House rules would require that he step down from his chairmanship. Next in line is Rep. Sam Gibbons (D-Fla.), an advocate of a single-payer approach to health care rather than the Clinton administration approach.

Sources last night declined to characterize the proposed charges against Rostenkowski but said that prosecutors in Holder's office had recommended seeking indictment and described the array of charges as a "kitchen sink" approach.

The investigation of Rostenkowski started under Holder's Republican predecessor, Jay B. Stephens, and focused initially on financial irregularities by employees of the House

Post Office. But the probe expanded to include allegations that Rostenkowski, completing his 36th year in Congress, misused his official accounts for postage, personnel, office supplies, leased cars and office space in his Chicago district.

The probe has widened a number of times, including last December when, according to news reports, the grand jury began looking into whether some of Rostenkowski's Chicago office workers were paid for work they did not perform. Former House postmaster Robert V. Rota has pleaded guilty to misdemeanors and stated in court papers that he made \$21,000 available to Rostenkowski under the guise of official postage purchases.

Holder, who was appointed by

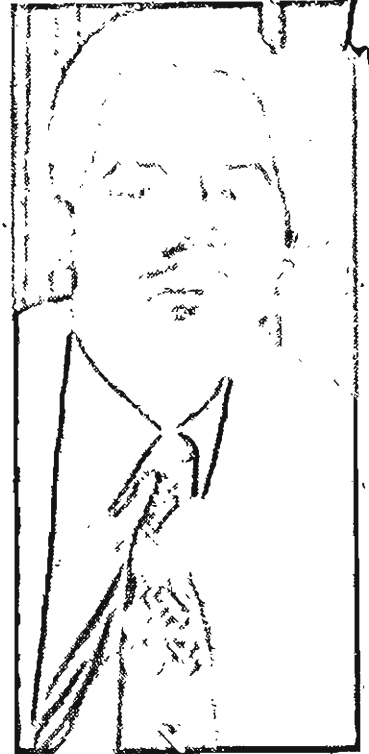
President Clinton, inherited an investigation that immediately placed him in the awkward position of having to decide the future of a key Clinton ally. He is a former D.C. Superior Court judge appointed by President Ronald Reagan and was a prosecutor in the Justice Department's Public Integrity Section.

The case will be reviewed by career attorneys from the Public Integrity Section and senior lawyers in the department's Criminal Division. One law enforcement source said the review could be a lengthy process and that the matter might not be resolved by month's end.

In addition to Rostenkowski, Bennett also represents Clinton against allegations, not yet made in court, that he made sexual advances to a state employee while governor of Arkansas.

Bennett's dual role could pose complications for the Rostenkowski case, some lawyers suggested. For example, in possible plea negotiations, Holder would be dealing not only with Rostenkowski's lawyer but with the lawyer for the president who appointed him. Holder said in an interview several weeks ago that politics will play no role in his handling of the case.

The fate of Rostenkowski, a Democrat, is tied to a number of critical issues that are central to the Democratic Clinton administration: health care, welfare, trade, taxes and other financial matters. All those concerns fall under the responsibility of Rostenkowski's Ways and Means Com-



ERIC H. HOLDER JR.

... Justice Dept. to review case

mittee. Clinton recently appeared with the embattled congressman in the midst of a hotly contested primary, despite the fact that prosecution was a strong possibility.

Clinton defended his Chicago trip, saying the appearance was not campaigning. At the same time, however, he made quite clear how valuable Rostenkowski was, noting, "I am going there . . . to talk about issues that directly relate to this administration's work that he is a critical part of—health care and crime."

Staff writer Kenneth J. Cooper contributed to this report.

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A4 THURSDAY, MAY 19, 1994 ... B

# Attorneys for Rostenkowski Negotiating With Justice Dept.

By Pierre Thomas and Kenneth J. Cooper  
Washington Post Staff Writers

Attorneys for Rep. Dan Rostenkowski (D-Ill.) are in the preliminary stages of negotiating with Justice Department officials who want to indict the House Ways and Means Committee chairman, sources familiar with the case said last night.

Discussions between Justice Department officials and Rostenkowski's lawyers have focused on several employees of his Chicago district office who allegedly did no official work and his purchases of personal gift items through his expense account at the House Stationery Store, which he has since reimbursed \$82,000, the sources said. They indicated that Justice Department lawyers think they can make a case against Rostenkowski of conspiracy to defraud the government.

Rostenkowski's attorneys are trying to resolve the matter with a less severe charge than the Justice Department is considering, the sources said.

Under a rule of the House Democratic Caucus, Rostenkowski would have to step down from his committee chairmanship if he were indicted on a felony punishable by at least two years in prison. He could avoid losing the chairmanship if he faced lesser charges or in the unlikely event that most House Democrats risked a storm of ethical criticism and voted to waive the rule.

Rostenkowski's prominent role in major legislation has been readily apparent in the last few days. After several weeks of private meetings of the panel's Democratic members, the Ways and Means Committee yesterday began public hearings on health care legislation. On Tuesday, he attended a meeting between Cabinet officials and House leaders on welfare legislation. He also recently agreed the committee would consider ways to raise revenue to fund partial public financing of House campaigns under legislation that the House passed

last fall but has stalled in a conference with the Senate.

U.S. Attorney Eric H. Holder Jr. earlier this month sent to the Justice Department an outline of proposed charges against Rostenkowski, and sources said at the time that he was considering seeking an indictment as soon as the end of this month. That could have put pressure on defense attorneys to seek a plea bargain because of the key role Rostenkowski could play in helping to pass the health care reform measure championed by President Clinton.

The negotiations between Justice Department officials and Rostenkowski's lawyers, which were first reported by the New York Times, are part of the usual discussions after prosecutors have made clear they plan to seek an indictment, sources said.

A law enforcement source said such negotiations do not harm the potential defendant's position and generally are used by defense attorneys to see what options are available to their clients. Rostenkowski's attorney, Robert Bennett, did not return phone calls last night. Justice Department officials also declined to comment on the case.

The two-year investigation of Rostenkowski, who has denied wrongdoing, focused initially on irregularities by House Post Office employees but later was expanded to include allegations that he misused his official accounts for postage, personnel, office supplies, leased cars and office space in his Chicago district. In addition, a grand jury reportedly looked into allegations that some of his Chicago employees were paid for work they did not perform.

Rostenkowski is completing his 36th year in Congress and is seeking reelection. He is one of the most influential members in the House because his committee has jurisdiction over the government's purse and matters associated with it, including health care, welfare, trade, taxes and other financial matters.

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THE WASH

# The Washington Post

AN INDEPENDENT NEWSPAPER

## The Rostenkowski Problem

**H**OUSE WAYS and Means Committee Chairman Dan Rostenkowski's lawyers are said to be, if not quite plea-bargaining, certainly conducting exploratory discussions with federal prosecutors about the terms of his possible indictment. It is hard to imagine a more delicate, not to say incestuous, situation.

The prosecutors work for President Clinton. The president wants—some would say needs—Mr. Rostenkowski to stay in place as chairman in order to pass his health care reform bill this year. But if Mr. Rostenkowski is indicted for a felony above a certain level of seriousness, he will be required under House Democratic caucus rules to give up his chairmanship. A potential conflict of interest exists between the administration's legislative interests and its law-enforcement responsibilities. The conflict is the worse because Mr. Rostenkowski's principal defense attorney, Robert Bennett, has now also become the president's defense attorney in the sexual harassment case in which he faces charges by former Arkansas state employee Paula Jones.

Mr. Rostenkowski, for whom the president also recently chose to campaign in a primary in which the congressman faced unaccustomed opposition, has been under investigation for nearly two years for various possible misappropriations of congressional funds. He has said throughout—even while refunding some of the disputed money last February—that he did nothing wrong. Now U.S. Attorney Eric Holder, Mr. Clinton's appointee, is reported to be preparing to indict him and to have sent a prosecution memo to that effect to senior officials in the Justice Department last month.

Mr. Rostenkowski is plainly entitled to bargain with the prosecutors as he pleases, if that is in fact what he is doing. It's his skin. Nor is it fair to say flatly that the prosecutors shouldn't bargain with him in the same way that they might with any other possible defendant. If his rights should be no more than others', neither should they be any less. But that's an easier standard to enunciate than possibly to achieve. Any decision to charge him in such a way that he would be able under the rules to retain his chairmanship and continue to work in the president's behalf—one of the possibilities said to be under discussion—would have to survive an extraordinary burden of skepticism and scrutiny.

The argument has been made, with cases precisely like this in mind, that the independent counsel statute that Congress is only now finally reenacting should be extended to cover members of Congress and not just senior officials in the executive branch. Our instinct has been to oppose such a step on grounds that the power of prosecution should only be farmed out in the most extreme circumstances and that the Justice Department has shown itself capable of vigorous prosecution of members of Congress regardless of party in the past. That's still our view, but this is a case that puts the department to the test. The way to pass the test is not to interfere. The president, his aides in the White House and the political appointees in the Justice Department should keep hands off. Mr. Holder is the prosecutor; he knows the case and the law. He should decide.

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A4 FRIDAY, MAY 20, 1994

THE WASHINGTON

# Rostenkowski Talks Said to Near Critical Stage

*Sources Say Indictment to Be Sought if Compromise Not Reached*

By Kenneth J. Cooper  
and Pierre Thomas  
Washington Post Staff Writers

Negotiations between federal prosecutors and attorneys for Rep. Dan Rostenkowski (D-Ill.) are fast approaching a critical stage, with talks ongoing daily as both sides explore options to avert a possible legal battle that could continue for years, sources familiar with the case said yesterday.

U.S. Attorney Eric H. Holder Jr. likely will seek an indictment by the end of next week if a compromise cannot be reached, the sources said yesterday. Officials described the talks as "fluid" with final resolution unclear as legal arguments and offers are made by lawyers for Rostenkowski.

Holder has outlined to the Justice Department a broad case of conspiracy to defraud, including charges Rostenkowski paid employees for work not performed and misused official accounts for leased cars, office supplies and office space.

Rostenkowski's attorney, Robert S. Bennett, would like the prosecution to reconsider the decision to indict the House Ways and Means Committee chairman or at the least consider charges less than a broad felony conspiracy case. If agreement can be reached, a plea bargain would result, said sources, who described the discussions as typical of last-minute maneuverings in such cases.

Some prosecutors in Holder's office who have worked on the two-year investigation strongly oppose considering misdemeanors or any scenario that would lessen the charges.

Holder, sources said, is at least pondering a possible plea because of concerns that a jury might find Rostenkowski a "likable" figure. Also, there is concern that jurors might be predisposed to believe Rostenkowski was unfairly singled out and that his



REP. DAN ROSTENKOWSKI  
... has denied wrongdoing

alleged actions were not unlike those of his colleagues.

On the other hand, Holder also is considering a possible community backlash from letting a white politician off lightly while his office has been winning long mandatory prison terms for young black drug dealers. Holder supposedly is adamant that Rostenkowski serve jail time, at least six months, sources said.

Bennett, meanwhile, although confident that the bulk of the government's case against Rostenkowski is weak, involving petty incidents, nonetheless is concerned that some of the allegations in Holder's "kitchen sink" approach of bringing myriad charges might be difficult to explain away, sources said.

Allegations that several employees of Rostenkowski's Chicago office did no official work and that he bought personal gift items through his expense account at the House stationery store, are particularly problematic, sources said.

Rostenkowski, who has denied

wrongdoing and yesterday made no public comment about the negotiations, is considered critical to President Clinton's efforts to pass health and welfare reform bills. The case represents a political "minefield," sources said.

Holder, a Clinton appointee, inherited an investigation that placed him in the position of having to decide the future of a key Clinton ally. Top-ranking Justice Department officials, also appointed by Clinton, have been careful thus far to avoid any appearance of political meddling and largely are leaving the matter to career lawyers in the department's public integrity section for review.

Under a rule of the House Democratic Caucus, Rostenkowski would have to vacate his chairmanship if he were indicted on a felony punishable by at least two years in prison. He could avoid losing it if he faced lesser charges or if most House Democrats, who would risk a storm of criticism, voted to waive the rule.

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## Down and dirty for Mr. Rostenkowski

Let's get one thing perfectly clear: Lloyd Cutler represents only President Clinton's office. Bob Bennett represents the president's Clinton.

This allows Mr. Cutler to keep to the high road, fretting over the institution of the presidency in an era of barbarian occupation, while Mr. Bennett gets to play the heavy, accusing Paula Corbin Jones, a pretty preacher's daughter, of being no better than Arkansas white trash.

However, no lawyer, especially in Washington, can rise above his client, and Mr. Clinton, who sprang from the very culture that produced Paula Jones, needs all the help he can get. It's foolish to blame Mr. Bennett for doing whatever he has to do.

Bob Bennett is probably the best there is at doing whatever he has to do, which is to cut deals for the rich, the famous, the powerful, and the guilty. Even in a city of lawyers, where no one can say the words "ethics" or "conflict of interest" without hiding his face to blush, the schemes Mr. Bennett gets away with in the interests of his high-profile clients can steal a man's most cherished illusions.

He is not without resources in behalf of his most famous and most powerful client. His access to his client's power gives him the potential to make life miserable for Eric Holder, the man who could send Danny Rostenkowski off to make license plates.

Mr. Holder is the U.S. attorney for the District of Columbia. He has been guiding the grand jury investigation into Mr. Rostenkowski's administration of his office, which has been at least lax, and maybe criminally fraudulent.

The U.S. attorney and his associates are said to have Mr. Rostenkowski squarely in their sights, with a felony indictment coming down soon, probably by Memorial Day.

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Mr. Holder is known to think that cutting a deal to enable Mr. Rostenkowski to walk is absurd, and would be justice denied. He has



Hard, tough, mean

rarely had a case that he felt more confident of winning. Nevertheless, no prudent man underestimates the power of the White House, any White House, to play down and dirty when survival hangs in the balance.

Just follow the bouncing ball: Mr. Bennett goes to the Justice Department, which is run by the attorney general who serves at the

pleasure of the president, to cut a deal for Mr. Rostenkowski so he can remain in Congress to get the president's health-care collectives safely through the House. This is the feat on which Mr. Clinton's credibility and survival rest.

The U.S. attorney, on whom Mr. Rostenkowski's fortunes rest, works for Janet Reno, whose fortunes rest on Bill Clinton, whose prospects of defeating Paula Jones in a federal court in Arkansas rest on Bob Bennett. If Mr. Bennett persuades Janet Reno, who has to please Bill Clinton, to take care of Danny Rostenkowski, Mr. Rostenkowski can save Bill Clinton.

Anyone who never went to law school can see this for what it is, a colossal conflict of interest, the fix going in. Only lawyers and professors who dream of one day growing up to be superfixers themselves see nothing wrong with the arrangement.

If Mr. Clinton loses his fight for the health collectives, the Republicans will sweep dozens of Democrats from Congress in November, and when that happens you'll see people suddenly treating Al Gore with respect.

Nobody wants to get too close to Mr. Clinton now; even Mr. Rostenkowski is said to want to keep a little distance. There's the first faint trace of pink in the water. Incredible as the prospect seemed only weeks ago, frightened Democrats are asking other frightened Democrats whether they think Bill Clinton will finish his term. (The dispassionate guess here is "yes.")

In a plausible scenario just in from Nightmare City, the Republicans gain 25 seats in the House and pull to within one seat in the Senate, humiliating the administration and rendering it impotent in the run-up to '96.

When this happens, a delegation of senior Democrats, scenting disaster of unimagined proportions, trudges down Pennsylvania Avenue to take tea with the presidents. "Give us a Sherman now," they say. "I won't run if nominated, I won't serve if elected. Do that and we can cut a deal with the Republicans to back off and let you finish your term. Spurn the deal and you'll get a strong opponent in the primaries. Count on it."

Well, no doubt fanciful. The Clintons may be conspiring even now to get Whitewater back on the front page, to make everyone forget about Paula, Rosty, the continuing humiliation of America at the hands of pipsqueak satraps like Haiti, North Korea and even Singapore, and trying to guess what that distinctive mark near the president's clinton might be.



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## Of pleas and Rep. Rostenkowski

Talk continues that the Justice Department is entertaining the possibility of a plea bargain for Rep. Dan Rostenkowski, and that the powerful chairman of the House Ways and Means Committee has his lawyer, the omnipresent Robert Bennett, engaged in negotiations. Word is that the chairman would like a deal that stops short of admission to any career-ending felony, and that the Justice Department is considering offering a misdemeanor plea in exchange for Rosty's resignation at some future date. Whether or not these specifics of the negotiations are on target, the very idea that a plea bargain is being negotiated is troublesome; troublesome because there can be little reason for it at this point.

What are the possible reasons for prosecutors to offer a plea? Basically, there are four. The first is that the courts are overburdened, and so in general government lawyers look to lighten the judicial load by settling as many cases as possible without the time and expense of full-blown jury trials. Second, prosecutors are often willing to allow a suspect to cop a plea in exchange for cooperation and testimony that will allow the government to hook some bigger fish. Third, the government might have a weak case, and fearing that they might lose in court, prosecutors could opt for a sure thing on some lesser charge. Or fourth, a political fix could be in.

The first two possibilities just don't wash in relation to Mr. Rostenkowski and the House Post Office scandal. However bogged down the courts may be, resources can be found to try an important case alleging political corruption at the highest levels. The idea that court time should be rationed, and so Mr. Rostenkowski should be given a deal, is ludicrous.

Equally ridiculous would be the argument that Mr. Rostenkowski could plead in exchange for testimony against some yet unnamed Mr. Big. Mr. Rostenkowski is at the top of the Capitol Hill food chain, and it is hard to imagine anyone whom prosecutors would consider it so important to convict that they would let Mr. Rostenkowski walk.

That leaves the last two possibilities — either the government's case is weak or the fix is in.

If prosecutors don't think they can convict Mr. Rostenkowski, then it is unfair of them to bully him into a plea bargain for something of which he is not guilty. It should not be the modus operandi of the Justice Department to coerce people who maintain their innocence, through the threat of spiritually and financially crushing prosecution, into signing admissions of guilt. If the government doesn't have the goods on Mr. Rostenkowski, then it should not even threaten him with prosecution, let alone corner him into an unfair plea agreement. It is not just a quaint saying that citizens are innocent until proven guilty. If federal prosecutors haven't the proof that they can be confident will convince fair-minded jurors, then they should leave it at that.

As to a political fix, such a deal would be as politically ill-advised as it would be morally repugnant. Confidence in government would not be restored to an angry electorate by the spectacle of a powerful chairman admitting to misdemeanors just short of the severity that would lose him his chairmanship, and then going about his business without censure from his fellow lawmakers.

But what if the plea deal were to include a promise of resignation by Mr. Rostenkowski? Not only would this do little to inspire confidence in Beltway ethics, such a bargain is not an appropriate goal for prosecutors. Either Mr. Rostenkowski is innocent of the charges U.S. Attorney Eric Holder has outlined for his bosses at Justice, in which case the chairman is fully entitled to his seat in the House and his position at the helm of Ways and Means; or Mr. Rostenkowski is guilty, in which case he should suffer the sort of punishment meted out those who are not members of the political classes — that is, jail time. Who sits in Congress is not a matter for federal prosecutors. It's up to voters — and to members themselves, who have it in their power to remove one of their own who has disgraced himself.

WASHINGTON TIMES

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A4 TUESDAY, MAY 24, 1994

THE WASHINGTON

## Rostenkowski Plea Accord Proves Elusive

### Deal Would Avert Major Court Battle

By Pierre Thomas  
and Kenneth J. Cooper  
Washington Post Staff Writers

Lawyers for Rep. Dan Rostenkowski (D-Ill.) and federal prosecutors continued to negotiate yesterday but were unable to reach a plea bargain that would forestall a lengthy and acrimonious court battle, sources familiar with the negotiations said last night.

Although progress was made toward an agreement, lawyers for the House Ways and Means chairman and those with U.S. Attorney Eric Holder still had considerable differences, sources said.

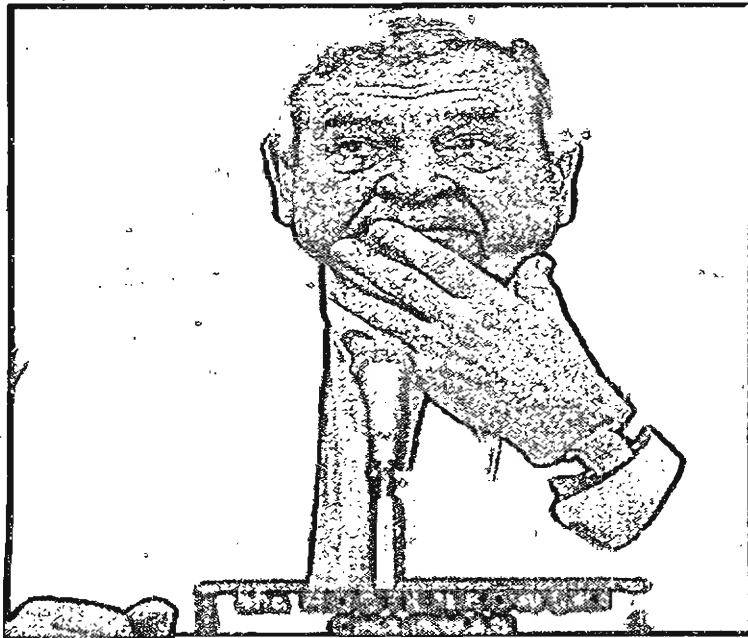
Prosecutors are pushing for a felony plea and some jail time, sources said. Rostenkowski's counsel has indicated there might be room for compromise, but remains firm that Rostenkowski should not be imprisoned.

"I don't know how he [Rostenkowski] thinks you can get a felony conviction and no jail," said one federal source. Another source said that if an agreement is reached, there will be disgruntled Justice Department officials. Some officials think Rostenkowski should get no leniency. Still others think federal prosecutors may seek overly harsh penalties to show their independence.

Rostenkowski's legal woes are fraught with political overtones. As chairman of the House Ways and Means Committee, he is a key ally of President Clinton on such critical issues as health care and welfare reform. A Justice Department headed by Clinton appointees is overseeing the case. Holder was also appointed by Clinton. In addition, Rostenkowski's lead attorney, Robert S. Bennett, is representing Clinton on allegations of sexual harassment.

Justice officials and Holder, a former Superior Court judge and lawyer in the department's public integrity division, maintain that the law, not politics, will govern the Rostenkowski deliberations.

Federal prosecutors have outlined to the Justice Department a broad conspiracy to defraud the government case against Rostenkowski, including charges that the lawmaker paid employees for work not done and that he misused official accounts



BY RAY LUSTIG—THE WASHINGTON POST  
Lawyers for House Ways and Means Committee Chairman Dan Rostenkowski (D-Ill.) remain firm that Rostenkowski should not be imprisoned.

for leased cars, office supplies and office space. He has publicly denied all the charges.

The latest round of talks came after prosecutors had actually set a date for seeking an indictment this week, said officials who nonetheless noted the situation was volatile with delays possible. During the weekend, officials had expressed pessimism that the matter could be resolved.

Rostenkowski and Bennett were expected to meet yesterday and then the talks would resume with Holder. As discussions continue, Rostenkowski appears to be waging a last-ditch effort to salvage a political career that has spanned 36 years. A guilty plea could give him a window of opportunity to do so, albeit a small one.

House rules do not compel a member convicted of criminal charges to resign from office or leadership positions, but such members are likely to face an ethics investigation and disciplinary actions that range from reprimand or censure to expulsion.

House rules state members convicted of a crime punishable by at least two years in prison "should refrain" from committee business and voting in the House—although they do not have to—until they are re-elected or their presumption of innocence is reestablished.

A separate rule that pertains to

House Democrats only requires them to relinquish committee chairmanships if indicted on a felony punishable by at least two years in prison, unless a majority of House Democrats waive the rule.

Rep. F. James Sensenbrenner Jr. (R-Wis.) said yesterday he had prepared two resolutions to expel or censure Rostenkowski if he accepts a plea bargain on any charges. "Rostenkowski could plead guilty to a felony and still keep his office," Sensenbrenner said. "Felons don't belong in Congress."

If Rostenkowski pleads guilty to a serious felony, Sensenbrenner said he would offer the expulsion resolution immediately. If he pleads to a felony punishable by less than two years or a misdemeanor, Sensenbrenner would offer the censure resolution, which could force Rostenkowski to give up his chairmanship under Democratic Caucus rules.

Unlike Democrats, House Republicans are not required to give up committee leadership positions if they are indicted on a serious felony and one, Rep. Joseph M. McDade (R-Pa.) continues as the ranking Republican on the House Appropriations Committee despite his indictment on racketeering charges.

Sensenbrenner said McDade's situation is different: "If Mr. McDade was convicted that would be a different matter. He's just indicted."

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Rep. Dan Rostenkowski

## Rostenkowski may agree to jail, resignation

By Paul M. Rodriguez  
THE WASHINGTON TIMES

Rep. Dan Rostenkowski is discussing through attorneys a plea agreement with federal prosecutors that may include his resignation from Congress but does not preclude a jail sentence, according to federal and congressional sources.

The possible agreement, which was the subject of meetings throughout the day yesterday between federal prosecutors and Mr. Rostenkowski's attorneys, may be announced as early as Thursday.

"It looks like a deal is in the mak-

ing," said one person close to the negotiations. But "it's just too soon to tell [what the details are]... and anyone telling you different, just doesn't know what he's talking about." The talks "could easily" break down, the person said.

If they don't break down, said another, announcement of a deal "could" be this week, possibly Thursday.

What is going on behind the scenes is closely guarded, said those close to the high-stakes negotiations between U.S. Attorney Eric Holder Jr. and Mr. Rostenkowski's lead attorney, Robert S. Bennett.

While details are scarce, this much is known:

- Mr. Holder has "drawn a line in the sand" about what he expects from Mr. Rostenkowski in order to cut a deal. This hard stance stems from Mr. Holder's days as a judge in Washington and 12 years as a public integrity lawyer at the Justice Department.

- Line prosecutors, who have been conducting a criminal probe of the House post office for over two years, are arguing to superiors that the Illinois Democrat should be convicted of at least one felony count involving public corruption.

- Mr. Bennett has taken a hard

stance on a number of the proposed criminal counts against his client, arguing that some are for inconsequential offenses or actions by the congressman that were permitted under House rules. Mr. Bennett, who once was a prosecutor, believes House rules have been inconsistent over the years and, as a result, are hazy.

- Mr. Rostenkowski wants to avoid an embarrassing and lengthy trial that could put on the stand not only him, but also fellow politicians, staffers, lobbyists and family friends.

- The 18-term congressman believes a resolution in the case

could dampen some of the public indignity of a trial and of being forced to step down as chairman of the Ways and Means Committee. House Democratic Caucus rules require chairmen and subcommittee chairmen to step aside should they be indicted for any felony that carries a sentence of two years or more.

- Cutting a plea agreement could reduce any jail time for Mr. Rostenkowski.

The post office scandal, first reported by The Washington Times in January 1992, began as an inves-

see PLEA, page A12

## FROM PAGE ONE

## PLEA

From page A1

tigation of illegal drug sales and embezzlement by post office employees and House staff.

To date, six former low-level employees have pleaded guilty to such charges, as has the former chief of staff at the in-house mail facility; an administrative assistant to former Rep. Joe Kolter, Pennsylvania Democrat; and Robert V. Rota, the former postmaster.

In his guilty plea last summer, Rota claimed he was also involved in a stamps-for-cash scheme with several members of Congress, including a "Congressman A" and a "Congressman B," who were diverting appropriated House funds to personal use.

Official House vouchers for stamps showed that Congressmen

A and B were Mr. Kolter and Mr. Rostenkowski. Both men have denied all wrongdoing.

They have invoked their Fifth Amendment right not to testify before the federal grand jury.

Federal prosecutors significantly expanded their review of Mr. Rostenkowski after news reports suggested he may have hired so-called ghost employees and improperly used official House and campaign funds to lease cars and office space for personal benefit.

The Times reported earlier this year that Mr. Rostenkowski reimbursed the U.S. Treasury about \$82,000 for congressional office purchases he made over a six-year period that came under prosecutorial scrutiny.

Mr. Rostenkowski said that while he did not believe he broke any House rules or laws, he was making the reimbursements using

*What is going on behind the scenes is closely guarded, said those close to the negotiations.*

both personal and campaign funds on the advice of his attorneys.

Until recently, the Ways and Means chairman has not only maintained his innocence, but also maintained his normally hectic schedule of daylong meetings on matters involving health care, tax policy and welfare reform.

"If there had been something wrong, he didn't show it," said one of several members who have watched Mr. Rostenkowski closely. That has changed recently, however, amid news reports of a plea bargain.

Not only has his mood changed, said another member close to Mr. Rostenkowski, but concerns are

running high in Congress that his departure could have a negative effect on President Clinton's domestic policy agenda.

Only a few Democrats, such as Speaker Thomas S. Foley, Washington Democrat, have stepped forward lately in support of the Chicago politician.

Mr. Foley, in a meeting with reporters on Thursday, praised Mr. Rostenkowski as "one of the most important sitting members in key areas of congressional legislation and policy before this Congress. He is a man of enormous experience and ability and value," the speaker said.

While saying that he had "confi-

dence in him as... a man of integrity and an able legislator," the speaker also said that "nobody in the Congress is indispensable."

Such talk about nobody being indispensable was heard often yesterday among senior and junior Democratic members.

"It's really kind of sad," said one senior House official. "The body's not even cold yet and they're picking at the bones," the official said, recalling the last days of former Speaker Jim Wright, Texas Democrat, who was forced to resign five years ago next month over questionable book and land deals.

Those close to Mr. Rostenkowski claim "the chairman," as he's often called, is still working hard to nail down hundreds of political chits he needs to build consensus for Mr. Clinton's health care reform package.

"He's still barking out the or-

ders," said one member who deals with Mr. Rostenkowski regularly. "He's used to pressure," the congressman said, but he added that "it is beginning to take its toll."

Others close to "Rosty," as his friends call him, have detected a similar resignation in the broad and burly congressman's face, especially when news leaked last week about the plea negotiations.

"He became dejected, ... not just about himself but for the health plan," a colleague said.

"It's over," said one member who's spoken to him in recent days. "He's working hard not to show it," the member said, but "you can see the disappointment in his eyes."

Mr. Rostenkowski's office declined to comment, referring all calls to Mr. Bennett, who also declined to comment.

Attorney General Janet Reno must approve any plea agreement.

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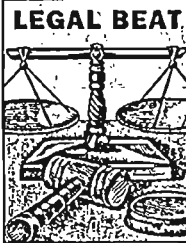
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# Rostenkowski Attack on Charges' Structure Is Expected

By VIVECA NOVAK

Staff Reporter of THE WALL STREET JOURNAL  
Former Iran-Contra prosecutor Dan Webb, who has been retained by Rep. Dan Rostenkowski to defend him against an array of corruption charges, is stepping into a politically charged case that will probably mean a trial lasting several weeks and involving scores of witnesses. Arraignment in the case is Friday, and the trial is unlikely to begin until at least this fall. In the meantime, Mr. Webb will be preparing to attack weaknesses in the government's case and is expected to file a series of pretrial motions to narrow it.



LEGAL BEAT

The 17-count indictment, though overseen by two smart and battle-torn veterans of public-corruption probes, Eric Holder and John Campbell, has left some defense attorneys and former prosecutors positing that some of the charges may be barred by the passage of time and other problems. The Illinois Democrat was certainly aware of at least some of these possible flaws in the case when he rejected a plea bargain that would have sent him to prison for six months.

Experts in this area of the law say that the very language of the indictment seems to indicate that the government had difficulty matching its evidence with criminal charges.

That's not to say that the government doesn't have a case; U.S. Attorney Holder knew he would face tough scrutiny in bringing an indictment. But, when dissected and digested, it doesn't appear to be as strong as it seemed when announced last Tuesday, according to these lawyers, only some of whom represent aides to Rep. Rostenkowski.

Mr. Webb was brought in to replace Robert Bennett, who was Rep. Rostenkowski's third defense lawyer and had clashed with the lawmaker in recent weeks. Mr. Webb, a former U.S. attorney in Chicago from 1981-85, is a partner at Winston & Strawn in that city. As part of the Iran-Contra prosecution team, he won a conviction of former National Security Adviser John Poindexter; the conviction was overturned on appeal, partly because Mr. Poindexter had been granted immunity for his congressional testimony.

An early defense motion will probably attack the fact that prosecutors lumped into one count numerous instances of Rep. Rostenkowski's allegedly putting people on his payroll who did little or no

official work. Fourteen alleged ghost employees are named in the indictment going back more than two decades. Mr. Webb is expected to say that each employee should constitute a separate count.

If the judge agrees, Mr. Webb should then be able to get charges involving eight of the workers dropped because the five-year statute of limitations has expired. Some of the allegations regarding the remaining six should be barred by time, too.

And if that works, then the government is left with a shell of its original case in terms of the money the lawmaker is alleged to have stolen. The ghost-employees charges account for the vast majority of those funds — \$500,000 — but if many of the older alleged incidents are dropped out, the government's case appears to involve less than \$100,000. But that would still be enough to put Mr. Rostenkowski behind bars for many months, if convicted.

Many of the alleged cash-for-stamps incidents, which are also rolled together, also took place more than five years ago.

Another possible snag for the government: In language that links together the first five counts, prosecutors allege a broad scheme by Rep. Rostenkowski involving the House Post Office, ghost workers, gift and car purchases. But the actual mail-fraud and wire-fraud charges in those counts appear to apply only to two of those four areas. Attorneys say that the sweeping language of the beginning of the indictment might thus be successfully challenged in a pretrial motion.

Other possible defense motions include moving the trial, for at least some of the counts, to Chicago. The defense might also raise the speech-or-debate clause of the Constitution, which limits lawmakers' liability for some official acts. That defense was successful for Sen. David Durenberger (R., Minn.) last year, although he has been reindicted. Rep. Joseph McDade (R., Pa.), indicted more than two years ago, has also raised that defense in a motion to dismiss the illegal-gratuities case against him, and a federal appeals court is expected to decide it soon.

Some attorneys say a glaring omission in the indictment is the lack of a tax-evasion charge. That could indicate that prosecutors can't prove that Rep. Rostenkowski himself pocketed the money he allegedly stole, and if they can't show that, the jury may be less likely to convict the 18-term legislator.

Rep. Rostenkowski has plenty of potential to be a sympathetic defendant, with his rumpled, grandfatherly image.

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J.B. JB

Moreover, many witnesses — including most of the alleged ghost employees — will testify about innumerable kindnesses that the lawmaker has done for them and others over the years.

Furthermore, they'll say they worked — perhaps typing envelopes at home, but still doing official tasks. Attorney James Cole, who represents eight of the 14 alleged ghost employees, says his clients have already told investigators they did official work, and will do so again in court.

The indictment charges that one of the alleged ghost employees was told by Rep. Rostenkowski not to tell the grand jury about some engraving work he did for him. The witness-tampering charge is perhaps the most serious in the indictment, not only because it carries stiff penalties on its own, but because, under the federal sentencing guidelines, it intensifies the penalties for some of the other charges.

But Mr. Cole, the engraver's attorney, says the incident wasn't as serious as it may seem. "When the story is told, it will be seen to be very innocuous," he says.

Mr. Holder said last week, though, that a number of Rostenkowski aides will testify in support of the government. And even those who have been granted limited immunity are susceptible to perjury charges if they lie on the witness stand.

Both sides may try to impugn the other's witnesses. On one hand, attorneys for some of the alleged ghost employees are being paid by Rep. Rostenkowski's campaign fund, a fact that prosecutors may try to raise before a jury.

On the other hand, Mr. Webb is likely to try to bring up the fact that former House Postmaster Robert Rota, the key witness on the cash-for-stamps charges, was allowed last year to plead guilty to only three misdemeanor counts in exchange for cooperating with the government. Further-

more, he hasn't yet been sentenced.

In addition, the jury is liable to learn that one of the alleged ghost employees — Rep. Rostenkowski's former son-in-law and the only one named in the indictment who is expected to back up the government's case — was involved in a bitter divorce with the lawmaker's daughter and may have a motive to hurt him.

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## Rostenkowski goods photographed

CHICAGO (Reuters) — The Chicago Sun-Times published photos yesterday of what it described as stacks of merchandise from the House stationery store piled up in the basement of a building owned by former House Ways and Means Chairman Dan Rostenkowski.

The items included crystal vases bearing congressional seals, 12 wooden armchairs still in shipping cartons, luggage and beer mugs — many similar to those mentioned in last week's federal indictment accusing the Illinois Democrat of fraudulent schemes to use taxpayer money for his own benefit.

The newspaper said the photos were taken in February by a photographer hired by one of the congressman's attorneys in the basement of a Chicago building owned by Mr. Rostenkowski.

"The congressman's lawyers apparently were taking inventory of the merchandise to buttress their contention that many of the items Mr. Rostenkowski is accused of

stealing were actually being kept in storage and had not been given away as gifts or converted to his personal use," the newspaper said.

The Sun-Times said the photographer, Walter Perkins, sold the photos to the newspaper because he was not paid for his work by the law firm that hired him. Mr. Rostenkowski changed lawyers during the weekend.

The newspaper quoted Mr. Perkins as saying that when he entered the basement, "I couldn't believe it. It was like King Tut's tomb."

Mr. Rostenkowski, 66, is a key ally of President Clinton on health care reform and other major issues. The indictment, handed up May 31, forced him to give up his position as chairman of the powerful Ways and Means Committee, although he remains a member of the panel.

The Illinois Democrat has denied any wrongdoing and said he expects to be exonerated.

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# No VIP perks in cellblock for Rostenkowski visit today

By Paul M. Rodriguez  
THE WASHINGTON TIMES

When Rep. Dan Rostenkowski is arraigned in U.S. District Court today, he will venture into a realm of government that lawmakers rarely encounter firsthand.

But the Illinois Democrat's excursion into the criminal justice system will not include the perks and privileges many members of Congress are used to, federal officials said.

Mr. Rostenkowski, who is expected to plead not guilty to 17 felony counts of public corruption, "will be treated with respect because of who he is, but no different than any other prisoner," a U.S. Marshals Service spokesman said.

"He will undergo what thousands of others go through: He'll be processed," the spokesman said.

A Rostenkowski spokesman said it was not clear if the former chairman of the House Ways and Means Committee would be booked before or after entering his plea to charges contained in a federal indictment handed up May 31.

"Those details have not been worked out," the spokesman said.

Either way, the booking process will be essentially the same for Mr. Rostenkowski as for any other suspect, officials said.

If he is processed before his plea, he will be delivered by his attorneys to a deputy marshal, who will take the lawmaker to the central cellblock in the basement of the federal courthouse at Third Street and Constitution Avenue NW.

There, Mr. Rostenkowski will be fingerprinted and photographed. He also will be required to answer questions and fill out forms for the probation department, the Bureau of Prisons and the Marshals Service.

If he is booked after his plea, the 66-year-

old congressman will be escorted through the back of U.S. District Judge Norma Holloway Johnson's fourth-floor courtroom into a small holding cell with other prisoners.

Late in the day, the holding cell usually has a dozen or so detainees from earlier proceedings — some waiting to be processed, others waiting to be transferred to prisons or nearby jails.

A deputy marshal will escort Mr. Rostenkowski through a series of locked doors to an elevator that will carry them to the basement, where the 18-term congressman will be held in the central cellblock until he is booked.

The central cellblock, like the holding cell, is segregated by sex. Both are cage-like pens, but the cellblock is much larger and capable of holding dozens of prisoners in a common area where privacy is nonexistent.

After processing, Mr. Rostenkowski will be escorted by a deputy marshal to a public exit.

Mr. Rostenkowski will be free on his own recognizance but will have to check in regularly with probation department officials until his trial is completed and a verdict rendered.

What's more, he will not be allowed to travel far from his homes in Washington and Chicago without first gaining permission, and his passport probably will be confiscated.

A senior Democrat who calls himself a friend of the gregarious and burly congressman said: "After the indignity of going through the system, he'll find that it gets worse."

"The chill you feel from your colleagues can get pretty bad," said the senior Democrat, who asked not to be named.

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# Rostenkowski Team Adds A D.C. Voice

*Chicagoan Hires  
R. Kenneth Mundy*

By Toni Locy  
and Pierre Thomas  
Washington Post Staff Writers

Rep. Dan Rostenkowski (D-Ill.) yesterday added Washington lawyer R. Kenneth Mundy to his defense team in what legal observers said was a smart strategic move to woo D.C. jurors in the likely event, the case goes to trial.

By hiring Mundy, Rostenkowski, the former chairman of the House Ways and Means Committee, put prosecutors on notice that the federal corruption case against him will be fought intensely.

Mundy, the defense lawyer who helped then-D.C. Mayor Marion Barry defeat the most serious charges against him in his 1990 trial on drug and perjury charges, is known for his ability to develop a rapport with jurors and sway them to his client's side.

He joins a stable of defense lawyers, mostly from Chicago, led by Dan K. Webb, a former U.S. attorney in that city.

G. Allen Dale, another Washington defense lawyer, said Mundy is among the best at relating to jurors. "You have to make them believe that you believe in your client. Ken Mundy does that," he said.

John T. Kotelly, who was a prosecutor in the federal sting operation known as Abscam, agreed with that assessment. "Ken Mundy certainly knows D.C. jurors as well as anybody in this town," he said. "Things play differently in front of D.C. jurors than they do in front of Chicago jurors. . . . If Dan Webb is smart, he will use Ken Mundy as much as he can."

But who will take the lead is the question asked by Reid Weingarten, a former prosecutor in the Iran-contra case involving illegal diversion of arms profits. "These are both guys



District lawyer R. Kenneth Mundy, right, may be called on to use his persuasive powers before jurors on behalf of Rep. Dan Rostenkowski.



who are used to running their own ships," Weingarten said. "It will be interesting to observe the dynamic."

Weingarten said the two lawyers could complement each other, Webb, "the lawyer's lawyer" with his command of the law, and Mundy with his charm and ability to think quickly on his feet.

Lawyers for both sides in the Rostenkowski case are to appear today before U.S. District Judge Norma Holloway Johnson. The purpose of the hearing is to set a schedule for motions to be filed. The defense also may take the opportunity to raise challenges to the indictment on constitutional grounds, which could delay it for months.

After negotiations with the U.S. attorney's office, Rostenkowski decided against pleading guilty and broke ties with well-known Washington lawyer Robert S. Bennett.

In late May, a grand jury accused Rostenkowski, a legendary Chicago politician, of engaging in a pattern of corrupt activities during the last 20 years.

The grand jury charged that the 18-term veteran of Congress abused his office in a range of ways, from putting "ghost employees" on his payroll and trading stamps for cash at the House Post Office to using his office account to buy expensive gifts for friends and tampering with potential witnesses against him.

Mundy, who grew up in Akron, Ohio, is well connected and well known in the community. He has said he became a lawyer because there were few other professional choices for blacks.

He graduated from Kent State University and Case Western Reserve Law School. After graduating from law school, he became one of the first blacks to work for the Federal Communications Commission, where he was employed for seven years.

Sources on Capitol Hill said Rostenkowski worried how his case would play before jurors from the District's predominantly black population.

With Mundy, he has a lawyer who has won important cases before such juries.

In the Barry case, Mundy is credited with raising enough questions that jurors deadlocked on the most serious charges against the former mayor.

In 1979, Mundy's rapport with jurors may have been a key element in the racially charged murder trial of Terrence Johnson, a black 15-year-old accused of shooting two white police officers in Prince George's County.

Johnson was acquitted of one murder by reason of temporary insanity and received a reduced sentence for the other.

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# Rostenkowski Wasn't Alone in Buying China, Chairs at House Stationery Store

By Walter Pincus  
Washington Post Staff Writer

Attorneys for Rep. Dan Rostenkowski (D-Ill.) go into court today to serve notice that they intend to challenge the government's indictment of the former Ways and Means Committee chairman on grounds that the executive branch is accusing him of numerous crimes that are, at worst, violations of legislative branch rules.

"How can you premise a criminal case based on rulemaking by one house of Congress?" one of Rostenkowski's attorneys said yesterday. A major approach of the defense team in challenging the indictment is that the separation of powers allows the legislative branch to make its own rules and punish its own members for violations, he said.

None of the charges against the 18-term congressman have drawn as much private criticism on Capitol Hill as the two counts arising out of prosecutors' accusations that Rostenkowski spent "more than \$40,000" from his official House expense allowance at the House Stationery Store.

Rostenkowski is accused of violating the law by using taxpayers' money to purchase 250 pieces of fine china from the store between April 1988 and the end of 1991. Most of the china was allegedly given as wedding presents to friends and others.

The House clerk's quarterly reports show that other members of Congress and their staffs purchased \$180,000 worth of china during the same period. The records do not indicate—and House officials will not disclose—who bought the other china or whether they paid for their purchases with their official expense allowances or private funds.

A spokesman for U.S. Attorney Eric H. Holder Jr. would not say whether investigators have reviewed House Stationery Store purchases by other members. Two House officials with knowledge of the investigation said they were unaware of any review of stationery store buying by members other than Rostenkowski.

Over the past 20 years, allowances given members of Congress have

varied. After changes in the late 1970s, members were given an office allowance, a clerk-hire or payroll allowance, a travel allowance and, more recently, an allowance for sending out free mail called a franking allowance.

The total amount for each member varies, depending on the size of the district and its distance from Washington. But the allowances can amount to around \$1 million, with the member having the right to dip into one pot if another is used up.

Under House procedures, purchases charged in the House Stationery Store to a legislator's office account appear in a monthly bill. At that time, the House member indicates which purchases, if any, were private and reimburses the government for their cost plus a 10 percent service charge. The remaining items are charged to the member's official office expense allowance.

Under House regulations established in 1978 and refined in 1979, a member's official allowance is not to be used for donations or gifts, other than exchanges with foreign dignitaries or legislators or flags that had been flown over the Capitol for constituents.

Since the onset of the investigation of Rostenkowski in 1992, there has been a sharp increase in reimbursements to the House Stationery Store. The repayments, which once averaged less than \$400,000 a quarter on overall purchases of roughly \$1.7 million, grew to more than \$600,000 in a 1993 quarter that had about the same amount of business.

Sets of china were not the only items that prosecutors say were purchased illegally with government funds by Rostenkowski.

Between April 1, 1988, and Dec. 31, 1991, according to the indictment, Rostenkowski also used \$23,000 of his allowance to purchase "approximately 60" wooden armchairs hand-painted with the Capitol on the front and the Illinois congressman's name on the back, \$12,000 for "approximately 60" crystal sculptures of the Capitol and \$2,200 for luggage.

All these items, the indictment

says, Rostenkowski kept "for his and his family's personal use, or gave them as gifts to personal friends and associates."

In the first nine months of 1991, however, the House Stationery Store sold far more luggage than that purchased by Rostenkowski—at least \$18,000 worth, according to the clerk's report. In June 1991, someone other than Rostenkowski purchased \$9,745 worth of wooden armchairs made by the Hitchcock Co. And in 1990 and 1991, the House Stationery Store sold 48 of the crystal sculptures of the Capitol, according to one knowledgeable source who asked not to be identified. As with the china, neither the companies involved nor the House Stationery Store will disclose who made these purchases or whether they were ultimately paid for out of official or personal funds.

General Accounting Office audits of the House Stationery Revolving Fund for recent years show that, on average, only 13 percent of the store's roughly \$8 million in annual sales was reimbursed with private funds along with the 10 percent service charge.

On the day of the indictment, Holder was asked if it would be hard to prove that Rostenkowski committed a criminal act in making his purchases because he was not the first House member to buy such gifts and pass them out. "Isn't that a case of shifting standards?" one reporter asked.

Holder responded that "there may be isolated instances where perhaps somebody bought a particular item . . . but we're dealing here with conduct, as I said, that is extremely broad, extremely long in duration, and I think that is what differentiates it from what you just described."

A review of Rostenkowski's official allowance spending at the House Stationery Store over several years shows that only from November 1990 to March 1991, when he purchased the chairs and the crystal Capitols, did he make office fund purchases at the store at higher levels than most members.

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# Rostenkowski Judge Warns Against Delays

## Defense Scolded for Failure to Move Faster

By Toni Locy

Washington Post Staff Writer

U.S. District Judge Norma Holloway Johnson insisted yesterday that she would tolerate no delays in the corruption case against Rep. Dan Rostenkowski (D-Ill.) and said she will first address constitutional challenges by defense attorneys.

Johnson, a former D.C. Superior Court judge known for her ability to run a trial, chastised defense attorney Dan K. Webb, of Chicago, for failing to initiate until last week the process in which the government hands over evidence to the defense. Webb was to contact the prosecution when he was ready to accept the evidence.

"We have lost a month" since Rostenkowski was arraigned on the charges, she lamented.

Saying she was "very disheartened" by the defense's failure to start the so-called discovery process until Tuesday of last week, Johnson vowed to keep the highly publicized case on track, saying, "It is my duty and responsibility to get this case moving."

Both sides told Johnson they would try to determine quickly whether the newest member of the Rostenkowski defense team, Washington lawyer, R. Kenneth Mundy, has a possible conflict of interest in the case.

Mundy played down the concerns of the prosecution over his representation of Gerald W. Weaver II, a former aide to one-time representative Joseph Kolter (D-Pa.) and one of several people who cooperated with the government in its investigation of the House Post Office. He said he took Weaver's case after Weaver had testified before the grand jury and had pleaded guilty; Mundy represented him only at his sentencing

on drug and obstruction of justice charges.

Rostenkowski, former chairman of the House Ways and Means Committee, is charged with engaging in a pattern of corrupt activities during the last 20 years, including putting "ghost employees" on his payroll, trading stamps for cash at the House Post Office, using his office to hand out expensive gifts to friends and tampering with potential witnesses against him. He has pleaded not guilty.

After Webb and Assistant U.S. Attorney Larry R. Parkinson argued over the exchange of evidence, Johnson set dates for the key motions on constitutional issues to be filed: Aug. 5 for the defense and Sept. 2 for the government to respond.

Webb said he will file three motions challenging the 17-count indictment on constitutional grounds. The defense will argue that only Congress can define its rules and punish members for violating them, and because of that, the indictment violates the so-called speech and debate and rule-making clauses of the Constitution.

"Essentially, we believe the indictment is illegal and improper because it violates" those clauses, Webb told reporters after the half-hour hearing before Johnson.

Because the defense suspects that some of the evidence presented to the grand jury violates those constitutional tenets, Webb plans to ask Johnson to review the transcript of the secret proceedings to determine whether they were "tainted."

Once those issues are resolved, Johnson said, she will address defense challenges to any other counts in the indictment.

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The Washington Times

NATION

# Rostenkowski team to cite Constitution

## Mundy hired as co-counsel

By Paul M. Rodriguez  
THE WASHINGTON TIMES

Rep. Dan Rostenkowski's attorneys said yesterday they will file motions within 30 days to dismiss on 'constitutional grounds a 17-count federal corruption indictment of the Illinois Democrat.

Dan Webb, the congressman's lead attorney, also announced that R. Kenneth Mundy, a prominent Washington lawyer, has been hired as co-counsel in what is shaping up to be a lengthy court fight fought on multiple legal fronts.

U.S. District Judge Norma Holloway Johnson remarked during a status hearing yesterday that she was "disheartened" at the slow pace of lawyers' exchanges of information in the case. She gave Mr. Rostenkowski's legal team until Aug. 5 to file constitutional motions and the federal prosecutors until Sept. 2 to respond.

Mr. Webb told reporters after the 35-minute hearing that he expects to file three motions arguing that:

- Mr. Rostenkowski, 66, is shielded from prosecution because of the Constitution's speech-and-debate clause, which provides for federal lawmakers' immunity for official actions.

- Mr. Rostenkowski, the former chairman of the House Ways and Means Committee, is protected under the Constitution's separation-of-powers doctrine that gives Congress wide latitude in its inter-

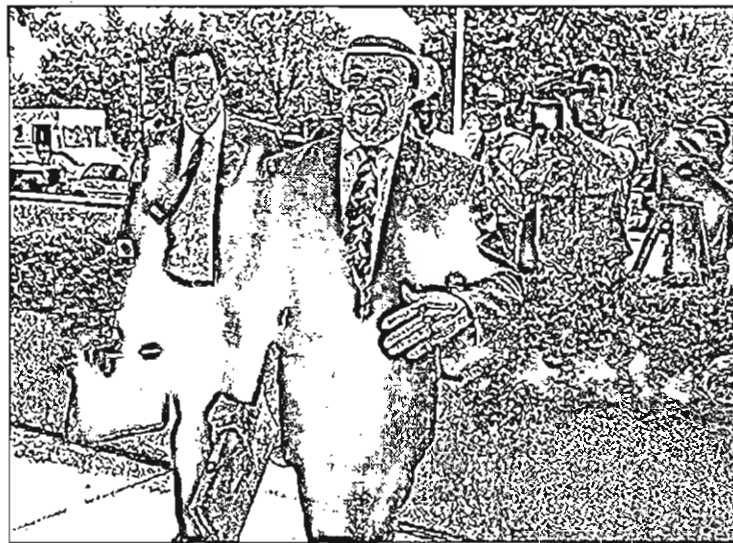


Photo by Kenneth Lambert/The Washington Times

Lawyer R. Kenneth Mundy denies his addition to the Rostenkowski defense team was a ploy to curry favor with black jurors in the District.

nal rule-making process to set standards of conduct for its own members.

- The grand jury, which indicted Mr. Rostenkowski on May 31, may have been tainted by improper evidence submitted by prosecutors involving protected internal records of the House.

"Essentially we believe that the indictment is illegal and improper," Mr. Webb said. He said Mr. Rostenkowski will attack the validity of the indictment based on the general concept that "only the Congress can make its own rules" and enforce them.

Mr. Rostenkowski, who was forced under House Democratic Caucus rules to step down as Ways and Means chairman when indicted, is accused of diverting

more than \$640,000 in congressional funds to himself, family and friends through a variety of illegal schemes.

Specifically, he is accused of stealing about \$21,000 in a stamps-for-cash scheme set up by former House Postmaster Robert V. Rota, who pleaded guilty to charges of embezzlement and diversion of House funds to "several members" through fraudulent stamp purchases.

Mr. Rostenkowski is also accused of hiring employees who did little or no official work for Congress, of accepting illegal payroll kickbacks and of tampering with a witness called to testify before a grand jury.

The congressman, who is seeking a 19th term in office from Chi-

cago's 5th District in November's general election, has invoked his Fifth Amendment right not to testify before a grand jury. He has denied all the accusations against him and has accused prosecutors of engaging in a "witch hunt" because he is a powerful Democratic member of Congress.

Mr. Webb, a former federal prosecutor who is based in Chicago, was one of several special prosecutors that investigated the Iran-Contra scandal in the 1980s.

Mr. Mundy, who successfully downgraded Marion Barry's felony drug-and-perjury indictment in 1990 to a single misdemeanor, is highly regarded for his ability to establish rapport with local juries in favor of his clients.

In comments yesterday, Mr. Mundy denied that he was hired because he is a famous black lawyer who can win sympathy with a jury pool from a predominantly black city.

"Race is not involved in this case," Mr. Mundy told reporters. "There is nothing about this case that is based on race. ... That is not a factor."

Federal prosecutors raised an objection to Mr. Mundy's appearance in the case because of an unexplained potential conflict of interest involving his representation of a witness in the long-running investigation.

Mr. Mundy rejected such a claim and said he is confident that the judge or a legal ethics committee would find no such conflict.

While the legal fight begins in the Rostenkowski case, federal prosecutors continue to investigate separate accusations of illegal drug sales and embezzlement by other federal lawmakers, staff and lobbyists on Capitol Hill.



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# House post office staff tells of sloppy operation

ASSOCIATED PRESS

Employees at the House post office described their workplace as a cesspool of sloth and disorganization that showed efficiency only when called to do special favors for members of Congress.

Prominent among those who tapped the post office for help was Rep. Dan Rostenkowski, the former Ways and Means Committee chairman now under federal indictment on corruption charges, according to several thousand pages of transcripts released yesterday.



Rostenkowski

The transcripts, from interviews conducted two years ago during an internal House probe of its own postal system, portrayed an operation where tens of thousands of dollars lay loose in drawers and even on the floor, where record-keeping was sloppy or nonexistent, and where some of the highest-paid employees spent their

days reading newspapers.

"Any time a member [of Congress] wanted anything, I mean, just jump to it, you know, especially if it might have been a powerful member, you know, like Dan Rostenkowski," said Inga Lawson, a mail clerk.

Former House Postmaster Robert V. Rota "pretty much would do anything for Dan Rostenkowski," Miss Lawson told investigators for the Committee on House Administration.

While other House members and former members were mentioned as taking advantage of post office favors, Mr. Rostenkowski was singled out by several witnesses as particularly well connected.

On one occasion, a postal clerk was sent to pitch in answering telephones in Mr. Rostenkowski's office while his staff attended a Christmas party. Another time, a postal worker spent "months" stamping calendars with Mr. Rostenkowski's greetings and mailing them out. Post office drivers were dispatched to make special pickups for the

Illinois Democrat, Miss Lawson said.

"Whenever he'd call or wanted something, in fact everybody had to jump to it, you know, regardless of what it was," she said.

Mr. Rostenkowski's office referred a request for comment to Dan Webb, his attorney in the corruption case, who did not immediately return telephone calls.

After the interviews were conducted in the spring of 1992, the House ended the political patronage hiring system at the post office and placed the operation under the control of a nonpartisan administrator, Michael J. Shinay.

The problems at the post office were central to the investigation that led to Mr. Rostenkowski's indictment.

The two volumes of transcripts, totaling 3,293 pages, also provide glimpses into the partisan bickering that accompanied the panel's probe — cozy arrangements with lobbyists, rides to the airport or other destinations provided to certain lawmakers and special pickups of campaign contributions.

One witness, former postal secretary Margaret Hatcher, told of a secret set of 66 postal boxes maintained by Rota which he used to collect "dear colleague" letters sent by House members to each other and forward them to favored lobbyists.

Rota also handed out large quantities of congressional calendars to lobbyists as favors, Miss Hatcher said. "Anything that came in the mail room that he thought would be of interest, he would always put away several cases for himself," including "boxes and boxes" of M&Ms candy that came in each year, she said.

Miss Lawson also told of people in her office who have "a 50- or 60-thousand-dollar job and yet they don't do anything." She said one co-worker was "supposed to be a computer systems manager, and doesn't know really the first thing about computers. And most of the day he just sits there and talks on the phone... and comes or goes as he pleases, reads the newspaper."

Rota pleaded guilty a year ago to conspiracy and embezzlement charges.

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# House restricts charging of gifts

## New rules limit supplies to office

By Paul M. Rodriguez  
THE WASHINGTON TIMES

The House Administration Committee notified members yesterday of a change in what office supplies and gifts may be charged to taxpayers.

In a one-page letter to "Member's Personal Attention," committee Chairman Charles Rose of North Carolina and California's Bill Thomas, the panel's ranking Republican, said charges to office accounts must be for "official purchases only."

The new rules, which take effect on Sept. 1, come in the wake of Rep. Dan Rostenkowski's \$82,000 reimbursement earlier this year for improper charges on his office account for personal and campaign supplies and gifts.

Mr. Rostenkowski, Illinois Democrat and former chairman of the tax-writing House Ways and Means Committee, was indicted May 31 by a federal grand jury on 17 felony counts related to public corruption.

It was as a result of the grand jury investigation that the Rostenkowski purchases came to light.

Certain items currently available through the stationary store, which is run by the Office Supply



Rep. Dan Rostenkowski was indicted on 17 felony counts.

Service (OSS), will be sold in the future through a gift shop, where the public, members and staff can make personal purchases.

The move by the Administration Committee to open a gift shop brings the House in step with the Senate and most other federal agencies that separate gift items from office supply items that can be charged to the government.

Besides standard office-related supplies, Office Supply Service has provided expensive executive-type goods, crystal and china products, and custom-made furniture to members. When purchased for personal reasons, there was a 10 percent surcharge.

Although furniture isn't expected to be available at the new gift shop, many of the non-standard office supplies currently available through the OSS stationary store will be sold at prices about 10 percent above cost.

Mr. Rostenkowski bought specially crafted mahogany chairs and other expensive gifts through OSS for constituents and foreign dignitaries.

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## American Scene

### Hearings sought on Capitol Police

House Republicans yesterday called for hearings on the replacement of Congress' police investigators during a criminal probe of the House post office.

Reps. Jennifer Dunn of Washington and Robert L. Livingston of Louisiana, Republican members of a subcommittee handling U.S. Capitol Police matters, questioned the actions of former House Counsel Steven Ross.

Mr. Ross has acknowledged persuading the U.S. Postal Inspection Service to be the chief law enforcement agency in the probe, replacing the Capitol Police.

Mr. Ross says he believes postal inspectors were more qualified. He also said there were constitutional problems with Congress' police conducting a criminal probe for the U.S. Attorney's Office, part of the executive branch.

### GAO auditing use of helicopters

The General Accounting Office is auditing the use of Marine helicopters by the White House staff, a Republican member of the House said yesterday.

The audit by the congressional investigating office follows a controversy over use of the aircraft by White House aides for a trip to a golf course near Frederick, Md., leading to the resignation of White House aide David Watkins.

The audit was requested by Rep. Roscoe G. Bartlett, the Republican representing the district where the golf trip took place. He said he wanted to find out if staff members had used the helicopters for personal travel rather than official business.

### VA may extend benefits for atomic test victims

Veterans Affairs Secretary Jesse Brown yesterday proposed making American veterans who suffer from health problems as a result of participation in nuclear testing by U.S. allies eligible for compensation.

The Veterans Affairs Department already provides benefits for veterans with diseases related to radiation exposure from U.S. atmospheric nuclear tests or the occupation of Hiroshima and Nagasaki after World War II. An amendment would extend those benefits to Americans who participated in allied — mainly British — atmospheric tests.

### Legionnaires' bacteria found on ship

NEW YORK — The bacterium that causes Legionnaires' disease was found on the cruise ship Horizon, which was promptly taken out of service temporarily, Celebrity Cruises said yesterday.

The line's statement said tests conducted Saturday by the federal Centers for Disease Control and Prevention had disclosed the DNA of Legionella bacterium. The statement said the tests were done before the ship's water system was cleaned when it reached Bermuda. Celebrity said it believes the ship is safe now.

Public health officials are investigating four confirmed cases of Legionnaires' disease and 18 other suspected cases among passengers and crew on cruises on the Horizon since last month.

### Salinger to head Normandy foundation

The nonprofit Battle of Normandy Foundation board of directors elected Pierre Salinger as its president.

Mr. Salinger, who had been named interim president, and Stan Kaplan, who had been named interim chief financial officer about three weeks ago, were elected unanimously to the posts by the board during a restructuring meeting Tuesday.

From wire dispatches and staff reports

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THE WASHINGTON POST

9/3/94

## U.S. Files Biting Response to Rostenkowski Defense

By Toni Locy  
 Washington Post Staff Writer

In the pretrial war of words in the case against Rep. Dan Rostenkowski (D-Ill.), prosecutors depicted the former Ways and Means chairman as a common thief trying to hide behind lofty constitutional principles to avoid being held accountable for stealing from taxpayers.

Using biting, sometimes sarcastic arguments, the team of prosecutors, led by Assistant U.S. Attorney John M. Campbell, said Rostenkowski is trying to argue he is above the law by invoking the complex constitutional tenets as reasons to dismiss the indictment.

To them, Rostenkowski is arguing "the Constitution places the whole question of whether he systematically looted the public treasury beyond the reach of the criminal law."

"Ironically, these efforts by the defendant to shelter his conduct behind a legislative privilege are undercut by the sheer ordinariness of the crimes with which he is charged. He is accused, at bottom, of stealing money," the prosecutors said in court papers filed late Friday in U.S. District Court in Washington.

"The high principles he invokes... simply have nothing to say about common thievery," the document said. "Certainly, none creates the virtual license to steal that the congressman has imagined for himself."

"Rostenkowski is charged with engaging in a pattern of corrupt activities that spanned three decades. He is accused of using congressional funds to buy personal gifts, hiring ghost workers, using official cars as his own and cashing in office stamps at the House Post Office. No trial date has been set."

In motions filed last month with U.S. District Judge Norma Holloway Johnson, Rostenkowski's lawyers, led by Dan K. Webb of Chicago, argued the 17-count corruption indictment should be dismissed because it violates the Constitution's guarantee of separation of powers.

Specifically, the defense is relying on the rule-making and speech-and-debate clauses. The rule-making clause allows Congress to make and enforce its own rules. The speech-and-debate clause protects lawmakers from being questioned about their leg-

islative acts. The Chicago lawmaker's attorneys also argued much of the indictment relies on Congress's rules on hiring and expenditures, and it is improper for others to interpret them.

The prosecutors, however, in their response to the defense motion rejected all those arguments. "The charged offenses involve ordinary fraud, theft and false statements—not votes on bills, speeches to the House or any other remotely legislative act," they wrote. "He can be prosecuted for his crimes... just like any other person."

While conceding it is important for them to prove Rostenkowski violated House rules, the prosecutors said the defense "has chosen to mischaracterize the role played by these rules in the indictment." They wrote that they plan to use the rules as "simple evidence," but not their only evidence.

"Concepts like 'fraud' and 'theft' transcend any requirement for rules that say, 'No stealing allowed,'" the prosecutors wrote. "Most people know that it is wrong to take money out of the company till, or to put friends on the payroll who do no work, without a rule to tell them so."

They also argued judges and juries are capable of reading Congress's handbook and understanding its rules; judges and juries routinely read far more complex contracts and have no trouble interpreting them in deciding,

other cases, the prosecutors said. The prosecutors dismissed Rostenkowski's constitutional claims by citing several cases against other lawmakers where higher courts, including the Supreme Court, rejected similar arguments. The higher courts, they said, have not allowed other lawmakers to use the constitutional arguments to avoid criminal prosecutions. Even so, if Johnson rules against Rostenkowski, his lawyers would appeal those issues again.

In no way does the indictment deal with official legislative acts, the prosecutors said, insisting they took great care to ensure that the grand jury was not tainted with such evidence.

As for Rostenkowski's arguments that personnel decisions regarding all his staff are covered by legislative privilege provided by the speech-and-debate clause, the prosecutors said: "In this view, the defendant's decision to hire someone to clean the floor of his district office in Chicago is accorded the highest protection under the Constitution."



REP. DAN ROSTENKOWSKI

... prosecutors reject arguments

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# Rostenkowski Defense: Case Viol

By Toni Locy  
Washington Post Staff Writer

Lawyers for Rep. Dan Rostenkowski (D-Ill.) yesterday took issue with prosecutors' blunt description of the former House Ways and Means Committee chairman as a common thief whose case is no different than an average mail fraud prosecution.

"The error in the Justice Department's logic is glaring," wrote Thomas M. Buchanan, a member of the Rostenkowski defense team headed by Chicago lawyer Dan K. Webb, in documents filed in U.S. District Court in Washington.

"This prosecution cannot proceed precisely because Congress is not just 'any other public or private institution,' its members are not just 'company employees,' and its rules are not simply a 'contract' which the judiciary may freely interpret," Buchanan wrote.

"Instead, to ensure the proper separation of powers that form the bedrock of our democratic form of government, the Constitution provides certain protections against executive and judicial branch intrusion that do not apply in an 'ordinary mail fraud case.'"

Rostenkowski is charged in a 17-count indictment with engaging in a pattern of cor-

rupt activities that spanned three decades. He is accused of using congressional funds to buy personal gifts, hiring ghost workers, using official cars as his own and cashing in stamps at the House Post Office.

His lawyers are asking U.S. District Judge Norma Holloway Johnson to dismiss the case

*The prosecution "resorts essentially to name-calling, employing time-worn colloquialisms such as 'common thievery' and 'license to steal.'"*

—defense attorney Thomas M. Buchanan

because they contend that the charges violate the Constitution's separation of powers.

Specifically, Rostenkowski's defense attorneys say that the indictment violates the

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the snoring winds but might have given them another clue to begin emergency procedures.

The McDonnell Douglas DC-9 crashed as it attempted to abort its landing, killing 37 people as it plowed through pine woods and slammed into two large oak trees and a house.

Twenty people survived, including Capt. Michael R. Greenlee and First Officer James P. Hayes, both experienced pilots with clean records. Greenlee and Hayes are scheduled to testify Tuesday at the NTSB hearings.

The hearings have drawn unusually

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A Business article Saturday about for cruise missiles incorrectly stated t missile. Each will cost \$600,000. In ad formation provided by the Navy, the p single Tomahawk supplier was oversta \$200 million over four years.

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THE WASH

# Judge Rules Constitution Does Not Shield Rostenkowski From Charges

## 16 of 17 Motions on Separation of Powers Doctrine Are Rejected

By Toni Locy

Washington Post Staff Writer

A federal judge ruled yesterday that the Constitution does not protect Rep. Dan Rostenkowski (D-Ill.) from charges of political corruption.

U.S. District Judge Norma Holloway Johnson threw out Rostenkowski's motions to have 16 of the 17 corruption charges against him dismissed on grounds they violated the separation of powers doctrine in the Constitution.

Rostenkowski, former chairman of the House Ways and Means Committee, is charged with engaging in a pattern of corrupt activities spanning three decades. He is accused of paying people with public funds to provide private services to him and his family, as well as using congressional funds to buy personal gifts and to hire ghost employees. He also is accused of using official cars as his own and cashing stamps at the House Post Office.

Precedent seems to be lacking for the proposition that a member of Congress is immune from prosecution



REP. DAN ROSTENKOWSKI

... lawyers plan to appeal

for decisions "to hire employees whose duties consist of photographing his daughters' weddings, mowing the

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grass at his summer house or other personal duties," Johnson wrote.

Howard M. Pearl, one of Rostenkowski's lawyers, said the defense team is "disappointed" by the decision. "There are significant constitutional issues presented by the nature of the indictment because it is based on violations of House rules and not criminal statutes," Pearl said.

He said an appeal will be filed with the U.S. Court of Appeals for the D.C. Circuit. If necessary, defense lawyers said they will take the matter to the U.S. Supreme Court.

The defense arguments centered on the Constitution's rule-making and speech-and-debate clauses. The defense lawyers said those principles forbid judges and prosecutors from interpreting House rules on payroll expenditures, hiring employees or other uses of public funds.

The rule-making clause allows Congress to make and enforce its own rules. The speech-and-debate clause protects lawmakers from being questioned, or prosecuted, regarding legislative actions.

Johnson disagreed. "Other than an unsupported, expansive reading of the text of the rule-making clause, the defendant offers no reason why judicial interpretation of House rules offends the principle of separation of powers," she wrote.

She said Rostenkowski failed to explain "how the ability of Congress to make rules for itself will be compromised if courts are merely allowed to interpret the terms of those rules . . . in order to hold a member of Congress criminally liable for his alleged misuse of public funds."

Johnson sided with prosecutors that the charges stem from alleged violations of federal laws, such as mail fraud, concealing material facts and embezzlement.

But the judge said she was concerned about one count in which Rostenkowski is charged with converting public funds to his own use through Congress's clerk-hiring allowance. The indictment alleges that Rostenkowski paid people who did little, if any, "official" work.

Johnson said the charge would require her to determine what "official work entails." She, however, said she could rely on the definition of "official" found in the House rules or in appropriations acts.



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THE WASHINGTON POST

## Ex-Congressman Kolter Indicted In the House Post Office Probe

By Toni Locy  
 Washington Post Staff Writer

A federal grand jury yesterday indicted former House member Joseph P. Kolter (D-Pa.) on charges that he embezzled more than \$40,000 in taxpayers' funds.

Kolter, a congressman from 1983 to 1993, was accused of conspiring with the House postmaster to convert stamps into \$11,000 in cash for his personal use. He also is charged with making taxpayers foot the bill for more than \$33,000 worth of merchandise—including china, luggage and jewelry—that he got from the House Stationery Store.

Specifically, Kolter is charged with conspiracy, embezzlement of public funds, concealing material facts through a coverup and aiding and abetting the conversion of postage stamps to cash.

The case is the latest in an ongoing federal investigation of the House Post Office scandal. So far eight people, including former House postmaster Robert V. Rota, have been convicted. Rep. Dan Rostenkowski (D-Ill.) is awaiting trial on charges of embezzlement, mail fraud, concealing material facts and obstructing justice.

U.S. Attorney Eric H. Holder Jr. said in a statement that the Kolter indictment "demonstrates our office's continuing commitment to hold accountable all those connected to the House Post Office who have engaged in criminal conduct."

Alan I. Baron, Kolter's lawyer, said, "Congressman Kolter has maintained throughout that he was not guilty of any wrongdoing. We continue to maintain that position. We will plead not guilty to the indictment."

According to the five-count indictment, Kolter personally instructed Rota to give him cash in exchange for congressional vouchers—forms used by members of Congress to request stamps to mail materials that cannot be covered by the congressional frank. Kolter also allegedly told Rota to give him cash for stamps that he previously had received from the House Post Office.

The grand jury said Kolter obtained \$6,300 from January 1985 to May 1987 through Rota, who also is from western Pennsylvania and was a good friend of Kolter's. Rota is cooperating with the government, according to court records.

Between 1987 and 1989, however, Kolter and Rota could not continue their practices, the grand jury said, because a new employee was working in the House Post Office. After that employee left, the two men resumed their business, the indictment said. From December 1989 to December 1990, Kolter allegedly received \$5,000 in cash in the same manner.

The indictment said Kolter used a computerized list to compare his stamp purchases to those of other House members. Rota instructed post office



Former House member Joseph P. Kolter is accused of embezzling public funds, conspiracy and coverup.

employees to keep the list, according to the grand jury.

Under law, members of Congress are prohibited from using government funds for any personal, political or campaign-related expenses.

From 1986 to 1992, the federal grand jury said, Kolter also improperly obtained more than \$33,000 worth of merchandise from the House Stationery Store. These items included more than 650 pieces of china and glassware worth a total of \$21,000; 40 wristwatches and clocks, worth \$4,300; more than 30 Mont Blanc pens, worth \$3,300; about 30 pieces of luggage, worth more than \$2,000; and two gold necklaces, worth almost \$500.

Under House rules, members could use the stationery store to obtain office supplies. When they did so, such purchases were charged to accounts kept by the store. The House Finance Office would then pay the bills and deduct the purchases from the member's official expense allowance.

The store also had a practice of obtaining some merchandise that members bought for personal use. Such personal purchases, however, were supposed to be paid for by the members individually, with a 10 percent service charge tacked on, the indictment noted.

FBI/DOJ

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THE WASHINGTON POST



**JOSEPH P. KOLTER**  
... faces five-count indictment

## Judge Postpones Arraignment In Kolter Corruption Charges

A federal judge yesterday postponed the arraignment of former representative Joseph P. Kolter (D-Pa.) on corruption charges but expressed concern that he was using knee surgery performed last summer as an improper reason for failing to appear in court.

"I am not convinced that the defendant could not get here at an earlier time," U.S. District Judge Norma Holloway Johnson said in response to a defense request to postpone Kolter's arraignment on conspiracy, embezzlement of public funds and other charges.

Earlier this month, Kolter was charged in a five-count indictment with embezzling more than \$40,000

in taxpayers' money. He was accused of conspiring with a former House postmaster to convert stamps into \$11,000 in cash for personal use. He also is charged with making taxpayers foot the bill for more than \$33,000 worth of merchandise—including china, luggage and jewelry—from the House Stationery Store.

Johnson ordered the defense to file its constitutional challenges to the indictment by Nov. 28. Alan I. Baron, Kolter's lawyer, said he intends to make arguments similar to those of Rep. Dan Rostenkowski (D-Ill.) that the indictment unconstitutionally infringed on Congress's right to discipline its own members.

Toni Locy

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Date:

# Ex-House member Kolter is indicted over postal scheme

Pennsylvania Democrat voted out in '92

ASSOCIATED PRESS

Former Rep. Joseph P. Kolter was indicted yesterday on charges that he obtained \$11,000 in personal cash from the House post office and billed his office account for \$33,000 worth of jewelry, luggage and other personal items from a congressional stationery store.

Mr. Kolter, Pennsylvania Democrat, who was defeated in the 1992 primary after 10 years in the House, was the second current or former House member indicted in the federal investigation of the House post office scandal.

Rep. Dan Rostenkowski, Illinois Democrat and former chairman of the House Ways and Means Committee, was charged in a 17-count indictment May 31. He was accused of converting \$636,600 in federal funds and \$56,267 in campaign funds to his personal use.

The government says Mr. Rostenkowski used official funds to pay employees who did mostly personal work for him; converted stationery, postal and home office allowances to his personal use; and obstructed justice.

He has pleaded not guilty and denied wrongdoing, but he was forced to step aside as chairman of the Ways and Means Committee until the case is resolved.

Early this year, Mr. Rostenkowski reimbursed the U.S. Treasury \$82,000 for improper purchases of stationery and office supplies he claimed the House regarded as "gifts." House leaders have said they will investigate the reimbursement.

Rep. Austin J. Murphy, Pennsylvania Democrat, also has been implicated in the House post office scandal, mostly by anonymous accusers, in a variety of ethical and criminal violations.

Mr. Kolter was charged in a five-

*Rep. Dan Rostenkowski, Illinois Democrat, was indicted in May on 17 counts stemming from the postal scandal.*

count grand jury indictment with conspiracy, embezzlement and concealing material facts.

"This investigation is continuing, and today's indictment demonstrates our office's continuing commitment to hold accountable all those connected to the House post office who have engaged in criminal conduct," U.S. Attorney Eric H. Holder Jr. said in a statement.

Alan Baron, Mr. Kolter's attorney, said the former lawmaker "has maintained throughout that he has done nothing wrong and we intend to plead not guilty and proceed to trial."

But first, Mr. Baron said, Mr. Kolter will challenge the indictment on grounds that only the House has the constitutional authority to judge a lawmaker's behavior while performing official duties. Mr. Rostenkowski mounted a similar challenge, but lost that motion in U.S. District Court last week. His attorneys said they would appeal.

The indictment said Mr. Kolter obtained \$11,000 in cash by disguising his transactions at the post office as stamp purchases for official purposes. Between 1985 and 1990, the indictment said, Mr. Kolter instructed House Postmaster Robert V. Rota to give him cash in exchange for vouchers and



Former Rep. Joseph P. Kolter

stamps.

On some occasions, the grand jury charged; Mr. Kolter bought large amounts of stamps and later exchanged them for cash. At other times, the indictment said, he obtained cash from Mr. Rota in exchange for postage vouchers — documents certifying that he had paid for or received the postage specified on the voucher.

Mr. Rota pleaded guilty last summer to three misdemeanor charges in a scheme to funnel cash to members of Congress.

Those members later were identified as Mr. Rostenkowski and Mr. Kolter.

The stamp scheme ended about May 1991, when the U.S. Capitol Police and the U.S. Postal Inspection Service began probing embezzlement in the House post office.

The personal merchandise Mr. Kolter is accused of obtaining with taxpayer funds at the House stationery store between December 1986 and April 1991 included:

- About 650 pieces of china and glassware, costing more than \$21,000.
- About 40 wristwatches; clocks and other timepieces costing more than \$4,300.
- About 30 pens costing more than \$3,300.
- About 30 pieces of luggage at a cost of more than \$2,000.
- Two gold necklaces costing \$220 each.
- About 40 wooden card boxes with a scene of the Capitol on top, costing more than \$1,100.

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58C-WF-180673 N-152

# Rostenkowski Lawyers Seek Case Dismissal

By Toni Locy  
Washington Post Staff Writer

Lawyers asked a federal judge yesterday to throw out corruption charges against Rep. Dan Rostenkowski (D-Ill.) because federal prosecutors have unconstitutionally used possible violations of House rules to accuse him of a criminal offense.

Dan K. Webb, the Chicago lawyer heading Rostenkowski's defense team, argued yesterday that if Congress has not "criminalized" the rules, they cannot be used in a trial to prove that a crime has been committed.

Webb described the Rostenkowski case as "unique, unusual, unprecedented" during arguments before U.S. District Judge Norma Holloway Johnson. Rostenkowski's lawyers have challenged the constitutionality of most of the charges in the 17-count indictment.

The defense yesterday asked Johnson to dismiss the case because it violates the Constitution's separation of powers principle. Specifically, the defense lawyers say the charges are an affront to the rule-making and speech-and-debate clauses of the Constitution. The rule-making clause allows Congress to make and enforce its own rules. The speech-and-debate clause protects lawmakers from being questioned about their legislative acts.

Johnson said she will rule "as soon as possible. I do feel it makes absolutely no difference which way I rule," she said. "It's going to the Court of Appeals. I know it."

Webb argued that the bulk of the charges should be dismissed because they rely too heavily on House rules to prove criminal activity. He said the case comes down to one "relatively simple notion—can the government prove a violation of a criminal statute it is referencing in the indictment without first proving that the congressman first violated the rules of the House?"

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Rostenkowski is charged with engaging in a pattern of corrupt activities that spanned three decades. He is accused of using congressional funds to buy personal gifts and hire ghost workers as well as using official cars as his own and cashing in stamps at the House Post Office.

Assistant U.S. Attorney John Campbell told Johnson that he did not recognize the case after listening to Webb. "It was like he was talking about some other case," Campbell said. "The case he described was an extraordinary, full-scale invasion by the government . . . onto Congress's . . . turf."

The case is not as complicated as the defense is trying to make it, Campbell said. It deals with "traditional" issues of theft, fraud, false statements and witness tampering, he said.

"This case does not threaten any constitutional principles . . . or institutions of government," he said. "It just threatens one guy who stole a lot of money."

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THURSDAY, OCTOBER 27, 1994 A23 1

George F. Will

# As Though He Were A King

Some pertinent preelection reading is Dan Rostenkowski's brief in defense of himself and an audacious proposition. The proposition is that all the interesting things he is accused of doing with public money are no business of anyone or anything but the Congress in which he has flourished for 36 years and to which he will be returning in January in spite of his 17-count indictment for behavior that looks to the laity, and to federal prosecutors, a lot like thievery.

The charges in his 17-count indictment are that he made hundreds of thousands of dollars of payments to "ghost" employees who performed personal services for him, that he acquired ownership of congressionally leased automobiles, that he used official purchases from the House stationery shop for personal or campaign uses, that he diverted to personal use official funds authorized for postage and that he tampered with a witness. He is charged with diverting \$724,000 in federal money and campaign funds to personal use in a pattern of corruption spanning portions of three decades.

He says the very structure of constitutional government—the separation of powers—is jeopardized by any judicial proceedings about these allegations. He says a trial is precluded by two clauses of the Constitution.

One says that no member shall be "questioned in any other place" concerning a "speech or debate" in either house. Another says each house shall make its own rules and punish transgressors. Rostenkowski says that House rules, which he calls "amorphous and transient," provide no standards by which a court could decide,

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*As six more states  
prepare to vote on  
term limits,  
Rostenkowski is a  
relevant specimen of  
the political class.*

for example, whether a member has violated the rules that grant "vast discretion" regarding the use of office funds and employees.

In a stinging response, prosecutors say he is claiming that "the whole question of whether he systematically looted the public treasury" is "beyond the reach of criminal law." The "speech or debate" clause derived from the desire of the Constitution's Framers to protect candor in legislative deliberations. It pertains to "legislative acts" broadly construed, to include committee work, communications with other members and other acts directly relevant to deliberation about legislation. However, the Supreme Court has held that the "speech or debate" clause does not prohibit inquiry into conduct simply because it is done by a legislator, regardless of whether it is closely connected to the process of legislating.

One court has already rejected Rostenkowski's brassy claims. With biting understatement, the judge said that "precedent seems to be lacking for the proposition that immunity attaches to a congressman's decision to hire employees whose duties consist of photographing his daughters' weddings, mowing the grass at his summer home or other duties." Rostenkowski will appeal to a higher court, which probably will be just as unsympathetic about the lawn care at his vacation home in Wisconsin. Then there will be a trial, and Washington will weep.

When he was indicted in May, Washington was very lachrymose. Such is the solidarity of the political class, this city's bipartisan sympathy for him probably would not be dented even by a reading of the argument he makes on his own behalf. If his argument is cynical, it is perhaps forgivable as the best defense at hand. But if it is, as it probably is, sincere, it is a devastating indictment not only of him but of the kind of life that makes someone capable of believing his argument.

As six more states prepare to vote on term limits for congressmen and senators, Rostenkowski is a relevant specimen of the political class. Before he was elected to Congress in 1958, he was in the Illinois Senate, and before that he was in the state legislature's lower house. He has been a professional legislator since age 24.

Never having been in the private sector, it is no wonder he cannot draw—cannot even imagine—a line dividing public from private spheres. His indictment must be unintelligible to him. Furthermore, his conscience, and even his instinct of prudence, have been numbed by the corrupting life of unchallenged control of the House by his party during all his 36 years here.

Today he is asserting for people like himself something akin to what was called "sovereign immunity" when kings claimed it. His claim is evidence of a mental affliction that deserves to be called "incumbents' derangement." But his affliction will not soon be incapacitating. He will be reelected this year and, given the speed at which the mills of justice grind, perhaps again, and then again, before justice is done.

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WASHINGTON POST

## Kolter Pleads Not Guilty to Embezzlement

Former representative Joseph P. Kolter (D-Pa.) pleaded not guilty yesterday to charges that he embezzled more than \$40,000 from taxpayers by misusing his congressional privileges.

Kolter, a congressman from 1983 to 1993, was indicted last month on charges that he conspired with a former House postmaster to convert stamps into \$11,000 in cash for his personal use. He also is accused of making taxpayers foot the bill for more than \$33,000 in merchandise, including china, luggage and jewelry, from the House Stationery Store.

Kolter is charged with conspiracy, embezzlement of public funds, concealing material facts through a cover-up and aiding and abetting.

The case is the latest in a federal probe of the House Post Office. So far, eight people, including former House postmaster Robert V. Rota, have been convicted. Rep. Dan Rostenkowski (D-Ill.) is awaiting trial.

Alan I. Baron, Kolter's lawyer, entered the plea during an arraignment before U.S. District Judge Norma Holloway Johnson. Kolter was present; he had missed an earlier scheduled appearance because of his health. Both of his knees were replaced over the summer because of arthritis.

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**REP. DAN ROSTENKOWSKI**

*... has exhausted legal defense fund*

## Rostenkowski Says He Needs A New Job

*Outgoing Congressman  
Cites Legal Expenses*

Reuter

Rep. Dan Rostenkowski (D-Ill.), the once-powerful member of Congress swept out of office in Nov. 8 elections, told the Chicago Sun-Times he has more than \$500,000 in unpaid legal bills and is looking for work, the newspaper reported yesterday.

Rostenkowski, 66, said in an interview that he has \$230,000 in unpaid legal bills for staff members and \$300,000 to \$400,000 in outstanding bills for his own legal battle against a 17-count federal indictment.

He has exhausted a \$1 million campaign fund and a \$1 million legal defense fund to pay attorneys defending him or his staff against charges he illegally exchanged cash for stamps at the House Post Office, bought gifts with government funds, hired ghost payroll employees and obstructed justice.

The 18-term congressman, who once wielded immense power as chairman of the House Ways and Means Committee, said he was hoping to obtain consultancy fees at corporations and was considering lectureships offered by several area universities.

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# Kolter Seeks Dismissal Of Charges

## Ex-Congressman Says Rules Were Confusing

By Toni Locy  
Washington Post Staff Writer

Lawyers for former representative Joseph P. Kolter (D-Pa.) asked a federal judge to dismiss corruption charges against him yesterday because lawmakers were not given notice that long-standing practices on Capitol Hill are now considered criminal.

"The government seeks to criminalize, without notice, practices long known and conduct long allowed under House . . . rules in violation of the basic tenets of due process," Kolter's attorneys said in papers filed in U.S. District Court in Washington.

Defense attorneys Alan I. Baron and Jonathan S. Feld said the five-count corruption indictment against Kolter must be thrown out because it violates the former congressman's rights under the Fifth Amendment to the Constitution, which prohibits the government from depriving people of life, liberty or property without due process of law.

Kolter, a congressman from 1983 to 1993, is charged with embezzling more than \$40,000 in taxpayers' funds. He is accused of conspiring with a former House postmaster to convert stamps into \$11,000 in cash for his personal use. He also is charged with making taxpayers foot the bill for more than \$33,000 worth of merchandise—including china, luggage and jewelry—that he got from the House stationery store.

While arguments made by Baron and Feld are similar to claims by outgoing Rep. Dan Rostenkowski (D-Ill.), who also has been indicted on corruption charges, they differ in their reliance on the due process clause.

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"Before a person may be charged with a crime, there must be some reasonable basis for knowing that certain acts are subject to criminal prosecution," Baron and Feld wrote. "No such basis was present."

Prosecutors will file their responses to the defense motions next week.

Like the Rostenkowski lawyers, Kolter's attorneys argued that the ever-changing House rules confused even those who made them and should not be a basis for a prosecution.

As Rostenkowski's lawyers did, Baron and Feld also relied upon arguments that the charges against Kolter violate the Constitution's guarantee of separation of powers.

Prosecutors and judges are prohibited from treading on legislative turf by interpreting House rules, the lawyers argued. In October, U.S. District Judge Norma Holloway Johnson rejected Rostenkowski's arguments; the decision is on appeal. She is also handling Kolter's case.

The attorneys said that to defend himself, Kolter will have to show how his actions were part of his official duties and allow himself to be questioned about his actions as a lawmaker, in violation of the Constitution.

As a result, the lawyers said, "Judicial inquiry into these matters would directly impinge upon and threaten the legislative process."

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WASHINGTON POST

# Alleged 'No-Show' Staffer For Rostenkowski Indicted

## Son of Ex-State Legislator Denied Getting Paid

By Toni Locy  
Washington Post Staff Writer

A federal grand jury yesterday charged the son of a former Illinois legislator with lying about whether he held a "no-show" job with outgoing Rep. Dan Rostenkowski (D-Ill.).

James Nedza, 37, was charged with perjury and obstruction of justice for telling a grand jury investigating the congressman that he could not remember whether he worked in Rostenkowski's Chicago office from 1983 to 1986 and earned about \$48,000.

According to the indictment, Rostenkowski's office records show that Nedza was paid the money at the same time that two of the congressman's daughters received a total of about \$48,000 while working for Nedza's father, former Illinois state senator Edward Nedza.

The grand jury said Nedza claimed that he had "emotional problems" during those years. "I have very little recall of that period of my life," he told the grand jury.

He also told the grand jury that he could not remember working for Rostenkowski, receiving checks or even setting foot in the congressman's Chicago office. "I don't ever remember meeting him," Nedza said.

Nedza, one of several Rostenkowski employees called to testify before the grand jury, is the only member of his staff to be indicted.

Most of the others were openly hostile to prosecutors when called to testify and are expected to be unfriendly government witnesses at trial, sources said.

Rostenkowski, the former chairman of the House Ways and Means Committee, is charged with illegally exchanging stamps for cash at the House Post Office, buying gifts with government funds and hiring "ghost" employees.

According to a transcript of his testimony before the grand jury, Nedza said he could not remember discussing with his father whether there was a relationship between the money he received from Rostenkowski and the \$48,000 paid to Rostenkowski's daughters.

He said he did not have a close relationship with his father, although he said his father told him to get an attorney before testifying.

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NGTON POST

# Rostenkowski Asks Judge To Hold Trial in Chicago

## Hardship on Corruption Case Witnesses Cited

By Toni Locy  
 Washington Post Staff Writer

Former representative Dan Rostenkowski (D-Ill.) wants his trial on corruption charges moved to his native Chicago because he and many of the witnesses in the case no longer live in Washington.

On Friday, Rostenkowski's lawyers asked U.S. District Judge Norma Holloway Johnson for a change of venue because the costs of a lengthy trial in Washington would be too high for Rostenkowski, his former employees and numerous character witnesses they intend to call in his defense.

Rostenkowski is charged with engaging in a pattern of corrupt activities that spanned three decades. He is accused of using congressional funds to buy personal gifts, hiring ghost workers, using official cars as his own, and cashing in stamps at the House Post Office.

In an affidavit, Rostenkowski said he has closed his congressional office in Washington and moved permanently to Chicago. He said he intends to call Chicago community leaders, politicians, labor leaders and business owners as character witnesses.

"Many are of moderate means and would be substantially inconvenienced or impaired by the time and expense

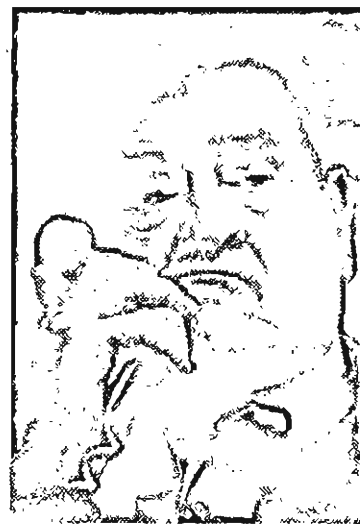
that an appearance in Washington would entail," Rostenkowski said.

Holding a two- or three-month trial in Washington also would be expensive for Rostenkowski, the former chairman of the House Ways and Means Committee who was defeated in November. "Unquestionably, it would be an unnecessary hardship and expense for him to face a lengthy trial far away from home," wrote his lawyers, Dan K. Webb and Thomas M. Buchanan.

The change of venue request was one of several pretrial motions filed by Rostenkowski's lawyers. Johnson ordered the motions filed so that she will be ready to move the case along when the U.S. Court of Appeals for the D.C. Circuit rules on Rostenkowski's appeal of a ruling she issued in the case. In October, Johnson refused Rostenkowski's request to dismiss the charges on constitutional grounds.

Webb and Buchanan noted that few trial participants live in Washington. The defense lawyers—Webb lives in Chicago, Buchanan in Washington—said many of the prosecution's witnesses reside in Chicago. Rostenkowski's congressional documents are also there, because he donated them to Loyola University, court papers said.

Rostenkowski's lawyers also asked Johnson to dismiss the indictment because it is "duplicitous."



DAN ROSTENKOWSKI

... has closed office and moved home

They argued that the prosecutors have improperly lumped "a series of sporadic, isolated, unconnected offenses" that spanned three decades into one "continuous scheme."

The defense attorneys said prosecutors John M. Campbell, Thomas J. Motley and Larry R. Parkinson linked four different "ventures" into one scheme to sidestep the federal five-year statute of limitations on how long after a crime has been committed a defendant can be charged.

Webb and Buchanan said prosecutors "seek to impose criminal liability on the defendant for offenses that allegedly were committed almost 23 years before the return of the indictment. The attempted prosecution of these stale allegations gives rise precisely to the type of unfairness the criminal limitations statute is designed to protect against."

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**Court Says Rostenkowski Ruling Stands**

■ A U.S. appeals court yesterday rejected a bid by federal prosecutors to reconsider its ruling that the trial judge should weigh dropping some charges in the corruption case against former representative Dan Rostenkowski (D-Ill.).

The appeals court based its ruling last July on a recent Supreme Court decision that a law on false statements applies only to executive branch agencies. The ruling affected six of the 17 counts in the indictment.

The prosecutors had asked the appeals court to reconsider the case and address Rostenkowski's challenge to the constitutional nature of the law as it applies to Congress—a question left unanswered by the Supreme Court.

The appeals court instead sent the case back to U.S. District Judge Norma Holloway Johnson to decide the constitutional issue and whether the House Disbursing Office is an executive or a legislative agency.

Rostenkowski, who was defeated last November, has been charged with skimming more than \$600,000 in taxpayer funds from various congressional allowances over 20 years. He has pleaded not guilty.

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A4 THURSDAY, OCTOBER 19, 1995

## ON CAPITOL

House Gives Up  
Its Post Offices

One of the last vestiges of the House Post Office scandal that led to the downfall of then-Rep. Dan Rostenkowski (D-Ill.) will be erased today when the U.S. Postal Service takes over operating post offices on the House side. Postmaster General Marvin T. Runyon and House leaders will snip ribbons opening a new "state of the art" postal sales facility in the basement of the Longworth House Office Building.

The new "postal store" will be staffed by Postal Service employees, not the congressional workers who used to man the House's five post offices. The new facility will be totally independent of the House ... just like a post office out in Annapolis," said James Lafferty, a spokesman for the chief administrative officer of the House.

The agency is planning 13 sales facilities on the House side and the Longworth facility will be a prototype for revamped postal lobbies planned across the nation.

The Senate will continue to operate its own post offices.

One postal perk won't change: House members can still place mail for their districts in orange mail bags that are supposed to give them speedier than normal service back to their home post offices.

—Bill McAllister

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A20. THURSDAY, NOVEMBER 9, 1995

THE WASHINGTON POST

# Rostenkowski Employee Guilty of Perjury

## Office Cleaner Convicted of Lying to Grand Jury About Congressman

Associated Press

In the first trial stemming from an investigation of former representative Dan Rostenkowski's finances, a man who received \$90,000 for cleaning his office was convicted yesterday of lying to a federal grand jury.

Robert Russo was found guilty by a U.S. District Court jury of one count of perjury and one count of obstruction of justice. Each count carries a maximum of five years in prison and a \$250,000 fine. He will be sentenced Feb. 7, but remains free on personal recognizance.

He was charged in April with deliberately withholding evidence from grand jurors investigating the former congressman and lying when he told them that he worked for 12 years at the Rostenkowski job five days a week, every other week, and knew of no one else who performed the work.

Outside the courtroom, a glassy-eyed Russo consoled his tearful wife, Irene. The Russos, prosecution and defense attorneys and jurors declined comment.

The defense contended Russo was snared unjustly in the government's effort to convict Rostenkowski, the Chicago Democrat who headed the tax-writing House Ways and Means Committee.

The defense said Russo, a 58-year-old retired Chicago Water Department employee, has Parkinson's disease and probably suffered memory loss and had difficulty following instructions when he appeared before the grand jury in 1993.

Prosecutors denied they targeted Russo, saying he had received immunity to testify and only had to tell the truth about his cleaning job from 1976 to 1987.

The government suggested Russo did little work, if any, and that the money really paid for Russo's wife to clean Rostenkowski's homes in Chicago and Wisconsin.

The Russos lived next door to Rostenkowski in Chicago and had a cottage in Wisconsin near his summer home.

Neither the Russos nor Rostenkowski testified.

Rostenkowski was charged in May 1994 with using official funds to pay employees who did mostly personal work for him, converting stationery, postal and district office

allowances to personal use and obstructing justice.

He pleaded not guilty and awaits trial. He lost his bid for a 19th term last fall.

One of his defense lawyers, Howard Pearl of Chicago, said Wednesday's verdict "has no implication for Mr. Rostenkowski."

Rostenkowski's indictment outlined alleged fraudulent salaries totaling more than \$500,000 for 14 office employees from 1971 to 1992, without naming them. The

description for "Employee 7" corresponded to information in Russo's indictment.

About a week before Russo's indictment, James Nedza, the son of a former Illinois lawmaker, pleaded guilty to obstructing justice by lying to the grand jury about what prosecutors called his "no show" job for Rostenkowski.

The government focus on Rostenkowski stemmed from a 1991 investigation into the U.S. House Post Office's operation.

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## May Trial Date Is Set In Rostenkowski Case

Reuter

A federal judge yesterday set a May 15 trial date for former representative Dan Rostenkowski (D-Ill.) after rejecting a defense request to move the corruption trial to Illinois.

U.S. District Judge Norma Holloway Johnson turned down a bid by Rostenkowski's lawyers to have the criminal case transferred to Chicago, where the former Democratic lawmaker lives. She said Rostenkowski's alleged scheme to defraud Congress took place here, that the documents and many prosecution witnesses were from this area and that Rostenkowski can bear the expense of a trial here.

Rostenkowski, a House member from 1959 until his defeat a year ago, has pleaded not guilty to a 17-count indictment charging him with skimming more than \$600,000 in taxpayer funds from various congressional allowances over 20 years. The former powerful House Ways and Means Committee chairman allegedly used the money to benefit himself, his family and friends, employed staffers who did little or no official work and obstructed justice.

In another ruling, Johnson gave prosecutors one week to turn over any exculpatory material to defense lawyers. She set a May 15 trial date and estimated the trial would last about two months.

The next step in the case will focus on a U.S. appeals court ruling that ordered Johnson to consider whether six counts of the indictment can survive in view of a recent U.S. Supreme Court decision that a law on false statements applies only to executive branch agencies.

11/15/95 Post

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A8 SATURDAY, JANUARY 13, 1996

THE WASHINGTON POST

# Rostenkowski's Plea Bargain Overture Rejected

*Trial in Two-Year-Old Corruption Case Could Await Appeals Lasting Up to a Year*

By Toni Locy  
Washington Post Staff Writer

Efforts by lawyers for former representative Dan Rostenkowski (D-Ill.) to negotiate a plea bargain have failed, keeping alive a nearly two-year-old corruption case that could become mired in appeals for up to another year.

A source familiar with the case said Dan Webb, Rostenkowski's lead defense lawyer, approached prosecutors in the office of U.S. Attorney Eric H. Holder Jr. during the past month to see if they could agree on a deal.

The source, who requested anonymity, said Webb would have been "remiss" had he not checked "the temperature" of prosecutors at this point in the case, once one of the highest profile prosecutions in Washington but which lost considerable altitude since Rostenkowski was defeated for reelection in 1994.

Discussions about a plea were held but, within the past week, the talks ended without an agreement, the source said. "There was not enough common ground," the source said, declining to be more specific and adding that neither side has ruled out the possibility similar discussions could occur again.

The overture came as U.S. District Judge Norma Holloway Johnson tried to steer the case toward trial, which she set for May 15 while acknowledging the date could, and probably would, change. She plans to hold another hearing Jan. 31 on complicated legal issues that already have been the subject of appeals and probably will be again. Before his indictment in May 1994, Rostenkowski was so adamantly opposed to a deal that he fired his lawyer at the time, Robert S. Bennett, who had come close to gaining an agreement with prosecutors.

Once the powerful chairman of the

House Ways and Means Committee, Rostenkowski, 68, is accused of misusing his office through a pattern of corruption that spanned three decades.

He is charged with converting to his personal use more than \$600,000 in federal funds and \$50,000 in campaign contributions.

The 17-count indictment alleged he exchanged official postage vouchers for cash at the House Post Office, bought gifts and personal items with government funds at the House Stationery Store and paid more than a dozen employees who did little or no work.

In July, a three-judge panel of the U.S. Court of Appeals for the D.C. Circuit issued a complex ruling, buoying Rostenkowski's lawyers by dismissing some charges but sending the rest of the case back to Johnson to resolve. The panel also rejected Rostenkowski's arguments that the entire in-

dictment was illegal and violated the Constitution's separation-of-powers doctrine.

Johnson must decide whether to dismiss six charges that Rostenkowski lied to Congress and the Federal Election Commission, something the U.S. Supreme Court said last year was no longer a crime under a "false statements" law prosecutors had used in the case.

Lawyers familiar with the case say defense attorneys would launch another round of appeals if Johnson rules against Rostenkowski. If that happens, the case could not go to trial in May and would be delayed several more months.

The case, which stems from an investigation of the House Post Office, led to the end of Rostenkowski's 36-year tour in Congress. He was beaten by a political neophyte, Republican Michael Patrick Flanagan.

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## Ex-Employee Charged In Rostenkowski Case

### *Lawyer Sees an Attempt for Pressure*

Associated Press

A former Chicago city employee who earned \$90,000 over 12 years for cleaning Dan Rostenkowski's offices has been charged with lying to a federal grand jury about his work for the ex-congressman.

The indictment released Friday charges Robert Russo with one felony count each of perjury and obstruction of justice. If he is convicted, the maximum penalty for each charge is five years in prison and a \$250,000 fine.

The charges are the second development in a week in the political corruption case against Rostenkowski, a Chicago Democrat.

On April 13, a former Illinois state lawmaker's son pleaded guilty to obstructing justice by lying to the grand jury about what prosecutors called his "no show" job for Rostenkowski.

Russo's lawyer, Raymond Banoun, said it was "a very unfortunate and very misguided action by the government to indict a person on a mere minuscule issue... and the only way I can explain it is that they feel somehow they're going to put pressure on Rostenkowski."

One of Rostenkowski's law-

yers, Tom Buchanan, agreed with that assessment and said, "I don't think it's going to work."

Rostenkowski was indicted in May 1994 on charges he used official funds to pay employees who did mostly personal work for him; converted stationery, postal and home office allowances to his personal use; and obstructed justice.

Rostenkowski has pleaded not guilty, and his lawyers are trying to have the charges in the 17-count indictment dismissed. He lost reelection.

Rostenkowski's indictment outlined alleged fraudulent salaries, totaling more than \$500,000, for 14 employees in his offices from 1971 to 1992, without identifying the employees by name. But the description for "Employee 7" corresponds to information in Friday's indictment of Russo.

The perjury count charges Russo lied to the grand jury Sept. 21, 1993, by claiming he knew of no one else who cleaned the office and that he worked five days a week, every other week.

The obstruction of justice charge says Russo deliberately withheld evidence from the grand jury.

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# Chicago Death T

By Megan Garvey  
Washington Post Staff Writer

CHICAGO, July 18—City authorities today raised the death toll in Chicago's heat disaster to 376 and said the number of deaths at least partly attributable to five days of 100-degree heat could reach 500.

Although the flow of bodies into Cook County morgue finally slowed to a trickle today, 120 corpses still await autopsies. With all 222 bays filled, morgue officials over the weekend had to call in refrigeration trucks to handle the overflow of bodies, most of them elderly people.

The city has begun to investigate how well the heat emergency was handled. The Illinois state legislature also has scheduled hearings on the disaster.

"We are assessing what we have done and what more could have been done," said Jim Williams, press secretary to Mayor Richard M. Daley (D). "The mayor is terribly concerned and upset about this tragedy. As far as all the criticism, it is expected."

There was no shortage of it.

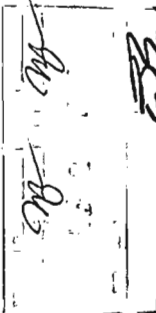
Senior citizen groups criticized the police. The mayor's office was criticized for being unprepared for a heat emergency and city officials were cited for failing to check on the elderly door to door.

The death toll underscored the vulnerability of elderly people who often live in relative anonymity in large urban centers: Chicago, for example, has more than 443,000 residents age 60 or over and 800 city employees charged with keeping tabs on them.

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# Appeals Court Narrows Rostenkowski Case

## Some Counts Against Former House Chairman Based on Vague Rules, Panel Says

By Kenneth J. Cooper  
Washington Post Staff Writer

A federal appeals court yesterday narrowed the government's 17-count indictment of former representative Dan Rostenkowski (D-Ill.) on corruption charges, dismissing several allegations because they were based on vague House rules.

The three-judge panel rejected Rostenkowski's contention that the entire indictment should be dismissed as an unconstitutional intrusion on Congress's right to set its own rules. But the judges ordered a lower court to review six counts of lying to Congress, an act the Supreme Court recently ruled is not a crime.

The 40-page decision by the U.S. Court of Appeals for the D.C. Circuit cheered defense attorneys for the once powerful chairman of the House Ways and Means Committee, and appeared likely to further delay his trial based on the May 1994 indictment. But Justice Department sources predicted federal prosecutors would still build a strong case on embezzlement and other serious charges.

"I am ecstatic," said Howard M. Pearl, Rostenkowski's Chicago-based attorney. "I believe it emasculates a significant portion of the government's case."

U.S. Attorney Eric H. Holder Jr., noting the court rejected Rostenkowski's blanket challenge to the indictment, said the ruling "affirmed once again that members of Congress are not above the law and are accountable to the American taxpayer. . . . We're ready and eager to go to trial in this case."

The indictment, which grew out of a federal investigation of the House Post Office, accuses Rostenkowski of a pattern of corruption for two decades and converting to his personal use more than \$600,000 in federal funds and \$50,000 in campaign contributions. He is charged with exchanging official postage vouchers for cash at the House Post Office, buying gift and personal items with government funds at the House Stationery Store, paying more than a dozen employees who did "little or no official work" and buying vehicles with government funds authorized for leasing official cars.

The corruption charges led to Rostenkowski's defeat last November by Republican Michael Patrick Flanagan, then a political unknown. Rostenkowski, a 36-year veteran of Congress, has since returned to Chicago, occupying himself with speeches and consulting.

In an opinion written by Judge Douglas H. Ginsburg, onetime Supreme Court nominee, the appeals panel ruled on constitutional grounds that Rostenkowski could not be prosecuted on allegations that several of his congressional employees had performed personal tasks, not official duties.

The appeals court found that although the House prohibited use of a member's office payroll to "defray any personal, political or campaign-related expenses," that rule did not spell out the difference between "personal" and "official" activity. For courts to supply that definition, the judges said, would violate the constitutional separation of powers and the House's right to set its own rules.

"The life of a congressman—as incumbent

legislator and perpetual candidate for office, whose official days end only after a round of nominally 'social' events at which he is obliged to appear, and his weekends and holidays are only an opportunity to reconnect with his constituents—makes the line between 'official work' and 'personal services' particularly difficult to draw," the court said.

It said Rostenkowski could not be prosecuted on some allegations but let others stand:

■ A charge that one employee was "picking up laundry, driving his family members around Washington and working at campaign events" was dismissed because "those activities might . . . directly—even vitally—aid a congressman in the performance of his official duties."

■ The government was permitted to pursue an allegation that another employee "performed regular bookkeeping duties" for an insurance company Rostenkowski owned, an activity the court said fit "no reasonable interpretation of 'official work.'"

■ Prosecutors were allowed to seek to prove Rostenkowski used official funds to purchase gifts from the House Stationery Store because a rule clearly prohibited such gift-giving. But he cannot be charged with converting any items purchased to his personal use.

Rostenkowski's lawyers have argued that House rules were too unclear for violations to constitute crimes. U.S. District Judge Norma Holloway Johnson rejected that argument last October, and the appeals court agreed that no "absolute bar" to such prosecutions exists on constitutional grounds.

"While charges remain," Pearl said, "those



DAN ROSTENKOWSKI

... accused of pattern of corruption

charges will be much more difficult to prove and our ability to defend against them is enhanced."

The appeals court suggested Johnson could dismiss six counts accusing Rostenkowski of lying to Congress or the Federal Election Commission because of a Supreme Court ruling in May. In that decision, involving charges against former representative Carroll Hubbard Jr. (D-Ky.) that grew out of the House Bank scandal, the Supreme Court held that a federal law against making false statements to the government applies only to the executive branch, not Congress or the courts.

A Justice Department source acknowledged that the Hubbard-related part of the decision "stings," but quickly added: "We've still got a strong case. . . . We're still capable of going to trial and convicting Mr. Rostenkowski on some serious offenses."

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# Rostenkowski Trial Date Hinges on Appeal Decision

## U.S. Could Challenge Dismissal of 4 Charges

By Toni Locy  
Washington Post Staff Writer

Will former representative Dan Rostenkowski (D-Ill.) finally go to trial on two-year-old corruption charges in May, as scheduled?

That depends largely on whether the Justice Department decides to appeal a ruling made this week by U.S. District Judge Norma Holloway Johnson in which she dismissed four of 17 charges against Rostenkowski.

The four charges in dispute involve allegations that Rostenkowski, the former chairman of the House Ways and Means Committee, made false statements to the House Finance Office.

While prosecutors played down the effect of the loss of the four charges on an eventual trial, Howard Pearl, one of Rostenkowski's attorneys, said the four charges are important because they are part of the prosecution's "fundamental theory" of the case. "We have been chipping away at the building, brick by brick. We'll see what's standing at the end," he said.

The sweeping indictment against Rostenkowski accuses him of engaging in a pattern of corruption that spanned three decades. Among other crimes, he is accused of converting to his personal use more than \$600,000 in federal funds and \$50,000 in campaign contributions.

In her 10-page ruling filed Tuesday, Johnson said a Supreme Court ruling of a year ago required her to dismiss the charges because they did not involve false statements to an executive branch agency but to a division of Congress.

Prosecutors, however, argued that the House Finance Office could be considered an "agency" in the general sense, and that the Supreme Court had left open that possibility in its ruling in the other, unrelated case.

But they must now decide if that principle is worth fighting for.

If they think it is, the May 15 trial for Rostenkowski would almost assuredly be delayed.

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**A2 WEDNESDAY, APRIL 10, 1996**

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## Weather

Today: Partly sunny, windy, cool.  
High 50. Low 36. Wind 15-30 mph.  
Thursday: Sunny, much warmer.  
High 68. Low 48. Wind 8-16 mph.  
Yesterday: Temp. range: 38-44.  
Wind chill: 22. Details on Page D2.

# The Washington Post

## Sections

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B Sports  
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Today's Contents: Page A2

119TH YEAR ... No. 127

WEDNESDAY, APRIL 10, 1996

Prices May Vary in Areas Outside  
Metropolitan Washington (See Box on A2)

25¢

## Rostenkowski Fraud Plea Brings 17-Month Sentence

*Former Ways and Means Chief Fined \$100,000.*

By Toni Locy

Washington Post Staff Writer

Former representative Dan Rostenkowski (D-Ill.) pleaded guilty in federal court here yesterday to two counts of mail fraud and was sentenced to 17 months in prison and \$100,000 in fines in the final act of a legal and political drama that began nearly two years ago.

Long among the most powerful figures in Washington as the chairman of the House Ways and Means Committee, Rostenkowski's downfall came over the use of public funds to pay employees who did little or no work, and to buy personal gifts.

Specific charges related to those payments were dropped as part of the plea agreement he struck with prosecutors, and a combative Rostenkowski told reporters outside the courthouse that his use of the U.S. mail "to send the payments was a mere 'technical' violation of the law.

Prosecutor Thomas J. Motley, however, told the court that Rostenkowski had "defrauded the United

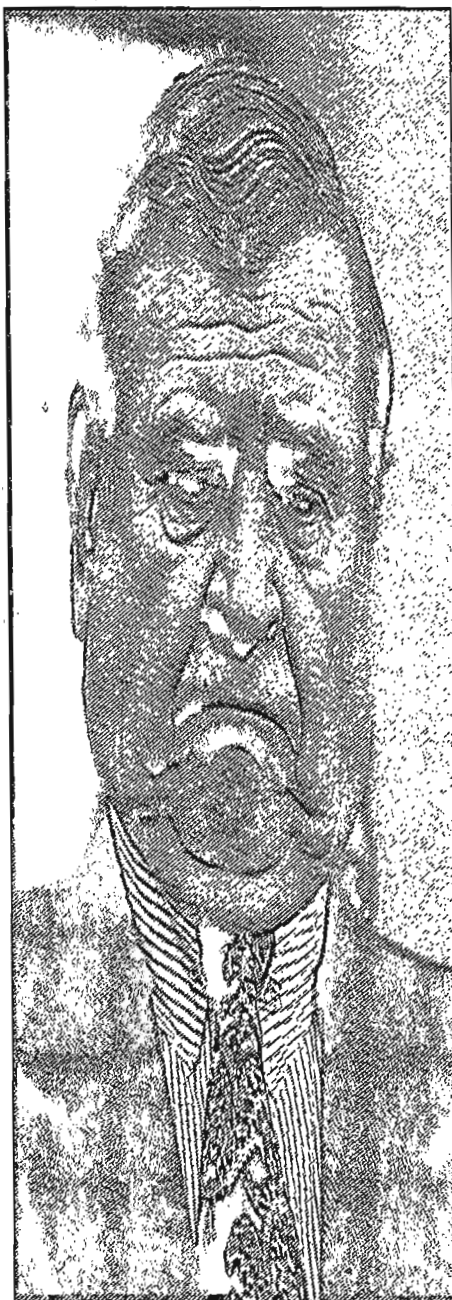
States and the House of Representatives, and he defrauded the citizens of the United States of their right to Mr. Rostenkowski's fair and honest services as a member of Congress."

In imposing the sentence, U.S. District Judge Norma Holloway Johnson called Rostenkowski's actions a "reprehensible" breach of trust in the House, which she described as "the very heart of our ... democracy."

Rostenkowski, dressed in a worn blue tweed jacket and paisley tie, stood quietly in court as Johnson berated him. But he came out of the courthouse swinging and showing flashes of the bare-fisted, old-style Chicago ward politician he once was.

Defiantly describing his offenses as something everyone in Congress had committed at one time or another, Rostenkowski told reporters: "I have been asked by many if I am bitter because of the extensive investigation by the United States Department of Justice of my conduct while I served in Congress and as chair-

See ROSTENKOWSKI, A8, Col. 1



BY GERALD MARTINEAU—THE WASHINGTON POST

Ex-lawmaker Dan Rostenkowski after entering plea to mail fraud counts.

## Rostenkowski Pleads Guilty, Gets 17 Months

ROSTENKOWSKI, From A1

man of the House Ways and Means Committee. While I deeply regret the trauma that this intense scrutiny has bestowed upon my family, friends and supporters, I personally have come to accept the fact that sometimes one person gets singled out, to be held up by law enforcement as an example."

U.S. Attorney Eric H. Holder Jr. flatly rejected Rostenkowski's description of the two felony charges to which the former congressman had admitted guilt. "People are not sent up to that institution," he said, pointing at the Capitol a short distance away, "to line their pockets."

Holder said Rostenkowski brought law enforcement to his door by his own actions—his use of government employees to remodel his house and take pictures at his daughter's wedding and his practice of giving expensive china and hand-painted armchairs paid for by taxpayers to his friends, to name a few.

Rostenkowski, 68, originally was charged in a 17-count indictment in May 1994 with engaging in a pattern of corruption that spanned nearly all of his 36 years in Congress. He was accused of illegally exchanging postage stamps for cash at the House Post Office. He was charged with using government employees to run personal errands for him. He was accused of pocketing federal funds and campaign money. And he was charged with us-

ing merchandise in the House Stationery Store as gifts to friends and constituents.

Those charges led to his defeat in November 1994 at the hands of a political neophyte.

As a May 15 trial date loomed, his

### THE 17 CHARGES

**H**ere are the original charges against former representative Dan Rostenkowski (D-Ill.). A May 1994 indictment said he converted \$636,000 in federal funds and \$56,000 in campaign money to personal use.

#### PLEADED GUILTY TO TWO CHARGES

##### ■ Mail fraud (two counts)

Used mail to further frauds involving employees on payroll who did little or no official work and public funds used to buy personal gifts.

#### CHARGES DROPPED LAST MONTH

##### ■ Concealing a material fact (four counts)

Applies to "ghost" employees; \$73,500 in fraudulent car leases charged to the government; public funds used to buy personal gifts; and cash received from House Post Office for stamps bought with public funds.

#### OTHER CHARGES FROM 1994 INDICTMENT, DROPPED YESTERDAY

##### ■ Mail and wire fraud (three counts)

Used telephone and mail to further frauds involving cash for stamps and personal cars bought with public funds.

##### ■ Obstruction of justice (one count)

Asked grand jury witness who engraved gifts bought at House stationery store to withhold evidence.

##### ■ Embezzlement (four counts)

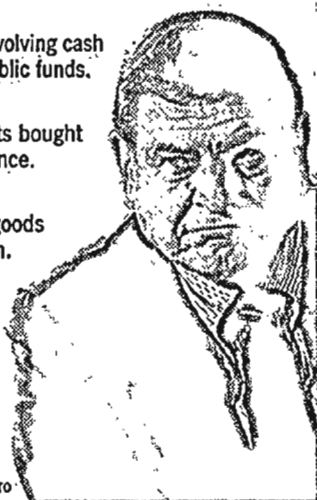
Applies to public funds spent on personal goods and services and cash-for-stamps allegation.

##### ■ Concealing a material fact from the Federal Election Commission (two counts)

Asked House postmaster to cash signed campaign checks; directed campaign committee to pay for personal car leases.

##### ■ Conspiracy (one count)

Applies to cash-for-stamps allegation.



FILE PHOTO

THE WASHINGTON POST

lawyers, led by Dan K. Webb, and prosecutors hammered out the deal that Johnson signed off on yesterday. In addition to the agreed 17 months and the fines, the judge also said Rostenkowski will have to pay the costs of his incarceration, about \$1,800 a month, if the Bureau of Prisons determines that he can afford it.

"The guilty pleas don't reflect the breadth of your crimes," Johnson said. "In your important position, you capriciously pursued a course of personal gain for you, your family and your friends. You have stained them, as well as yourself, and the high position you held."

"The penalty you and your family [will suffer] will be the burden of conscience, will be the burden of disgrace that will always be associated with your tenure in Congress," the judge said.

"For me, it's a very sad day," said former minority leader Robert H. Michel (R-Ill.), who had an office next to Rostenkowski's and played golf with him during the days when Rostenkowski was a power in the House. "He's a very fine human being personally," Michel said. "I'll never say anything bad about my friend."

During the dozen years he ruled the Ways and Means Committee, Rostenkowski was larger than life, a big man who enjoyed holding court in restaurants, particularly those that served his favorite dish, red meat. "I think Danny Rostenkowski was a mentor to many of us who were on his committee," said Rep. Robert T. Matsui (D-Calif.). "We looked to him for leadership throughout our careers."

Rostenkowski followed his father into politics, succeeding him as a committeeman in Chicago's 32nd Ward, which they ruled from 1935 to 1987. He was elected to the state legislature in 1952, at the age of 24. Six years later, Rostenkowski convinced Mayor Richard J. Daley to back him for Congress to pay off a political debt the mayor owed his father.

In 1980, when several senior members of Congress were voted out of office, Rostenkowski was given the choice of Ways and Means Committee chairman or whip. He took the committee, the most powerful on Capitol Hill because it controls the government's purse strings.

"I am very proud of my 36 years in Congress," Rostenkowski said yesterday. "I believe I have served my constituents with dignity, honor and integrity. I know of no member of Congress who worked harder on behalf of his state, his city or his congressional constituents. . . . With the events of today, I have now put this matter behind me and, when I am released from incarceration, I intend to be actively involved in public life."

*Staff writer Guy Gugliotta contributed to this report.*



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THE WASHINGTON POST

# Kolter Guilty in Post Office Scandal

## Ex-Lawmaker Pleads to Fraud Conspiracy Involving House Postmaster

By Toni Locy  
 Washington Post Staff Writer

Former representative Joseph P. Kolter (D-Pa.) admitted yesterday that during his 10 years in Congress he walked into the House Post Office, put thousands of dollars in taxpayer money into his pocket and lied on vouchers that said he had gotten stamps instead.

Kolter, 69, who served from 1983 to 1993, pleaded guilty to one count of conspiring with the former House postmaster, Robert V. Rota, and others to steal from the post office.

By doing so, Kolter deprived citizens of "their right to have the business of the U.S. House of Representatives conducted honestly and impartially, free from corruption, conflict of interest, deceit and fraud," prosecutor Wendy L. Wysong said.

Originally, Kolter was charged with embezzling more than \$40,000 in taxpayer funds: \$11,000 from the post office and more than \$33,000 in merchandise from the House Stationery Store. He pleaded guilty to only one charge yesterday, involving seven incidents totaling \$9,300 in thefts from the post office.

He is the first former congressman to admit that such a fraud existed at the post office. Former House Ways and Means Committee chairman Dan Rostenkowski (D-Ill.) vehemently disputed similar charges brought against him, even after he pleaded guilty last month to taking merchandise from the House Stationery Store and giving it to friends and using government employees to do personal chores, such as take pictures at his daughter's wedding.



FILE PHOTO

JOSEPH P. KOLTER  
 ... faces five years in prison

Still outraged by Rostenkowski's combative remarks—that his crimes were meaningless because he had simply done what everyone else in Congress had done—prosecutors said Kolter's admission proves there was a cash-for-stamps scam in the post office.

"This demonstrates that Robert Rota was giving cash to congressmen," said prosecutor John M. Campbell, head of the public corruption unit in U.S. Attorney Eric H. Holder Jr.'s office.

"We were prepared to prove it," said prosecutor Thomas J. Motley. "We would've proven it."

Prosecutors said the post office investigation is continuing. Rota and two other post office employees who coop-

erated in the probe are awaiting sentencing; no dates have been set.

U.S. District Judge Norma Holloway Johnson set Kolter's sentencing for July 31. While the maximum penalty he faces under law is five years, his sentence under federal guidelines will probably fall within six to 12 months, lawyers for both sides said.

Wysong said Rota, Kolter and "other selected congressmen" set up a system that was "convenient and largely untraceable" to steal funds from the post office. They did it, she said, in two ways: Kolter would ask for and get a large number of stamps through a signed voucher and then, a short time later, take them back and exchange them for cash. But most often, Rota simply gave Kolter cash directly after he signed a voucher on the spot falsely stating that he had gotten stamps.

Kolter and Rota kept the conspiracy secret by having Kolter go personally to the post office to handle the transaction, Wysong said. Rota also kept a computerized list that kept track of the volume of stamps purchased by members of Congress. The two men often checked Kolter's purchases to make sure they were not out of line with the others so they would not draw attention, Wysong said.

After Wysong finished her summary, Judge Johnson asked Kolter if he agreed with it. The former congressman slowly shook his head. "Yes, ma'am," he said softly. She cautioned Kolter that he must abide by terms of his bond and asked him if he would return to court for sentencing.

"Looking forward to it," he said.