

## **BROADCAST TRANSCRIPT**

Anderson Copper 360

CNN

October 8, 2009

“Ethics Committee Expands Rangel Investigation”

**ANDERSON COOPER:** We begin first up with the growing trouble for Democratic Congressman Charles Rangel. He's the chairman of the powerful House Ways and Means Committee. He helps write our tax laws, but has admitted to not paying his own taxes. Turns out he has property in the Dominican Republic, this House. It's quite nice. He's been renting it out for years, and not paying taxes on the money.

His excuse? He says he didn't know if the property was earning money because his real estate agent kept speaking Spanish. By the way, as columnist Gail Collins pointed out today in "The New York Times," Congressman Rangel's congressional district is 50 percent Hispanic.

In August, he said to failed to report half-a-million dollars in assets on his \$207,000 disclosure forms, effectively acknowledging his net worth is roughly double what he has claimed. Yesterday, Republicans tried to strip him of his powerful committee chairmanship, but his fellow Democrats blocked that.

Today, however, the House Ethics Committee voted unanimously to expand its ongoing probe of the congressman. Mr. Rangel says he's the victim of a media -- a media smear campaign and is confident he will be cleared.

Let's talk it over with Dana Bash, Joe Johns, and conservative activist Peter Flaherty, president of the National Legal and Policy Center.

So, Dana, the -- the Ethics Committee said today they're expanding the investigation. But they have already been investigating for a year. Why it is taking so long?

**DANA BASH, CNN SENIOR CONGRESSIONAL CORRESPONDENT:** That's a question, Anderson, we're hearing more and more on Capitol Hill, not just from Republicans, but actually from Rangel's fellow Democrat, who are growing anxious.

You know, the bipartisan House Ethics Committee, they operate in a very thick cloak of secrecy. So, it's hard for anyone, us in the press or even the congressional leadership, to really know what's going on.

But we do have evidence that the committee is actually feeling the heat for taking so long, because in the statement today announcing that they're expanding their inquiry, the committee, they have actually made a point of detailing the work that they have done on the Rangel investigation, 150 subpoenas, 34 witnesses, things like that.

So, this incredibly secretive committee, they don't do that unless they're trying make a point, which I read as: We're active. Let us do our job.

**COOPER:** So, Peter, in broad strokes, what is he accused of doing? I mean, he has this house down at the Dominican Republic, been renting it out, I think last night on the program you said, for more than \$1,000 a night at times. And he never claimed any of that? He -- he never admitted to -- to any of that?

**PETER FLAHERTY, PRESIDENT, NATIONAL LEGAL AND POLICY**

**CENTER:** Never reported it to the IRS, never disclosed it on his financial disclosure forms.

The Ethics Committee is looking at four other things, the fact that he has four rent-controlled apartments in New York City for which he doesn't qualify, two issues connected to the so-called Charles B. Rangel School for Public Service at the City College of New York.

Number one, he solicited gifts for that institution on congressional letterhead, which is against the rules. He also protected a lucrative tax break for a company called Nabors Industries while the CEO of that company, Eugene Isenberg, was pledging a million dollars to the school.

And, lastly, the committee is looking at a congressional junket to the Caribbean led by Rangel and paid for by Citigroup. I actually crashed it and brought back photographs and recordings that are the basis for the Ethics Committee probe.

**COOPER:** So, Joe, when it comes to Rangel's fate, I guess a lot of it hinges on intent of what he did. I know you're looking into that.

A lot of people are very doubtful, though, understandably, that a member of Congress just forgets to disclose hundreds of thousands of dollars in income, I mean, the guy who is on the committee that writes tax laws.

**JOE JOHNS, CNN SENIOR CORRESPONDENT:** Exactly.

We have been looking through Rangel's financial disclosure forms from over the years. Now, he does admit mistakes, but, even to the trained eye, it's pretty confusing. So, last year, he hired a forensic accountant to look at his finances.

And, then, after that, Rangel went in and started fixing the numbers. The problem is, like you say, he's the top guy on the committee that writes the tax laws, the chairman. So, the question congressional watchdogs and others are asking, Anderson, is, how could a guy like Rangel get his numbers so messed up when knowingly signing a false disclosure form could be considered a crime?

Some top Washington lawyers we talked to today say Rangel's problems all boil down to intent. Did he do it on purpose? And why wouldn't he want to disclose certain assets? Defenders say he was just sloppy and absent-minded.

One other -- the one other point is that Rangel's own defense when the news broke last year about that house in the Dominican Republic he wasn't paying taxes for, he actually said he wasn't aware of the situation because it was his wife who handled the family finances and talked to the accountant on -- on tax matters -- Anderson.

**COOPER:** Dana, I mean the Democrats, though, ran on cleaning house, on -- on draining the swamp, on -- on -- you know, how have they reacted to this? I know the Congressional Black Caucus is standing firmly behind him. But it seems like the Democrats, you know, when the Republicans tried to get him removed from his leadership position yesterday, Democrats, you know, didn't even blink an eye in just swatting that down.

**BASH:** That's right. There are really no visible cracks in Democratic support.

But I have got to tell you, Anderson, walking those marble halls in Congress, you can feel the tremors getting a little bit stronger, because there's no question that Republican strategy to force a vote yesterday and the Ethics Committee's announcement today that it is expanding its investigation does make many rank-and-file Democrats uncomfortable.

But I have talked to some Democratic congressmen in the past 24, 48 hours who said the reason they're willing to wait until the Ethics Committee finishes its work is actually personal to them, because they say today, it's Charlie Rangel; tomorrow, it could be them accused of something that they think is, perhaps, from their perspective, unfair or wrong.

And, so, the Ethics Committee, they say, is there to protect their innocence as much as -- as it is to root out corruption.

**COOPER:** Peter, does it make any sense to you that this Ethics Committee has taken a year so far?

**FLAHERTY:** Well, the problem is that every time a new issue is stuffed into the Ethics Committee, something else comes out.

And Rangel himself has done Pelosi no favors. He told a reporter that Pelosi assured him that he could stay as Ways and Means chairman as long as he wanted, and Pelosi was forced to deny that report.

Now, even since these revisions were made to his financial disclosure forms in August, new stuff has come out. If you look at his forms for the years 1993 to 2001, you see that he owns a six-unit brownstone in Harlem, but he reports no rent. And, if you go to public records, you will see that there were tenants in there.

So, even after he's come clean, he's still dirty.

**COOPER:** Wow.

**JOHNS:** Anderson...

**COOPER:** Yes.

**JOHNS:** ... you know, there's one other question here, and that is, how much would Rangel have conceivably gained if all of this had never gone public?

We have been trying to figure out a number. And, you know, the defenders claim that his benefit would have been minimal. But we do know that Rangel paid the IRS in New York state almost \$11,000 in back taxes for that Dominican house after that oversight was spotted.

**COOPER:** All right, Joe Johns, Peter Flaherty, Dana Bash, I appreciate it. We will keep on it.