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Anderson Cooper 360
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"Rangel Steps Down"

Anderson Cooper: Today, a dramatic turn in the ethics storm swirling around House Ways and Means Chairman Charles Rangel. The head of the powerful tax-writing committee finally did what so many have been pushing him to do. He stepped down, a move he said today was temporary. Listen.

Congressman Charles Rangel: And, in order to avoid my colleagues having to defend me during their elections, I have, this morning, sent a letter to Speaker Pelosi, asking her to grant me a leave of absence, until such time as the Ethics Committee completes its work.

Anderson Cooper: Well, for Rangel's decision is -- well, for many, it's long overdue. He's been under investigation by the House Ethics Committee for more than a year for a long list of alleged rules violations involving financial disclosures and a lot more.

Remember, this is the guy who actually writes the tax laws we all have to follow. Last week, the hot water Rangel has been in got even hotter, allowing Republicans to point at Democrats and say, what happened to all those promises about accountability and cleaning up corruption? Well, tonight, Joe Johns is "Keeping Them Honest."

Joe Johns: Anderson, Rangel really had a choice today, jump or maybe get pushed out. This all started, like you said, last week, when the House Ethics Committee said Rangel violated a rule banning House members from getting their travel expenses paid for by outside interests.

Well, Rangel went to a business conference in the Caribbean a couple years back that was paid for by a big bank, a big pharmaceutical company, big phone company. You get the idea. And the Ethics Committee said his staff knew corporations were bankrolling the conference, but wasn't able to prove that Rangel himself knew. He argued he shouldn't have been punished for what he called mistakes of his staff. Here's what he said. Let's listen.

Congressman Charles Rangel: Common sense dictates that members of Congress should not be held responsible for what could be the wrongdoing or mistakes or errors of staff, unless there's reason to believe that the member knew or should have known. And there is nothing in the record to indicate the latter.

Joe Johns: In other words, the powerful chairman of the House Ways and Means Committee saw nothing unusual in receiving an expense-paid- trip to the Caribbean, even though there were apparently corporate signs and banners all over the place at the conference.

Peter Flaherty, a guy we talked to, is the conservative group that's been bird-dogging Rangel. He actually went to one of these conferences.

Peter Flaherty: It's implausible that Charles Rangel did not know that big companies were bankrolling the event. Their logos were on the podium. They were on a banner above the podium. Speakers thanked the sponsors repeatedly. I know. I was there.

Anderson Cooper: Joe, I mean, what, are there still about half-a-dozen allegations out there that Rangel has been doing shady dealings? I mean, what about all the money that he forgot to disclose?

Joe Johns: Yes, that's right, Anderson, questions about the half- million dollars in assets he failed to report on government disclosure forms, that could be an even bigger challenge for him.

After, like you said, does the guy who runs the committee that writes the tax laws actually think about it when he ends up failing to report a half-million dollars in assets? And then, when you tick off some of the other stuff, it really sounds pretty bad.

There's Rangel's Dominican Republic beach house -- we have got some pictures of him relaxing on the beach there -- questions about whether he disclosed all of the rental income he got from that, questions about how he used four rent-controlled apartments in New York and whether all of them could have been considered a primary residence, questions about whether he used his official position to do favors for an oil drilling company that was doing favors to him, all of which he has adamantly denied, of course.

He says it's sloppy bookkeeping. Other people, he says, including his wife, handled some of the finances. He says he hired an accountant now and has already paid back something like \$11,000 in back taxes. Bottom line, from Rangel and all his defenders, they are all saying there was never any intent to break any rules.

Anderson Cooper: That's got to be about the most unflattering photograph of any member of Congress I have ever seen.

Joe Johns: I know. It's pretty bad.

Anderson Cooper: Note to self: Don't fall asleep on some beach if you're a member of Congress. Yikes.

You know, he seems to be blaming an awful a lot of other people, I mean, bookkeepers, his staff, his wife. Democrats, you know, talked a lot about fighting corruption when they came to office, but no one seemed to be pushing him very hard, until now.

Joe Johns: No, you're -- you're right. And this is really all about accountability.

You remember, a few years back, the Democrats ran and they got control of Congress claiming there was what they called a culture of corruption on Capitol Hill. Now, it is another election year, and, this time, the Democrats could end up defending themselves on pretty much the very same grounds.

Anderson Cooper: Yes, no doubt. They're definitely going to have to.

Joe, appreciate the reporting. Thanks very much -- "Keeping Them Honest."

Congressman Rangel will be a guest on "LARRY KING LIVE" tomorrow. You can hear what he has to say for himself starting at 9:00 p.m. Eastern.