

BROADCAST TRANSCRIPT

Anderson Copper 360

CNN

October 7, 2009

“Rangel Scandal”

ANDERSON COOPER: And welcome back. We're on the streets of Chicago. We have a train passing by; we're on the wrong side of the railroad tracks tonight.

We have new developments in another scandal on Capitol Hill, this time on the House side involving Representative Charles Rangel, who chairs the powerful House Ways and Means Committee which writes the tax laws the rest of us have to follow which makes the allegations he's facing so astounding.

For a year now, an entire year, an Ethics Committee has been investigating whether Rangel failed to declare hundreds of thousands of dollars of assets on his financial disclosure forms and whether he also failed to pay taxes on those assets. Well today, House Republicans tried again to oust Rangel, a Democrat, from his chairmanship and failed.

Let's talk "Raw Politics" with senior congressional correspondent, Dana Bash and Peter Flaherty, president of the National Legal and Policy Center.

Peter, I want to start off with you, you've been instrumental in kind of revealing some of these things that Rangel is accused of doing. If you can just kind of tick-off for us what are the accusations? How much did he hide and where did he allegedly hide it?

PETER FLAHERTY, PRESIDENT, NATIONAL LEGAL AND POLICY

CENTER: Well, there are several things he's accused of now. The two most prominent are that he hid income, we noticed on his financial disclosure forms that he had a house in the Dominican Republic but he reported no income for rent. So we sent an investigator down there who found that the place was continually rented out and at the height of the season, Charlie gets \$1,100 per night. Rangel...

COOPER: He makes \$1,100 for one night rent?

FLAHERTY: That's right. Rangel subsequently admitted that he did not disclose the income as required. Nor did he report it to the IRS. We believe the \$75,000 figure is low and we filed a complaint with the IRS and U.S. Attorney asking them to establish actually how much rent he received.

The second one is hiding assets. When his finances were scrutinized as a result of all this, he promised to file amendments to his disclosure forms. He did that in August and lo and behold, his net worth roughly doubled. He had several hundred thousand dollars more in assets than he previously reported.

COOPER: Wait, so he was filling out for years -- he was filling out -- for years he was filling out financial forms and basically then, when you actually called him on it, it turned out his personal net worth actually doubled, it was actually twice what he had been reporting all these years?

FLAHERTY: That's correct. He's a serial offender. He has two bank accounts worth between \$250,000 and a half million dollars in them. He's got stock holdings, he's got land and somehow he says he just forgot to put these things on the form.

COOPER: Dana, it's pretty outrageous that the man responsible for writing our tax laws is accused of being basically a complete dead beat on his own taxes. What was his reaction after the vote today?

DANA BASH, CNN SENIOR CONGRESSIONAL CORRESPONDENT: Well, I caught up with Congressman Rangel earlier this evening and I asked him just about that question, Anderson.

(BEGIN VIDEO CLIP)

BASH (on camera): Why is it that you don't think it's appropriate considering that you're being investigated for tax issues to resign from your post that dictates tax policy in this country?

REP. CHARLES RANGEL, (D) NEW YORK: Because the allegations have been made by newspapers reporters and I asked the Ethics Committee to review it and report back to the Congress.

(END VIDEO CLIP)

BASH: Rangel told me it is the Bipartisan Ethics Committee's job to decide if he did anything wrong, as he said, not the newspapers and his office lashed out at Republicans today for playing politics and using him as the poster child for Democratic corruption.

But watching Rangel today, the dynamic was quite interesting, Anderson, because he's not running away. He sat in the House chamber, in the front row for about 30 minutes as a GOP Congressman read the resolution, detailing allegations against him. And then Rangel spent the rest of the day in back to back meetings, knee deep in negotiations on health care reform. And the tax issues he oversees as Chairman of the Ways and Means Committee.

One other interesting thing, the House Democratic leadership and their dynamic here; they -- led by House Speaker Nancy Pelosi, are uniformly behind Rangel. And they're against the Republican attempts to strip him of his chairmanship before the House Ethics Committee actually completes its investigation.

And I spoke with the House Speaker earlier today. And was struck by how emphatic she was.

(BEGIN VIDEO CLIP)

REP. NANCY PELOSI (D-CA), HOUSE SPEAKER: He is one of the most experienced, knowledgeable people in the Congress about health care. But even if he weren't, the process here is that the Ethics Committee reviews the situation and then they make their statement on it. So I think it's very unfair to him to say, you should step aside because you're under review. That's what I think...

(END VIDEO CLIP)

BASH: Now, there are a lot of dynamics at play here. Anderson, Rangel is a veteran member, he's a leading member of the Black Caucus, which is of course, is a powerful block that the leadership doesn't want to anger.

But when I talk privately to House Democratic leadership sources, they insist the real test for them is going to be when the Ethics Committee does issue a report and if it's harsh, what will they do then, Anderson?

COOPER: Dana Bash, I appreciate it. I've actually lost IFBs. We're going to have to stop the conversation here. Peter Flaherty, I appreciate it as well. We'll continue to follow that.