

Carlyle Consulting

DUE DILIGENCE

Inspector General at Interior To Probe Solicitation of Tribes

By Susan Schmidt

The Washington Post, Mar 13, 1997

Washington -- The inspector general of the Interior Department will investigate the solicitation of poverty-stricken Indian tribes by Democratic Party fund-raisers seeking personal business and political contributions, a spokesman for Secretary Bruce Babbitt said yesterday.

House Republicans called for the Interior Department probe and for an investigation by the Justice Department. Appropriations Committee Chairman Bob Livingston (R-La.) told Attorney General Janet Reno in a letter he was "amazed and very disappointed to read about individuals, with ties to the White House and the Vice President, actively seeking political contributions from some of the most disadvantaged groups in our society."

Meanwhile, the attorney for the tribes -- the Cheyenne-Arapaho of northwest Oklahoma -- said he has been contacted by the FBI. Richard Grellner said he was called Tuesday by an agent who wanted to know the location of recent meetings between tribal officials and a top party fund-raiser soliciting personal business, apparently to establish which FBI office has jurisdiction for looking into the matter.

The Washington Post reported Monday that tribal representatives said Nathan Landow, a longtime fund-raiser for Vice President Gore, sought to represent the tribes and brought in Clinton-Gore campaign manager Peter Knight's lobbying firm to help win return of the tribes' native lands.

Tribal officials said Landow touted access he and Knight have to top Clinton administration aides, and even explicitly warned he would ensure the tribes would not get their land back if they did not sign a development contract giving him 10 percent of the land's potentially lucrative mineral rights. Landow denied threatening the tribes and said he met with them only to be "polite." He never intended to follow through on the proposed contract, he said.

Knight has said that while his firm has been negotiating a lobbying contract with the tribes, he personally has had only minimal contact with tribal representatives. Negotiations have been left to others at his firm, he said.

The tribes said Knight's firm, Wunder, Diefenderfer, Cannon & Thelen, has asked for a \$100,000 retainer plus

\$10,000 a month. The Democratic National Committee has offered to return \$107,000 contributed by the tribes last year. Tribal leaders -- who voted to make the donations from a fund maintained for tribe members' emergencies -- are defending the decision, saying they are proud to have participated in the electoral process. After they agreed last spring to make a \$100,000 donation, tribal leaders were invited to a White House lunch where they raised the issue of their land claim with President Clinton.

Money requests from DNC fund-raisers have continued, some as recent as two weeks ago. Clinton was "troubled" to learn about solicitations of the tribes, a White House spokesman said. A spokeswoman for Gore said he too was "concerned and troubled."

"If the Indian tribes did not have the money to give, they should not have been solicited," said Gore spokeswoman Ginny Terzano.

She said she had no reaction from Gore on the issue of Landow's touting his and Knight's access to the vice president to get the tribes to sign contracts.



CARLYLE CONSULTING