

Newt's Ethics Case Hatchet Job

By **BYRON YORK**
Universal Uclick Syndicate

The Romney campaign has been hitting Newt Gingrich hard over the 1990s ethics case that resulted in the former speaker being reprimanded and paying a \$300,000 penalty. Romney mentions it often, and his campaign made the ethics case the focus of the most widely viewed attack ad of the Florida primary.



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Given all that attention, it's worth asking what actually happened back in 1995, 1996 and 1997.

The Gingrich case was extraordinarily complex, intensely partisan, and driven in no small way by a personal vendetta on the part of one of Gingrich's former political opponents. It received saturation coverage in the press; a database search of major media outlets revealed more than 10,000 references to Gingrich's ethics

problems during the six months leading to his reprimand.

It ended with a special counsel hired by the House Ethics Committee holding Gingrich to an astonishingly strict standard of behavior, after which Gingrich in essence pled guilty to two minor offenses. Afterward, the case was referred to the Internal Revenue Service, which conducted an exhaustive investigation into the matter — and then, three years later, completely exonerated Gingrich.

It's that last part of the story you don't hear about much.

At the center of the controversy was a course Gingrich taught from 1993 to 1995 at two small Georgia colleges. The class, called "Renewing American Civilization," was conceived by Gingrich and financed by a tax-exempt organization called the Progress and Freedom Foundation.

Gingrich maintained that the course was a legitimate educational enterprise; his critics said it had little to do with learning and was, in fact, a political exercise in which Gingrich abused a tax-exempt foundation to spread his own partisan message.

The Gingrich case was driven in significant part by a man named Ben Jones. An actor and recovered alcoholic who became famous for playing the dim-witted "Cooter" in the popular 1980s TV show "The Dukes of Hazzard," Jones ran for Congress as a Democrat from Georgia in 1988.

He served two terms, but lost his seat due to redistricting. Attempting a comeback, he ran against Gingrich in 1994 and lost decisively. After that, it's fair to say Jones became obsessed with bringing Gingrich down.

Two days before Election Day 1994, with defeat in sight, Jones hand-delivered a complaint to the House Ethics Committee. (The complaint was printed on "Ben Jones for Congress" stationery.) Jones charged that Gingrich "fabricated a 'college course' intended, in fact, to meet certain political, not educational, objectives."

Jones teamed up with his friend, Democratic Rep. David Bonior, to push the case relentlessly. Under public pressure, the Ethics Committee — made up of equal numbers of Republicans and Democrats — took up the case and hired an outside counsel, Washington lawyer James Cole, to

conduct the investigation.

Cole developed a theory in which Gingrich, looking for a way to spread his political views, came up with the idea of creating a college course and then devised a way to use a tax-exempt foundation to pay the bills. Cole didn't argue that the course was not educational; it plainly was. But Cole suggested that the standard for determining wrongdoing was whether any ill intent lurked in Gingrich's heart, even if the course was unquestionably educational.

It is hard to convey today how much the media became preoccupied with the case, and how much pressure fell on Gingrich and Republicans to end the ordeal.

In Jan. 1997, Gingrich agreed to plead guilty to the previously unknown offense of failing to seek sufficiently detailed advice from a tax lawyer before proceeding with the course. (Gingrich had, in fact, sought advice from two such lawyers in relation to the course.)

Gingrich also admitted that he had provided "inaccurate, incomplete and unreliable" information to Ethics Committee investigators. That "inaccurate" information was largely Gingrich's

contention that the course was not political — a claim the IRS later would support.

Why did Gingrich admit wrongdoing? "The atmosphere at the time was so rancorous, partisan, and personal that everyone, including Newt, was desperately seeking a way to end the whole thing," Gingrich attorney Jan Baran said in 1999. "He was admitting to whatever he could to get the case over with."

It was a huge victory for Democrats. They had deeply wounded the speaker. But they wanted more, and they pressed the IRS to investigate.

Experts examined every word Gingrich spoke in every class; they examined the financing and administration of the course; and they examined how the course might have fit into Gingrich's political network.

In the end, in 1999, the IRS released a highly detailed 74-page report that concluded the course was, in fact, a legitimate educational exercise. "The 'Renewing American Civilization' course was educational ... and not biased toward any of those who were supposed to be benefited," the IRS concluded.

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Thought for Today "Not by works of righteousness which we have done, but according to his mercy he saved us, by the washing of regeneration, and renewing of the Holy Ghost." Titus 3:5

Justifying Agency Costs

The Albany Herald

Right after death and taxes, the surest thing is that a government agency, once created, will go on for quite a while, regardless of whether it's needed.

That is what makes a bill passed Monday by the Georgia Senate intriguing.

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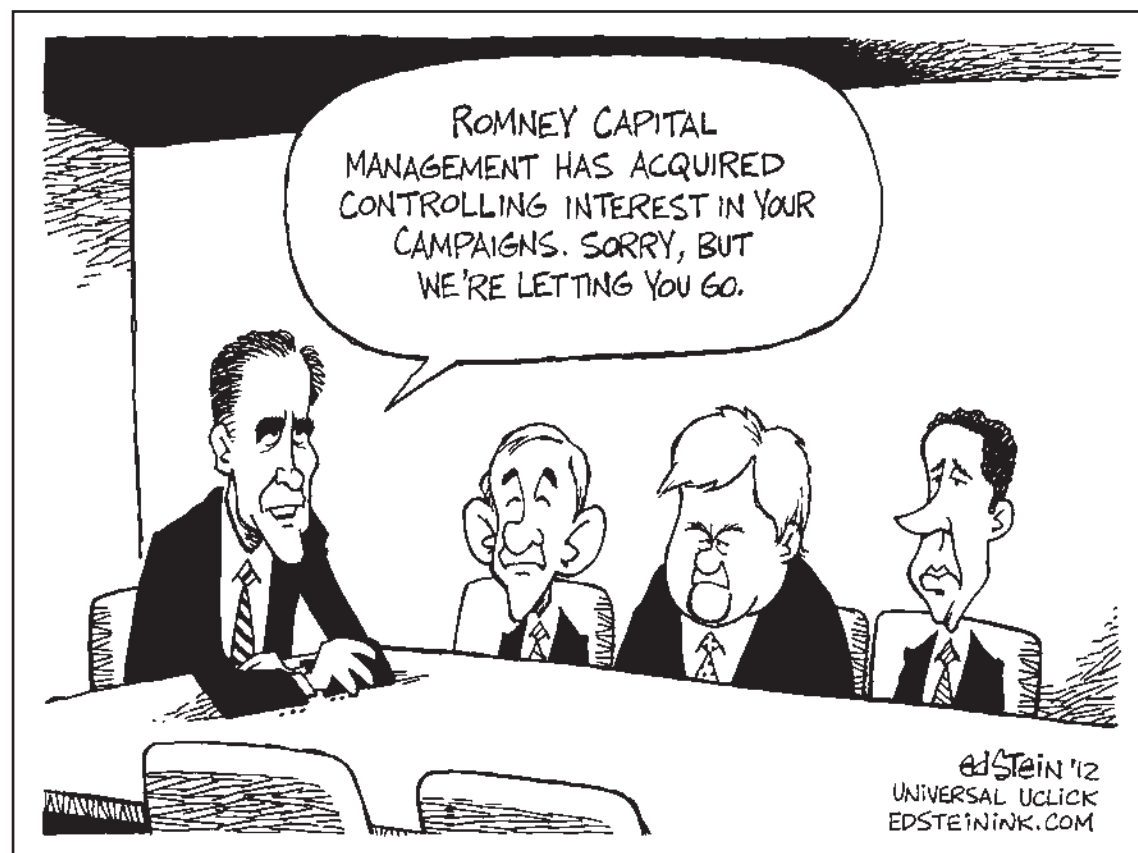
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Our Readers Say

Small Business Hurting

EDITOR, Journal-Herald
The headline had it half right: Small Business Disdains Government.

But the real story from the U.S. Chamber of Commerce survey forgot the other half. The more important half: How Government Disdains Small Business.

And we know that because most small businesses cannot do public work. They do not even bid on it because they do not have the credit to start most government jobs.

Seems strange you would need credit to do something that makes money. But you do: Lots of it.

For all the talk about how public officials love small businesses because that is where the new jobs are, these same public officials spend trillions of dollars for jobs that most small contractors cannot do.

Let's look at a small example: Your local city council wants to hire a painting contractor for a \$300,000 job. Amid all the fanfare about the importance of small businesses and how great it will be to keep the dollars in the community, local officials are surprised when local contractors do not bid and the job goes to a larger, out-of-town rival.

To do the painting job, a contractor needs to pay for paint, vendors, workers' comp, bonding, and many other expenses long before the first dollar rolls in.

A bond to make sure the contractor will complete the job also requires credit, and that often requires a big chunk of cash as collateral.

All of a sudden, in order to bid on a \$300,000 job you need that much and more in credit.

And ever since the world changed in 2008, most do not have it.

Not if they look for it at the bank.

No matter how much your banker wants to lend you money, chances are he cannot. Here's why: Even if the mythical painting contractor has a 30-year relationship with his banker, if the contractor came out of the financial tsunami with a few dings on his credit, the loan is automatically marked with a dark star.

When that happens, the banker has to treat the loan as if it were already bad. That means setting money aside that he would normally lend to someone with better credit.

For every one dollar they set aside for this contractor, that means they will be able to lend \$4 less to another.

Small business owners figured this out a long time ago: If they want to get their first government job, they have to find the credit somewhere other than a bank.

Some small business owners are finding ways to get credit from financial companies that look past credit scores and look at their ability to finish the job on time and under budget.

But most public officials are not aware of these new ways of keeping small business owners in business. Not yet anyway.

President Obama recently said that the stimulus did not work as well as he wanted because some of the "shovel ready" jobs were not as shovel ready as he thought.

Robert Berman, CEO
Cinium Financial
New York, N.Y.

Keep Taliban Locked Up

EDITOR, Journal-Herald
After questioning top U.S. intelligence officials on the current administration's proposed transfer of Taliban prisoners from Guantanamo Bay Tuesday, I've called for the declassification of the intelligence assessments on these detainees so that there could be an open debate about the wisdom of this transfer before it takes place.

Press reports have outlined the current administration's plans to trade prisoners detained at Guantanamo Bay to the Taliban as a "confidence building measure."

It appears from these reports that in exchange for transferring detainees who had been determined to be "too dangerous to transfer" by the administration's own Guantanamo Review Task Force, we get little to nothing in return.

Apparently, the Taliban will not have to stop fighting our troops and won't even have to stop bombing them with IEDs. I have also heard nothing from the intelligence community that suggests that the assessments on the threat posed by these detainees have changed.

I want to state publicly, as strongly as I can, that we should not transfer these detainees from Guantanamo. Moreover, I believe the intelligence community should declassify the intelligence assessments on these detainees so that we can have a full and open debate about the wisdom of this transfer before it takes place.

Chairwoman Diane Feinstein, D-Calif., and Vice Chairman Chambliss held the U.S. Senate Select Committee on Intelligence's annual open hearing on Worldwide Threats Tuesday.

Director of National Intelligence James Clapper, CIA Director David Petraeus, FBI Director Robert Mueller, Defense Intelligence Agency Director Ronald Burgess, National Counterterrorism Center Director Matthew Olsen, Assistant Secretary of State for Intelligence and Research Philip Goldberg, and Homeland Security Under Secretary for Intelligence and Analysis Caryn Wagner answered questions from the committee on public threats that face the nation.

U.S. Sen. Saxby Chambliss
Washington, D.C.

EDITOR'S NOTE: Sen. Chambliss serves as vice chairman of the Senate Select Committee on Intelligence. He is Georgia's senior United States senator.

'Go Fish Georgia' Sinking

Athens Banner-Herald

A few years ago, then-Georgia Gov. Sonny Perdue was touting his \$19 million "Go Fish Georgia" initiative as an economic development tonic for the state.

The program, funded with state-issued bonds and matching private funds, called for the construction of a number of large boat ramps around the state and a 30,000-square-foot fishing education center in Houston County — Perdue's home county — to attract both tourists and large fishing tournaments to Georgia.

So, with the Go Fish Education Center in operation for more than a year, and 14 of the planned 17 boat ramps completed, what's the scorecard for the former governor's gambit?

Well, according to a Morris News Service story from late last week, it's not paying off all that well.

As far as the education center is concerned, Georgia Department of Natural Resources figures quoted in the news story note that in its first 14 months, the facility has hosted slightly more than 15,000 visitors, with just over 2,600 people opting to participate in its education programs. In terms of revenue, the center has taken in \$83,508 in its first 14 months.

Compare those figures to projections that the center would attract 100,000 people annually and have a \$6.3 million economic impact on Houston County, and the most charitable interpretation is that the facility is underperforming. More plainly,

it is, at least at this juncture, an utter failure.

So what about the boat ramps? Well, according to the news story, just five of the 14 ramps have hosted tournaments, and there are no tournaments scheduled this year for the six ramps on the Savannah and Oconee rivers and at Lake Blackshear.

Also, in the one instance included in the news story, it's fair to assume that the economic impact of a May bass-fishing tournament held at West Point Lake might be a bit overstated.

According to figures supplied by the Georgia Department of Natural Resources, the four-day tournament could have brought as much as \$5 million into the West Georgia economy.

However, given that the event attracted a total of 99 competitors, a \$5 million economic impact would be equivalent to each of them buying a \$40,000 boat, the news story noted.

While it's tempting to be critical of the former governor for launching this apparently ill-advised program as the state was cutting expenditures on core services, Perdue's point — noted in the news story — that its combination of bond funding and private donations didn't impact the state's day-to-day operations, is well taken.

The larger point here — and it's a particularly important one as state and local officials are revitalizing economic development efforts — is that government has no special knowledge of the marketplace that should recommend it for a lead role in spurring the state's economy.