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VENEZUELAN MONEY AND THE PRESIDENTIAL ELECTION

THURSDAY, APRIL 30, 1998

HOUSE OF REPRESENTATIVES,
COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT,
Washington, DC.

The subcommittee met, pursuant to notice, at 10 a.m., in room 2154, Rayburn House Office Building, Hon. Don Burton (chairman of the committee) presiding.

Present: Representatives Burton, Morella, Cox, Ros-Lehtinen, McHugh, Horn, Mica, Sununu, Snowbarger, Barr, Waxman, Lantos, Kanjorski, Condit, Barrett, Kucinich, Davis of Illinois, and Turner.

Staff present: Kevin Binger, staff director; Richard Bennett, chief counsel; William Moschella, deputy counsel and parliamentarian; Judith McCoy, chief clerk; Teresa Austin, assistant clerk/calendar clerk; David Kass, deputy counsel; Dudley Hodgson, chief investigator; James C. Wilson and Uttam Dhillon, senior investigative counsels; Robert Dold, investigative counsel; Elliott Berke, investigative attorney, Robin Butler, office manager; Ashley Godwin, investigative administrative assistant; Tom Bossert, investigative staff assistant; Phil Schiliro, minority staff director; Phil Barnett, minority chief counsel; Kenneth Ballen, minority chief investigative counsel; David Sadkin and Michael Yang, minority counsels; Ellen Rayner, minority chief clerk; Sheridan Pauker, minority research assistant; and Jean Gosa, minority staff assistant.

Mr. BURTON. The committee will come to order. Good morning, a quorum being present, the Committee on Government Reform and Oversight will start its business.

Before the distinguished ranking member and I deliver our opening statements, the committee must first dispose of some procedural issues. I ask unanimous consent that all Members' and witnesses' written opening statements be included in the record, and without objection, so ordered. I ask unanimous consent that all articles, exhibits, and extraneous or tabular material referred to be included in the record, and without objection, so ordered.

I ask unanimous consent that questioning in the matter under consideration proceed under clause 2(j)(2), House Rule XI, and committee Rule 14, in which the chairman and ranking minority member allocate time to committee counsel as they deem appropriate for extended questioning, not to exceed 60 minutes, divided equally between the majority and the minority, and without objection, so ordered.

I'd like to start off my opening remarks today by once again drawing attention to the stone wall that we have over on the wall which shows some of the problems we've encountered with the investigation. The Speaker of the House has made some comments about this in the last few days, and at the White House yesterday, speaking for the President, Michael McCurry, responded to Speaker Gingrich, and here's what he said, and I quote: "There's a lot of work to be done and we'll leave the politics to the Speaker. We're going to do the business of the people."

So I just have a couple of questions for the President and Mr. McCurry. Is it the business of the people to have drug dealers and gun runners in the White House in exchange for contributions? Is it the business of the people to rent out the Lincoln bedroom and seats on Air Force One for campaign contributions? Is it the business of the people to stonewall investigations by not turning over documents, or delaying documents for long periods of time to the Congress? Is it the business of the people to conceal video tapes of the President at White House fundraisers for 6 months and longer? And is it the business of the people to abuse executive privilege, to block criminal investigations and congressional investigations? These are just a few of the questions I'd like to ask Mr. McCurry, and I think some of the words were two syllables and longer.

Today, we continue to look into illegal foreign money that flowed into national campaigns through Florida. In March, we heard testimony about $400,000 in contributions from a German National, Thomas Kramer. We questioned Federal Election Commission officials who investigated this matter. More than $500,000 in fines were assessed, and Mr. Kramer was fined, and his lawyers were fined, and his secretary was fined, and the Republican party of Florida was fined.

One important person was not punished in any way. According to the Federal Election Committee General Counsel's Report, they obtained evidence that Democratic fundraiser, Howard Glicken, may have been involved in advising Mr. Kramer to illegally funnel contributions through his secretary. Despite the evidence, the Federal Election Commission decided not to investigate Mr. Glicken. They did not even call him to ask about it. One of the reasons they cited in deciding not to pursue Mr. Glicken was his close personal relationship to Vice President Gore.

Today, we will hear testimony about $50,000 in Venezuelan money that was contributed to the Democrat party during the Presidential campaign in 1992. These contributions were made by a prominent Venezuelan banking family headed by Orlando Castro Llanes. The evidence of these illegal contributions emerged during a bank fraud case being prosecuted by New York District Attorney Robert Morgenthau.

Mr. Morgenthau won convictions against three members of the Castro family, including Orlando Castro and his grandson, Jorge Castro Barredo. During the course of this investigation, Jorge Castro became a cooperating witness. He revealed the conduit contribution scheme to the prosecutors. The contributions were made during the fall of the 1992 Presidential elections. They consisted of two $20,000 contributions to the Democrat National Committee, and two $5,000 contributions to State Democratic parties.

Today, we will make public bank records and other documents given to our committee by Mr. Morgenthau's office that show that the $50,000 was reimbursed by the Castro's family business overseas.

Well, what happened then? Mr. Morgenthau's office referred all of the information on the illegal contributions to the U.S. Justice Department. They informed the U.S. Attorney's Office in Miami. They informed the Public Integrity Section of the Justice Department. They informed the Campaign Finance Task Force. They wrote letters. They made phone calls. The Justice Department interviewed Jorge Castro. They were given all of the documents. The case was practically gift-wrapped for the Justice Department, but for some reason, they simply decided not to pursue it. A year later, they wrote back to Mr. Morgenthau's office and told him that they had no plans to prosecute the case.

Now, here's what bothers me. In the Thomas Kramer case, the FEC had evidence that a DNC fundraiser was responsible for soliciting illegal conduit contributions. Mr. Kramer's secretary said that if she was given immunity, she would name that person. The FEC did not pursue it. They did not refer it to the Justice Department so they could pursue it. The DNC fundraiser, who was instigating illegal activities, gets off scot-free.

We have a similar situation with the Castro case. It will become clear during the course of the hearing that instructions for Jorge Castro's illegal contributions were coming from someone associated with the Democrat National Committee. Jorge Castro was getting detailed instructions about which State parties to make contributions to. Calls were being made to take one State off the list, and put another on in its place. These directions could have only come from a Democrat party strategist who knew which States needed money and which didn't. Since the Justice Department decided not to pursue this case, that person gets off scot-free.

What we are seeing is a disturbing pattern of Democratic operatives getting mixed up with illegal contributions. If the Justice Department and the Federal Election Commission don't vigorously pursue these cases, we wind up with the conduit contributors getting punished, but the party operatives behind the contributions getting a walk. This is clearly not acceptable. If political party officials are behind illegal contributions schemes, they must be brought to light, and they must be punished. If the Justice Department won't do it, and if the FEC won't do it, then maybe the Congress needs to do it. That's one of the reasons we're holding these hearings.

Anyone who has attended these hearings has heard me talk about the unbelievable number of people who have taken the fifth amendment or fled the country. There are now 92 people and many of their pictures are on that wall over there. You can see on that "Wall of Shame" photos of the friends and associates of the President who have taken the fifth and fled the country. This committee has run into a stone wall of stalling and obstruction.

The Castro case has been no exception. Once again, we have a key witnesses take the fifth to avoid testifying. That person is Charles Intriago. Mr. Intriago is the Castro family's lawyer. He is a DNC trustee. We will introduce into the record today, the sheet

of instructions that Mr. Intriago faxed to Jorge Castro on how to make these illegal contributions. It details to whom to make the contributions, and for how much. We will hear testimony from Jorge Castro that Mr. Intriago called him to change the instructions, to take one State off the list and put another State on the list. It is clear that Mr. Intriago was acting as a go-between for the Castro family and the Democrat National Committee. It seems clear that Mr. Intriago could inform us from whom he was getting these instructions, and whether that person was aware that illegal contributions were being made. Unfortunately, Mr. Intriago is not talking. He has taken the fifth amendment. One more stone on that wall.

What did the Castro family get for their money? They got a meeting with a high-level State Department official, and other officials, to discuss money-laundering. They got to attend the President's Inauguration. Apparently, Mr. Intriago was angling to be the United States Ambassador to Venezuela. Well, that at least didn't happen.

It is clear that the only way the American people are going to learn the truth is if we begin to immunize some of these witnesses and compel their testimony. Last week we voted on immunity for four important witnesses, a close business associate of Ted Sioeng, two employees of Johnny Chung, and a political associate of Gene and Nora Lum. In each case, the Justice Department was carefully consulted. In each case, the Justice Department had no objection to immunity. But in each case, every one of my Democrat colleagues voted against immunity. Immunity was blocked and the witnesses will remain silent because of this obstruction.

My colleague, Mr. Waxman, has consistently attacked this investigation. He will tell you in a few minutes that I have run a partisan investigation. He will say that I have abused my powers. Of course, none of this is true, but apparently my colleagues on the Democratic side voted against immunity to punish me. But the truth is, their votes don't punish me. When they block immunity, they are punishing the American people who have a right to know what happened. They have a right to know who broke the laws. When you block immunity, and you don't allow witnesses to testify, you keep the truth from the American people.

Now my colleague, Mr. Waxman, thinks I have my mind made up. He does not think I'm objective, and that's fine. He has a right to his opinion. But I don't think the American people have their minds made up. Let's let them hear the testimony of these witnesses and make up their own mind. Blocking this testimony by the Democrats only hurts the American people who we were sent here to represent.

Ted Sioeng has been accused of being a Chinese agent. Is that true? Kent La may be able to shed some light on this. Sioeng and his family have given hundreds of thousands to both Democrats and Republicans. This isn't partisan. It affects both parties. Let's give Kent La immunity. The Justice Department doesn't oppose it. Let's let the American people hear his testimony and make up their own minds.

We have a lot of good people on this committee, both Republicans and Democrats. I know that everyone, on both sides of this commit-

tee, have been shocked by some of things that have happened during the last election. I think everyone wants the truth to come out.

If you don't like me or if you don't like my style, that's fine. I'll accept that. But you're not punishing me, you're punishing the American people who have a right to know. We're going to vote on immunity for these same witnesses again next week, and I hope everyone on the committee will think long and hard about their vote over the weekend.

Returning to today's hearing, I would like to welcome our witnesses. Mr. Castro will provide a firsthand account of how these contributions were made and why. We have two prosecutors from the Manhattan District Attorney's Office. These two gentlemen were involved in prosecuting the Castro case, and they were the people who were in communication with the Justice Department.

Welcome, Mr. Castro, I'm glad you're here. Before we hear from you, we will now hear from Mr. Waxman, the ranking minority member.

Mr. WAXMAN. Thank you, Mr. Chairman. I want to clarify the record on a couple of points about this investigation. At our last hearing on March 31, I reminded you that your investigation has already cost $6 million of taxpayer's money. You disputed that number, and agreed to provide a full accounting of the funds spent by the majority on this investigation by April 3. It's now 4 weeks later, and you still haven't provided that accounting. Mr. Chairman, the public does have a right to know all the information, especially how their dollars are being spent. This is already going to be the most expensive congressional investigation in history, and one that has produced the least amount of new information. I, again, ask you to provide to the minority, and to the public, a precise audit of all the tax dollars you've spent on this investigation since November 1996.

Mr. Chairman, by not providing that information, you're punishing the American people. Will you provide it to us?

Mr. BURTON. I think it's already a matter of pubic record, but I'll make sure that you get a complete accounting of the expenses.

Mr. WAXMAN. Thank you very much, Mr. Chairman. You've also made it clear that you're intentionally violating the committee's rules and releasing transcripts and/or reportings of conversations that Webb Hubbell had with people on the telephone while he was in prison. It is also clear, however, when we read the newspapers that your staff, or you, told reporters that you haven't yet released the most relevant and detailed tapes.

Coincidentally, there's a tape that contains some exculpatory information regarding Mr. Hubbell and does have specific information that relates to this committee's investigation. Our serious objections to releasing the tapes is that most of these tapes, 99 percent of them, have nothing to do with this committee's investigation. They're personal. They're private conversations, in many cases, intimate conversations that Mr. Hubbell was having with his wife. I'm offended at the idea that they would be released. I think it's inconsistent with the rules for the chairman to release those tapes. I think they should be reviewed by the committee, and by our working group on document disclosure. But, Mr. Chairman, if you're going to be releasing tapes, I hope you'll release the tran-

scripts of the September 18, 1996, conversation, with appropriate redactions for legitimate privacy concerns. I believe that this is tape 118B. Mr. Chairman, I hope you'll be releasing that tape if you're going to release others.

Mr. BURTON. If the gentleman will yield briefly?

Mr. WAXMAN. Sure.

Mr. BURTON. Let me just say that we're going to scrutinize Mr. Hubbell's types very carefully, and all these other tapes. We'll make sure that we don't release anything that's of a personal nature. Now, there may be a tape that there is something on it that's relevant to our investigation, which we'll have to release, but we're being very careful about getting into the personal aspects of Mr. Hubbell's family life.

Now, regarding what you're talking about, give me that one more time?

Mr. WAXMAN. It's tape 118B. It's a conversation that Mr. Hubbell had that related directly to the subject of the investigation, and if you're going to be releasing tapes of any sort, which we don't approve of, you ought to be releasing a tape that's helpful to Mr. Hubbell, not just those that are——

Mr. BURTON. I'll certainly——

Mr. WAXMAN [continuing]. Technically harmful to him.

Mr. BURTON [continuing]. Take a look at 118B and see if we can include that.

Mr. WAXMAN. I do want to point out, Mr. Chairman, that this whole issue of these tapes came to our attention when we read in the Wall Street Journal about a conversation Mr. Hubbell had with his wife about what he was going to eat, and how the food was not satisfactory to him, and subjects, of course, that had nothing to do with this investigation. Yet, that information has already been released by our committee to the Wall Street Journal. And others, I'm sure, will be appearing that have information not related to anything to do with this investigation and that are personal.

To date, Mr. Chairman, you've released 60 depositions and interrogatories, but only have provided 34 of these to the minority. The Democratic staff has repeatedly asked your staff for copies of this material which we must receive, under the rules, but your staff has refused to provide the information. And I'm providing you a list of 34 depositions and interrogatories we have not received, and I'd like to ask you to direct your staff to provide this information by the close of the business today. Mr. Chairman, here is this list. Review it with your staff. We're entitled to the information, under the rules. We request that you comply with the rules.

Mr. BURTON. If the gentleman will yield briefly, we certainly will comply with the rules, and I was just talking to my staff about this. If there has been anything that you haven't received, we'll make sure you get it right away. It's not intentional if that did occur.

Mr. WAXMAN. Thank you, Mr. Chairman. I also want to raise a routine factual matter that I believe will be easy for you to correct. There have been, of course, individuals who are not cooperating with your investigation, and some have either asserted their fifth amendment right under the Constitution, or left the country. You've released a list of such individuals and repeatedly claimed

that it's over 90 individuals. Even a quick review of your list, however, indicates obvious inaccuracies. You're still counting Manlin Fong, Joseph Landon, and David Wang, for instance, despite the fact that they appeared before our committee and answered every question that any Member asked of them. Whether they answered it accurately or not, is another question. But they have not refused to cooperate. Given that, is there any reason that you would include them on your list of individuals who've left the country, or are asserting their fifth amendment rights? I think it's a mistake. I think, in addition, there are at least 20 other individuals who seem to be inaccurately included in your list. Mr. Chairman, I'm sure you agree, that accuracy in this matter is important, and I'd like to ask you to direct your staff to revise the list accordingly.

Mr. BURTON. I'll be happy, Mr. Waxman, to give you a list and you can go over it and send me corrections if you think they're desired. If you would yield just a moment, regarding Manlin Fong, and the others that you mentioned. They did take the fifth amendment, and we had to immunize them, as you know, before they would testify. That's why they were included on the list.

Mr. WAXMAN. They, nevertheless, have already testified so they shouldn't be in the category of people who are not cooperating with this committee. They did cooperate. I also want to correct a series of misstatements that have been made about the cooperation you've received from Democrats on this committee. You seem to have forgotten some basic facts, and I want to take a moment to refresh your memory.

You might remember, that as soon as the committee convened last year, I wrote you and asked that you structure this investigation so that we could work in a bipartisan way, and investigate all fundraising abuses. You might also remember that you specifically rejected that request, and told me you wanted to pursue your own investigation. You promised to keep me informed of your actions, but you didn't want to work with me or the minority in any form or way.

But you might also remember that, in a New York Times op-ed, which I'll be glad to give to you for your memory to be refreshed, in that New York Times op-ed, in February of last year, I called for an independent counsel to investigate the President and other fundraising abuses, and proposed creating a joint House/Senate committee to conduct one comprehensive campaign finance inquiry. It was obvious at the time that the administration wasn't pleased with my decision, but I thought it was the right thing to do, and Republicans didn't waste any time trying to exploit my views on an independent counsel for their own political purposes. At the same time, the Republican leadership refused to combine the House and the Senate investigations and coordinate their work which resulted in redundant investigations and a lot of taxpayers' money being wasted, a lot of witnesses having to respond separately to two different committees.

In addition, last April you adopted rules for the conduct of this investigation. It was on a straight party-line vote. The Democrats all voted against it because the Republicans delegated to you, as chairman, powers that had never been given to any chairman before. It gave you the power to unilaterally go out and issue subpoe-

nas and release information. As a result, we've had over 600 subpoenas issued unilaterally by you, Mr. Chairman, without concurrence from the Democrats in any way, shape, or form. And not even a vote of the committee. You might also remember that last October, you asked Democrats on this committee to vote for immunity. Well, even though you had never extended any gestures of bipartisanship to us, we agreed, and we immunized three witnesses. We voted for it. Because you are conducting this investigation in an unprecedented way, and control all the power yourself, that vote was the only time Democrats had a voice in your investigation. And, notwithstanding how partisan you have been, we voted with you.

You might understand then, Mr. Chairman, that it is odd, with that factual backdrop, to see you pretend that none of that happened. If you want Democrats to consider your request for immunity votes, you should go back and review a letter we sent you last October. All the committee Democrats signed that letter. That letter set out procedural reforms that we believe are necessary for this committee to conduct a fair, bipartisan, and effective investigation. That letter was sent to you, all the Democrats signed it, and the response we got was, "go take a hike, it's a partisan investigation by the Republicans." You were not interested in changing the way the investigation was being conducted.

Now, today's hearing, today's hearing is about an issue from a 1992 campaign contribution, and I look forward to hearing the testimony that we'll receive. The hearing we had before this one was about a 1994 campaign finance issue. Although, it seemed to me, that what we were supposed to be investigating are abuses from the 1996 election.

Now, last time, you accused the Federal Election Commission of acting improperly because in their discretion, they didn't prosecute a matter that they didn't think was reasonable for them to pursue. Today, you're going to accuse the Justice Department of not pursuing a prosecution for a 1992 contribution.

Your statements this morning are filled with unsubstantiated allegations. They're theories. They're accusations. The test ought to be what the facts are, not what the theories are. The test ought to be what the truth is, not what you believe the truth to be. I now understand what you meant when you said, back home, if you could prove 10 percent of what you believe to be true, the President would be out. But the question is not whether it's 10 percent of what you believe to be true, but whether it's actually true, whether we're really getting information that is accurate.

This hearing today is unusual because it goes all the way back to 1992. At this rate, Mr. Chairman, it will probably be some time in June, I expect, that we'll be focusing on the 1960 election, and I suppose the topic will be whether President Kennedy stole that election.

I look forward to hearing the testimony today, and seeing whether the facts, in any way, bear out all the accusations that you've made which I think are unfounded.

I yield back the balance of my time.

Mr. BURTON. I've just been informed that there's a vote on the floor, and before we start talking to Mr. Castro, I think we prob-

ably ought to go and make that vote and then come back. So the committee will stand in recess until we return.

[Recess.]

Mr. BURTON. The committee will reconvene.

Mr. WAXMAN. Mr. Chairman, before we hear from the witness—during the break, I was informed that two networks played tapes of Webb Hubbell, conversations he had from his prison, and I'm confused, in light of that statement you made earlier that you were going to review these tapes very carefully before any of them are released. Could you give us an explanation on how these tapes got to the networks, and whether they had been reviewed to remove privacy information?

Mr. BURTON. I'm pretty sure, and the gentleman might double check this, but during the hearing, when you were absent, when a number of tapes were entered into the record, and then subject for disbursal to whomever, the media or anybody else in the public area, I think those are the tapes that you're referring to. Those are already in the public domain. What I was referring to last night on "Larry King Live," and "The Today Show," are the tapes that we're reviewing very thoroughly, and we're going to make sure, as I said, that personal things are not in there unless, along with them, there's information that's relevant to our investigation. But we're being very careful now. I don't know what tapes you're referring to, but I believe they're the ones that previously have been released.

Mr. WAXMAN. Well, I don't. I checked the transcript of our hearing record very carefully, and I don't believe that we ever gave authorization for releasing any tapes. But I can't understand which tapes—if you think we gave authorization for some, and not others, how you would delineate those tapes? Maybe, you can tell us which one's are already out in the public, which one's you think you had authorization to release?

Mr. BURTON. Well, I gave you documents that showed that they were put into the record and subject to disbursement at our last meeting. I don't think I'll belabor the point, but my staff and your staff can get together and show you exactly what tapes were released at that time.

Mr. Castro, would you rise, please?

[Witness sworn.]

Mr. BURTON. Mr. Castro, I understand you have an opening statement?

STATEMENT OF JORGE CASTRO BARREDO

Mr. CASTRO BARREDO. That's correct.

Mr. BURTON. Proceed.

Mr. CASTRO BARREDO. My name is Jorge Castro Barredo, and I am currently incarcerated in the Mid-State Correctional Facility—is that OK? I'm currently incarcerated in the Mid-State Correctional Facility located in Upstate New York. I am serving a sentence with a mandatory minimum term of 3½ years and a maximum term of 10½ years in prison, upon my conviction in New York State Supreme Court of grand larceny and related crimes. I have already served more than 2 years of that sentence, and I am currently eligible for work release.

In 1992, a person named Charles Intriago, whom I believed to be a prominent, well-regarded attorney, asked me to make certain political contributions. Since Mr. Intriago was a lawyer and family—and my family trusted to represent my family's interests in the United States, and since I believed that he was a knowledgeable—that he was knowledgeable about matters of that sort, I did as he asked.

They don't have these where I'm incarcerated at so I'm not used to them [referring to the microphone].

On September 15, 1992, I drew one check for $5,000 to the Ohio Victory Fund 1992, and one check for $20,000 to the DNC Victory Fund 1992. Subsequently, Mr. Intriago told me that the Ohio check had not been, and would not be cashed, and asked me to write a $5,000 check to the Kentucky Democratic party, which I did on September 29, 1992. Later, Mr. Intriago asked me to write a check—a $5,000 check to the Florida Democratic party, and I did so on October 13, 1992. Mr. Intriago told me that the Kentucky check would not be cashed, and I asked him why we were doing this, and he told me that, that's the way they wanted it. I now understand that this conduct may not have been appropriate.

I have been told that if I cooperate fully with this committee and testify truthfully, the chairman will make the fact known to the New York State Department of Correction. As I am presently eligible for work release, it is my hope that my voluntary and truthful cooperation will be considered as a factor in deciding whether I should be placed in a work release program.

Mr. BURTON. Thank you, Mr. Castro. We'll now proceed with the questioning. Mr. Bennett.

Mr. BENNETT. Thank you, Mr. Chairman. Mr. Chairman, for the record, I'll take 20 minutes of the allocated 30 minutes now, and reserve 10 minutes at the conclusion of Members' questioning.

Mr. WAXMAN. I don't understand. You're allocated 30 minutes, oh, you want to reserve——

Mr. BENNETT. Yes, Congressman, I was just going to take 20 minutes for staff questioning, and then I'll reserve the other 10, perhaps, to followup after Members' questions, perhaps not.

Mr. WAXMAN. Well, I thought what we agreed to—the way we've always proceeded is that we have 60 minutes divided equally between both sides, and it's up to the chairman if he wants to allocate his time to you, and it's up to me to allocate the time on our side.

Mr. BURTON. That's fine.

Mr. WAXMAN. And I suppose when we do our rounds, people can allocate that time to you at that point.

Mr. BURTON. Proceed.

Mr. BENNETT. Thank you, Mr. Chairman. Thank you, Congressman Waxman. Mr. Castro, I want to thank you for your cooperation and your appearance before this committee today. With respect to your opening statement, sir, clearly, those contributions involved foreign money, didn't they?

Mr. CASTRO BARREDO. That's correct.

Mr. BENNETT. They involved Venezuelan money from your grandfather's companies?

Mr. CASTRO BARREDO. That's correct.

Mr. BENNETT. And in fact your grandfather, Orlando Castro Llanes, and your uncle, Orlando Castro Castro, were convicted with you in connection with the administration of a bank in Puerto Rico, is that correct?

Mr. CASTRO BARREDO. That's correct.

Mr. BENNETT. And your incarceration now is for bank fraud and larceny, is that correct?

Mr. CASTRO BARREDO. That's correct.

Mr. BENNETT. And, indeed, you were prosecuted by the office of New York City District Attorney Robert Morgenthau. Representatives of his office are here today and will testify later. Is either your grandfather or your uncle, those individuals with whom you were convicted, is either one of those gentlemen an American citizen?

Mr. CASTRO BARREDO. No, they're not.

Mr. BENNETT. And with respect to your cooperation with the committee, you understand that your cooperation with State and Federal authorities is apparently including cooperation with respect to your testimony as to political contributions of foreign money in 1992, is that correct?

Mr. CASTRO BARREDO. That's correct.

Mr. BENNETT. And, again, Mr. Castro, as you've noted in your statement, and Mr. Chairman, as chief counsel for the committee and for Congressman Waxman, as the ranking minority member, I would just note, Mr. Castro, that you have been advised that the chairman of this committee, with a copy to Congressman Waxman, will write a letter on your behalf to the appropriate officials when notified by your attorney at the appropriate time, do you understand that?

Mr. CASTRO BARREDO. I do understand.

Mr. BENNETT. And for the record, I'm sorry, Mr. Austin Campriello, from the State of New York, is here as your defense counsel. Mr. Campriello, welcome, sir.

With respect to Mr. Intriago, the Miami attorney whom you just mentioned in your opening statement, Mr. Castro, what relationship did Mr. Intriago have with your family, the Castro family?

Mr. CASTRO BARREDO. Mr. Intriago, for many years, besides being the legal adviser family, he was the person in the United States that was always asked in every business transaction to repeat advice that we ever had.

Mr. BENNETT. And I understand that your grandfather is presently incarcerated in a New York State prison, but prior to his conviction and incarceration, he was, in fact, a resident and citizen of Venezuela, is that correct?

Mr. CASTRO BARREDO. That's correct.

Mr. BENNETT. And what about your uncle, was he Venezuelan or Puerto Rican in his residence?

Mr. CASTRO BARREDO. Venezuelan.

Mr. BENNETT. And with respect to your own citizenship, you have dual-citizenship, sir?

Mr. CASTRO BARREDO. No, I'm a U.S. citizen. I was born in Miami, and I've always been a U.S. citizen.

Mr. BENNETT. But with respect to your dealings with Mr. Intriago, where were you residing at the time, or where were you

when Mr. Intriago contacted you—and I'll get into more detail in a minute?

Mr. CASTRO BARREDO. I lived in the Dominican Republic. I was approximately 10 years old.

Mr. BENNETT. And with respect to Mr. Intriago's representation of your grandfather's business interests, where are those business interests?

Mr. CASTRO BARREDO. Can you repeat that?

Mr. BENNETT. With respect to Mr. Intriago's representation of your grandfather, Orlando Castro, where are his business interests? They are in Venezuela, is that correct?

Mr. CASTRO BARREDO. That's correct.

Mr. BENNETT. And in Puerto Rico?

Mr. CASTRO BARREDO. And the Dominican Republic.

Mr. BENNETT. And is it safe to say that he handled all legal matters, Mr. Intriago, handled all legal matters for your grandfather in the United States?

Mr. CASTRO BARREDO. That's correct.

Mr. BENNETT. With respect to your own political involvements, you're here before this congressional committee testifying to illegal foreign campaign contributions in the 1992 Presidential election. As to your own political involvement, have you been politically active yourself, sir?

Mr. CASTRO BARREDO. Not in the United States, no.

Mr. BENNETT. Have you ever made any political contributions in the United States prior to 1992, when requested by Mr. Intriago?

Mr. CASTRO BARREDO. No, I have not.

Mr. BENNETT. Have you made any political contributions since?

Mr. CASTRO BARREDO. No, I have not.

Mr. BENNETT. In terms of your own personal financial situation in 1992, were you in a financial position to make contributions totaling $25,000 in September 1992?

Mr. CASTRO BARREDO. I was.

Mr. BENNETT. And with respect to those contributions, again, we'll get into more detail later, but you were, in fact, reimbursed by a Venezuelan company immediately by your grandfather, correct?

Mr. CASTRO BARREDO. That's correct.

Mr. BENNETT. Do you have any particular interest in politics, apart from the fact that you haven't been a contributor, have you been active politically in the American political process?

Mr. CASTRO BARREDO. Not in the American political process, no.

Mr. BENNETT. Have you ever voted in an election in the United States?

Mr. CASTRO BARREDO. No, I have not.

Mr. BENNETT. Directing your attention to 1992, you did, in fact, write checks out to the Democratic National Committee and you were reimbursed by your grandfather with respect to those contributions. When and how quickly did you determine that you were going to be reimbursed for your contributions?

Mr. CASTRO BARREDO. I knew it beforehand.

Mr. BENNETT. It was even before you wrote the checks out, you knew you were going to be reimbursed?

Mr. CASTRO BARREDO. That's correct.

Mr. BENNETT. By your grandfather?

Mr. CASTRO BARREDO. I was going to be reimbursed by one of the companies owned by the family, yes.

Mr. BENNETT. Companies owned by your grandfather?

Mr. CASTRO BARREDO. That's correct.

Mr. BENNETT. And who told you that, sir?

Mr. CASTRO BARREDO. Mr. Intriago.

Mr. BENNETT. Now, going through the dealings with Mr. Intriago in terms of his relationship with you, would you—can you determine exactly when you believe you were first contacted by Mr. Intriago with respect to making these contributions?

Mr. CASTRO BARREDO. It was the, either the first week of September, or the second week of September 1992.

Mr. BENNETT. And where were you at that time, I believe, according to our notes, around September 15, 1992?

Mr. CASTRO BARREDO. I was in the Dominican Republic in my office.

Mr. BENNETT. And how long had you been in the Dominican Republic at your office? Were you working for that period of time in September 1992?

Mr. CASTRO BARREDO. Yes, I was. Yes, I was.

Mr. BENNETT. And did you contact Mr. Intriago, or did he contact you?

Mr. CASTRO BARREDO. He contacted me.

Mr. BENNETT. And exactly what occurred when he contacted you? I gather he was calling from the United States?

Mr. CASTRO BARREDO. He called from Miami, from his office, and he spoke to me and told me what I was supposed to do.

Mr. BENNETT. And exactly what did he say to you when he called, sir?

Mr. CASTRO BARREDO. He told me that there was some certain political contributions to be made. At that time he, over the phone, he told me to—where to write the checks to.

Mr. BENNETT. Did he make any specific reference to a political party, or to President Clinton?

Mr. CASTRO BARREDO. Not President Clinton, the Democratic party, he just told me the name of, to what entities to write the checks to, and I told him to fax me a document because I was always a very busy person so I wouldn't make a mistake.

Mr. BENNETT. I'll get to the facts in a minute, sir, but let me just ask you something else. The representation, then, was not with respect to the President, or at that time, President—or Governor Clinton's election campaign, but was in reference to the Democratic party?

Mr. CASTRO BARREDO. That's correct.

Mr. BENNETT. And did he make any reference to whether or not your grandfather was to make these contributions?

Mr. CASTRO BARREDO. In what sense?

Mr. BENNETT. I mean when he called you, you weren't politically active? According to the notes the committee has, you've indicated that there was some representation that your grandfather wanted you to make contributions at this time?

Mr. CASTRO BARREDO. That's correct.

Mr. BENNETT. And what was the basis of Mr. Intriago having that authority to tell you that your grandfather wanted to make contributions?

Mr. CASTRO BARREDO. Just knowledge that, of what he meant, represented to the family group.

Mr. BENNETT. Was there any discussion about any other member of your family also being utilized to make contributions?

Mr. CASTRO BARREDO. Yes, my uncle. He lived in Dominican Republic with me.

Mr. BENNETT. And also your aunt, I believe, is that correct?

Mr. CASTRO BARREDO. His wife.

Mr. BENNETT. And what is her name, sir?

Mr. CASTRO BARREDO. Maria Castro.

Mr. BENNETT. And is she also a U.S. citizen?

Mr. CASTRO BARREDO. I believe so.

Mr. BENNETT. Was there any discussion about the importance of you and your aunt being a U.S. citizen with respect to the making of these contributions?

Mr. CASTRO BARREDO. It wasn't a thorough discussion, it was just curiosity and when I asked, I was told that because I was a U.S. citizen and that's the way it had to be done. Mr. Chairman.

Mr. BURTON. Mr. Castro, when Mr. Intriago asked you to make these contributions, did he tell you why? I mean, with $50,000 in contributions, there's got to be some reason. Why did Mr. Intriago ask for that money for the DNC?

Mr. CASTRO BARREDO. I know $50,000 sounds like a lot of money, and it probably is, but coming from Mr. Intriago, it had the authorization from my grandfather. I wasn't supposed to question, and——

Mr. BURTON. So he did not give you any reason, he just said he wanted $50,000?

Mr. CASTRO BARREDO. I was told that because I was a U.S. citizen and it couldn't be done any other way. That was basically a reason.

Mr. BURTON. But there was no reason given?

Mr. CASTRO BARREDO. No.

Mr. BURTON. In your opening statement, you said "that's the way they want it."

Mr. CASTRO BARREDO. Correct.

Mr. BURTON. Did Mr. Intriago ever define who "they," were?

Mr. CASTRO BARREDO. No, he did not.

Mr. BURTON. Did you ever ask him who "they" were?

Mr. CASTRO BARREDO. No, I did not. I just thought it was the Democratic party because that's who we were writing the checks to.

Mr. BURTON. OK.

Mr. BENNETT. Thank you, Mr. Chairman. Looking at, you have an exhibit up there before you, Mr. Campriello, for Mr. Castro to review, and there's also a TV monitor here in the hearing room, but first of all, looking at exhibit VEN–4 for the members of the committee, and then also VEN–16, looking at VEN–4, that's in fact the check you made payable to the Democratic National Committee for $20,000 is that correct?

[Exhibits VEN–4 and VEN–16 follow:]

EXHIBIT
VEN-4

PENGAD Bayonne, N.J.

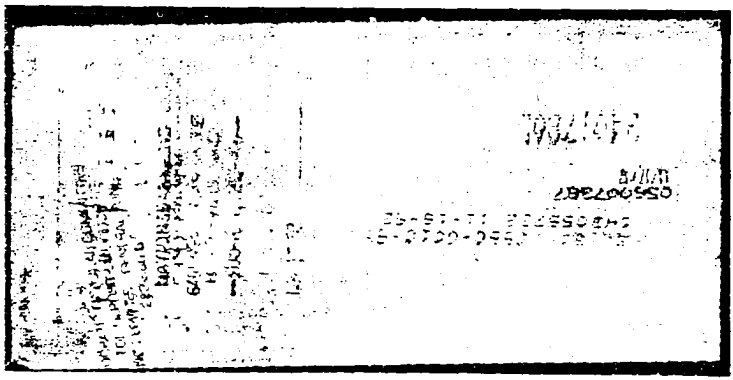
JORGE F. CASTRO
OR GREZIA MATOS DE CASTRO
520 Brickell Ave #1404
Miami, FL 33131

176

Sept. 15 1992

Twenty Thousand Dollars

THE INTERNATIONAL BANK OF MIAMI, N.A.



Castro Checks Never Deposited

EXHIBIT
VEN-16

JORGE F. CASTRO
OR GREZIA MATOS DE CASTRO

177

Sept. 15 1992

Pay to the order of Ohio Victory Fund '92 - Fed. Acct. $ 5,000.—

five thousand Dollars

THE INTERNATIONAL BANK OF MIAMI, N.A.
MIAMI, FLORIDA

Memo

⑆067001699⑆ 300350516⑈06 0177

JORGE F. CASTRO
OR GREZIA MATOS DE CASTRO

128

Sept. 27 1992

Pay to the order of Kentucky Victory Fund '92 - Fed. Acct. $ 5,000

five thousand Dollars

THE INTERNATIONAL BANK OF MIAMI, N.A.
MIAMI

Memo

⑆067001699⑆ 300350516⑈06 0128

85970

Mr. CASTRO BARREDO. That's correct, that's correct.

Mr. BENNETT. And then VEN–16 contains a copy of another to the Ohio Victory Fund for $5,000, do you see that?

Mr. CASTRO BARREDO. Yes.

Mr. BENNETT. How quickly were you to be reimbursed for these checks?

Mr. CASTRO BARREDO. How——

Mr. BENNETT. How quickly were you to be reimbursed for these checks?

Mr. CASTRO BARREDO. I actually wasn't given a time span because I had the money, I had money in my account, or, if not, I wasn't going to starve if I didn't receive the money immediately. But I was promised and told that I was going to be reimbursed. It wasn't going to come out of my personal account.

Mr. BENNETT. Did you take—you mentioned a fax communication and taking steps to make sure you had the instructions, correct?

Mr. CASTRO BARREDO. Correct.

Mr. BENNETT. Looking at VEN–2, exhibit VEN–2, is that, in fact, a copy of the fax communication which you received from Mr. Intriago?

[Exhibit VEN–2 follows:]

EXHIBIT
VEN-2

ALERT INTERNATIONAL, INC.

TELECOPY

1401 Brickell Avenue
Suite 570
P.O. Box 011390
Miami, FL 33101 U.S.A.
Fax: 305-530-9434
Phone: 305-530-0500

FAX #: 809-541-3138 Number of Pages 1 (including cover sheet)

DATE: 9-16-92

TO: Mr. Jorge Castro

AFFILIATION:

FROM: C. Intriago

COMMENT: Jorge

20 - DNC Victory Fund '92 - Fed. Acct. - (Yon)

20 - DNC Victory Fund '92 - Fed. Acct. - (Maria)

5 - OHIO Victory Fund '92 - Fed. Acct. - (Yon)

5 - MARYLAND Victory Fund '92 - Fed Acct. - (Maria)

Te ruego que me los mandes hoy por

85975

Mr. CASTRO BARREDO. Yes, yes, that's correct.

Mr. BENNETT. And you, in fact, were in the Dominican Republic when you received that fax?

Mr. CASTRO BARREDO. Yes.

Mr. BENNETT. And then, I note that there are, for the record, Mr. Chairman and Congressman Waxman, these are among the documents that we were provided by Mr. Morgenthau's office. I notice there's Spanish writing at the bottom so, perhaps, if we can go over to exhibit VEN–3 in the exhibit books, for the members of the committee, there is a translation of the Spanish at the bottom of that exhibit and I want to make sure we have that correct, Mr. Castro. According to the committee staff, that Spanish sentence reads to the effect: "I want you to send me these today by Federal Express," is that a correct translation?

[Exhibit VEN–3 follows:]

EXHIBIT
VEN-3

ALERT INTERNATIONAL, INC.

TELECOPY
1401 Brickell Avenue
Suite 570
P.O. Box 011390
Miami, FL 33101 U.S.A.
Fax: 305-530-9434
Phone: 305-530-0500

FAX #: 809-541-3138 Number of Pages 1 (including cover sheet)
DATE: 9-16-92
TO: Mr. Jorge Castro
AFFILIATION:
FROM: C. Intriago
COMMENT: Jorge
20 - DNC Victory Fund '92 - Fed. Acct. - (you)
20 - DNC Victory Fund '92 - Fed. Acct. - (Mana)
5 - OHIO Victory Fund '92 - Fed. Acct. - (you)
5 - MARYLAND Victory Fund '92 - Fed Acct. - (Mana)
Te ruego que me los mandes hoy por

85975

Translation: "I want you to send me these today by Federal Express."

Mr. CASTRO BARREDO. That's correct.

Mr. BENNETT. And did you know what the urgency was, why Mr. Intriago wanted these checks?

Mr. CASTRO BARREDO. I don't know what the urgency was at that time? Everything we did was urgent so it was just another——

Mr. BENNETT. But for some reason there was some urgency on September 15, 1992, as to these checks, is that correct?

Mr. CASTRO BARREDO. There was an urgency but, I repeat, everything we did was always in urgencies and I wasn't surprised that this had to be done yesterday.

Mr. BENNETT. Looking at exhibits VEN–2 and VEN–3, the fax communication, did you have communications with any other member of your family as to the checks to be prepared by your Aunt Maria, $20,000 to the DNC Victory Fund, separate from your check, as well as $5,000 to the Maryland Victory Fund 1992? Did you talk with any other member of your family?

Mr. CASTRO BARREDO. After I received the phone call, I spoke to my uncle, and I told him what to do because I was told what to do, and that's the way it was done.

Mr. BENNETT. And did you also explain that this had been authorized by your grandfather and that they were to be reimbursed as well?

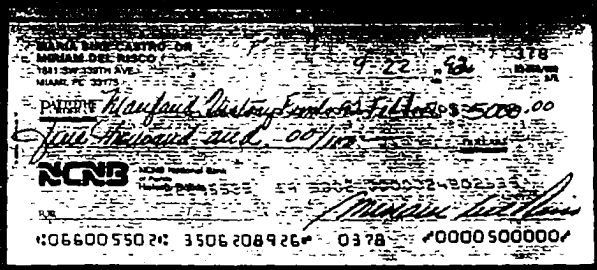
Mr. CASTRO BARREDO. That's correct.

Mr. BENNETT. Now looking at, then, reviewing exhibit VEN–6, then VEN–5, in the exhibit book, for the members of the committee, they are in fact the checks, copies of checks prepared by your Aunt Maria, do you see those?

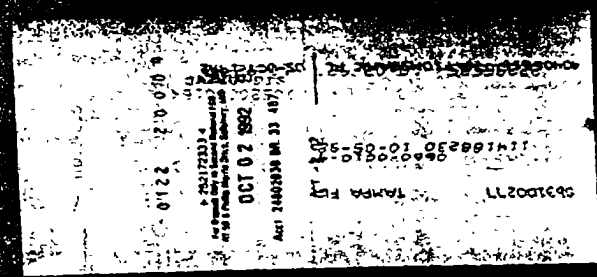
[Exhibits VEN–6 and VEN–5 follow:]

EXHIBIT

VPN-6



406616



EXHIBIT

VEN-5

PENGAD-Bayonne N.J.

MARIA SIRE CASTRO OR
MIRIAM DEL RISCO

325

Sept 16 92

DNC VICTORY FUND 92, FED. ACC. $20,000.00

Twenty-Thousand ——— xx

NCNB NCNB National Bank

⑆0660055021⑆ 5506208925⑈ 0325 ⑈0002000000⑈

97149

97150

Mr. CASTRO BARREDO. Yes, I do.

Mr. BENNETT. And are they consistent with the instructions you gave her and your uncle as to $5,000 to the Maryland Victory Fund and $20,000 to the Democratic National Committee?

Mr. CASTRO BARREDO. That's correct.

Mr. BENNETT. At any point in time did you have specific discussions with Mr. Intriago about the illegality of this process?

Mr. CASTRO BARREDO. At that time?

Mr. BENNETT. Yes.

Mr. CASTRO BARREDO. No.

Mr. BENNETT. You knew that they were using you as an American citizen to make foreign campaign contributions. Did you, yourself, know that this was illegal at that time?

Mr. CASTRO BARREDO. No, I did not.

Mr. BENNETT. Looking back at exhibit VEN–16, which has two checks on that exhibit, Mr. Intriago, Mr. Castro, excuse me, sir, I apologize. I won't make that mistake again. I apologize.

Mr. CASTRO BARREDO. I appreciate that.

Mr. BENNETT. I didn't mean to defame you. I'm sorry.

With respect to the $5,000 check to the Ohio Victory Fund, for the record, that check was never, in fact, cashed, was it?

Mr. CASTRO BARREDO. No, it was not cashed.

Mr. BENNETT. You sent it to Mr. Intriago, but it was never cashed, according to your records.

Mr. CASTRO BARREDO. That's right.

Mr. BENNETT. Now looking at the second check, on the bottom of VEN–16, the second check to the Kentucky State party, I note that that's dated about 2 weeks later. Do you recall the circumstances surrounding your preparing that second check to another State Democratic party?

Mr. CASTRO BARREDO. Yes, he called me again.

Mr. BENNETT. He, Mr. Intriago?

Mr. CASTRO BARREDO. Mr. Intriago called me again, I would say, no more than a week later and he gave me instructions to change the check from Ohio to Kentucky. I didn't receive a fax for that because it was quite obvious it was just a change of State.

Mr. BENNETT. And you can identify your handwriting on both of those checks; you, in fact, prepared those checks, correct?

Mr. CASTRO BARREDO. That is correct, yes.

Mr. BENNETT. Then, in fact, Mr. Intriago, according to our interview with you, Mr. Castro, and, for the record, Mr. Chairman, Congressman Waxman, Mr. Castro was interviewed jointly by counsel for both majority and minority yesterday, isn't that correct, Mr. Castro?

Mr. CASTRO BARREDO. That is correct.

Mr. BENNETT. In fact, Mr. Intriago called you again, and if you will look at exhibit VEN–7 in your exhibit books, this check is made payable to the Florida Democratic party and it is dated October 13, 1992.

[Exhibit VEN–7 follows:]

EXHIBIT
VFN-7

JORGE F. CASTRO 305-530-0500
OR GREZIA MATOS DE CASTRO
501 Brickell Key #1404
Miami, FL 33131

Oct 13 1997

129

Pay to the order of [illegible]

[illegible] Dollars

THE INTERNATIONAL BANK OF MIAMI, N.A.
MIAMI, FLORIDA

Memo

⑆067001699⑆ 300350516⑈06 0129 ⑈0000500000⑈

PAY TO THE ORDER OF
[illegible]
FOR DEPOSIT ONLY
[illegible]

Mr. CASTRO BARREDO. That's correct.

Mr. BENNETT. Do you see that check, sir?

Mr. CASTRO BARREDO. Yes. Yes, I do.

Mr. BENNETT. Did you—to sort of followup on what Chairman Burton asked, you went ahead and you wrote this check. Did you ask Mr. Intriago why you were getting these phone calls in terms of making changes as to what State you were to make these checks payable to?

Mr. CASTRO BARREDO. The first change from Ohio to Kentucky, I didn't bother to ask. But when the third call came in to change another check to Florida, I asked him and that's when I was told by him that it was not a big deal it was just the way they wanted it to be done.

Mr. BENNETT. And again, he didn't—he, Mr. Intriago—did not indicate who they were?

Mr. CASTRO BARREDO. No, he did not.

Mr. BENNETT. Do you have any knowledge of who, with whom at the Democratic National Committee, or any State Democratic structure Mr. Intriago was dealing with?

Mr. CASTRO BARREDO. No, I do not.

Mr. BENNETT. Looking at VEN–7, just for a minute if I can, Mr. Castro, I note that there is handwriting on the top of that check.

Mr. CASTRO BARREDO. That is correct.

Mr. BENNETT. Is that your handwriting at the top of the check?

Mr. CASTRO BARREDO. No, it is not.

Mr. BENNETT. I note there is an address, a Florida address. That's not your handwriting, but is that a correct Florida address for you at that time?

Mr. CASTRO BARREDO. I can't read the first part where it says before Brickell, but if it's 520, it is mine. It looks like 501, which is not mine, but if it says 520, it's mine.

Mr. BENNETT. What about the telephone number at the top there?

Mr. CASTRO BARREDO. No, that is not my telephone number.

Mr. BENNETT. In fact, to your knowledge, is that Mr. Intriago's telephone number?

Mr. CASTRO BARREDO. That's correct.

Mr. BENNETT. Do you have any knowledge as to why his telephone number would be listed on your check in his handwriting?

Mr. CASTRO BARREDO. No.

Mr. BENNETT. Just so the record is clear, the checks to Ohio and Kentucky, reflected by VEN–16 were never, in fact, cashed, correct? The two checks were the check for $20,000 to the DNC——

Mr. CASTRO BARREDO. That was cashed.

Mr. BENNETT [continuing]. And $5,000 to the Kentucky State Democratic party.

Mr. CASTRO BARREDO. That was not cashed.

Mr. BENNETT. OK. What was the total amount of your contributions for which you were reimbursed?

Mr. CASTRO BARREDO. $25,000.

Mr. BENNETT. And, to your knowledge, your aunt was also reimbursed for her checks.

Mr. CASTRO BARREDO. That is correct.

Mr. BENNETT. Now, in terms of the reimbursement. Looking at VEN–15, for the record, Mr. Chairman, Mr. Castro, in fact VEN–15 reflects a wire transfer into your account for the $25,000 and it is from Inversiones Latinfin, if I'm pronouncing that correctly?

[Exhibit VEN–15 follows:]

```
U 20

 TIME      OGN     SCN      SOURCE          DEST          SRN                                                    09/2
09231450 146105  045450 LATHVECAAXXX  CHASUS33CXXX    LATHVECAAXXX

RCN:S0923146105        32CHASUS33C146105

LOG HISTORY : IPV10U    INTPUT    IPV10U    BANKIN    SWFSIN    TIDCRC



------ START OF TEXT ------

SNXTRN: 45450       ESSN:                CCN:                    DCN: 18383
MEMO:
MT100      CUSTOMER TRANSFER                        PRIORITY: N
                          TID            TIME     DAY    SESSION    SEQUENCE
RECEIVER (MOR):    CHASUS33CXXX         1450      23      2752      146105
SENDER (MIR):      LATHVECAAXXX         1450      23      2752      036485
- SENDER -
* * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * *
NAME/ADDRESS: BANCO LATINO, C A
              CARACAS          VENEZUELA
CHIPS NUMBER: 013013           DDA NO: 001-1-988290
DANTEL ID:    01301
* * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * *
                    ***************************
                    *   IPV ROUTED MESSAGE  *
                    ***************************
:20 /TRANS REP NO : 423908265098
:32A/VAL/AMOUNT   :  9/24/92 USD                                  25,000.00
:50 /BY ORDER OF  : INVERSIONES LATINFIN C.A.
:57B/AC WITH BANK : /B/FN067001699
                    INTERNACIONAL BANK OF MIAMI 2121 SW
                    3 AVE  MIAMI FLORIDA 33129 U.S.A.
:59 /BENEFICIARY  : /30035051606
                    JORGE CASTRO
:71A/CHARGES      : BEN
TRAILER           : MAC F5A29932
                    DAC
                  ---- END  OF  TEXT ----

------ END OF TEXT ------
```

EXHIBIT

VEN-15

100262

Mr. CASTRO BARREDO. That is correct.

Mr. BENNETT. And what is that entity?

Mr. CASTRO BARREDO. That's a premium finance company we owned in Caracas, Venezuela, at that time.

Mr. BENNETT. That is a premium finance company in Venezuela?

Mr. CASTRO BARREDO. That is correct.

Mr. BENNETT. And who owns that company, sir?

Mr. CASTRO BARREDO. It was owned by my grandfather and the family.

Mr. BENNETT. Does it derive any income in the United States?

Mr. CASTRO BARREDO. No, it does not.

Mr. BENNETT. Does this Venezuelan company have any United States operations?

Mr. CASTRO BARREDO. No.

Mr. BENNETT. As to the activities of your grandfather and family with any members of the Clinton administration, do you have any knowledge of any meetings attended by your family, particularly your grandfather, after these contributions were made, after President Clinton's election in 1992?

Mr. CASTRO BARREDO. Yes.

Mr. BENNETT. And to your knowledge, how many—were there any trips made to Washington?

Mr. CASTRO BARREDO. After he was President, or——

Mr. BENNETT. After President Clinton was elected, yes.

Mr. CASTRO BARREDO. One trip, after he was elected. No, no, two trips after he was elected. One for the inauguration and another one when he visited the White House.

Mr. BENNETT. And with respect to the inauguration, you and your family attended one of the inaugural balls? Is that correct?

Mr. CASTRO BARREDO. Not the inaugural ball. It was the big—the small gathering in front of the Capitol Hill with about 3 million other people.

Mr. BENNETT. OK. For the record, there are a few Republicans who have also been pretty far away from the action as well, during the events of the inauguration, but I mainly want to focus in on the second family visit in October 1993. Your grandfather, you, and others of your family came to Washington in October 1993. Is that correct?

Mr. CASTRO BARREDO. That is correct.

Mr. BENNETT. And do you have knowledge of your grandfather and Mr. Intriago being invited to a White House reception for Democratic National Committee donors?

Mr. CASTRO BARREDO. I know he was invited to the White House. I didn't know the purpose of the trip and who invited him.

Mr. BENNETT. I believe the exhibit in the books, VEN–1, as well as a blow-up that is here in the committee room, that is, in fact, a picture of your grandfather with President Clinton, is that correct?

[Exhibit VEN–1 follows:]

EXHIBIT

VEN-1

Mr. CASTRO BARREDO. That is correct.

Mr. BENNETT. Do you have any knowledge as to whether he directly received an invitation to that event?

Mr. CASTRO BARREDO. I don't know if he directly received it but he was given and told, in front of me, by Charlie Intriago, when we were in the lobby of the hotel here in Washington.

Mr. BENNETT. And do you know he would be on some list because your grandfather's name would not appear, should not appear on any contribution list. You're the one, technically, according to the records, that made the contributions.

Mr. CASTRO BARREDO. That's correct.

Mr. BENNETT. Do you know why he would be attending that?

Mr. CASTRO BARREDO. No.

Mr. BENNETT. Just directing your attention to exhibit VEN–27, this is a letter which was provided to the committee pursuant to a subpoena issued to the Democratic National Committee, and it's a letter from an official of the Democratic National Committee. Do you have any knowledge of your grandfather's association with any officials of the Democratic National Committee?

[Exhibit VEN–27 follows:]

June 21, 1995

Mr. Charles Intriago
Publisher
Alert Pulbication Partners
1401 Brickell Street
Suite 570
Miami, FL 33131

Dear Charlie:

Recently, I discovered several photographs of Orlando Castro and you that were taken at past DNC events. Although these pictures were taken some time ago, I knew both you and Orlando would still enjoy having these copies. I would be very appreciative if you would forward to Orlando the photos that I have enclosed for him.

As always, if I can ever be of assistance to you, please do not hesitate to let me know.

Sincerely,

Eric Sildon
Director
National Membership Services

EXHIBIT
VEN-27

DNC 4025939

Mr. CASTRO BARREDO. I'm sorry?

Mr. BENNETT. I'm asking in light of this letter to Mr. Intriago, which made reference to your grandfather, I'm just asking do you have any personal knowledge of your grandfather's association with any officials of the Democratic National Committee, apart from Mr. Intriago having those contacts?

Mr. CASTRO BARREDO. No, I don't think he had any other contact.

Mr. BENNETT. And, then, finally, sir, in October 1993, when your family was here in Washington, there was a meeting at the State Department. Is that correct?

Mr. CASTRO BARREDO. That's correct.

Mr. BENNETT. And what was the purpose of that meeting at the State Department?

Mr. CASTRO BARREDO. We just came and visited, I don't remember the name of the person that we visited at that time and we were just discussing the events that were occurring in Venezuela, the financial district in Venezuela, regarding our family's business, and so on and so forth.

Mr. BENNETT. Mr. Chairman, I see my 20 minutes is out, and I'll reserve the other 10 minutes.

Mr. BURTON. The 10 minutes are now reserved.

Mr. BENNETT. Thank you, sir.

Mr. BURTON. Mr. Waxman.

Mr. WAXMAN. Thank you, Mr. Chairman. Mr. Castro, I want to review and summarize some of the testimony that you have given today and I want to make sure it is correct.

In September 1992, Charles Intriago called you and asked you and your aunt to make political contributions. Is that right?

Mr. CASTRO BARREDO. He called me. I told my aunt afterwards.

Mr. WAXMAN. OK. And you knew Mr. Intriago because he was your grandfather's attorney and adviser. Is that correct?

Mr. CASTRO BARREDO. That is correct.

Mr. WAXMAN. And according to your testimony, Mr. Intriago told you that you would be reimbursed. Is that correct?

Mr. CASTRO BARREDO. That is correct.

Mr. WAXMAN. Do you have any evidence, aside from your own testimony, that Mr. Intriago knew you would be reimbursed?

Mr. CASTRO BARREDO. That he knew that I would be reimbursed?

Mr. WAXMAN. The only evidence we have that you were going to be reimbursed is your statement here. Is there any other evidence of that?

Mr. CASTRO BARREDO. Just—I can tell you that I wouldn't have given $25,000 to the Democratic, the Republican, or any other committee if I wouldn't have been reimbursed. I had no interest in the United States and no business in the United States to give out $25,000 of my personal money.

Mr. WAXMAN. But your grandfather's attorney and political adviser sent you a fax.

Mr. CASTRO BARREDO. That is correct.

Mr. WAXMAN. And in that fax he said, I want you to write checks to the following Democratic party organizations.

Mr. CASTRO BARREDO. Correct.

Mr. WAXMAN. And you did it.

Mr. CASTRO BARREDO. Yes.

Mr. WAXMAN. Did he ever ask you to write checks for any other purpose?

Mr. CASTRO BARREDO. No.

Mr. WAXMAN. For business purposes?

Mr. CASTRO BARREDO. No, but I did give him $100,000 about a year afterwards, and I do have that fax somewhere and my attorney probably has it. I gave him $100,000 that was instructed by my grandfather directly for personal purposes, so it was nothing out of this world.

Mr. WAXMAN. Mr. Chairman, I want to put in the record a letter from Robert Plotkin, from the law firm of Paul, Hastings, Janofsky, & Walker. They represent Charles Intriago. It's a letter to you and he says,

> Dear Chairman Burton, I'm counsel to Charles Intriago. According to press releases issued by the Committee as well as news reports and editorials, the Committee's hearing on April 30, 1998, will accuse my client of campaign law violations, charges that he vigorously denies.

This letter, and there is a statement attached to it from Mr. Intriago's lawyers, says Mr. Intriago denies the allegations against him.

[The letter referred to follows:]

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A LIMITED LIABILITY PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

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April 30, 1998

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OUR FILE NO.
28381.87022

VIA FACSIMILE [(202) 225-3974]

Honorable Dan Burton
Chairman, Committee on Government Reform and Oversight
2157 Rayburn HOB
Washington, D.C. 20515-6143

Re: Charles A. Intriago, Esquire

Dear Chairman Burton:

I am counsel to Charles A. Intriago. According to press releases issued by the Committee, as well as news reports and editorials, the Committee's hearing on April 30, 1998 will accuse my client of campaign law violations, charges that he vigorously denies.

Enclosed with this letter is a statement I have prepared on Mr. Intriago's behalf. I request that it be included in the formal record of the hearing.

Thank you for your attention to this matter.

Yours truly,

Robert Plotkin

Robert Plotkin
for PAUL, HASTINGS, JANOFSKY & WALKER LLP

Enclosure
cc Honorable Henry A. Waxman
Ranking Minority Member
(via fax: 225-4784)

STATEMENT TO THE COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT BY ROBERT PLOTKIN, COUNSEL FOR CHARLES A. INTRIAGO

April 30, 1998

Charles Intriago is a private citizen who, during the 1992 Presidential campaign, exercised his fundamental right under the U.S. Constitution to make a campaign contribution from his own personal funds. He also solicited contributions from a number of well-off American citizens with whom he was acquainted, and who he believed had the personal financial capability to make such contributions. As a consequence of those activities, he now finds himself unwillingly drawn into a nasty and vindictive political conflict that is unfettered by rules of fairness and is immune from the laws of defamation.

Mr. Intriago is not a government official. He has never held a high elected or appointive government position. He has never been an employee of, or consultant to, the Democratic National Committee. He is not a "friend" or "associate" of the President, the Vice President or of any other high ranking Democratic Party official. He has not applied for, been interviewed for or considered for a government job. He has never had nor sought a government contract. Mr. Intriago simply is a respected private lawyer with a previously unblemished record of conduct.

On the other hand, Jorge Castro Barredo, Mr. Intriago's principal accuser, is a convicted felon who left behind him a wake of corruption in the Dominican Republic. Indeed, it was Mr. Intriago who first learned of and disclosed Castro Barredo's wrongdoing, which led to his ultimate termination from the family's business. Jorge Castro Barredo has a vested interest in inventing things about Mr. Intriago in order to curry favor with New York City prosecutors and return to his several homes in Santo Domingo. This "testimony" is well suited for a Committee whose basic investigative tactics include leaks, smears and innuendos.

The Committee's sanctimonious use of legitimate government authority to obtain illegitimate political advantage has now claimed Mr. Intriago's reputation as its most recent victim.

* * * * *

Robert Plotkin
Paul, Hastings, Janofsky & Walker LLP
1299 Pennsylvania Avenue, N.W.
Suite 1000
Washington, D.C. 20004
(202)508-9542

Counsel for Charles A. Intriago

Mr. BURTON. We will allow this in the record, but let me just point out that Mr. Intriago has taken the fifth amendment.

Mr. WAXMAN. But his attorney is giving you a statement that he is denying it, and, I guess, refusing to answer further questions.

Mr. BURTON. He is denying it but he is taking the fifth amendment. We've asked him to appear and he won't do it.

Mr. WAXMAN. Mr. Intriago denies that he told you you were going to be reimbursed. You say you were going to be reimbursed. So basically it comes down to your word whether or not you are telling us the truth. Isn't that correct?

Mr. CASTRO BARREDO. I'm here. He's not here.

Mr. WAXMAN. Mr. Castro, why are you currently in prison?

Mr. CASTRO BARREDO. Why? I was convicted in Manhattan of grand larceny scheme to defraud.

Mr. WAXMAN. Let me ask you directly, Mr. Castro. Do you believe that you are guilty of the crimes you have been convicted of?

Mr. CASTRO BARREDO. I took this matter to trial and I was convicted by 12 New York citizens. And I live with that.

Mr. WAXMAN. Your uncle, Orlando Castro Castro, and your grandfather, Orlando Castro Llanes, were also convicted of bank fraud, weren't they?

Mr. CASTRO BARREDO. That is correct.

Mr. CASTRO BARREDO. Now, before the three of you were prosecuted by the Manhattan District Attorney's Office, your family controlled the Banco Progresso Internacional in Puerto Rico. Is that correct?

Mr. CASTRO BARREDO. That is correct.

Mr. WAXMAN. In fact, you served as president of that bank, didn't you?

Mr. CASTRO BARREDO. That is correct.

Mr. WAXMAN. How old were you when you became president of the Banco Progresso Internacional?

Mr. CASTRO BARREDO. I would say 25, 26-years-old.

Mr. WAXMAN. Here's what Assistant DA Richard Preiss said about you. I'm quoting him, "Simply put, these defendants were individuals who thought they could fool other people, their employees, their customers, their regulators, and their auditors," end quote. Do you think that is a fair description of you?

Mr. CASTRO BARREDO. If that is what the prosecutor says, that is what was taken to trial. I won't—I don't want to comment about it after it's done.

Mr. WAXMAN. According to prosecutors, you took $300,000 from the bank for your personal use. I understand you bought a yacht, repaired your executive jet, and purchased a number of other luxuries. In other words, you are accused of taking your customers' deposits and spending them to live a lavish lifestyle. Is it correct?

Mr. CASTRO BARREDO. Is it correct that I was accused of that? I was accused of that. I was convicted of that.

Mr. WAXMAN. But you're not admitting it.

Mr. CASTRO BARREDO. Admitting that it was done?

Mr. WAXMAN. Yes.

Mr. CASTRO BARREDO. The members of the jury found that it was true.

Mr. WAXMAN. But you don't admit that you took bank money and used it for your yacht, your jet, and other luxuries. Do you deny it?

Mr. CASTRO BARREDO. It goes further than that. It is more complicated than just accepting that that was done. But that was what the indictment originally was brought up by the Manhattan prosecutors, and I was convicted of it.

Mr. WAXMAN. But you were convicted of it.

Mr. CASTRO BARREDO. Yes.

Mr. WAXMAN. And you can't be tried again on the same offense, so don't worry about what you say, but what I want to know is did you take money from the bank and use it for your own personal purposes?

Mr. CASTRO BARREDO. Yes. Let's just say yes.

Mr. WAXMAN. All right. Mr. Castro, we spoke to your grandfather's attorney who told us that your grandfather fired you when he found out that you had been stealing from the bank. He also told us that you blamed this on Mr. Intriago because it was Mr. Intriago who showed your grandfather the audit that proved that you had been using the bank's deposits for these personal luxuries. Would you like to respond to that?

Mr. CASTRO BARREDO That I would be blaming Mr. Intriago for what? For this?

Mr. WAXMAN. Well, he said that you blamed Mr. Intriago for your grandfather firing you when you were 25 years old, president of the bank, and using bank money for your luxuries.

Mr. CASTRO BARREDO. I don't blame Mr. Intriago for anything that was ever done. I didn't like him professionally, that I would admit, but I wouldn't blame him for anything.

Mr. WAXMAN. You're not hostile to him because your grandfather fired you?

Mr. CASTRO BARREDO. No, of course not. I don't think he had anything to do with it.

Mr. WAXMAN. You talked to the staff of our committee and you told the committee staff, at least I understand that you did, you didn't really care for Mr. Intriago. Is that a correct statement?

Mr. CASTRO BARREDO. I'm sorry. Can you——

Mr. WAXMAN. Did you tell the staff when they interviewed you that you didn't care for Mr. Intriago?

Mr. CASTRO BARREDO. No. I never did. Professionally. I was friends with him. We had Marlin tickets together in the baseball stadium. We had dinner once in a while, but professionally I don't think he was worth what he was selling to my grandfather and my family.

Mr. WAXMAN. Your grandfather's attorney suggested that you may be implicating Mr. Intriago as a way to get even. What do you respond to that?

Mr. CASTRO BARREDO. Get even with him? To get even with Charlie? I have nothing against him. I don't have to get even with him or anybody. So it's not a personal, it's not a personal thing between him or any other person that I can think of.

Mr. WAXMAN. After you were convicted of the bank charges——

Mr. CASTRO BARREDO. Right.

Mr. WAXMAN [continuing]. You told the district attorney you wanted to cooperate in exchange for a recommendation that you get a lenient sentenc . Isn't that correct?

Mr. CASTRO BARREDO. That is correct.

Mr. WAXMAN. It was then that you decided to accuse your grandfather of reimbursing your political contributions. Is that correct?

Mr. CASTRO BARREDO. Accuse? I didn't accuse my grandfather of anything.

Mr. WAXMAN. You didn't accuse your grandfather of reimbursing the money that you contributed?

Mr. CASTRO BARREDO. I didn't accuse him. I just said that I was reimbursed by him in one of the companies. I didn't accuse him of doing anything of that sort. Accusing is admitting that something is wrong, and——

Mr. WAXMAN. You're here today to tell us that money you contributed to the Democratic party was reimbursed to you by your grandfather.

Mr. CASTRO BARREDO. That is correct.

Mr. WAXMAN. OK. That was first mentioned by you after you were convicted of bank fraud, and you did it in the context of getting a more lenient sentence. Is that right? You were trying to be helpful——

Mr. CASTRO BARREDO. To myself.

Mr. WAXMAN. To yourself.

Mr. CASTRO BARREDO. That's correct.

Mr. WAXMAN. So, instead of facing 40 years in prison, you got a sentence of 3½ years.

Mr. CASTRO BARREDO. That is correct.

Mr. WAXMAN. And, I guess this is a question: Should this fact affect your credibility?

Mr. CASTRO BARREDO. That—in what sense?

Mr. WAXMAN. Well, that you came up with the story about getting reimbursed.

Mr. CASTRO BARREDO. It's not a story.

Mr. WAXMAN. It's a story, maybe it's true or not true, but it's a story. You would say, presumably, it's a truthful story.

Mr. CASTRO BARREDO. The only thing I can say, Mr. Waxman, is the gentleman that is saying, is denying this, is taking the fifth amendment, which I didn't know, and he's not here to say the truth or not.

Mr. WAXMAN. Nor is your grandfather. Where is your grandfather?

Mr. CASTRO BARREDO. He's serving time in a correctional facility.

Mr. WAXMAN. You got a more lenient sentence because you were willing to come forward and talk about this campaign contribution when you were originally sentenced. Now Chairman Burton has told you that he'll write a letter on your behalf to get you released on a work-release program for coming here today——

Mr. CASTRO BARREDO. Which I am already eligible for.

Mr. WAXMAN. You are eligible for it, but still it is a question of discretion, and the chairman has offered to help you get that work release as a reward for helping the committee get this information.

Mr. CASTRO BARREDO. Any letter that is always sent to the correctional facility or parole board helps. So, that's an incentive.

Mr. WAXMAN. Did Chairman Burton promise to help you get out of jail before you agreed to come before the committee?

Mr. CASTRO BARREDO. No. I was never promised anything.

Mr. WAXMAN. Would you have agreed to appear today if he had not promised to help you?

Mr. CASTRO BARREDO. Maybe.

Mr. WAXMAN. Maybe?

Mr. CASTRO BARREDO. Yes. I didn't get promised anything, first of all, but I would have probably been here anyhow.

Mr. WAXMAN. But, on the other hand, you thought it might help you.

Mr. CASTRO BARREDO. Of course.

Mr. WAXMAN. When this investigation began last year, Chairman Burton told us this committee would be, quote, "investigating a possible massive scheme of funneling millions of dollars in foreign money to the U.S. electoral system and that we are investigating allegations that the Chinese Government, at the highest levels, decided to infiltrate our political system." That's a quote. I didn't read it as well as I might have, but the chairman says that is what we're doing. We're going to look at this massive scheme of contributions from Chinese Government and people at the highest levels trying to infiltrate our political system.

Do you have any evidence of a massive scheme to funnel millions of dollars into the U.S. elections?

Mr. CASTRO BARREDO. Do I have any evidence?

Mr. WAXMAN. Yes.

Mr. CASTRO BARREDO. No, I do not.

Mr. WAXMAN. OK. Do you have any evidence about a Chinese Government decision to infiltrate our political system?

Mr. CASTRO BARREDO. I do not.

Mr. WAXMAN. Do you have any evidence that the Democratic party or the Clinton-Gore campaign knew that you were going to be reimbursed for your contribution or that the money came from outside the United States?

Mr. CASTRO BARREDO. No.

Mr. WAXMAN. In fact, you made this contribution because you are a U.S. citizen and it would appear to them that this was a legal contribution. Is that correct?

Mr. CASTRO BARREDO. Appear to whom?

Mr. WAXMAN. Well, it would appear to the Democratic party, to President Clinton, the Clinton-Gore campaign, or anybody who got your money that you are a U.S. citizen writing a check to the Democratic party.

Mr. CASTRO BARREDO. That is correct.

Mr. WAXMAN. On the surface, to them, it would appear to be legal.

Mr. CASTRO BARREDO. That is correct.

Mr. WAXMAN. Mr. Chairman, I don't know how much time we have, but I'll reserve the balance of my time, and let me yield to Mr. Lantos if he wants to pursue questions at this point, and, go on to other Members.

Mr. LANTOS. Thank you very much. I want to discuss this promised letter from Mr. Burton. I'd advised that there was a discussion between your attorney and the majority's attorney during the

course of your deposition with respect to that letter. And Mr. Bennett assured your attorney that Mr. Burton will write a letter that would facilitate your release. Were you present during that discussion?

Mr. CAMPRIELLO. Excuse me. There was no deposition so I'm not sure——

Mr. LANTOS. There was an interview? Did you have any discussion—were you present at any discussion during the course of which your attorney and Mr. Bennett discussed the letter by Mr. Burton?

Mr. CASTRO BARREDO. I met Mr. Bennett yesterday and——

Mr. LANTOS. I understand that. Was there any discussion of a letter Mr. Burton was going to write on your behalf during that meeting?

Mr. CASTRO BARREDO. Yesterday? No, there was nothing talked about that.

Mr. LANTOS. There was no discussion of any letter?

Mr. CASTRO BARREDO. There was discussion—they said the chairman and somebody on the Democratic side would write letters to the correction department saying that I was here and I was saying the truth, but nothing more than that.

Mr. LANTOS. Who from the Democratic side was going to sign that letter?

Mr. CASTRO BARREDO. I don't know. I have no idea.

Mr. LANTOS. Who said that someone from the Democratic side would write the letter?

Mr. CASTRO BARREDO. I don't know. There were seven people in that room. I don't remember.

Mr. LANTOS. Was there a letter discussed during that meeting?

Mr. CASTRO BARREDO. No, there was not.

Mr. LANTOS. You just said a moment ago that Mr. Burton and someone else——

Mr. CASTRO BARREDO. It was referenced to because I am very interested in the letter. That's my main objective, is the letter, obviously.

Mr. LANTOS. But a minute ago, you said there was a reference to a letter that would be sent by Mr. Burton and someone on the Democratic side.

Mr. CASTRO BARREDO. That's correct.

Mr. LANTOS. Who said that, that someone on the Democratic side would sign the letter?

Mr. CASTRO BARREDO. No one on the Democratic side said anything, or I don't remember who said it exactly, or maybe I heard things, maybe I'm hearing too many things.

Mr. LANTOS. So you think this may not have happened at all?

Mr. CASTRO BARREDO. No, no. I do remember, not a discussion about any letter, but it was talked, it was mentioned.

Mr. LANTOS. Mr. Burton will write a letter.

Mr. CASTRO BARREDO. I don't know who would write the letter. I have no idea who was going to write a letter, I don't know who the letter was going to go to, I don't know who was going to handle it. I have no idea.

Mr. LANTOS. But a minute ago you said something very different, Mr. Castro. Do you want to consult with your attorney?

Mr. CASTRO BARREDO. I don't know what I said. Right, I know I am going to get a letter, but I don't know if Mr. Burton is going to sign it, or Mr. Bennett was going to sign it, or they were going to New York, or I don't know where they are going to send it or to who. I have no idea who the letter is going to be sent to. I know it is going to be sent to the New York State Department of Corrections, but to who I don't know.

Mr. LANTOS. Now Mr. Intriago, who is the attorney for your grandfather, was the attorney——

Mr. CASTRO BARREDO. Who was the attorney, that is correct.

Mr. LANTOS [continuing]. Did he indicate to you that he's acting on behalf of the Clinton-Gore campaign?

Mr. CASTRO BARREDO. At that time?

Mr. LANTOS. Yes.

Mr. CASTRO BARREDO. I don't know if he said the Clinton-Gore campaign or the Democratic campaign. I don't remember. It was 6 years ago.

Mr. LANTOS. Do you have any personal knowledge that the Democratic National Committee advised Mr. Intriago to obtain a contribution from you?

Mr. CASTRO BARREDO. From us? No, I have no knowledge of that.

Mr. LANTOS. So the only contact you had with respect to this contribution was Mr. Intriago.

Mr. CASTRO BARREDO. That's correct.

Mr. LANTOS. You said earlier in your testimony that you had adequate resources to write such checks.

Mr. CASTRO BARREDO. That is correct.

Mr. LANTOS. Can you give us a ballpark figure of what your assets were at the time?

Mr. CASTRO BARREDO. I have no idea.

Mr. LANTOS. Well, was it $1 million or less, or more?

Mr. CASTRO BARREDO. Or less, or more.

Mr. LANTOS. Well, what do you think it was?

Mr. CASTRO BARREDO. We include what, liquid assets or stock assets? Maybe more.

Mr. LANTOS. You know, I find it remarkable that you can't remember the discussion you had yesterday, but you have a vivid recollection of a discussion you had 5 years ago. Or 6 years ago. Could you explain that discrepancy to us?

Mr. CASTRO BARREDO. Well, what is to remember of yesterday that is so memory lapsing? I was asked questions. There were four members of one side there, two members of the other side, and that was basically it. They were asking questions and I was answering them.

Mr. LANTOS. Well, you raised the issue of the letter being sent by Mr. Burton and someone on the Democratic side. We didn't raise that question. You did, a couple of minutes ago. Presumably you remembered it from your conversation yesterday.

Mr. CASTRO BARREDO. That's correct.

Mr. LANTOS. So there was such a discussion yesterday.

Mr. CASTRO BARREDO. The letter was mentioned. There was a letter mentioned because I have asked my attorney many, many times about letters and things like that.

Mr. LANTOS. I'll be glad to yield.

Mr. WAXMAN. I just wanted to raise a point here. I asked my lawyers who worked on this why did Mr. Intriago take the fifth amendment and the answer they got back from Mr. Intriago's lawyer, I presume, was, that even though the statute of limitations is passed in terms of any offense that might have been committed, he could still be prosecuted for some conspiracy charge, or something like that; not that he said he was guilty, but he could be prosecuted. People have a right, under the Constitution of the United States, not to come in and give evidence against themselves or to answer questions and have people try to use that evidence in some way or other.

Mr. Intriago didn't come here because he didn't think it would do him any good. Mr. Castro is here because he thinks this might do him a lot of good. I do want to read the statement, if the gentleman will just permit, because I think we ought to have this, not just in the record, but people ought to know about it in the audience.

This is a statement to the committee by Robert Plotkin, counsel, for Charles A. Intriago, dated April 30, 1998.

Charles Intriago is a private citizen who, during the 1992 Presidential campaign, exercised his fundamental right under the United State Constitution to make a campaign contribution from his own personal funds. He also solicited contributions from a number of well-off American citizens with whom he was acquainted, and who he believed had the personal financial capability to make such contributions. As a consequence of those activities, he now finds himself unwillingly drawn into a nasty and vindictive political conflict that is unfettered by rules of fairness and is immune from the laws of defamation.

Mr. Intriago is not a government official. He has never held a high elective or appointive government position. He has never been an employee of, or consultant to, the Democratic National Committee. He is not a "friend" or "associate" of the President, the Vice President, or any other high ranking Democratic party official. He has not applied for, been interviewed for or considered a government job. He has never had nor sought a government contract. Mr. Intriago simply is a respected private lawyer with a previously unblemished record of conduct.

On the other hand, Jorge Castro Barredo, Mr. Intriago's principal accuser, is a convicted felon who left behind him a wake of corruption in the Dominican Republic. Indeed, it was Mr. Intriago who first learned of and disclosed Castro Barredo's wrongdoing, which led to his ultimate termination from the family's business. Jorge Castro Barredo has a vested interest in inventing things about Mr. Intriago in order to curry favor with New York City prosecutors and return to his several homes in Santo Domingo. This "testimony" is well-suited for a Committee whose basic investigative tactics include leaks, smears, and innuendos.

The Committee's sanctimonious use of legitimate government authority to obtain illegitimate political advantage has now claimed Mr. Intriago's reputation as its most recent victim.

This is what Mr. Intriago's lawyer has written to us. Since he makes an accusation about you, do you want to respond to it in any way? To be fair, do you want to say anything in response to this?

Mr. CASTRO BARREDO. In response to?

Mr. WAXMAN. What I just read from Mr. Intriago.

Mr. CASTRO BARREDO. First of all, he had nothing to do with discovering anything on my behalf that would affect my position in any bank or in any family business that I had. That I don't know who it came up, because it is not true.

Mr. WAXMAN. You don't think he told your grandfather that you were running the bank into the ground——

Mr. CASTRO BARREDO. Of course not.

Mr. WAXMAN [continuing]. And using it for personal purposes?

Mr. CASTRO BARREDO. No. I think that is coming up now. He is saying that now, to create an atmosphere of revenge or hostility, but it is not true.

Mr. WAXMAN. Well, your grandfather did fire you from the bank presidency, didn't he?

Mr. CASTRO BARREDO. Of Puerto Rico. I was president still of the Bank of Dominican Republic, so if Charlie had so much information of one bank, why didn't he have so much information of the other bank?

Mr. WAXMAN. I don't know the answer to that.

Mr. CASTRO BARREDO. We're still going to baseball games together so if we were so hatred, you'll have to ask him that.

Mr. WAXMAN. Well, he, his statement speaks for itself. I just wanted to give you a chance to respond.

Mr. CASTRO BARREDO. OK.

Mr. WAXMAN. Thank you.

Mr. LANTOS. You were prosecuted by the Manhattan District Attorney's Office—I just would like to finish this question if I may.

Mr. CASTRO BARREDO. That is correct.

Mr. LANTOS. Do you know about the political affiliation of the Manhattan District Attorney?

Mr. CASTRO BARREDO. I have no idea.

Mr. LANTOS. You have no idea?

Mr. CASTRO BARREDO. No.

Mr. LANTOS. He's a very prominent Democrat.

Mr. CASTRO BARREDO. Mr. Morgenthau?

Mr. LANTOS. Yes.

Mr. KANJORSKI. Mr. Castro, when did it first come to your attention that you were actually involved in a potential violation of campaign contribution laws? When did you first realize this, and how did you realize it?

Mr. CASTRO BARREDO. When I was in the middle of the material that was given to us for our trial.

Mr. KANJORSKI. So, this would have been in February 1997, last year, about 14 months ago?

Mr. CASTRO BARREDO. No. It would have been the end of, it would have been the fall of 1996.

Mr. KANJORSKI. OK, the fall of 1996. How did this information come to your attention? Did your attorneys give it to you?——

Mr. CASTRO BARREDO. It was given to us by Mr. Morgenthau's office as part of the discovery material, I think is what they called it.

Mr. KANJORSKI. OK. This is the very first time in your life that you learned of this, that your attorney in Miami had 5 years before advised you to commit a crime.

Mr. CASTRO BARREDO. He didn't advise me to commit any crime.

Mr. KANJORSKI. Well, you learned that it is a crime if you improperly give foreign money to a campaign.

Mr. CASTRO BARREDO. I learned that when I looking at these documents and I asked my attorney at that time.

Mr. KANJORSKI. So, I return. In late 1996, for the very first time in your life, you learned that your attorney, some 4 years before, had advised you improperly to participate in a conspiracy to com-

mit a fraud and a crime under the Federal Election Act of the United States. Is that correct?

Mr. CASTRO BARREDO. I learned that in 1996 when——

Mr. KANJORSKI. Now, at that time was Mr. Intriago still representing you?

Mr. CASTRO BARREDO. No.

Mr. KANJORSKI. OK. Are you still seeing him on a friendly basis? Going to ball games together still?

Mr. CASTRO BARREDO. I've been in jail for 2 years, so it is quite far from——

Mr. KANJORSKI. Do you ever hear from him? Do you write to him?

Mr. CASTRO BARREDO. Never.

Mr. KANJORSKI. OK. Now have you talked to your attorneys about this?

Mr. CASTRO BARREDO. About what?

Mr. KANJORSKI. Your present attorneys about this situation?

Mr. CASTRO BARREDO. Which——

Mr. KANJORSKI. A situation which might be conceived by a lawyer to commit a crime. What I want to know is, did you sue him, given the statue of limitations? Did you bring disbarment proceedings or sue Mr. Intriago?

Mr. CASTRO BARREDO. No.

Mr. KANJORSKI. Why?

Mr. CASTRO BARREDO. I don't see a reason why to.

Mr. KANJORSKI. He committed probably one of the greatest torts a lawyer can commit against his client: advise him to commit a crime.

Mr. CASTRO BARREDO. That's up to him.

Mr. KANJORSKI. What do you mean that's up to him? You're the guy doing time.

Mr. CASTRO BARREDO. I don't have anything against him. I don't have anything again Charlie Intriago. I would not——

Mr. KANJORSKI. So you're not offended by what he told you to do, and you didn't mind that he told you to do something that you now consider improper?

Mr. CASTRO BARREDO. Offended? In a sense, I would say yes, because I was told to do something at that time that we thought was very normal and then we found out it wasn't normal. But to take that to a level of lawsuit and disbarment and legal process, I wouldn't do it.

Mr. KANJORSKI. I see. What's our recourse now? The statue of limitations on all of this has run. It's run on you, conveniently at the end. That's when the information was coming to the Justice Department. You've taken no action against your attorney; although you have a clear action against him. You've brought no proceedings against him, so he's possibly still advising people out there, possibly, to do the same thing he advised you to do in 1996.

Mr. CASTRO BARREDO. That could be.

Mr. KANJORSKI. And you feel as an American citizen no compunction to stop that activity?

Mr. CASTRO BARREDO. The last 2 or 3 years I've gone through so many hardships and lost so much money and spent so much time in jail——

Mr. KANJORSKI. How old are you?

Mr. CASTRO BARREDO. Thirty years old——

Mr. KANJORSKI. You really have a tough life; $350,000 to fix your luxury aircraft and the yacht, and participating in the transfer of $13 million of depositors' accounts. You're really under a hardship and, instead of getting 40 years, you got 3 years, and you are ready to get out. If only Willie Sutton had known about you. He didn't have to use a gun. Do you know who Willie Sutton is?

Mr. CASTRO BARREDO. No.

Mr. KANJORSKI. He's a very famous bank robber. He made the mistake of going into banks with guns. You didn't make that mistake. You went in as an officer of a bank and defrauded your depositors, and therefore defrauded the U.S. Government.

But you seem to be without remorse. I mean, Mr. Waxman asked you——

Mr. CASTRO BARREDO. Remorse in what sense?

Mr. KANJORSKI. Did you commit this crime or didn't you?

Mr. CASTRO BARREDO. I stated, and if you look at the transcripts——

Mr. KANJORSKI. I know you were indicted and you were convicted. I'm not asking you the formal process of the law. You are asking the State of New York to exonerate your sentence, and you are asking this committee's chairman to recommend that you're so helpful. And yet you can't tell us straightforward on the record, did you or did you not commit the crime?

Mr. CASTRO BARREDO. I feel sorry for everybody who lost their money. I told that to the sentencing judge. I feel sorry to all the employees who lost their jobs. And that is as much as I can say.

Mr. KANJORSKI. You just feel sorry for people who lost their jobs and the depositors who lost their money. Do you feel that you committed the act you were convicted of or are you improperly incarcerated in New York, in your estimation? [Pause.]

It seems like the simplest question I've ever asked a witness.

Mr. CASTRO BARREDO. It's not that simple, sir. It's not that simple when you have family out there with wife and kids and you're coming out in front millions of people, national TV, it's not that simple, especially when you've been in jail——

Mr. KANJORSKI. You're continually claiming, as a convicted felon, that a reputable attorney—who is for all purposes that we know, in Miami—conspired with you to commit a crime against the U.S. Government. You don't find that's offensive at all and take no action to prevent that from happening in the future. But, you can't reconcile in your own mind something you were convicted, and they could have given you 40 years, and by this soft shuffle you got yourself down to 3½ years and only 1 year after conviction you are getting the chairman of this committee to get you released.

Mr. CASTRO BARREDO. Two years I've been in jail, not 1 year. Two years. And being in jail is hard enough.

Mr. KANJORSKI. That was prior to the conviction, Mr. Castro. You've only been in jail 1 year since you've been convicted. The fact is you were held——

Mr. CASTRO BARREDO. That's incorrect. I've been in jail since April 1996. We are now in May, or late April 1998. That——

Mr. KANJORSKI. You mean I am mistaken here with the committee that tells me you were convicted in February 1997?

Mr. CASTRO BARREDO. I spent all that time, since the day of the indictment, the day of arrest, I was denied bail and I was in jail.

Mr. KANJORSKI. The State of New York didn't think they could allow you out on bail because what you said is you have no association with the United States and you can't wait to get out of jail, use this committee to get you out of jail, and get out of this country.

Mr. CASTRO BARREDO. I'm eligible for work release right away, as it is. I'm eligible for work release as it is. That's a program of the New York——

Mr. KANJORSKI. Will that be cleaning the yacht or the jet plane?

Mr. BURTON. The gentleman's time has expired. Mr. Horn, you are recognized for 5 minutes.

Mr. HORN. Thank you, Mr. Chairman. I am sort of bemused by some of the actions we've heard here in the last 15 minutes and it sounds like they are the defense counsel for Mr. Intriago.

I congratulate you for having the guts to come here when you've got this wall of shame of people who take the fifth, leave the country, and don't cooperate with us, and say, just like that I've said before, the Mafia, and you're a brave person to come here and take those assaults from the other side which are simply trying to destroy you as a credible witness as they protect people that are hiding behind the fifth amendment or out of the country or wherever. And so I thank you for coming here; you deserve a reward for that.

I am looking at some of the recent developments in the case and, I believe, in the meeting, you, Mr. Castro, recall saying that the October 15, 1993, meeting at the Department of State where there was a grievance that your family had against a Venezuelan businessman, Thor Halvorssen, I believe that's correct?

Mr. CASTRO BARREDO. That is correct.

Mr. HORN. Now Mr. Halvorssen was hired, I am told, by the Banco de Venezuela to investigate Castro's.

Mr. CASTRO BARREDO. That's correct.

Mr. HORN. I take it the feeling is you recall saying that was worth $25,000 after the State Department meeting. Now did your access to the Department of State mainly come through the donations you gave to the Democratic National Committee? What did you feel on that?

Mr. CASTRO BARREDO. I have no idea—confirmed—give us $25,000 and you're going to the State Department, but I've been involved in politics in the Dominican Republic, not directly as a politician but as a businessman, and I have my personal opinions of many things.

Mr. HORN. Yes. It doesn't hurt you to have been a donor and a friend of so-and-so.

Mr. CASTRO BARREDO. It doesn't.

Mr. HORN. Who arranged the appointment for you for that October 15, 1993, meeting with the State Department and who arranged it?

Mr. CASTRO BARREDO. Charles Intriago.

Mr. HORN. Pardon?

Mr. CASTRO BARREDO. Mr. Intriago. He's the on who arranged for my grandfather, and basically for him to go to the State Department.

Mr. HORN. Now is he an attorney here in Washington?

Mr. CASTRO BARREDO. No, he's an attorney in Florida.

Mr. HORN. In Florida, so he knew how to get an appointment at the State Department.

Mr. CASTRO BARREDO. That's correct.

Mr. HORN. Was there any White House involvement in that, to your knowledge?

Mr. CASTRO BARREDO. In?

Mr. HORN. Getting the appointment for you at the State Department?

Mr. CASTRO BARREDO. Not to my knowledge.

Mr. HORN. OK. And so it was simply arranged through an attorney in Florida. With whom did you deal in the Department of State? Was it a desk officer for Venezuela?

Mr. CASTRO BARREDO. I don't remember his name, but we were told, or I was told, that he was the representative of South America in the State Department.

Mr. HORN. OK, maybe the Assistant Secretary was it for Inter-American Affairs?

Mr. CASTRO BARREDO. Could be.

Mr. HORN. What was it that you wanted the State Department to do in your battle for control of the bank with Mr. Halvorssen? What were you seeking?

Mr. CASTRO BARREDO. Basically, my grandfather's goal at that time was to advise the State Department that the Embassy, the United States Embassy in Venezuela, was being used by certain United States employees there to be part of this smear campaign against us. And it was an opportunity to him to explain to a United States official what was going on on our side of the problem.

Mr. HORN. To your knowledge, did the State Department ever do anything in relation to the allegations you are making about the Embassy in Venezuela? Do you know, did the attitude change as a result——

Mr. CASTRO BARREDO. I don't know. I didn't even ask afterwards.

Mr. HORN. OK. Now the question was raised early to the degree to which you knew anybody at the Democratic National Committee. Mr. Chairman, I'd like to just note that in our witness book here, under VEN–26, there is a letter from Charles Intriago, the attorney for his grandfather, to Ronald Brown, chairman, Democratic National Committee.

"Dear Ron, Just a brief note to tell you that I enjoyed meeting with you during the campaign in Little Rock and Middleburg. Apparently I am now a 'trustee' of the DNC," Democratic National Committee, "and I am looking forward to assisting in any way I can."—this is dated December 2, 1992—"So that you know a little more about me, I enclose a recent issue of my publication, 'Money Laundering Alert,' together with some background information. I think this is an issue on which President Clinton can make some headway in dealing with the drug and white-collar crime problem."

So I take it Mr. Intriago, who is a publisher, as well as your father's attorney, is the one who was trying to be helpful in tracking drug money. Was that correct?

[Exhibit VEN–26 follows:]

ALERT
International, Inc.

December 2, 1992

Mr. Ronald Brown
Chairman
Democratic National Committee
430 South Capital Street, SE
Washington D.C. 20003

Dear Ron:

Just a brief note to tell you that I enjoyed meeting you during the campaign in Little Rock and Middleburg. Apparently, I am now a "trustee" of the DNC, and I am looking forward to assisting in any way I can.

So that you will know a little more about me, I enclose a couple of recent issues of my publication, *Money Laundering Alert*, together with some background information. I think this is an issue on which President Clinton can make some headway in dealing with the drug and white collar crime problems.

I look forward to seeing you soon. Best regards.

Sincerely yours,

Charlie

Charles A. Intriago

Publisher of
Money Laundering Alert®
Charles A. Intriago, Esq.,
Publisher
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Miami, Florida 33131
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P.O. Box 011390
Miami, Florida 33101
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Fax: 305-530-9434

EXHIBIT
VEN-26

DNC 1359488

Mr. CASTRO BARREDO. That's correct.

Mr. HORN. Yes, I think that sounds like an excellent journal. We all ought to be subscribing to it to see where the money's going in Florida, and I will start looking it up. I'm fascinated by it.

Then you've got on exhibit VEN–27, Eric Sildon, director, National Membership Services, to Dear Charlie. So you have the leader of the Democratic National Committee calls Mr. Intriago who has taken the fifth who we hear letters from the lawyer, but he hasn't had the guts to stand in that witness chair under oath.

Mr. BURTON. The gentleman's time has expired.

Mr. HORN. You're welcome.

Mr. BURTON. Mr. Barrett.

Mr. BARRETT. Thank you, Mr. Chairman. And I apologize for missing some of the proceedings, so what I may be asking may be redundant, but my friend Mr. Horn was complimenting you for your bravery for coming here today.

The reason you are here today is you want to get out of jail isn't it?

Mr. CASTRO BARREDO. The reason I'm here today is?

Mr. BARRETT. You want to get out of jail.

Mr. CASTRO BARREDO. Correct.

Mr. BARRETT. That's really no other reason other than that.

Mr. CASTRO BARREDO. Go down deep, that's the reason.

Mr. BARRETT. OK. And so I have an understanding of what brought you here, and again I think you've gone over, did you or your attorneys contact the committee or did the committee contact you?

Mr. CASTRO BARREDO. The committee contacted us.

Mr. BARRETT. OK. And what did they say?

Mr. CASTRO BARREDO. That they—the first time we met?

Mr. BARRETT. Sure.

Mr. CASTRO BARREDO. That they wanted to ask me some questions about campaign contributions being made by my family.

Mr. BARRETT. And where were you at the time?

Mr. CASTRO BARREDO. Manhattan, Manhattan Detention Center.

Mr. BARRETT. OK, so you were in jail when they met you?

Mr. CASTRO BARREDO. That's correct.

Mr. BARRETT. And tell me a little bit more. They said they wanted to ask you some questions. What questions did they ask you?

Mr. CASTRO BARREDO. Questions about these checks, the fax document, this paper, what was going on, the conversation, basically what we've talked about here today.

Mr. BARRETT. And who brought up the possibility of a letter that would be written on your behalf?

Mr. CASTRO BARREDO. I did.

Mr. BARRETT. And what did you say?

Mr. CASTRO BARREDO. That the only way I would go forward with any of this is if somehow I would be benefited from the situation.

Mr. BARRETT. And why did you say that?

Mr. CASTRO BARREDO. Why did I say that? Because——

Mr. BARRETT. If you thought that there was some injustice here, one might think that you would have said, I want to clear up an

injustice, I want to clear my conscience. I'm just curious as to why the only reason was you wanted a benefit?

Mr. CASTRO BARREDO. As I said before, the last 3 years, media wise, it's been very hard for myself and my family and basically the main reason that I wouldn't have done anything was I don't want no more publicity. I just want to be left alone with my life and my family, not all these cameras and reporters.

Mr. BARRETT. When you said that you wanted a benefit from this, what was the response?

Mr. CASTRO BARREDO. That they were going to try. It was never promised to me and that was basically it.

Mr. BARRETT. So there was never a promise to you that——

Mr. CASTRO BARREDO. There was never a promise. All that I was told was every time we speak to you, and if we ever need you and you say the truth of everything that happened, we'll try to help you. But there was never a I'm going to promise that you on June 3, 1998, you'll be going home or you'll be put here or you'll be put there. It was never said to me.

Mr. BARRETT. Do you think you're going to get a letter?

Mr. CASTRO BARREDO. Do I think I'm going to get a letter? I hope so. If I don't——

Mr. BARRETT. Do you think you're going to get one?

Mr. CASTRO BARREDO. Pardon?

Mr. BARRETT. Do you think you're going to get one?

Mr. CASTRO BARREDO. I hope so, yes.

Mr. BARRETT. Not whether you hope so, do you think so? Yes or no, do you think you're going to get a letter, or you don't know?

Mr. CASTRO BARREDO. I think I'm going to get it. That's why I'm hoping I am.

Mr. BARRETT. And again, what were you promised though?

Mr. CASTRO BARREDO. I wasn't promised anything.

Mr. BARRETT. So you were never promised a letter?

Mr. CASTRO BARREDO. A letter, yes.

Mr. BARRETT. OK.

Mr. CASTRO BARREDO. I was promised a letter.

Mr. BARRETT. I thought you said you weren't promised anything.

Mr. CASTRO BARREDO. Yes, you want to go into the promise of you do this, I promise you that you're going to get out. That's what I was thinking of.

Mr. BARRETT. Oh, OK. Well, then let's make it very clear. So you were promised——

Mr. CASTRO BARREDO. A letter from me is not promising nothing, because it's not a guaranteed thing.

Mr. BARRETT. Who made the promise to you that you'd get a letter?

Mr. CASTRO BARREDO. The first meeting I had was with Mr. David Kass and some other members of his office in Manhattan.

Mr. BARRETT. Who made the promise to you that you'd get a letter?

Mr. CASTRO BARREDO. If I told the truth first at the first meeting and second if I was ever needed, I would get a letter. Mr. Kass told me the first time. Then, Mr. Bennett told me yesterday.

Mr. BARRETT. Did you get a letter and what did they lead you to believe the letter would say?

Mr. CASTRO BARREDO. That I've been cooperative; that I've been truthful; that I've been very helpful; that I should be taken in consideration for the work release program, which I am already eligible for; and that was basically it.

Mr. BARRETT. And the bank that closed under your leadership. How big a bank was that?

Mr. CASTRO BARREDO. It was total assets $50 million basically.

Mr. BARRETT. And how many depositors lost money?

Mr. CASTRO BARREDO. I don't have the exact number.

Mr. BARRETT. I'm sure you don't have the exact number, but I'm sure you have a ballpark figure as to how many depositor's lost money.

Mr. CASTRO BARREDO. I believe they're getting their money back, so I don't know if their losing money is appropriate. But I would say that at the time of the trial, before any money was given back to them by the Venezuelan authorities, 30, 35 people, 40, 50, roughly.

Mr. BARRETT. And how many employees lost their jobs?

Mr. CASTRO BARREDO. Five.

Mr. BARRETT. My time has expired.

Mr. BURTON. The gentleman's time has expired. I'm going to yield 1 of Mr. Bennett's 10 minutes, so that he can explain the letter. I think it's a bone of contention. I think you have a right to know. Mr. Bennett.

Mr. BENNETT. Congressman Barrett, for the record, yesterday David Sadkin and Michael Yang of minority staff; and I and David Kass of majority staff; as well as Major Gil Macklin; and Butch Hodgson, the retired FBI agent who's the chief investigator; and representatives of both the majority and the minority met with Mr. Castro and his attorney. There's no great secret about this. We indicated that the chairman would write a letter at some point in time, upon request, noting cooperation with a copy to Congressman Waxman. That's the extent of the conversation. That's basically correct, isn't it, Mr. Castro?

Mr. CASTRO. That's correct.

Mr. BENNETT. And so the record's clear, Congressman Burton was to write a letter upon the request with a copy to Congressman Waxman. The minority counsels were aware of it yesterday. There's no great secret about it. That any letter to be written, it was understood, would be copied to Congressman Waxman, which might explain some of the confusion by Mr. Castro believing that a member of the Democratic side of the aisle would actually sign the letter. The representation in the presence of minority counsel was Congressman Burton would, at some point in time, send the letter, upon request, when it was deemed to be appropriate by Mr. Castro's lawyer and Congressman Waxman would be copied with that letter. I have nothing further, Mr. Chairman.

Mr. CASTRO BARREDO. Excuse me.

Mr. BURTON. Mr. Mica is recognized for 5 minutes.

Mr. CASTRO BARREDO. Mr. Chairman, can I add something briefly?

Mr. MICA. Mr. Chairman, the witness had asked if he could respond. Yes, you can respond on my time, sir. I'm recognized.

Mr. CASTRO BARREDO. Just to make it clear. To the question I was asked before about——

Mr. BURTON. Go ahead, proceed.

Mr. CASTRO BARREDO. I was asked if anybody from the Democratic side had promised me anything. I was asked that before and that's exactly what I was told yesterday—what Mr. Bennett just said. That a copy would be given back and forth. That's what I understood; that it was going to be signed. I didn't know it was a copy. That's what I understood—just to make it clear.

Mr. BURTON. Mr. Mica.

Mr. MICA. Thank you, Mr. Chairman. I'm not going to question the witness at this time. However, Mr. Chairman, I just wanted to make a brief statement. I think today's hearing shows another example of how the other side of the aisle is doing everything possible to cover up, stall, impede, smear, to smirch witnesses that we have here and this investigation.

Quite frankly, I'm very frustrated in this process. Last week, I sat here as I saw them for the first time invoke not granting immunity to witnesses that had been recommended by the Department of Justice. Today, I'm totally dismayed with the New York Times editorial and revelation that in fact, the Attorney General who came before this panel and sat in those chairs has now announced that Mr. LaBella, who she put in charge of the investigation at the Department of Justice, this whole fiasco, fending off the appointment of an independent counsel recommended by the Director of the FBI, even in his testimony before us both in closed and open sessions. And today we find Mr. LaBella is being shipped off to San Diego.

They are making a farce in this hearing. They are making a farce in the Department of Justice. They are destroying the process that maintains the integrity of a check and balance system in this Nation. I am just personally offended by this. Mr. Chairman, I ask unanimous consent that today's New York Times editorial be made a part of this record and I yield the balance of my time to Mr. Horn in great disgust.

Mr. BURTON. Without objection.

[The article referred to follows:]

APR 30 1998

The New York Times

Founded in 1851

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ARTHUR HAYS SULZBERGER, Publisher 1935-1961
ORVIL E. DRYFOOS, Publisher 1961-1963
ARTHUR OCHS SULZBERGER, Publisher 1963-1992

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Janet Reno's Latest Trick

Last September, Attorney General Janet Reno tapped a seasoned, respected prosecutor, Charles LaBella, to invigorate the Justice Department's directionless campaign finance inquiry. She used Mr. LaBella's reputation to fend off demands, by F.B.I. Director Louis Freeh and many others, for appointment of an independent counsel. The department hinted that Mr. LaBella would look into the possible illegal use of "soft money" by President Clinton's re-election campaign, opening a door Ms. Reno had prematurely shut as part of her effort to prevent a searching independent inquiry into the Democrats' campaign financing.

But now, just seven months later, Mr. LaBella is planning to depart, making it plain that his appointment was a public-relations masquerade. James Desarno, the F.B.I. official who has supervised the agents on the case, is leaving too, further broadcasting the fact that Ms. Reno has once again snookered those citizens who wanted a full investigation of the most corrupt campaign fund-raising operation since Watergate.

All along, Ms. Reno has used a contorted reading of the Independent Counsel Act to avoid the reality that she has an inescapable conflict of interest when it comes to investigating the President who appointed her. So this latest turn in her sorry handling of the investigation is hardly surprising. But it is especially deplorable in its use of public employees to create the illusion of investigative vigor.

There is no way to square Ms. Reno's pledge to see the matter through to its conclusion with her decision to elevate Mr. LaBella and Mr. Desarno to new positions. With her final approval considered just a formality, Mr. LaBella is scheduled to return in July to assume leadership of the United States Attorney's office in San Diego. Mr. Desarno is to become the assistant director of the F.B.I.'s Criminal Justice Information Services Division.

This bailout in mid-investigation is just as reprehensible as Kenneth Starr's much-criticized attempt last year to shuck his Whitewater inquiry for an academic post in Malibu, Calif. Ms. Reno should postpone the new assignments until these two men complete the work the Government is paying them to do. She cynically used their reputations to create the illusion of a thorough and fair investigation. Now that the heat is off they are scattering, and the betting here is that the inquiry will return to its earlier state of momentumless disorganization. The lot of them should be ashamed.

Mr. HORN. I thank the gentleman v ry much for yielding. Mr. Chairman, I simply want to put some things in that are in our briefing book. One, there's an article in the Miami Herald that was written by David Lyons on the situation Mr. Halvorssen and the Castro family. I'd just like that inserted at this point.

Mr. BURTON. Without objection.

[The article referred to follows:]

Cuban exile's lawyers deny illegal donations

By DAVID LYONS
Herald Staff Writer

Lawyers for Cuban exile banker Orlando Castro Llanes denied Saturday that he and his family improperly contributed money to the Democratic National Committee in 1992.

The allegations, which were initially raised at a bond hearing last year in a New York State court, were raised again by Manhattan District Attorney Robert Morgenthau, who said in a New York Times article Saturday that he had given evidence of possible illegal contributions to federal prosecutors.

Morgenthau spoke in the wake of the bank fraud convictions this week of Castro and his son, Orlando Castro Castro, and his grandson, Jorge Castro Barredo.

The report said approximately $92,000 in contributions were listed with the Federal Elections Commission from Miami lawyer Charles Intriago, publisher of the Miami-based newsletter, Money Laundering Alert, and from Jorge Castro, who is a U.S. citizen.

It is illegal for foreigners and overseas companies to contribute to U.S. political campaigns and to make those contributions through intermediaries.

Intriago angrily denied any impropriety by the Castros.

Intriago acknowledges raising money for President Clinton's presidential campaign, "as I have raised money since the Jimmy Carter campaign."

Intriago called the report about the campaign contributions another element of a continuing "vendetta" against the elder Castro, 71, who once oversaw a vast financial empire in Venezuela.

Last Wednesday, all three Castros were convicted by a New York State jury of bank fraud charges brought by Morgenthau's office. Morgenthau has acknowledged that his office initially investigated the elder Castro for money-laundering activities. But he said no evidence was found to support the allegations.

Miami attorney Richard Sharpstein, who defended the elder Castro in the criminal bank fraud trial, said none of the Castros had received any favors from the Clinton administration.

Mr. HORN. I believe the letter from the lawyer has been put in, of Mr. Intriago. Is that correct? Because——

Mr. BURTON. That is correct.

Mr. HORN. All right. You will note in that letter, he says, as lawyers often do, Mr. Intriago is not a Government official. We know that. He's never held a high elected or appointed Government position. He has never been an employee or a consultant to the Democratic National committee, et cetera. Now, the point is, I read the letter to Ron Brown. I assume that will be put in at this point——

Mr. BURTON. Without objection.

Mr. HORN [continuing]. It's in our exhibit book. And I'd like put in also the next exhibit, which I guess you've just got, VEN–29, is to our chief counsel, Mr. Bennett, from Acting Assistant General Richard. And he makes the point in the first paragraph, "I'm writing in response to your letter of April 7, 1998, requesting the Department of Justice's position on the granting of immunity to Charles Intriago, Yogesh Ghandi, Armhed Abdulshafi, Jeffrey Neimeyer, Simon Chen, and Sioeng Fei Man. The Department opposes immunity in each of these cases."

In other words, even if you tried to get Mr. Intriago here, he's taken the fifth, has his lawyer writing this letter, which is a little disingenuous to be charitable about it—I sense he's a good friend of Ron Brown, on a first name basis, the chairman of the Democratic National Committee. There are other letters in here from officials of the Democratic National Committee. So he was tied in with that.

Now, Justice says hey, we don't want you to offer any immunity to him. I wonder why, is all I ask the question. Thank you very much, Mr. Chairman. Mr. Mica, I yield back the time to you, if you'd like.

[Exhibit VEN–29 follows:]

U. S. Department of Justice

Criminal Division

Office of the Assistant Attorney General *Washington, D.C. 20530*

April 16, 1998

Mr. Richard D. Bennett
Chief Counsel
Committee on Government Reform
and Oversight
2157 Rayburn House Office Building
Washington, D.C. 20515-6143

Dear Mr. Bennett:

I am writing in response to your letter of April 7, 1998, requesting the Department of Justice's position on the granting of immunity to Charles Intriago, Yogesh Gandhi, Armed Abdulshafi Jeffrey Neimeyer, Simon Chen, and Sioeng Fei Man. The Department opposes immunity in each of these cases.

Mr. Gandhi, as you know, is currently under indictment for mail fraud and the Department is continuing its investigation of him on other matters. Therefore immunity would be inappropriate at this time. As to the matters involving Messrs. Intriago, Abdulshafi, Neimeyer, Chen and Man, the Department's investigations are not yet at a stage where it can be determined with confidence whether immunity would be harmful. Should we later determine that immunity for any, or all, of these individuals would not impact negatively on our investigations, we will so notify you.

The Department opposes the granting of the act of production immunity to Mark Middleton, John Huang and Mark Jimenez. The Office of Independent Counsel Kenneth Starr should be contacted on the question of production immunity for Webster Hubbell.

As always, we appreciate greatly your coordination with us on these matters.

Sincerely,

Mark M Richard
Acting Assistant Attorney General

cc: Kenneth Ballen
Minority Chief Counsel

EXHIBIT
VEN - 29

Mr. MICA. Thank you, Mr. Chairman. Just a point of order. It was my request granted for unanimous consent.

Mr. BURTON. Yes it was.

Mr. MICA. Thank you. I yield back the balance of my time.

Mr. BURTON. The gentleman yields back the balance of his time. Mr. Kucinich.

Mr. KUCINICH. Thank you very much, Mr. Chairman. I'll yield my time to Mr. Barrett.

Mr. BARRETT. Thank you, Mr. Kucinich. I don't have any questions right now for Mr. Castro. But since the argument du jour seems to be the hearing last week pertaining to the immunization of the witnesses, I just want to take a minute to comment on that. From the perspective of someone who did not vote to immunize witnesses, a vote that was clearly for me an easy vote, where sometimes when you vote in Congress and it's a difficult vote, you don't know whether you're doing the right thing—you don't know whether you're doing the wrong thing. I felt then, and I feel now that I was doing the right thing. And I think it's important for people to understand why I'm so comfortable with that vote.

I think it's important that we do have the investigation of allegations of wrongdoing. I think it's important that that investigation be a fair investigation. I think that allegations that are levied against both Democrats and Republicans should be investigated. I am convinced, however, that this committee has absolutely no intent in the world to have a fair investigation. As Mr. Waxman indicated last fall, committee Democrats voted I believe unanimously to immunize three witnesses at that time. We did so not withstanding our reservations about the fairness of this investigation. But the events that have transpired since then have led me to the conclusion that this committee has absolutely no credibility. And I just want to take a minute to explain why.

I think all of us have heard the comments that the chairman made. I do not feel comfortable repeating those comments that he made about the President in public. My colleague, Mrs. Maloney, last week said that if her kids had used that phrase their mouths would have been washed out with soap. I think if I were a child and I'd used those comments, my mother would have washed my mouth out with soap. And I just am boggled how we can forward with an investigation when the chairman has made it so crystal clear that his No. 1 goal is to get the President.

When we walked into this hearing last week, I saw the wall. It reminded me a lot of a homecoming float that I worked on when I was a freshman in high school. And sadly, I think that it also is about equivalent to the maturity level of a high school freshman. This is a serious matter. And there's not a person in this Capitol who is going to walk into this room and look at that and say well this is just a farce. There's no attempt here to even have a semblance of professionalism. To me, it's a great device to show how unfair this investigation is. I would note that the committee—there's no picture of the committee on that wall. Maybe that's because this committee's off the wall in terms of the seriousness with which we are examining these allegations.

When someone comes to me and says why didn't you vote to immunize those witnesses. I tell them because there's no attempt to

find truth here. This is simply an attempt to try to throw as much mud at the President of the United States as possible. Now that doesn't even go into the merits of the immunity.

Mr. Kanjorski was asking whether there had been proffers of testimony. Maybe some people prior to this year didn't know what a proffer was, but we all know from the Starr investigation of Miss Lewinsky, what a proffer is. And there really hasn't been any proffers, as least as far as I can tell. And in the immunity that we granted last fall, one of the witnesses it appeared obviously should not have received immunity.

Granting immunity is not something where you're voting to pass a bill or not pass a bill, or to designate a stamp or something. You're telling someone, legally you're off the hook, that whatever you say, whatever you've done, you're off the hook. I don't take that lightly. That to me is not a vote on a bill. That to me is whether someone who has committed injustice against our society should be allowed to walk.

I don't think that this committee has shown the credibility, the maturity, or the integrity to grant those types of motions. And for that reason, it was a very comfortable vote. I'll do it again when it comes up next week. And I think that if this Congress is serious about having a professional investigation, it's got to be done somewhere else, because this committee has shown time and time again it's unable to do so. And that is why you've had professionals from that side of the aisle—Republicans, good Republicans—who have left the staff. They can't take it. You have to have integrity. And I don't think that this committee has it and for that reason, again, I'm very, very comfortable with my actions.

I yield back to Mr. Kucinich.

Mr. KUCINICH. Yield back.

Mr. BURTON. The gentleman yields back the balance of his time. Mr. Snowbarger.

Mr. SNOWBARGER. Mr. Chairman, I'd like to yield time to Representative Horn.

Mr. HORN. I thank the gentleman. Mr. Castro, in the examination by our general counsel, Mr. Bennett, you reviewed and said yes to which donations were made and how you'd been asked by Mr. Intriago so forth and that you're aunt Maria Castro contributed $20,000 to the DNC Victory Fund. Now, what I want to get to, after all that has been admitted, did anyone from the U.S. Department of Justice, such as say the U.S. Attorney perhaps in the southern district of Florida, contact you regarding any of these contributions that were made by you or your aunt? Did any of them come to interview you or ask any questions about it?

Mr. CASTRO BARREDO. I had a meeting in the district attorney's office—the members of this committee spoke with me. I think they were from the U.S. Attorney's office in Florida and New York.

Mr. HORN. So you were interviewed. What interests me is eventually it was determined that there was no further role to play in the investigation. Is that correct?

Mr. CASTRO BARREDO. That's correct.

Mr. HORN. Do you remember who at Justice contacted you?

Mr. CASTRO BARREDO. No, I don't remember that. There was a letter written to the sentencing judge by that person.

Mr. HORN. All right. If that's available, Mr. Chairman, I'd like that put in the record at this point.

Mr. BURTON. Without objection.

Mr. HORN. What was the nature of your discussion with the Justice officials? Was it generally what you've told this committee?

Mr. CASTRO BARREDO. [Nodding head.]

Mr. HORN. OK. Did anyone from the Department of Justice inquire why you specifically contributed to the Florida Democratic party and why your aunt, a resident of the State of Florida, contributed to the Maryland Victory Fund?

Mr. CASTRO BARREDO. They asked me the same questions, yes.

Mr. HORN. They did ask you that?

Mr. CASTRO BARREDO. Yes.

Mr. HORN. Very good. You were initially directed by Charles Intriago to make your $5,000 donation to the Ohio Democratic party, not the Florida Democratic party, were you not?

Mr. CASTRO BARREDO. The first check was made to the Ohio party, correct.

Mr. HORN. All right. And that, Mr. Chairman, is VEN–2, and if we might have that in the record at this point.

Mr. BURTON. Without objection.

[NOTE.—Exhibit VEN–2 may be found on p. 18.]

Mr. HORN. When you inquired as to why you were directed to make the contribution in that matter, Mr. Intriago stated, "that's the way they want it." Is that correct?

Mr. CASTRO BARREDO. That's correct.

Mr. HORN. Did anyone from the Department of Justice ask you for any documents regarding the political contributions, either you or your aunt made?

Mr. CASTRO BARREDO. I think they already had it at that time, because the district attorney's office had given them copies of the same copies we have in front of us.

Mr. HORN. When you used the word, district attorney, are you talking about Mr. Morgenthau in New York?

Mr. CASTRO BARREDO. That's correct, Mr. Morgenthau's office in New York.

Mr. HORN. So they had the xeroxes of your checks that showed these various contributions that we have in our witness exhibit book and that have been put on the screen.

Mr. CASTRO BARREDO. That's correct.

Mr. HORN. OK. Have you been contacted this year from anyone from the Department of Justice?

Mr. CASTRO BARREDO. No, I have not.

Mr. HORN. Well, it's fascinating to me that in a way this is such an open and shut case of where conduits were used, who were U.S. citizens, to take foreign money and put it into American political campaigns. And obviously, Mr. Intriago knows exactly what he was doing. He was in the business of publishing a paper about laundering money. So when he was laundering money, it's sort of ironic that with all that evidence, the Department of Justice simply sat by idly and didn't do anything. Is that your sort of reaction to the situation? Why they didn't do something? I know I'm sure you're glad they didn't, but I'm curious as an oversight committee, why didn't they?

Mr. CASTRO BARREDO. As I told Mr.—I think it was Mr., one of these—this gentleman over here—I never asked myself why they didn't they go after Charles Intriago, did this, or did that. Because that was not basically wasn't my main concern. Frankly, I don't want anyone to go to jail—gone through what I've gone through. I wouldn't.

Mr. HORN. Well, I appreciate your testimony, as I said earlier. It's nice to have someone here that looks us in the eye and says yes, no, or this, or that, and gives us a reasonable explanation, and doesn't just dance around it, even though you've had a lot of people that seem to be working for the defense counsel, rather than doing a congressional duty. It amazes me on some of the questions you've been asked today. Thank you so much for coming here.

Mr. CASTRO BARREDO. Thank you, sir.

Mr. HORN. I yield to Mr. Mica.

Mr. MICA. Mr. Chairman, I have a unanimous consent request and I'll just outline it here. I think the other side had indicated that Mr. Charles Intriago was not a Government employee. And I do have a background on him I'd like made part of the record that indicates, in fact, that he went to work for former Congressman Danny Purcell as a staff member of the Government Operations Committee, the predecessor to this committee; and also worked in private practice until hired as an Assistant U.S. Attorney in the southern District of Florida in 1975; and additional information relating to his background. I'd like that submitted to the record, if I may.

Mr. WAXMAN. Reserving the right to object. Could you just clarify the years in which Mr. Intriago worked for Mr. Purcell, or worked at the U.S. Attorney's office?

Mr. MICA. Yes, I'd be glad to.

Mr. BARRETT. Excuse me, could we get a copy of that too, please?

Mr. BURTON. Be glad to give the minority a copy of that. I think it's in your folder.

Mr. WAXMAN. The gentleman was going to tell us the dates.

Mr. MICA. Do you want the dates?

Mr. WAXMAN. Yes, please.

Mr. MICA. From the South Florida Business Journal, December 25, 1989, Mr. Intriago worked for the Government Operations Committee from 1968 to 1973.

Mr. WAXMAN. That wasn't during the time when this contribution was made.

Mr. MICA. Pardon?

Mr. WAXMAN. That was much earlier than this contribution.

Mr. MICA. This is a matter of fact. I'm just stating it for the record the period of time that he was a Government employee.

Mr. WAXMAN. I have no objection to this going into the record.

Mr. BURTON. Without objection.

[The background information referred to follows:]

CHARLES INTRIAGO

I. Professional Background

A. Biography: Charles A. Intriago was born in Ecuador in 1942. He earned an undergraduate degree from Florida State and his law degree from the University of Florida, where he served as editor of the law review.

- After a brief stint in private practice, he went to work for Congressman Dante Fascell as a staff member on the Government Operations Committee.[1] From 1973 until 1974, he worked on the staff of former Governor Reubin Askew of Florida. He moved down to Miami upon leaving Askew's office, working in private practice until hired as an Assistant U.S. Attorney in the Southern District of Florida in 1975.[2]

- Joined former IRS Chief Troy Register in a consulting business until mid-1979, then went back into private practice on his own. He became an income partner in the Miami office of McDermott, Will & Emory in 1982. Four years later, he joined Floyd, Pearson, Richman & Greer.

- Since 1989, he has published the *Money Laundering Alert*, a newsletter devoted to how money laundering has

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[1] *South Florida Business Journal*, 12/25/89. Intriago worked for Government Ops from 1968 until 1973. Intriago Deposition, Government Reform & Oversight Committee.

[2] Intriago Deposition, Government Reform & Oversight Committee. He was hired by Robert W. Rust, and held the position until late 1977.

become the growth industry of the 1990s. The newsletter has 1,600 subscribers at $345 a year.[3]

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[3] *St. Petersburg Times*, 10/20/97. "Intriago launched the publication in 1989 while working full time as a civil litigator in a Miami law firm. Working nights and on weekends, he and his legal secretary combed wire service reports, contacted government sources for inside tips and researched legal cases dealing with money laundering. Six months after the first issue, Intriago quit his law practice to work full time on the newsletter." *Florida Trend*, 7/1/95.

[4] *Wall Street Journal*, 12/18/97.

[5] *Miami Herald*, 2/21/98.

Mr. MICA. Than you.

Mr. BURTON. Mr. Barr.

Mr. BARR. Thank you, Mr. Chairman. Mr. Castro, you're not a lawyer, are you?

Mr. CASTRO BARREDO. No, sir.

Mr. BARR. Mr. Intriago is a lawyer, is that correct?

Mr. CASTRO BARREDO. That's correct.

Mr. BARR. The district attorney for Manhattan is a lawyer, is that correct?

Mr. CASTRO BARREDO. That's correct.

Mr. BARR. You mentioned that you had been approached at some point by some people from the Department of Justice. Did they ever talk with you?

Mr. CASTRO BARREDO. Yes.

Mr. BARR. Were they lawyers?

Mr. CASTRO BARREDO. Some were lawyers, some were investigators, and some were members of the FBI or something.

Mr. BARR. There are some provisions of the United States Code found in Title II, which relates to Federal campaign laws, which make it unlawful for foreign nationals to directly or indirectly contribute to U.S. campaigns or make donations in the names of other persons. There's a separate section that pertains to contributions generally made in the name of another person, whether they're foreign money or U.S. money.

Would it be your impression that probably people that are lawyers, including Mr. Intriago, would be familiar with those laws?

Mr. CASTRO BARREDO. It would be my impression, yes.

Mr. BARR. Mine too. And one would presume also that the attorneys from the Department of Justice that spoke with you would be familiar with those laws too. When did that discussion or those discussions take place?

Mr. CASTRO BARREDO. I would say, October or November 1997.

Mr. BARR. Would that be after the statute of limitations had run?

Mr. CASTRO BARREDO. I have no idea when the statutes of limitations——

Mr. BARR. September. It's September 1997.

Mr. CASTRO BARREDO. September.

Mr. BARR. I'm not asking you for professional knowledge of——

Mr. CASTRO BARREDO. I remember my other attorney, Mr. Nurich, who is not present, he told me that the statute of limitation was about to expire. So I spoke with these people before the statute—whenever the date was, it was before or preceding when the statute of limitation would have been.

Mr. BARR. Did these folks that talked with you from the Department of Justice seem to be interested in evidence of foreign money coming into the U.S. election campaigns?

Mr. CASTRO BARREDO. By the questions that I was asked—they were basically the same questions I was asked by members of this committee before—basically the same thing.

Mr. BARR. But nothing has happened since then at all.

Mr. CASTRO BARREDO. No.

Mr. BARR. Although Mr. Intriago is not interested in appearing here, he, like so many people in all of these matters, is very interested in having their attorneys make statements. And of course,

the attorneys cannot be held directly accountable, so it's fairly easy. For example, a reporter in Miami, Miss Gail Epstein, reported in an article in the Miami Herald of February 28th of this year, that one of Mr. Intriago's attorneys said that, "He will, at the appropriate time and place, tell his side of the story."

I mean, that's something that we hear a lot from people in this administration and witnesses, that at the appropriate time and place, they'll tell their story. And, in the mean time, they send self-serving letters like the one that was introduced this morning. The fact of the matter is though, this whole process that brings us here today was not started by this committee, was it? I mean, this arose out of the investigation from the district attorney's office in Manhattan.

Mr. CASTRO BARREDO. That's correct.

Mr. BARR. So one would think that if Mr. Intriago's army of attorneys had a problem, as he seems to indicate in this gratuitous statement, that he really should have a problem with the district attorney's office in Manhattan. Wouldn't that be fair?

Mr. CASTRO BARREDO. That would be fair to say.

Mr. BARR. Yes, I don't think he's written this silliness to them, his attorneys that is. He apparently hasn't done anything. I know there was a discussion between you and one of the folks on the other side, as part of their continuing effort to trivialize anything connected with this investigation. It's not your testimony here today—that the matters that we're looking are trivial. Do you agree that these are very serious matters?

Mr. CASTRO BARREDO. I agree. I agree, they are very serious matters after everything read in the media in the last year, year and a half, 2 years.

Mr. BARR. Would you agree with me that one reason they are serious is because foreign money coming in, as you've testified seems to be the case, and as the district attorney's office in Manhattan suspected is the case, really go to the heart of the political system here in this country of which all citizens should be concerned with? Do you agree that that is very serious?

Mr. CASTRO BARREDO. Yes.

Mr. BARR. Thank you. One wishes that our colleagues on the other side shared that viewpoint, because we do believe that it is, and that's why you're here today. Not to be congratulated, but simply to answer questions, and for that we do appreciate your being here.

Mr. CASTRO BARREDO. Thank you, sir.

Mr. BURTON. The gentleman's time has expired. Mr. Waxman.

Mr. WAXMAN. Thank you, Mr. Chairman. I just want to ask everybody here to take a step back and put this hearing and your testimony into perspective. This committee is supposed to be investigating campaign finance abuses of 1996, where the chairman alleged that there was a massive effort for foreign money to be funneled into the United States to corrupt our political system, primarily by the Chinese Government. That has been the stated objective of our investigation.

What we have here today from Mr. Castro is a statement that he contributed in 1992 money, at the request of an attorney who had worked for his grandfather, to the Democratic party. As far as

anybody in the Democratic party would have known, Mr. Castro was a man who seemed to be well off financially. He was sending in checks the way any citizen could do. He was a U.S. citizen. There's no way in the world that they would know that the contribution might have been reimbursed. On the face of it, here's a contribution from a man, he's a U.S. citizen, he's well off, he's sending it to the Democratic party.

That seems to me to be the facts and it's hard to know what to make of it except if there was a conduit contribution. And that is against the law, if there was a conduit contribution. A conduit contribution means that the contributor really didn't contribute the money, someone else paid for it. The contributor wouldn't on the surface appear to know about it. There's no evidence anybody's offered that the Democratic party or President Clinton would have known about this contribution having been reimbursed. On the face of it they would have looked at it as a proper one.

So what we then have is Mr. Castro's statement years later that this contribution had been reimbursed and he told that to the law enforcement officials. So the question is, why wasn't there a prosecution by the Justice Department. And that seems to me I guess the question for this hearing. Did the Justice Department act appropriately or inappropriately?

The next witnesses we're going to hear from were prosecutors in New York and they turned over the information they had. The Justice Department hasn't acted. Now it's not unusual for the Justice Department not to act right away. Even with Charlie Trie, they had information about Charlie Trie in 1996, and they didn't indict him until 1998, 15 months after the allegation surfaced.

Now this is many years later. The Justice Department—to conjecture about it, maybe they're trying to evaluate whether they've got a good case. The evidence indicates that it was a conduit contribution according to Mr. Castro's statement. Mr. Intriago presumably would deny it. You have his word against Mr. Intriago. The other evidence is the fax from Mr. Intriago to Mr. Castro, saying send checks, here's how you should make them out. And he did it. So, it's not, it seems to me, a case that's easy to prove.

But the thing that's puzzling to me, Mr. Chairman, is why isn't the Justice Department here today? Why haven't they been asked to come in and explain their actions? If that's what this hearing's all about—this hearing is no longer about the massive funneling of Chinese contributions into the United States political system, it's about one contribution that may well have been a conduit contribution. And if the issue is really whether the Justice Department didn't prosecute when they should have, shouldn't the Justice Department have been invited? I yield to you.

Mr. BURTON. Mr. Waxman, I intend to have the Justice Department at the conclusion of this hearing. We just didn't want to take too much time today, but I'm glad you suggested it, because we're going to do it.

Mr. WAXMAN. Well it just seems to me that it's not that complicated of an issue. They could have been permitted to testify at this hearing and we could hear what they have to say. It would be appropriate to hear from them and then we'll know whether they—I guess the implication of all this is, you're accusing the Justice De-

partment of acting improperly. But I see no evidence of that, and they haven't been given a chance to come in and be questioned about it.

So, Mr. Castro, I appreciate your being here. I can understand why you're here. I have no criticism of your being here. Your statements as to why you're here is you hope to get some benefit because you're being cooperative, and I appreciate that fact that you are here and giving us this testimony.

But it just seems to me that this is a very odd hearing to be held when the whole investigation had been trumpeted as one going after the President of the United States, the Democratic party, et cetera. Mr. Barr made the statement that it's not unusual for people in the administration not to do this or that. Mr. Intriago was never part of this administration and I don't think anyone ought to be misled by that fact. He may or may not have broken the law. There are a lot of other people who may or may not have and this should be prosecuted if there's enough of a case to win.

Mr. BURTON. The gentleman's time has expired. Before I yield to Mr. Cox, I'd like to take 5 minutes of my own.

Mr. Waxman well knows that we, when we started these, and our protocol and our discussions, that our hearings were going to involve campaign contributions—illegal campaign contributions—all the way back to 1992. The committee's investigation of subject areas have always included the 1992 campaign and our deposition authority specifically discusses the 1992 campaign. Key figures, such as John Huang, the Riadys, Maria Hsia, and others, began their donations in 1992. So, this is all baloney.

Now, in addition to that, let me just say that there's a pattern here that started back in 1992. This is just one manifestation, in my opinion, of the funneling of illegal foreign campaign contributions into this country. We know the DNC had returned millions of dollars and probably will return more. We know that Charlie Trie, who's been indicted, brought $700,000 in illegal contributions to the President's legal defense fund. So this is just baloney—that this is something that we shouldn't even be talking about.

We know that foreign contributions were funneled into this country. And we're establishing here today is it started in 1992. We don't know how pervasive it was, but we know it came from South America, from Southeast Asia, and from all over the world. Any place they could get a buck. And we've got 92 people that have either taken the fifth or fled the country. A few have been immunized and testified.

So, when they pooh-pooh this investigation, it bothers me a great deal.

Now, you did say one thing, Mr. Waxman, that rings a bell with me and rings true, and is of great concern to me. Did the Justice Department do it's job. Were they just incompetent, or did the deliberately not pursue Mr. Intriago? They knew in the fall of 1996 that money laundering had taken place. It was referred to them by the southern district of Florida U.S. Attorney's Office. In May, it was then sent to the Public Integrity Section, before the statute of limitations had run out. And yet, they didn't do anything. It was tied up with a bow around and given to them, and they didn't do a thing. They didn't even talk to Mr. Intriago, and he was a friend

of Mr. Gore, the Vice President. Now why is that? You've got to say it raises a few of your antennas.

Mr. WAXMAN. Will the gentleman yield?

Mr. BURTON. Now just a minute. I'm not going to yield to you.

Mr. WAXMAN. Well, I yielded to you.

Mr. BURTON. You keep talking about how we have been just focusing on all the Democrats and that 80 percent of our subpoenas have gone to six people. One of those is Ted Sioeng, who gave money to both the Democrats and the Republicans. We've also looked into the Young Brothers. We're looking into other things regarding Republicans. The problem is the vast part of the investigation is focused on Democrats because that's where the biggest part of the problem is. That's where the money was going for. Millions of dollars. We don't know how many millions.

But we do know the Democratic National Committee has returned a large amount of that money. We do know Charlie Trie's been indicted. We do know that John Huang brought illegal contributions in, we believe, from Indonesia. We do know that Webb Hubbell got $700,000, but for what, we know not.

And so you know there's a lot of things that need to be looked into. We are going to bring the Justice Department before this committee and ask them why they didn't pursue this case involving Mr. Intriago. They didn't need to make this a public thing. They could have had the FBI go talk to Mr. Intriago, and said, were you aware that Mr. Castro was bringing this money in. Did you ask him to do it. But they chose not to do it.

And the thing that bothers me today, and Mr. Mica's put this in the record, is when we asked Janet Reno to appoint an independent counsel and FBI Director Louis Freeh said we should have, she said, no and that they were going to clean up this mess. She brought in Mr. LaBella to head the investigation. Now that everything's cooled off, they're sending Mr. LaBella to California. They're going to make him a U.S. Attorney out there—I guess that's the carrot their using to get him out of here—and this investigation by the FBI or by the Justice Department is just going to go right straight down the tubes and they're going to cover up for this administration again.

Janet Reno, in my opinion, has been like Horatius at the bridge, protecting the administration. And I think that anybody who clearly looks at this would have to question whether or not that statement I made is valid. And we intend to keep pursuing this and we're going to bring Justice over here and ask them to explain that.

And with that, I yield back my time, and yield to Mr. Cox.

Mr. WAXMAN. Mr. Chairman, would you give me a chance to say a word on this?

Mr. BURTON. Mr. Cox has the time.

Mr. COX. How much time do I have, Mr. Chairman?

I thank you, and I'd like to thank our witness for staying with us for the better part of the day. I'd like to ask you, Mr. Castro, to refer to exhibit VEN–3, which is the memo that you got from Intriago that tells you precisely how to make out checks to the DNC Victory Fund Federal Account, to the Ohio Victory Fund Fed-

eral Account, to the Maryland Victory Fund Federal Account, and so on. This is all in Intriago's handwriting, is that right?

[NOTE.—Exhibit VEN–3 may be found on p. 20.]

Mr. CASTRO BARREDO. It could have been his or his secretary. I'm not quite——

Mr. COX. But there's no question that he sent you the memo, and he gave you these directions?

Mr. CASTRO BARREDO. That's correct.

Mr. COX. Now at the time that you were writing these checks in response to his instructions, was it your understanding that you would be reimbursed?

Mr. CASTRO BARREDO. That's correct.

Mr. COX. And why did you think that? Why did you think you'd be reimbursed? What gave you the idea?

Mr. CASTRO BARREDO. Because if not, I would have—I wouldn't have given the money out.

Mr. COX. And did your understanding arise from conversations with Intriago?

Mr. CASTRO BARREDO. That's correct.

Mr. COX. So he made it clear to you that you would be reimbursed?

Mr. CASTRO BARREDO. That's correct.

Mr. COX. And did he give you any indication from whom the reimbursement would come?

Mr. CASTRO BARREDO. It was going to come from one my family's group companies in Venezuela.

Mr. COX. So it would be overseas money?

Mr. CASTRO BARREDO. That's correct.

Mr. COX. Now when you made all of this information available to the DA in New York, what did he do with it?

Mr. CASTRO BARREDO. I didn't make it available to them. It was part of their investigation. They made it available to us.

Mr. COX. I see. Did you end up having your bank account information turned over the DA?

Mr. CASTRO BARREDO. They had it all.

Mr. COX. They had it all. So they had bank account information, they had banking records.

Mr. CASTRO BARREDO. Since I was 9 years old—every bank account I've ever owned.

Mr. COX. OK, and that included all of the bank records that would be necessary to corroborate all this check writing, right?

Mr. CASTRO BARREDO. That's correct.

Mr. COX. And according to the documents that we have here, at your sentencing, a judge of the New York Supreme Court said, "It appears as if a corroborated prosecution of political contributions that were illegal was provided to the United States Department of Justice, and there's nothing to show for it." Is it your understanding that Judge McLaughlin felt that he saw evidence of a crime from what he said?

Mr. CASTRO BARREDO. Yes, that's correct.

Mr. COX. And so we have all of this information provided by the DA in New York, who apparently believed there's evidence of a crime. The judge of the New York Supreme Court thinks there's

evidence of a crime. And all of this is turned over the U.S. Department of Justice in what year?

Mr. CASTRO BARREDO. 97—1997.

Mr. COX. 1997. So this isn't old stuff as the ranking member was indicating. This is 1997, after the 1996 elections when all of this stuff had hit the fan publicly about illegal campaign contributions, is that right?

So, in this context, the Department of Justice writes a letter that says, "there is at this time no further role for you to play" with this evidence that you provided "in matters under investigation by the task force." And that's the task force that's investigating illegal campaign contributions. Why do you think that happened?

Mr. CASTRO BARREDO. I have no idea. I just know that a letter was received by the judge and shown to me.

Mr. COX. Now you're aware that there is a statute of limitations that was going to run on these crimes?

Mr. CASTRO BARREDO. Yes.

Mr. COX. And what year was that statute going to run?

Mr. CASTRO BARREDO. I think it was told by my other attorney that it was at the end of October 1997, November 1997.

Mr. COX. So if the Department of Justice did nothing throughout 1997, their ability to prosecute, say, Mr. Intriago would disappear, right?

Mr. CASTRO BARREDO. According to the statute of limitations, yes.

Mr. COX. Because the statute of limitations would run. Now this committee sought from the Department of Justice their cooperation in our putting questions to Mr. Intriago, and we got a letter back just a few days ago that says they oppose this: They oppose granting immunity even though the statute of limitations ran in 1997, and even though they didn't lift a finger when all this information was provided to them. Mr. Chairman, I think it's remarkable that we can have this kind of documentary evidence that a crime has been committed; that we can have the DA in New York serve this stuff up on a silver platter; that we can have a judge of the New York Supreme Court tell us, "It appears as if a corroborated prosecution of political contributions that were illegal was provided to the United States Department of Justice," and there's nothing to show for it. And on top of that, then to have the Department of Justice, after the expiration of the statute limitations, after their opportunity to prosecute has lapsed, oppose our questioning this witness I think is absolutely remarkable. And so, for obviously different reasons, I agree completely with our ranking member that we ought to be able to put these questions directly to the Department of Justice.

And I thank you for the opportunity to cover these matters, which bear directly on what has happened since 1996 at this Department of Justice. Let me ask one final question. The fellow up there with Mr. Clinton in that picture, is that your grandfather?

Mr. CASTRO BARREDO. Yes, that's correct.

Mr. COX. And your grandfather was a big contributor to the Democratic party and to Mr. Clinton, is that right?

Mr. CASTRO BARREDO. These amounts are considered big for U.S. standards.

Mr. COX. And so at a time when these big contributions are being made to the President of the United States, the President's own cabinet is responsible for investigating the crimes that have been served up by the DA of Manhattan and that surprisingly, the Supreme Court of New York finds that they have not been pursued. I think it speaks for itself, and you're quite right to include this in our investigation of what's going on in this campaign investigation in the Clinton administration.

Mr. BURTON. Thank you, Mr. Cox.

Mr. Castro, you, and your attorney I want to thank you for your participation. You are excused, and we'll now bring our next panel forward.

Mr. CAMPRIELLO. Before we leave, the marshals have indicated that it might be helpful if you would indicate that the writ was satisfied, and he's free to be taken back.

Mr. HORN. Mr. Chairman, could I make one suggestion?

Mr. BURTON. Mr. Horn.

Mr. HORN. If there's intimidation of you for your appearance before this committee, I hope you'll immediately let the chairman know. I was former vice chairman of the U.S. Commission on Civil Rights, and there was a statute we relied on that if any witnesses were intimidated that is a Federal offense. And the U.S. Attorneys, if they're awake, would be indicting the people that did the intimidation.

Mr. CASTRO BARREDO. Thank you very much, sir.

Mr. WAXMAN. Mr. Chairman, before he leaves just for the record could I ask one question?

There was a statement made that someone attempted to stab you in prison. Is that an accurate statement?

Mr. CASTRO BARREDO. To stab me in prison?

Mr. WAXMAN. Yes.

Mr. CASTRO BARREDO. That's incorrect.

Mr. WAXMAN. Because the chairman made that statement, and I didn't know whether——

Mr. BURTON. No, no, no. I never made any statement like that.

Mr. CASTRO BARREDO. Oh, no, I was never——

Mr. BURTON. I've never made a statement like that.

Mr. CASTRO BARREDO. Not that I know of.

Mr. WAXMAN. On the Larry King Live Show, which I didn't see——

Mr. BURTON. No, no, no. You're getting second-hand information. I never made a statement like that.

The gentleman is excused, and he's remanded to the custody of the marshals for return. Thank you very much.

Mr. CAMPRIELLO. Thank you.

Mr. WAXMAN. Mr. Chairman, as I have been informed that statement that you made was that you were going to get this gentleman to a safe place so he wouldn't get stabbed.

Mr. BURTON. What I said was that we wanted to make sure and he wanted to make sure and I think everybody wanted to make sure, that he was going to be in a safe place in a different facility before he came to testify because there were some concerns about his safety. But I didn't say he had been stabbed.

Mr. WAXMAN. Thank you.

Mr. BURTON. We are always concerned about the safety of our witnesses.

We are now going to have Richard T. Preiss, is it?

Mr. PREISS. Preiss.

Mr. BURTON. Preiss, excuse me, and Joseph J. Dawson to testify for us.

Would you both stand and raise your right hands, please?

[Witnesses sworn.]

Mr. BURTON. Be seated.

I understand that you both have opening statements, is that correct?

Mr. PREISS. Yes, Mr. Chairman, Mr. Dawson's going to start, if that's all right with you?

Mr. BURTON. Mr. Dawson.

STATEMENT OF JOSEPH J. DAWSON, ASSISTANT DISTRICT ATTORNEY, NEW YORK COUNTY DISTRICT ATTORNEY'S OFFICE

Mr. DAWSON. Thank you, Mr. Chairman.

Mr. Chairman and members of the committee, my name is Joseph J. Dawson. Thank you.

I am an Assistant District Attorney in the office of Robert M. Morgenthau, the District Attorney in the county of New York. I have been employed in the New York County District Attorney's Office since September 1987. My colleague, Assistant District Attorney Richard T. Preiss, and I are here pursuant to subpoenas that have been served upon us.

We have been asked to make brief statements outlining certain evidence of political corrup—I'm sorry—political contributions that we obtained in the course of a bank fraud investigation and our contacts with the U.S. Department of Justice with respect to that evidence. We have attempted to coordinate our statements to avoid repetition.

In May 1995, I was assigned to an investigation of certain Venezuelan banking groups that had conducted business through New York banks and had collapsed in December 1994. The investigation later focused on transactions conducted by Banco Progreso in Venezuela, Banco Progreso Internacional de Puerto Rico [BPIPR], and Banco Latinoamericano in the Dominican Republic. These three banks, our investigation showed, were owned by Orlando Castro Llanes, a Venezuelan citizen who moved to Miami, FL, after the collapse of his banks. Castro Llanes' son, Orlando Castro Castro, was the president of Banco Progreso in Venezuela. Jorge Castro, Castro Llanes' grandson and Castro Castro's nephew, was president of Banco Latinoamericano in the Dominican Republic. Until April 1994, he was also the president of BPIPR, which was closed by Puerto Rican banking regulators in January 1995.

In or about February—mid-February 1996, authorities in the Dominican Republic granted me, an analyst, and several investigators from our office, access to the premises and files of Banco Latinoamericano in Santo Domingo. The Dominican banking superintendent had closed the bank at the end of December 1994.

Among the items found in the office of Jorge Castro's secretary was copy of a fax dated September 16, 1992, from C. Intriago to Jorge Castro which appeared to contain instructions for payments

to be made by Jorge Castro and som one named "Maria" to the "DNC Victory Fund 1992 Federal Account" and to two State victory funds. The amounts listed in the fax were "20" for the DNC Victory Fund from both Jorge and Maria, and "5" from each for a State victory fund, a different State fund in each case.

We also found copies of three checks corresponding to the instructions in the fax: a $20,000 check dated September 15, 1992, payable to the "DNC Victory Fund 1992 Federal Account," drawn on Jorge Castro's account at a Florida bank and apparently signed by him; a second $20,000 check, dated September 16, 1992, payable to the "DNC Victory Fund 1992 Federal Account," drawn on the account of Maria Sire Castro at a Florida bank and apparently signed by her; and a third check in the amount of $5,000 written by Jorge Castro to the "Ohio Victory Fund 1992 Federal Account," as directed in the fax. There was also a copy of a $5,000 check written by Jorge Castro to a State fund that was not listed in the fax.

Records of Jorge and Maria Sire Castro's bank accounts, which we later subpoenaed, showed that the two $20,000 checks to the DNC Victory Fund 1992 were cashed in November 1992. None of the other checks found in Santo Domingo had been cashed. However, we later obtained records revealing that a $5,000 check written by Jorge Castro in October 1992 to the Florida Democratic party had also been cashed. Although we found evidence showing a $5,000 debit for a check paid from Maria Sire Castro's account at around the same time, we did not obtain a copy of that check.

Other bank records that we subpoenaed suggested that both Jorge Castro and Maria Sire Castro had been reimbursed for these payments by a Venezuelan company controlled by Orlando Castro Llanes. The records showed that on September 24, 1992, just 8 days after the date on the fax, $24,990 was credited to the account of Jorge Castro and a like amount to the account of Maria Sire Castro. These payments, $25,000 each, less a $10 wire transfer fee, had been made, at the instructions of an entity called Inversiones Latinfin, through the New York account of Banco Latino, a Venezuelan bank, into the personal accounts of Jorge and Maria Sire Castro. According to documents we obtained from officials of the Venezuelan Government, the entity that initiated the transfers, Inversiones Latinfin, was controlled by Jorge Castro's grandfather, Castro Llanes.

On April 3, 1996, a New York County grand jury filed an indictment against Orlando Castro Llanes, Orlando Castro Castro, and Jorge Castro concerning their conduct with respect to BPIPR, the bank in Puerto Rico. All three defendants were charged with scheme to defraud in the first degree. Castro Castro was also charged with grand larceny in the first degree because of a $10 million transfer made from the Puerto Rican bank to the parent bank in Venezuela. Jorge Castro was also charged with grand larceny in the first and second degrees; the first degree larceny charge arose from his use of $3.26 million of the Puerto Rican bank's money to prop up the Dominican bank; and the second degree larceny charge arose from his use of more than $350,000 of the Puerto Rican bank's money to buy himself a boat.

On May 16 and 17, 1996, Castro Llanes, Castro Castro, and Jorge Castro were arraigned in New York in the indictment after

they had been extradited from Florida. They were ordered held without bail pending trial.

From that point forward, the Castro bank fraud and grand larceny case became an intensely litigated matter. We continued to investigate the matter of the payments by the Castros even as we litigated the pre-trial matters in the Castro case. However, since the payments involved potential violations of Federal law, our office decided, in very early October 1996, that this would be a matter that we should refer to Federal prosecutors in Miami.

Accordingly, on or about October 9, 1996, another ADA from our office wrote to an Assistant U.S. Attorney in Miami and transmitted with the letter various documents concerning several matters, including the questionable political contributions, to the Office of the U.S. Attorney for the southern district of Florida. I am told that our assistant met with the Miami AUSA concerning these matters on or about October 17, 1996, and forwarded additional materials to him on or about October 29, 1996. At that point, we were actively preparing for the Castro trial, and virtually all of our attention was directed to that effort.

The Castro trial began on November 12, 1996; it concluded on February 19, 1997, with a jury verdict convicting all three defendants. Several days later, our office sent more documents to the Miami U.S. Attorney's Office.

On March 11, 1997, I discussed the matter of the political contributions with the AUSA from the southern district of Florida. He told me that the Florida office would focus upon the campaign contributions, and that the U.S. Attorney for the southern district of New York would focus on other matters relating to the Castros. During that telephone conversation, we discussed several issues, including a potential statute of limitations problem, since the fax from C. Intriago to Jorge Castro had been sent, and the checks from the Castros written, in the fall of 1992.

On March 20, 1997, Jorge Castro agreed to be debriefed by personnel from our office, and he met with us on April 3, 1997, as well. In the March 20 and April 3 debriefings Jorge Castro revealed, among other things, the following:

(a) According to Charles Intriago's instructions, Jorge Castro had made a $20,000 contribution to the DNC Victory Fund 1992, and a $5,000 contribution to a State Democratic organization, for which he had been reimbursed by one of his grandfather's companies;

(b) According to the same instructions, Maria Sire Castro, an in-law of the Castro family, also had made a $20,000 contribution to the DNC Victory Fund 1992, and a $5,000 contribution to a State Democratic organization, for which she had been reimbursed by one of the grandfather's companies;

(c) Those contributions had been made by Jorge Castro and Maria Sire Castro because they were U.S. citizens. We knew, from having investigated and prosecuted the grandfather, that Castro Llanes was not a U.S. citizen, and, of course, Jorge Castro knew that as well;

(d) The fax that we found in the Dominican Republic had been sent by Charles Intriago to detail the instructions concerning the contributions;

(e) Mr. Intriago subsequently told Jorge Castro that his $5,000 check would not be deposited, and he should issue a new $5,000 check to a different State Democratic organization; and,

(f) After the replacement check had been issued, Mr. Intriago called again, advising Jorge Castro that the replacement would not be deposited either, and asking him to issue yet a third check for $5,000 to a third State Democratic organization.

During his debriefing, we asked Jorge Castro why the contributions had been made. He told us that his grandfather wanted Mr. Intriago to be appointed as the United States Ambassador to the Republic of Venezuela.

Mr. Castro also told us that he and his grandfather had been invited to the inauguration in January 1993, and that the grandfather and Mr. Intriago had attended a reception at the White House in October 1993. Jorge Castro said he had not been invited to the reception, but, the day after the reception, he attended a meeting with his grandfather, Mr. Intriago and others at the State Department, during which a purported "smear campaign" against the grandfather had been discussed.

In May 1997, Mr. Castro met with Federal prosecutors. Mr. Preiss arranged that meeting and conducted most of the communications between our office and the Justice Department concerning this matter. Accordingly, Mr. Preiss will discuss these matters for you.

I have one final note. During the course of a civil forfeiture case that we brought, but which was eventually dismissed by operation of law, we obtained some additional corroboration for Jorge Castro's statements. Specifically, in an effort to show that the judge in the forfeiture case—I mean, I'm sorry—in an effort to show the judge in the forfeiture case that the Venezuelan Government had confiscated all of the grandfather's properties, one of Castro Llanes attorneys submitted a letter attaching a series of trust agreements between the Venezuelan equivalent of the FDIC and various companies. One of the trust agreements mentioned the entity, Inversiones Latinfin, and described it in terms showing that it was indeed an entity domiciled in Venezuela. These papers, therefore, were further evidence that Castro Llanes had controlled the company that, according to the bank records, apparently reimbursed Jorge and Maria Sire Castro for making the contributions in question.

I understand that the committee has a transcript of the sentencing of Jorge Castro, which details our reasons for our recommendation with respect to the sentence. I have little to add beyond my remarks at the sentencing of Mr. Castro, and beyond what I have already said here today. I'm at the committee's disposal, however, if there are any questions.

Mr. BURTON. Thank you, Mr. Dawson.

Mr. Preiss.

STATEMENT OF RICHARD T. PREISS, ASSISTANT DISTRICT ATTORNEY, SENIOR INVESTIGATIVE COUNSEL, NEW YORK COUNTY DISTRICT ATTORNEY'S OFFICE

Mr. PREISS. Preiss.

Mr. BURTON. Preiss?

Mr. PREISS. As in the price is right most of the time.

Mr. BURTON. OK, Mr. Preiss. You're recognized.

Mr. PREISS. Mr. Chairman and members of the committee, my name is Richard Preiss. I'm an Assistant District Attorney in the New York County District Attorney's office, where I have worked since August 1980.

In May 1996, I was assigned to be the lead trial prosecutor in connection with the indictment against Orlando Castro Llanes, Orlando Castro Castro, and Jorge Castro Barredo. Because of the demands of the trial preparation and the trial, I did not devote much attention to the matter we had referred to the Miami U.S. Attorney's Office until our trial was over. The Castro trial began on November 12, 1996, and it ended on February 19, 1997, with a guilty verdict.

Beginning in March 1997, Mr. Dawson and I both spoke with the Assistant U.S. Attorney from the southern district of Florida who was handling the Castro matter. The Assistant U.S. Attorney told us that the Florida office would handle the political contributions part of the investigation and the southern district of New York would handle another matter related to the Castros.

In March 1997, we also began having conversations with the defense attorney for Jorge Castro, concerning Castro's cooperation. Jorge Castro agreed to speak with us under a debriefing agreement in which we agreed not to use anything that he said as direct evidence in any prosecution against him. The first debriefing took place on March 20, 1997, and we met with him again on April 3, 1997; and Mr. Dawson has summarized the information that Mr. Castro provided to us during those two meetings.

We eventually secured defense counsel's consent on behalf of his client to tell the Federal prosecutors what Jorge Castro had told us. We then disclosed the nature and extent of Jorge Castro's cooperation to the Federal prosecutors, and I arranged to have Jorge Castro produced from jail to our offices for a meeting with the Federal prosecutors on May 28, 1997.

On that date, May 28, 1997, before the meeting, I spoke to a second Assistant U.S. Attorney from the southern district of Florida who had come to the meeting because his colleague was on trial, and also an FBI agent who was with him. I told them, among other things, what Castro had told us in general terms, what my impressions were and that there was a potential statute of limitations issue, since the events in question had taken place in the fall of 1992.

Castro was debriefed by the Assistant U.S. Attorney from Miami, two Assistant Attorneys from the southern district of New York, an IRS agent and the FBI agent. Two investigators from our office were present because Mr. Castro was still in custody at that time. Neither Mr. Dawson nor I stayed for the entire interview; in fact, I was present for only a few minutes in total. After the meeting, the Federal prosecutors left, but the IRS agent stayed behind for a day or two to review documents in our files. We made those documents available to him.

A week or so later, I received a call from the second Assistant U.S. Attorney from the southern district of Florida, and he thanked me for our cooperation and our courtesy. He told me he thought the

case deserved a thorough investigation, that his office intended to give the case a close look, and that he was confident that the investigation into the alleged political contributions could be completed by the date upon which we all theorized that the statute of limitations might run; and that, among all concerned, was generally regarded to be September 16, 1997, the fifth anniversary of the date appearing on the fax that our office had found in the Dominican Republic.

In the latter part of June or early July 1997, I received a phone call from the defense attorney for Jorge Castro. He told me that the second Assistant U.S. Attorney had left the southern district of Florida to work with the Independent Counsel's office and that the Office of Public Integrity of the U.S. Justice Department had removed the political contributions case from the southern district of Florida and, that as far as he could tell, nothing was being done with the case. He expressed concern that the statute of limitations would run and that his client would be left to face the sentencing judge without anything to show for his cooperation. He also said that he had spoken to the chief of the Public Integrity Section of the Department of Justice.

After calling the southern district of Florida and confirming that the case had been transferred by Washington to Public Integrity, I called the chief of the Public Integrity Section but was not put through to him. And I asked that the person handling the Castro case return my call.

Within a week or so, I received a phone call from a trial attorney assigned to the Campaign Financing Task Force. He told me he had the notes and documents from the debriefing of Jorge Castro by the Federal prosecutors in our office on May 28, 1997. I invited him to come to New York to speak to Jorge Castro, review the documents, and discuss the case with Mr. Dawson and me. And I told him that we were prepared to ask the sentencing judge to put off Castro's sentence. He said he did not want to speak with Mr. Castro, but he did want to review the documents we had and speak with us.

On July 23, 1997, the Task Force attorney came to the District Attorney's office with the same FBI agent who had come to the office on May 28 for the debriefing of Jorge Castro. We explained what we knew about the Castros' political contributions and showed him the documents that corroborated Jorge Castro's statements. I reiterated that we would continue to put off Jorge Castro's sentencing date for as long as necessary and asked him to let us know as soon as possible whether, and to what extent, Castro would be used in the investigation. He and the FBI agent left my office in the late afternoon, taking some documents with them that had been photocopied.

On August 19, 1997, and September 23, 1997, we asked for, and were granted, adjournments of the sentencing date for Jorge Castro.

On September 4, 1997, in response to a call from the Task Force attorney, I sent him a letter enclosing additional documents he requested, including our original copies of the checks. I asked him to let us know when a decision had been made, and I asked him to call Mr. Dawson if he had any questions because I would be away

beginning the following week. I think the committee has a copy of that letter, Mr. Chairman.

When I returned to the office on September 22, 1997, I called the Task Force attorney's office several times and left messages asking what was happening with the case. In response, he left a message on my voice mail one evening thanking me for my patience and asking me to hold off on the sentencing. Defense counsel and I again agreed to ask the court to postpone the sentence, this time until October 20, 1997; and the court granted that adjournment request.

On October 10, 1997, I sent a letter to the Task Force attorney stating, in substance, that Castro was scheduled to be sentenced on October 20, 1997. I inquired whether the Department of Justice intended to make any submissions to the sentencing court and requested that a copy of any such submissions be sent to us before the sentencing date. I also asked him to advise us if he wanted a delay in the sentencing so that we could tell the sentencing judge. I believe, Mr. Chairman, you have a copy of that letter as well.

Before I heard back from the Justice Department, defense counsel for Jorge Castro and I agreed to postpone the sentence one more time from October 20, 1997, until December 15, 1997, and again the Supreme Court in our county granted the adjournment.

On October 17, 1997, I received a phone call from defense counsel advising me that he had received a copy of a faxed letter from the chief of the Public Integrity Section of the Justice Department. He told me that the letter had been addressed to me and that he had been cc'ed on the letter. I believe the committee also has a copy of that letter. Defense counsel faxed that letter to me, and I received it directly later the next week.

The letter stated that the Department of Justice would not be requesting another adjournment of Castro's sentence and would not be making a submission to the sentencing court. The letter went on to state, and I quote: "we have concluded that there is at this time no further role for him to play in matters under investigation by the Task Force."

On December 15, 1997, Mr. Castro was sentenced, and we've provided a copy of the sentencing minutes to the committee.

And I'll do my best to answer any questions that members of the committee have.

Mr. BURTON. Thank you, Mr. Preiss.

Counsel.

Mr. WILSON. Mr. Preiss, Mr. Dawson, thank you very much for being here today.

Mr. Preiss, it's my understanding that you've been a prosecutor with the office of District Attorney Morgenthau for 18 years, is that correct?

Mr. PREISS. It will be 18 years on August 18.

Mr. WILSON. And, Mr. Dawson, you've been a prosecutor in District Attorney Morgenthau's office for approximately 10 years, is that correct?

Mr. DAWSON. It will be 11 in September.

Mr. WILSON. Mr. Dawson, in your professional opinion, was there enough evidence of illegal conduit contributions to justify a thor-

ough investigation of the Castro conduit payments to the Democratic Committee and to State Democratic parties?

Mr. DAWSON. Well, I'm not a Fed ral prosecutor, so I may not be as familiar with the Fed ral statutes in question to give you a professional opinion in that regard.

Mr. WILSON. But given your review of the information that you had discovered in your investigation and your cursory review of Federal statutes, you thought there was something that should be investigated, is that correct?

Mr. DAWSON. That's why we referred it.

Mr. WILSON. Before we get into some of the things that were discussed this morning, I'd like to just ask you some questions about Mr. Castro's testimony this morning. I notice that you were sitting in the back and heard all of Mr. Castro's testimony. And Mr. Dawson and Mr. Preiss, you've both had a number of discussions with Mr. Castro prior to today, is that correct?

Mr. DAWSON. Yes.

Mr. WILSON. Mr. Preiss?

Mr. PREISS. Yes.

Mr. WILSON. Has Mr. Castro ever told you anything about conduit contributions that has later proven to be false?

Mr. PREISS. No.

Mr. DAWSON. No.

Mr. WILSON. In the testimony provided this morning to this committee, was Mr. Castro's testimony consistent with what he has told you in the past? Mr. Preiss.

Mr. PREISS. Yes, for the most part. I mean not word for word, but yes. I mean, the substance of what he said today is the substance of what I've heard on previous occasions.

Mr. DAWSON. Yes, I would agree with that. There were some matters, I suppose, that you didn't ask, but he didn't volunteer, which is fine.

Mr. WILSON. And, again, I'll ask Mr. Dawson first. Is the testimony that you heard this morning consistent with the documentary evidence that you have reviewed in the past about the Castro conduit payments?

Mr. DAWSON. Yes, I believe so.

Mr. WILSON. Mr. Preiss?

Mr. PREISS. Yes.

Mr. WILSON. If we could, I'd like to put up exhibit VEN–2 on the screen in front of you and——

Mr. BURTON. I'd just like to ask, you indicated, Mr. Dawson, just now that there might have been some things that Mr. Castro did not cover. Were there any things that you thought should have been illuminated during his testimony that weren't regarding this?

Mr. DAWSON. No, Mr. Chairman, the thing that I was thinking about was the remark that he had made to us about the grandfather saying something about wanting Intriago to be the Ambassador to Venezuela. I don't recall hearing that this morning. I don't think you asked.

Mr. BURTON. But you recall Mr. Castro saying that about his grandfather asking——

Mr. DAWSON. But the—yes, not Intriago, mind you. The grandfather had said it to him at some point.

Mr. BURTON. I see. Was there any further illumination of that issue?

Mr. DAWSON. No, I don't think. Do you remember any?

Mr. PREISS. What I remember is that when we were interviewing him one of the questions that we thought was sort of obvious is well why were these contributions—why were these contributions made? And what he said to us was that he thought—sorry—what he said to us was that his grandfather had told him that he wanted—he referred to him as Charlie to be appointed Ambassador of the United States to the Republic of Venezuela.

Mr. BURTON. And so that was the initial reason why the campaign contributions were funneled up through his relatives in Miami?

Mr. PREISS. That's what he told us. That's what he told us. What the real reason was or whether that was the reason, Mr. Chairman, I really don't know. But I can only tell you what Mr. Castro told us.

Mr. BURTON. OK. Thank you.

Mr. WILSON. Referring to the document on the screen in front of you—and Mr. Preiss and Mr. Dawson, the screens are sometimes hard to read. In front of you, you have black binders with materials in them. And if you'd like to refer directly to the copies of the documents in those binders, you might find it easier to follow some of the documents.

We're looking at VEN–2, the second exhibit in the book. It is a fax from a C. Intriago to Mr. Jorge Castro, and Mr. Castro did testify before this committee earlier today. And he spoke at great length about this fax. And I'd like to ask you both a few questions about this fax.

First of all, Mr. Dawson, in your opening statement—you made a reference to the fax—if you could, please describe how you found it.

[NOTE.—Exhibit VEN–2 may be found on p. 18.]

Mr. DAWSON. I was in the office of what was identified to me as a secretary's office, the secretary being Jorge Castro's secretary. I believe he had two—one that was a secretary and one that was a secretary or an assistant of some kind—in any event. There were two filing cabinets, which were sealed by the Dominican authorities. The entire building had been sealed actually. We got upstairs. We asked to look through this filing cabinet or both filing cabinets. We looked through the desks. We looked through everything basically. And this was—I found this in a file in one of the two filing cabinets.

Mr. WILSON. Moving from the micro to the macro, what country was the office in?

Mr. DAWSON. Oh, the Dominican Republic, in Santo Domingo. It was the office of Banco Latinoamericano.

Mr. WILSON. OK. And is it correct to say that at that point, the offices had been vacated by Mr. Castro and his staff?

Mr. DAWSON. This was in February 1996. The bank, I was told, was closed in December 1994, and had been under the continuous custody of the Superintendent of Banking of the Dominican Republic.

Mr. WILSON. If we could, I'd like to focus on some of the specific entries in this fax, if you'd take a look at it. Underneath the word "comment" it reads "20-DNC Victory Fund 1992 Fed Account" and then in parentheses "you." Mr. Preiss, based on the evidence that you have reviewed and your discussions with Mr. Castro, what does this represent?

Mr. PREISS. It represents a fax entry that says exactly what it says. DNC Victory Fund, as I read it, means Democratic National Committee Victory Fund 1992. Fed Account parentheses you. Now you can draw a conclusion from that if want.

Mr. WILSON. And in this case, the you refers to Mr. Castro, is that correct?

Mr. PREISS. You can draw that conclusion from what it says.

Mr. WILSON. The next line has essentially the same entry and in parentheses the entry "Maria." Based on what you have subsequently learned, to whom does Maria refer?

Mr. PREISS. Based upon what Mr. Castro told us. You referred to him; Maria referred to his relative, Maria Sire Castro. S-I-R-E Castro.

Mr. WILSON. And did Mr. Castro ever tell either of you why Mr. Intriago wanted Castro and other of his family members to make the political contributions described in this fax?

Mr. PREISS. Because—what he told us was that the contributions were made because he and Maria Sire Castro were U.S. citizens, and they could make the contributions legally, but a foreigner could not. That's what he told us. That's the substance of what he told us in our interviews with him.

Mr. WILSON. OK, now we have been provided a great deal of documentary evidence about bank transfers that seem to indicate a reimbursement of money, and I don't want to go through and belabor these too much right now. But I'll ask this of both of you, Mr. Dawson first. How do you know that Mr. Castro and his aunt were reimbursed for the checks that they wrote?

Mr. DAWSON. That is a conclusion that we're drawing based on having found the fax, having seen the checks that were attached to it at the time, having subpoenaed certain bank records afterward, and having realized that 8 days after the date of the fax, both of them were reimbursed through very similar wire transfers emanating from the same source.

Mr. WILSON. OK, and I'll hopefully be true to my word. I don't want to belabor this. But let's just put up VEN–12 on the screen in front of us, if we can. And if you'll take a look at that.

You referred just then to bank transfer statements. This bank transfer statement in front of you indicates that on September 24, a deposit of $24,990 was made into the account of Mr. Jorge Castro. Is this one of the transfer statements that you were referring to just a moment ago?

[Exhibit VEN–12 follows:]

30035051600 **B 15**

DIRECT INQUIRIES TO:
(305) 854-8800

000-000896
JORGE F. CASTRO OR
GRECIA MATAS DE CASTRO
520 BRICKELL KEY DRIVE
MIAMI, FL. 33131

30035051600 1
FROM 8-31-92 TO 9-30-92

********** ACCOUNT ACTIVITY SUMMARY **********

06 CHECKING ACCOUNT NO 30035051600
THE DATE OF LAST STATEMENT WAS 8-31-92
YOUR PREVIOUS BALANCE ON 8-31-92 WAS 1,970.00
THERE WERE 1 DEPOSITS AND OTHER CREDITS FOR A TOTAL OF : 24,990.00
THERE WERE 5 CHECKS AND OTHER DEBITS FOR A TOTAL OF : 3,081.47
A SERVICE CHARGE FEE FOR A TOTAL OF : .00
YOUR NEW BALANCE AS OF 9-30-92 IS 25,886.53
** AVERAGE COLLECTED BALANCE THIS CYCLE = $7840.88 **
-ACCOUNT TRANSACTIONS DETAIL-

DATE POSTED	DESCRIPTION OF TRANSACTIONS	CHECKS (-)	DEPOSITS (+)	BALANCE
9-08	CHECK 152	125.00		3,851.00
9-14	CHECK 129	237.47		3,606.53
9-14	CHECK 128	700.00		2,896.53
9-22	CHECK 116	500.00		2,396.53
9-22	CHECK 117	1,500.00		896.53
9-24	MISCELLANEOUS CREDIT		24,990.00	25,886.53

-CHECKS PAID ON THIS STATEMENT LISTED IN NUMERIC ORDER - MEANS GAP IN SEQUENCE -

CHECK NO	AMOUNT	CHECK NO	AMOUNT	CHECK NO	AMOUNT	CHECK NO	AMOUNT
116	500.00	117	1,500.00	1284	709.00	129	237.47
1624	125.00						

SAFE DEPOSIT BOXES AVAILABLE AT SPECIAL RATES. CALL US. CAJAS DE SEGURIDAD DISPONIBLES A PRECIO REDUCIDO. LLAMENOS.

ENCLOSURES 5

EXHIBIT
VEN-12

PENGAD Bayonne N.J.

105264

Mr. DAWSON. Yes. What you have to realize is that we had subpoenaed bank records and had them coming in separately. This says miscellaneous credit. I don't recall whether we got this one first or the Maria Sire Castro one first, but when you get the Maria Sire Castro one, you realize that it's a wire transfer through Chase New York through something called Inversiones Latinfin. We see the same date, same amount on Jorge's statement. What we then do is subpoena Chase Manhattan Bank and actually get the wire transfer documentation, and then we find with respect to both accounts both amounts came through wire transfers, through Chase New York by order of Inversiones Latinfin in Venezuela.

Mr. WILSON. I'll take a break for a moment. Chairman Burton has some questions.

Mr. BURTON. Yes, I have a couple of questions on another subject. You made a lot of calls to and contacts with various members of the Justice Department, the U.S. Attorney in the southern part of Florida, and the people up in Washington. Can you give me in your own words, your feeling? Was there a sense of frustration because they weren't taking proper actions when you knew that the statute of limitations was about to run?

Mr. PREISS. Mr. Chairman, I don't know what the Department of Justice was doing. What I was trying to do was to accomplish two objectives. The first objective was to keep my superiors in my office informed as to what was going on based upon a matter that we referred to the Department of Justice—well, actually originally referred to two U.S.—one U.S. Attorney's Office in the southern district of Florida. The second problem I had was that the other two defendants had already been sentenced, and the sentencing judge, as is his province, wanted to know if he was ever going to get around to sentencing Jorge Castro. And so I wanted to be able to come back to him and give him an answer as to why—whether he would be sentencing him, and if not, why. So, since I didn't get an answer to those questions, I guess you could say I was a little frustrated.

Mr. BURTON. So, in your opinion, what actions should have been taken by Justice in that case?

Mr. PREISS. Well, that's a very hard question——

Mr. BURTON. You've probably been through this before with the Justice Department in other cases, have you not?

Mr. PREISS. You know the Justice Department does business in a certain way—in various ways really. And we do business in various ways, too. It's hard for me to answer your question because I really don't understand how things work inside the Justice Department. I'm a State prosecutor in New York State. My office is run in such a way where if I need to speak to someone in a higher position, I'm granted relatively easy access. I think our office obviously is a little smaller than the Department of Justice. So, I really don't—I don't know how I can answer your question other than to say I don't understand how they do—what their decisionmaking process is, how the bureaucracy works, how they organize. So it's hard for me to answer that.

Mr. BURTON. OK, let me put it another way. How many times did you contact people at the Justice Department regarding your concern about the statute of limitations running?

Mr. PREISS. Well, I spoke to—Mr. Dawson spoke to an Assistant U.S. Attorney in the southern district of Florida on March 11. I happen to remember that date because that's the date I went on vacation, to England, after having spent 10½ months working 7 days a week preparing for and trying this case. So I remember that date. I wasn't in New York, so I wasn't privy to that conversation. Several other conversations I had with that Assistant U.S. Attorney, we talked about the statute of limitations; we talked about whether the 3-year statute applied or the 5-year statute applied. It was lawyer talk. I mean, the Federal prosecutors obviously are lawyers. We're lawyers. We talked about that. We talked about it—I spoke to the second Assistant U.S. Attorney, who came up from the southern district of Florida on May 28, 1997. That's the date when various Federal prosecutors came to our office. We produced Mr. Castro for interview, and I did discuss the statute of limitations with him on that day.

Mr. BURTON. Did you at any time indicate to them that since the statute of limitations was about to run out, that they ought to look into Mr. Intriago and maybe have him at least talked to by FBI agents?

Mr. PREISS. The answer to that question is, no, I didn't, and nor would I have thought that to be an appropriate thing to do, Mr. Chairman, anymore than I'd want a Federal prosecutor telling me how to run my investigation, frankly.

Mr. BURTON. Well, I understand, and I think that's probably good advice, but were you concerned about that?

Mr. PREISS. I was concerned about two things: keeping my superiors informed as to what was happening with the referral and letting the judge know what was going on. The judge that tried this case is, I think, known as fairly independent, and he has a point of view about certain things, and I wanted to be able to answer his questions. And my immediate concern was to be able to tell my superiors what was going on with the referral because we had referred the case—I believe in the fall of 1996—as we were getting cranked up to try this case, which was going to be a major-league production. It was a long trial.

Mr. BURTON. Sure.

Mr. PREISS. So, my main concern, frankly, was to accomplish my two objectives. I wasn't really paying attention to what was going on inside the Department of Justice because I didn't know.

Mr. BURTON. I understand. Were you concerned that Mr. Intriago may have been a major part of this money-laundering operation and should have been looked at, in your own mind?

Mr. PREISS. Well, I can tell you that the reason that the case was referred to the Federal prosecutor in the southern district of Florida was because we thought it was something they might be interested in. So, that's why we gave it to them. We said, here's the documents that we have.

Now, remember, there are two steps to this, OK? Step one is the documents. The documents go down in the fall of 1996. Mr. Dawson can speak to what the documents said because he found them.

Mr. BURTON. Right.

Mr. PREISS. Then, later on, Mr. Jorge Castro, the gentleman who testified here earlier today, he comes into the picture.

Mr. BURTON. Well, I guess the point I want to make, and maybe I'm not getting my point across, is you already had Jorge Castro convicted and he was going to go to jail. So when you referred this to the Federal authorities, you were talking to them about Mr. Intriago more than Mr. Castro. Is that correct? Or was it Mr. Castro?

Mr. DAWSON. The referral had occurred much earlier, Mr. Chairman.

Mr. PREISS. That's the point I was trying to get to. It was the fall of 1996 that the referral was made, and Jorge Castro wasn't convicted until February 19, 1997, and it wasn't until after that that we actually spoke to him, so that's why I was having trouble.

Mr. BURTON. But he was convicted and you knew the statute was running on the whole case.

Mr. PREISS. We thought it was.

Mr. BURTON. You thought it was, and what I'm getting at is that by the time you started being concerned about the statute running, it was well into 1997. You knew it was September 12 that it was going to run out, and you were talking to them. Was Mr. Intriago one of your concerns?

Mr. DAWSON. Well, I don't know that we knew that it was going to run out. It was a potential issue.

Mr. BURTON. I know, but was one of your concerns that you wanted to make sure that if there was going to be any action taken, it was taken—or looked into—on Mr. Intriago as well as Mr. Castro before the statute ran?

Mr. DAWSON. Mr. Castro Llanes? I'm sorry, as well as Mr. Castro, you say?

Mr. BURTON. The gentleman that was here today.

Mr. DAWSON. Oh. We just wanted something. We had referred it, and we knew that there was this potential issue out there.

Mr. PREISS. I don't want to—clearly we were interested in what was going to happen. We were interested because we had referred the case. We thought it was a serious matter, and that's why we referred it.

Mr. BURTON. You thought Mr. Intriago should have been investigated.

Mr. DAWSON. That the matter should have been investigated.

Mr. PREISS. We thought that the matter should be investigated.

Mr. BURTON. Including Mr. Intriago.

Mr. DAWSON. Well, to be honest with you, Mr. Chairman, we had already looked into some of Mr. Intriago's transactions ourselves, and we had referred all of this stuff. So, I guess it's no secret that this was among, I suppose, that he would be among the matters that we had referred.

Mr. BURTON. You thought it was worth them looking at.

Mr. PREISS. Absolutely; that's why we referred it.

Mr. BURTON. That's what I wanted to hear.

Mr. WILSON. I think my time is about to run out, at least my first 20 minutes. I've got 10 additional minutes later, and I'll go very quickly just to followup on something the chairman was discussing.

Mr. Preiss, it's my understanding that Mr. Castro's lawyer had a conversation with the head of the DOJ Public Integrity Section

after the case was taken from the Florida prosecutors and lodged at the Department of Justice. Is that correct?

Mr. PREISS. That's correct. That's what Mr. Castro's lawyer told me.

Mr. WILSON. And we're speaking of Mr. Lee Radek, who is the head of the Public Integrity Section.

Mr. PREISS. That's who he told me he spoke to.

Mr. WILSON. Now, Mr. Preiss, did you try and have a conversation with Mr. Radek?

Mr. PREISS. Yes.

Mr. WILSON. What was the result?

Mr. PREISS. I was not put through to him.

Mr. WILSON. Now it's my understanding—correct me if I'm wrong—that you were told that Mr. Radek would not speak to anyone unless they had a referral number for the case, correct?

Mr. PREISS. That's correct.

Mr. WILSON. And do you know whether Mr. Castro's lawyer had such a referral number?

Mr. PREISS. If he did, he didn't give it to me.

Mr. WILSON. Did anybody ever give you a referral number for this case?

Mr. PREISS. No, I don't think we were ever given a referral number. I don't think anybody had a referral number. Maybe there was a referral number inside the Department of Justice, but, again, I wouldn't be privy to that, so I don't know.

Mr. WILSON. Right, but Mr. Castro's attorney was not an employee of the Department of Justice, so he had the same status as you.

Mr. PREISS. No, he was not an employee of the Department of Justice.

Mr. WILSON. OK. And I don't know whether this is a question you can answer or not, but were you concerned at the time that Mr. Castro's attorney was given more attentive treatment at the highest levels of the Department of Justice than you?

Mr. PREISS. Well, I thought that. At the time, I think I said in the conversation that I couldn't understand why the defense attorney's phone call could be taken the day before, but mine couldn't be, and I was the prosecutor and he was the defense lawyer. I think that's what I said to the person who answered the phone.

Mr. WILSON. Fair enough; I think that speaks for itself. I'll finish my first 20 minutes now with one other question. Mr. Preiss, or Mr. Dawson, do you know whether any of the Castro family attorneys—and bear in mind for anybody watching today that there were three Castro family members who were under investigation and ultimately convicted—do you know whether any of the Castro family attorneys, such as Judge Tyler in New York, were given meetings at the Department of Justice prior to the decision to drop the case?

Mr. DAWSON. That is a very difficult question to answer depending on how you limit the time. Are you talking back in 1988, 1990, 1992, or are you talking between the time of the conviction and the time of the sentencing?

Mr. WILSON. Actually, just limit it from the time of the conviction until the time Mr. Radek wrote a letter addressed to Mr. Preiss.

Mr. DAWSON. I have no information on any of that.

Mr. WAXMAN. Could I ask just one question? I know I'm going to have my time in a minute, but we have to vote. Do you know whether the case was dropped by the Justice Department, because the counsel for our committee just said that the case had been dropped. Do you know whether the case——

Mr. DAWSON. Actually, I apologize; you're right. That was the way the question was phrased, and I should have caught it and I didn't. I don't know that the case has been dropped.

Mr. PREISS. But—and the reason we don't know, Mr. Waxman, is because we've never asked, nor have we been told. I got that letter from Mr. Radek and that told me what I needed to know, and we proceeded to sentence on December 15 with Mr. Castro.

Mr. BURTON. We will stand in recess and come back quickly. We're going to have two votes on the floor, so we'll be gone about 15 minutes. Thank you for bearing with us.

We stand in recess at the call of the gavel.

[Recess.]

Mr. BURTON. The committee will reconvene. I'm sorry, Mr. Preiss and Mr. Dawson, that we took so long.

Where were we when we recessed? I think, Henry, you were about to—are you ready?

Mr. Waxman.

Mr. WAXMAN. Thank you, Mr. Chairman. Mr. Preiss and Mr. Dawson, I don't know if you get many thank-you's in your job, but I want to thank you for the job that you have done in prosecuting the underlying bank fraud and trying to make sure that if there is any criminal offense, that it is pursued. That's exactly what we want from our prosecutors, and I want you to know that I appreciate it.

Mr. DAWSON. Thank you.

Mr. PREISS. Thank you.

Mr. WAXMAN. The evidence that you've described for us is pretty clear that it appears there was an illegal foreign contribution. We have the bank records which show that Mr. Castro and his aunt were reimbursed from Venezuela, and you found other corroborating evidence to fill in the blanks so that I think we've got a picture of a foreign contribution.

What is less clear is whether or not Mr. Intriago was a part of this. In fact, besides Mr. Castro's testimony, the only hard evidence of Mr. Intriago's involvement is the fax and Mr. Intriago's phone number on one of the checks, but neither the fax nor the check mentions anything about a reimbursement. So in terms of Mr. Intriago's activities, the evidence leads us to, I think, several possibilities, and I want to explore them with you.

The first possibility is that Charles Intriago arranged for Jorge Castro, a U.S. citizen, to make a political contribution for his Venezuelan grandfather. If he did that, that would be illegal; that's a foreign contribution.

Well, I was just pausing because we hear a lot of bells, but it looks like we're not being summoned to the House floor, and perhaps we're even in recess.

The one possibility is that Intriago was responsible for it. The second possibility is Mr. Intriago promised that he would arrange

for Mr. Castro's grandfather to get a picture taken with the President, and in return, a contribution from Mr. Castro. Now that would be unseemly if he went out and got a contribution from Mr. Castro and then told the grandfather that I'm going to go and arrange for you to get a photo with the President at this big gathering. But it wouldn't be illegal—that wouldn't be illegal.

The third possibility is that Mr. Intriago solicited a contribution from his friend's grandson, who was a U.S. citizen. Mr. Intriago had given money himself to the Democratic party in the election campaign, and he went to young Mr. Castro and said, "I want you to give some money to the Democrats." He knew he had money, and there's absolutely nothing wrong with that because that's how fundraisers work. They go out and solicit contributions.

So, what I want to know is, what evidence is there other than Mr. Castro's testimony that leads you to conclude that what happened might be that first possibility, as opposed to the second or the third?

Mr. DAWSON. Can I have a moment, please?

Mr. WAXMAN. Sure.

Mr. WAXMAN. In other words, the question I'm asking is: Do we have a case that we have one person's word against another?

Mr. DAWSON. Well, it depends on how vigorously you pursue leads that are out there, I suppose.

Mr. WAXMAN. So you think——

Mr. DAWSON. There are certain leads that might have been pursued——

Mr. WAXMAN. Or might——

Mr. DAWSON. Or might not have been pursued, or may have led nowhere.

Mr. WAXMAN. Or might be still being pursued.

Mr. DAWSON. Or—exactly—might still be being pursued.

Mr. PREISS. Anything's possible; anything's possible.

Mr. DAWSON. So I can't really answer which one of these three alternatives you've posed it definitely is, but when you say, "Is there any evidence out there?", I can answer that question several different ways.

Mr. WAXMAN. There is evidence. There's evidence, and you can draw conclusions from the evidence, but as a prosecutor, in your case, and then the Justice Department—they have to look at the evidence and see how strong a case, pursue other leads, to see if they can get some more information.

Mr. DAWSON. Correct, and those leads have been supplied to the Justice Department, and what they're doing with it, I don't know.

Mr. WAXMAN. It takes time, sometimes, for the Justice Department to move, and it's frustrating. I know from my own experience, I chaired a hearing where the CEO's of the major tobacco companies came in. They raised their hands to tell the truth and then sat there and lied—that was 4 years ago—and the Justice Department is still investigating whether to bring perjury charges.

And I understand perjury is a very definitive criminal offense; you've got to prove all the elements as you do in any criminal prosecution. They don't want to move precipitously. I could respect the fact that they want to make sure the case is going to stick if they're going to bring the charges. But I must say, 4 years is a long time

and I wish they would bring the charges if they're going to bring them. But if I ask the Justice Department what they're doing, their response is, "We're investigating."

Mr. DAWSON. Right.

Mr. WAXMAN. And evidently they are still investigating because they haven't said that they have closed the case.

Mr. DAWSON. In your case or in this case?

Mr. WAXMAN. Well, in the tobacco case.

Mr. DAWSON. OK.

Mr. WAXMAN. And as I asked you earlier, they haven't made any announcements that they closed an investigation in this case.

Mr. DAWSON. Right. All they've said is they don't want to use a certain witness.

Mr. WAXMAN. And there appears to be a good reason that the Justice Department would want to be cautious, and they don't want to make accusations that are not supported by the evidence. So they may look at this case as coming down to one person's word against another, and that's awfully tough to bring, isn't it?

Mr. PREISS. Well——

Mr. WAXMAN. I'm not confronting you, I'm just speculating with you.

Mr. PREISS. Oh, if you're speculating then you're not asking me a question, so——

Mr. WAXMAN. I'm speculating with you because I don't know and you don't know what's going on in the Justice Department.

Mr. PREISS. I think we can agree that you and I don't know what is going on in the Justice Department. At least I can agree that I don't. What you know, I don't know.

Mr. WAXMAN. I don't know; I don't know what's happening. I don't know why they weren't asked to come today, because actually we could ask them directly as to what's happening with their investigation. The chairman didn't invite them, and he says he's going to invite them. I don't know why we need another day of hearings on that, but we don't know what theories or charges the Justice Department may be considering in this case, and that's where things stand.

But I wanted to ask you a couple of other questions. When you talked to Mr. Castro early on, and he talked about Mr. Intriago, was he hostile about Mr. Intriago?

Mr. PREISS. No.

Mr. WAXMAN. You didn't see it?

Mr. PREISS. No.

Mr. DAWSON. No; in fact it came out only a bit later, probably in the second, maybe the third time that we spoke to him, that I got the definite impression that he didn't like him. As he said, he didn't like him professionally; he liked him personally, as far as I could tell.

Mr. PREISS. He didn't express any hostility toward Mr. Intriago on a personal level. I think he—I remember him saying one thing along the lines of he charged a lot of money but didn't do very much. He charged his grandfather a lot of money but didn't do very much, and that's probably——

Mr. WAXMAN. It sounds like that's what his grandfather thought about him.

Mr. PREISS. I mean I've heard that said about several lawyers, actually.

Mr. WAXMAN. Now, was there any evidence in this whole bank collapse business and fraud that there was drug money involved?

Mr. PREISS. It wasn't in the indictment and it wasn't part of the trial, and there was nothing at all that was related to that as far as our indictment or our trial were concerned.

Mr. DAWSON. Right; we looked into some allegations.

Mr. WAXMAN. Now, do you know whether Mr. Castro, while he was in prison, was fearful for his safety?

Mr. PREISS. We can tell you what he told us, which was that he was concerned that he didn't want something stuck in his back in the showers, because he would be labeled as a rat or a snitch for coming before anybody, whether it was a court or the Congress or anybody else. He expressed concern for his physical safety if he were to testify as a witness. He made that clear pretty early on.

Mr. WAXMAN. And you don't know whether there was a reason for him to feel that way, but that was the statement he made.

Mr. PREISS. Well——

Mr. DAWSON. There's always that concern.

Mr. PREISS. There's always that concern. I don't know if you're familiar with the New York State correctional facilities, but there are no Allen Woods in our State penal system. What I'm suggesting to you is that, as it has been explained to me, whether you're in a low security facility, a medium security facility, or a high security facility, you're basically around people who have committed all sorts of crimes, including murder and drug dealing, and some of these people are not very nice people. If you have a reputation, if you acquire a reputation as being someone who has cooperated with law enforcement, you're not going to be very popular.

Mr. WAXMAN. So his fear, as you understood it, was that someone would see him ratting on somebody else, just cooperating with law enforcement—not that he thought Mr. Intriago or someone else——

Mr. PREISS. He never expressed a concern about Mr. Intriago harming him, if that's what you're asking me. He never did that.

Mr. WAXMAN. Did he express any concern that the President of the United States or the Democratic National Committee would get somebody in prison to hurt him?

Mr. PREISS. No.

Mr. WAXMAN. It's a little ludicrous, isn't it?

Mr. PREISS. Pardon me?

Mr. WAXMAN. I said it would be a little ludicrous, wouldn't it?

Mr. PREISS. I can only tell you what he told me, Mr. Waxman, and what he didn't tell me, and he certainly didn't say that.

Mr. WAXMAN. Were you surprised at his testimony this morning when we asked him whether he would admit to having done the things for which he had been accused and convicted?

Mr. DAWSON. I thought he did admit it. OK, he may not have stood up and said, "OK, everyone, I did it," and thrown up his hands, but I think you got as pretty close as you can get.

Mr. WAXMAN. If there's a foreign contribution, it's illegal. We would hope illegal contributions, illegal acts would be prosecuted. This isn't really a question to you, but a statement. The fact of the

matter is that that should be pursued no matter where it may have come from, and my complaint with this investigation is I don't hear anybody talking about foreign contributions that might have come to Republicans.

The chairman said most of them would be to Democrats. Well, I can't accept that. We know about a couple of examples. We know that Haley Barbour, who was head of the Republican National Committee solicited a contribution from a foreign national by the name of Ambrous Young. There was the case of Mr. Thomas Kramer, who gave to the Republican party in Miami.

I believe that there are illegal campaign contributions that go on in elections, and I don't like it. I want to reform this whole campaign finance system. But I can't understand why anybody would reach the conclusion that if you're going to investigate foreign contributions it ought to only be with respect to Democrats.

There are Members of Congress that receive contributions because of their activities on foreign policy issues, and they could advocate the cause of Pakistan or Cuba or some other country, and they may receive contributions from, presumably, Americans, who support that point of view, but they don't know for sure if they receive a contribution that it came from an American citizen; it could have been laundered. Well, there's no way you would know unless you did know, but there's just no way that a Member of Congress would know it, and it doesn't appear there's any way the President or the Democratic party would know from the face of having received that contribution from Mr. Castro.

I thank you for your testimony. I think you've been giving us your views, and I want to yield some time to Mr. Barrett to pursue any questions he may have.

Mr. BARRETT. Thank you, Mr. Waxman. One of the discussions earlier today that I think someone would be concerned with is the whole issue of the statute of limitations, and I think, Mr. Preiss, you spent more time talking about the statute of limitations. Help me with it. It's my understanding that there is a 5-year statute of limitations on the illegal contributions. Is that correct?

Mr. PREISS. No.

Mr. DAWSON. No, that's wrong. It's a 3-year statute.

Mr. PREISS. We looked it up.

Mr. BARRETT. OK. So how did that 5-year statute—when you looked it up, you looked it up just now, or you looked it up?

Mr. PREISS. We looked it up before, but, actually, I think Mr. Dawson is in a better position to answer your question——

Mr. BARRETT. OK; whatever.

Mr. PREISS [continuing]. Since he actually did some of the legal research on this, more of this than I did.

Mr. DAWSON. Actually this relates to something that someone had asked earlier about a conversation with one of the U.S. Attorneys in Florida, I believe—my first conversation. We had discussed all of this—what you had just raised. My concern when I spoke to him was that this is in fact a 3-year statute, and, therefore, before I even found this fax in the Dominican Republic the statute would have been blown—or run.

I also did some research, though, and the law seems to be that, yes, this is a 3-year statute, but one can prosecute under the gen-

eral criminal statutes, like 1001, and then it would be a 5-year statute, and there's no problem with that whatsoever. So that's why we regard it, we theorize that it was a 5-year statute, and we used the date of the fax as sort of the baseline for that in our conversations.

Mr. BARRETT. But would there be a possibility that—and, again, I would be concerned if I felt that the case would be blown by the running of the statute of limitations.

Mr. DAWSON. Blown was an unfortunate choice of words on my part.

Mr. BARRETT. That's all right. I used it as well; I'm not offended by it. What about a conspiracy charge?

Mr. DAWSON. Same deal. It would be a 5-year statute.

Mr. PREISS. We talked about these theories with the first Assistant U.S. Attorney in the southern district of Florida. This was the lawyer talk I alluded to earlier, I think, when I was answering one of the chairman's questions. We talked about different theories that a prosecution could be brought under, such as perhaps mail fraud, wire fraud. Those, as I understand it, are 5-year statutes of limitation cases, whereas the illegal contributions is a 3-year statute.

We went back and forth on all of this, and what you have to appreciate is that most prosecutors aren't going to—like if there is a close question of whether the statute is going to run in September or October, a good prosecutor is going to assume that it's going to run in September because he doesn't want to find out later that he was wrong.

Mr. DAWSON. And the prosecutor in Florida was attuned to this. In fact, he didn't just mention mail fraud and wire fraud, he said, "Well, I can look into RICO and money laundering and things like that." He was very definite on there were ways to get around this, and we all sort of concluded it wasn't a 3-year statute; it was a 5-year statute, depending on how the charges, if there were to be any, were to be structured.

Mr. BARRETT. So there would be—there is a 5-year statute of limitations on the general crimes.

Mr. PREISS. General crimes, yes.

Mr. BARRETT. General crimes. And that could be tolled, however.

Mr. DAWSON. Yes, that's another——

Mr. BARRETT. That's something we haven't talked about.

Mr. DAWSON. Exactly.

Mr. BARRETT. And, again, my understanding of the conspiracy law is that if it's a continuing criminal activity that it would be tolled during that period, which arguably would extend it beyond September 1997. Was that something that was discussed or is that something that you think could——

Mr. DAWSON. No; in my own train of thought, basically, I was focused more on New York tolling provisions, just in case, and I had sort of had those in the back of my mind. We didn't really need to discuss it during the March 1997 conversation with the AUSA in Miami that I participated in because, really, there was plenty of time—9 months.

Mr. PREISS. No one talked about—in the conversations I had with the Assistant U.S. Attorney from the southern district of Florida—no one talked about a tolling provision. Everybody assumed

that because the date of the fax was what it was that that would be the cutoff. Arguably you could say that until the checks were actually paid, when the funds were actually drawn out of the accounts, arguably that may have been October. But in the conversations I had with the Assistant U.S. Attorney from the southern district of Florida, we never discussed tolling provisions. It never came up, and frankly I don't know if there would have been any reason for it to come up.

Mr. BARRETT. OK, but is it possible that the Justice Department here looking at the case might take a different interpretation, even though it wasn't something that was discussed by the Assistant U.S. Attorney in Florida?

Mr. PREISS. You should probably ask them. I don't know. I mean, you should ask them.

Mr. BARRETT. OK. Who would have been the likely target of an indictment here?

Mr. PREISS. You should ask them.

Mr. WAXMAN. Well, there are obvious targets. There is Mr. Castro—he would be a part of a money-laundering conspiracy—his grandfather, his aunt, right? These are people involved—and Mr. Intriago.

Mr. DAWSON. Well, I don't know if I'd call it a money-laundering conspiracy. I don't know if the election violation is a predicate act for purposes of that statute. The problem is we're not Federal prosecutors, so we're not in a position to really opine for you what the state of Federal law is.

Mr. BARRETT. If I may, Mr. Chairman, to let you know what I'm driving at. If Mr. Intriago was——

Mr. DAWSON. Intriago.

Mr. BARRETT. Intriago—thank you—was a likely defendant, or person who could be indicted, I read the letter that we received, or that I've got a copy of here—April 16th—saying that the Justice Department does not want immunity given to him, I read that as saying that he is still someone that the Justice Department is looking at. Am I reading that incorrectly? What would be the——

Mr. DAWSON. It's one way to read it, certainly. I mean, that would make sense to me, but what's in their minds, I can't testify about that.

Mr. PREISS. And I can't either because they're the ones that have to make these decisions. They're the ones that if they're thinking about these things, maybe they can come in here and tell you or maybe they can't. I don't know.

Mr. BARRETT. OK. Well, again, I'm asking you to help me in the sense that if the Justice Department—again, this is 2 weeks ago today—told Mr. Bennett that it was opposed to granting immunity to Mr. Intriago, am I incorrect in inferring that he may still be a target?

Mr. DAWSON. I think that what you have to recognize is that we referred two matters to two different offices. We referred the campaign matter to the southern district of Florida, and we referred other matters to the southern district of New York. I don't know what's happening in the southern district of New York. Perhaps the immunity letter relates to that; I don't know. Again, you'd have to ask them.

Mr. BARRETT. Do you think something is wrong here?

Mr. DAWSON. Wrong with? There have been so many things flying back and forth here today, I don't know what you mean by that.

Mr. PREISS. As I understand the question, you're asking us to opine on whether there is something wrong. Mr. Barrett, I would think that that's probably something for you and the committee to do, not for us to do.

Mr. DAWSON. Yes; in fact I had to make an application before a judge to get the documents before the committee, and I had to basically discuss the resolution that was passed and the report, and basically say, "Look, as you said at sentencing, Judge, it's not for me, it's not for Mr. Preiss, it's not for Jorge Castro's defense counsel, and it's not for Justice McLaughlin to say what went on here." And it's not our position to question what was going on with respect to the Justice Department, but I took the position in the application to get you the documents, that it's the House Government Reform and Oversight Committee that has responsibilities for overseeing these matters, and therefore it's in the public interest to provide the committee with these documents. We've given them to you.

Mr. BARRETT. You understand what's going on here.

Mr. PREISS. Why don't you explain it to us, just in case we don't. [Laughter.]

Mr. BARRETT. I'll explain it to you. You've got our chairman here, who, I think—and I'll even let the chairman interject if I state it incorrectly—is arguing that the Justice Department has done something wrong and for political reasons has not had an indictment in this case. And I read what I have before us, giving every benefit of the doubt to the Justice Department—maybe I should do that, maybe I shouldn't—that there is still possibly a open investigation of Mr. Intriago.

Mr. DAWSON. How far does your immunity run here? Is it use immunity? Is it transactional immunity? If we give the answer to one of Mr. Bennett's questions in a particular way, will the southern district of New York——

Mr. BARRETT. It would be use immunity only.

Mr. PREISS. Use immunity only—well, that goes back then to what Mr. Dawson said before. You have to understand that there were two referrals made, one to the southern district of Florida, which, I think, is where all the questions are coming to us about, and then there was a second part that also involved the Castros and certain things that were going on, and that was referred to the southern district of New York. And that's not something that we understood that you were interested in or concerned about. The reason I mention it, though, is because that may explain why someone is not being offered immunity. Maybe there's a concern there; I don't know.

Mr. DAWSON. The bottom line, I think, Mr. Barrett, and I say this with the utmost of respect, is you're asking the wrong prosecutors those questions. We can't answer them.

Mr. PREISS. Our Federal brothers and sisters are in a far better position to answer these questions than we are.

Mr. BURTON. If Mr. Barrett would yield just for a moment?

Mr. BARRETT. I would yield.

Mr. BURTON. I wanted to answer your question. It's the position of the Chair that there should have been a thorough investigation of the whole matter, and Justice was given ample time to look into it and they chose not to, and the statute ran. That was my concern and still is my concern. Why didn't Justice followup on this? Why didn't they have a complete investigation?

Mr. BARRETT. Well, if I may reclaim my time.

Mr. BURTON. Sure.

Mr. BARRETT. They did look into it. They did interview people in Florida, and I am not convinced that this is the question I'll have if the Justice Department is here—that they haven't completed it. I find it somewhat ironic when I sort of juxtapose this with the Whitewater grand jury that's now been meeting for 4 years—and talk about the speed with which one has to complete an investigation—that there's criticism here that it hasn't been completed, and we're now 4 years down in Little Rock and we haven't completed that. So, again, what I'm asking you, and I'm just——

Mr. WAXMAN. Would the gentleman yield?

Mr. BARRETT. I would yield.

Mr. WAXMAN. The crux of the matter is whether the chairman is correct that the Justice Department is not acting properly. That's his accusation. It's just so peculiar to have an accusation like that which he has not been able to establish except to allege, and then not have the Justice Department here to tell us what they're doing.

We know that they've sent FBI agents to talk to Mr. Intriago and his former assistant, Wendy Brown. We know that they've done that. We know that they've asked the chairman not to give immunity to Mr. Intriago. We understand, I think, from them—at least I have it on my notes—that they say that they've also interviewed members of the Castro family and that they are proceeding. They haven't closed this case as far as we know. So, it's just so peculiar that we have this hearing on this issue, especially when we are told that what this investigation is all about is massive funneling of money from China to influence American foreign policy.

Even if we acknowledge in this case that there was Venezuelan money improperly brought into a fund to reimburse a contribution to the Democratic party, there's no evidence that the Democratic party knew anything about it. There's no evidence that even, certainly, that the President would have known about it.

And we've heard a couple of statements. We've heard that Mr. Intriago is a friend of Vice President Gore. There's no evidence to support that accusation. That was a statement the chairman made. Another Republican member said Mr. Intriago is a part of the administration. Well, I guess he was in the late sixties, early seventies, but what does that have to do with it when he's in private practice in the 1990's?

And then of course—I'm going to read the chairman's statement in the Larry King Live show last night. He was asked whether his investigation was in disarray:

"Burton: It is not in disarray. We're moving ahead. Tomorrow we're going to have a hearing. We're bringing in a fellow who laundered $50,000 from Venezuela. We think part of it might have been drug money. Mr. Morgenthau, the district attorney in New York, a Democrat, referred some of this information to us. We fi-

nally got this fellow in a safe prison so he wouldn't be stabbed or hurt when he testified."

Well, it may be accurate, but part of it's not. First of all, I guess it wasn't $50,000. We have no evidence it was drug money. It sounds like the implication of that is that he's about to be assassinated for courageously coming before this committee when, in fact, the only evidence we have is that he feared for his safety because nobody likes anybody in prison to cooperate with law enforcement whatsoever. So maybe that's technically accurate, but I think the impression is that something more is there than the reality of it.

I yield back to you, and thank you for letting me object to that.

Mr. BARRETT. Again, I guess just to sort of get your view on this, do you have confidence that the Justice Department is doing its job adequately?

Mr. DAWSON. Throughout the United States? Absolutely.

Mr. BARRETT. In this instance.

Mr. PREISS. Don't know.

Mr. DAWSON. I can't answer that question because I don't know. All I know is, and I believe all Mr. Preiss knows is, we gave them a witness, we gave them the documents. That's it as far as we're concerned. We gave them a lead, a very, very good lead, and what they chose to do with it is their business, not ours.

Mr. BARRETT. OK. Were you surprised that you were asked to come up here?

Mr. DAWSON. I was.

Mr. PREISS. I was, too. I thought that when we spoke to the majority staff and minority staff that that would be it. I mean, I have to tell you that this is the last place I ever expected to be.

Mr. BARRETT. It's a beautiful day.

Mr. PREISS. I wouldn't know; I've been in here all day.

Mr. BARRETT. Well, I think—and maybe you were here earlier; I was commenting about the state of this committee—I think you can see what a cutting edge discussion this is by the number of people who are in attendance here, that this committee just, frankly, isn't taken particularly seriously.

I yield back to Mr. Waxman.

Mr. WAXMAN. Mr. Chairman, I yield back the balance of our time.

Mr. BURTON. I will take 5 minutes briefly, and then I'll yield to counsel for his 10 minutes. Did you want to speak? Well, why don't I yield to you right now then, Mr. Horn.

Mr. HORN. Thank you, Mr. Chairman.

I've enjoyed your testimony today. You're obviously professional prosecutors and the way I read it is, while its the Federal Government prosecutors' problem, you felt you were doing the best you could to give them a case, really on a platter. There was the witness, there was the evidence, and all the rest and, in a sense, they blew it because they didn't act within a time period, at least under what was thought to be the time period at that time.

Now whether they're doing anything now, none of us know. We'll eventually find out, but I take it you weren't exactly happy with your hard work and the time you spent. I don't know if you flew to Miami, did you? Or did you just talk to them on the phone?

Mr. PREISS. Well, the first—an assistant district attorney in our office—not one of us—went to Miami and met with the Federal prosecutor in the southern district of Florida in the fall of 1996. We haven't been to Florida on this case.

Mr. DAWSON. Well, no, that's not true.

Mr. PREISS. I haven't. Excuse me; I have not.

Mr. DAWSON. I had to fly to Florida to—I appeared in connection with the extradition.

Mr. HORN. Did you talk to the person that the other member of the staff had talked to?

Mr. DAWSON. No; this was long before we referred the matter.

Mr. HORN. Who was the Assistant U.S. Attorney to whom you talked?

Mr. DAWSON. The one that I spoke to was Dick Gregorie of the southern district of Florida.

Mr. PREISS. That's the gentleman that I spoke to on the phone down there, but there was a second Assistant U.S. Attorney as well.

Mr. HORN. Afterward?

Mr. PREISS. Afterward.

Mr. HORN. That was——

Mr. PREISS. The Assistant U.S. Attorney who came up and interviewed Mr. Castro with two other AUSA's from the southern district of New York was a gentleman by the name of Bruce Udolf.

Mr. HORN. How do you spell the last name, do you think?

Mr. PREISS. I think it's U-D-O-L-F.

Mr. HORN. U-D-O-L-F. Now in the case of the southern district in New York, you probably have very well-known contacts there in the U.S. Attorney's office because of the joint jurisdiction matters. When you have a case like this, how do you go about finding the right person in the U.S. Attorney's office who might have an interest in it?

Mr. DAWSON. We don't assign particular Assistant U.S. Attorneys to matters. We refer matters, and then an Assistant U.S. Attorney contacts us or we're given a name.

Mr. HORN. And you just send it over to the U.S. Attorney and say, "We'd like to talk to somebody that knows something about this."

Mr. PREISS. We don't—when you say "you", if something like this is going to be referred out of the office, it's not a decision that Mr. Dawson or I would make. It's a decision that would be made by our superiors. In this case, the first assistant D.A. that I was telling you about who actually went down to Florida?

Mr. HORN. Right.

Mr. PREISS. He's a member of the executive staff of the district attorney. He's the one who actually referred the case.

Mr. HORN. Would that case ever rise to Mr. Morgenthau's level, that was handled by the first assistant?

Mr. DAWSON. No, the gentleman that Richard was just referring to is not the first assistant; he meant first in terms of the first one to talk to someone.

Mr. HORN. I see. But he's a supervisor, obviously——

Mr. PREISS. That's correct.

Mr. HORN [continuing]. In the hierarchy.

Mr. PREISS. That's correct. He's the supervisor. He's the deputy chief of the investigations division. He was the person who made the referral, and I suspect he consulted with people above him before he did that.

Mr. HORN. Yes. And I know you've got a big office. It's probably one of the largest law offices in America, isn't it?

Mr. PREISS. It's pretty big.

Mr. HORN. What is it—1,000 people?

Mr. PREISS. There's at any time between 550 and 600 assistant D.A.'s, give or take a few.

Mr. HORN. Plus support staff.

Mr. PREISS. Plus support staff.

Mr. HORN. And Mr. Morgenthau's reputation is well known for a man of integrity, so I appreciate you doing all of this. But when you deal with the U.S. Attorney's office in New York, do you have some well-worn contacts or was this person that discussed it with you a new face to you?

Mr. DAWSON. I don't mean any disrespect, but the matter that we referred to the southern district of New York, for all I know, is still ongoing, so I'd prefer not to really discuss it.

Mr. HORN. OK, that's fine.

Mr. PREISS. And it's not related to what we've been asked about and what I've listened to today since I've been in attendance. It has nothing to do with that as far as I know.

Mr. HORN. OK. Was there any evidence in this case of conduit, that we saw the checks this morning on, where New York would have any jurisdiction in the U.S. Attorney's office since they were involved in bank fraud and everything else?

Mr. PREISS. Do you mean the U.S. Attorney in the southern district of New York?

Mr. HORN. Yes. Would they have any cause for jurisdiction of this case?

Mr. DAWSON. There are various ways to look at jurisdiction. In fact, when we did the Castro case in the first place we, as New York prosecutors—New York State prosecutors—were asked frequently, why are New York State prosecutors prosecuting Venezuelan bankers in connection with a fraud in a Puerto Rican bank? The bottom line is that New York is basically the financial capital of the world, and a lot of transactions go through New York.

Now you know from some of the evidence that's been supplied to you in the documents that some of these transactions went through Chase Manhattan Bank in New York. Whether someone could parlay that into a jurisdictional basis for proceeding in the southern district of New York is again something that you'd have to ask the Federal prosecutors.

Mr. HORN. And now the Public Integrity Section, you didn't have much luck with them, as I understand it. Was that just not returning phone calls or did you ever get a human being that could make a decision on it?

Mr. PREISS. Well, to this day, I do not know how the Public Integrity Section and the Campaign Finance Task Force inside the Department of Justice are connected, whether they are, whether they aren't. You would know more about that than I would.

But after I was unable to reach Mr. Radek, my phone call was returned by another trial attorney. I think I mentioned that in my preliminary statement. He came to New York on July 23, and he came to my office, and he spent most of the day there with an FBI agent, and then I heard from him again on September 4, when he called and said that he needed some of the checks and the bank statements because he didn't have good copies. So I sent those to him on September 4, and I believe that was the last day that I spoke to the gentleman.

Mr. HORN. And what was his name?

Mr. PREISS. What was his name?

Mr. HORN. Yes.

Mr. PREISS. The gentleman, the trial attorney's name that I dealt with was Peter Ainsworth.

Mr. HORN. Peter Ainsworth.

Well, I see my time is up, Mr. Chairman. So I yield back whatever is left to you.

Mr. BURTON. The gentleman's time has expired. Mr. Barrett.

Mr. BARRETT. Just a couple of very, very quick questions: The person you first dealt with in Florida of the U.S. Attorney's office, that was a person that ultimately went to the Independent Counsel's Office?

Mr. DAWSON. No.

Mr. BARRETT. No?

Mr. DAWSON. No, the first person was Dick Gregorie.

Mr. BARRETT. OK.

Mr. DAWSON. I spoke to him first, and then Richard and I had a conference call with him to discuss some of the issues that we talked about before, about the statute of limitations——

Mr. PREISS. And then after that, when Jorge Castro was debriefed by the Federal prosecutors, Mr. Gregorie, I think, was on trial—he was engaged on trial, because he couldn't come. So Mr. Udolf came, and I met him in my office, and I spoke to him, and I alluded to that in my preliminary statement. And then Mr. Udolf left the U.S. Attorney's office for the southern district of Florida, and that after that, I'm told that the case was pulled from or removed from the southern district of Florida and brought to Main Justice as either part of the Public Integrity Section and/or the Campaign Financing Task Force. And, again, I don't know how those two relate to each other.

Mr. BARRETT. This is more just out of curiosity. When Mr. Udolf was in your office, was it his case or was it still Mr. Gregorie's case?

Mr. PREISS. I think that they were—I think they were going to work—I had the impression they were going to work together on the case, and that's not unusual. I mean, Mr. Dawson and I work together on cases all the time.

Mr. BARRETT. And did Mr. Udolf go directly, then, to the Independent Counsel's office?

Mr. PREISS. Well, I spoke to Mr. Udolf sometime in the summer, and he told me that he had been assigned to work for the Independent Counsel. And I guess I've answered your question.

Mr. BARRETT. Given what you've said about the statute of limitations, would you be surprised now if there was any indictment arising out of this case?

Mr. DAWSON. Well, in one sense, yes. Because if, in fact, as I believe some Members have speculated, if, in fact, the potential defendant were to be Mr. Intriago, the witness who had direct conversations with Mr. Intriago has now been sentenced, and has little incentive to cooperative, I imagine.

Mr. BARRETT. Other than getting out of jail?

Mr. PREISS. Well, no, I mean, you have to understand that it's standard operating procedure among prosecutors that, if you've got a cooperating witness, the last thing you want is to have him sentenced before he's finished testifying completely, not just in a grand jury, but a trial or any trials that he's going to be testifying, and only then, after then, would you want him to be sentenced.

Mr. DAWSON. And in New York it's actually a little more—in New York we don't have a rule 35. I don't know if you're familiar with it. We can't get a reduction of sentence after sentencing. In New York, once you're sentenced, you are sentenced; there's a statute that says the sentence shall not be changed, period.

Mr. BARRETT. Do you know whether that rule applies in the Federal sentencing of Mr. Castro? Or——

Mr. DAWSON. There is no Federal sentencing of Mr. Castro.

Mr. BARRETT. Oh, OK.

Mr. DAWSON. It's a State case, so, in other words, rule 35 would not apply, and once he's sentenced, his sentence can't be changed. So you'd want him to testify before he's sentenced.

Mr. BARRETT. I understand.

Mr. Waxman, I don't know if you—if not, I would yield back my—Mr. Waxman, I yield to Mr. Waxman.

Mr. WAXMAN. You're saying that you don't think there could be a prosecution because Mr. Castro might not testify?

Mr. DAWSON. No. The question was whether I would be surprised.

Mr. WAXMAN. Uh-huh.

Mr. DAWSON. And the answer was, if Mr. Intriago were to be a potential defendant, I would be surprised because whoever's the Federal prosecutor will have waived his right, basically, to have Mr. Castro testify against this potential defendant. Of course, all of this is speculative. I don't know if there will be a prosecution——

Mr. PREISS. We're telling you—we're telling you what our experience is. Our experience is that, if you've got a cooperating witness, the last thing you want is to have that cooperating witness sentenced before he gives the evidence in trial.

Mr. WAXMAN. The cooperating witness you're talking about was Mr. Castro that testified——

Mr. PREISS. Any cooperating witness.

Mr. WAXMAN. But, in this case, it would have to be Mr. Castro.

Mr. PREISS. Yes. That's—when he asked, when the gentleman asked, were you—would you be surprised, that's what we were responding to. We were assuming he was talking about Mr. Castro.

Mr. WAXMAN. Mr. Castro testified this morning in a way that seemed to incriminate others in sending foreign money through to

reimburse him for a contribution that he made. The offense we're talking about—there may be bigger offenses——

Mr. DAWSON. Right.

Mr. WAXMAN [continuing]. Than whether somebody was reimbursed for a campaign contribution—for example, bank fraud we know is a big, a pretty big offense, and we've got a couple of people in jail. We have Mr. Castro and his grandfather in jail. Anybody else?

Mr. PREISS. Well, actually, all three of them are in jail, but it's——

Mr. WAXMAN. It is——

Mr. PREISS [continuing]. The grandfather, Orlando Castro Llanes, Orlando—the grandfather got 1 to 3; Orlando Castro Castro got 2⅓ to 7, and Jorge Castro Barredo got 3½ to 10½.

Mr. WAXMAN. I thank you for your hard work in getting that conviction, but if a prosecutor had to rely on the testimony of those characters who you described as, "Simply put, these are individuals who thought they could fool other people—their employees, their customers, their regulators, or auditors."

Mr. PREISS. Are you quoting my summation? [Laughter.]

Mr. WAXMAN. Yes. Yes, I'm quoting your words back to you. If a prosecutor had to rely on their testimony, they're not the most credible witnesses, and it could be that a prosecutor would look at it—a Federal prosecutor would say, you've got this Mr. Castro who's in jail for fooling a lot of people and defrauding them, and he's going to say something about somebody else, who's going to deny it. So I guess, as prosecutors, you always have to question whether not only can you get the testimony, but can you—is it credible enough to get a conviction.

Mr. DAWSON. That's why corroboration is so important.

Mr. WAXMAN. Right.

Mr. DAWSON. That's why the documents are important.

Mr. WAXMAN. Right. But they tend to corroborate the fact that it's foreign money, and they may corroborate, but it may not be sufficient for a burden beyond a reasonable—beyond a reasonable doubt, to convict an individual whose reputation, as far as we know, has never been besmirched——

Mr. DAWSON. Right.

Mr. WAXMAN [continuing]. Or denied.

Mr. BURTON. The gentleman's time has expired.

Mr. WAXMAN. Thank you.

Mr. BURTON. I'm going to yield to counsel and just take a minute of his time. The gentleman from California indicated that FBI agents had talked to Mr. Intriago. He must know something we don't because the information we have is that Mr. Intriago has not been investigated or contacted by FBI agents in any way, and that's one of the reasons why I felt that it was extremely important, before the statute ran and before this gentleman was sentenced, that there be a full investigation of Mr. Intriago to see if this was a pattern of bringing in illegal foreign contributions to try to influence maybe some of our policies with an elected official.

I yield to the counsel.

Mr. WAXMAN. Would you yield to me just on that point about Mr. Intriago being questioned by——

Mr. BURTON. Well, we only have 10 minutes here, and the counsel has it. Briefly, go ahead.

Mr. WAXMAN. Well, I just want you to know the reason we know that he was interviewed by the FBI is because Mr. Intriago's lawyer answered the question we asked of him, and he said, well, that they had been questioned by the FBI; that the Justice Department sent them over to pursue this issue. That's how we know about it.

Mr. BURTON. We'll double-check that.

Mr. WILSON. Mr. Preiss and Mr. Dawson, hello, again.

One of the things that's come up recently is whether the Department of Justice has or has not moved forward with any investigation of conduit contributions here, and I wanted to ask a couple of very brief questions on that.

Mr. Dawson, is it correct——

Mr. BURTON. Let me interrupt briefly. I've just been informed by counsel that the FBI interviewed him regarding some possible customs offenses, but that had nothing to do with the question at hand, and that Mr. Intriago and the question of the illegal campaign contributions has taken the fifth amendment, hasn't talked to the FBI about that.

Go ahead, counsel.

Mr. WILSON. If we could just put up exhibit VEN–6, which is a copy of a check from Maria Castro to the Maryland Victory Fund. Is it correct to say—I'll give you a moment to look at that. Is it correct to say that, prior to this here, you had not seen a copy of this check, Mr. Dawson?

[NOTE.—Exhibit VEN–6 may be found on p. 22.]

Mr. DAWSON. We had not seen a copy of the check until you've just flashed it on the screen.

Mr. WILSON. Did you at any time ask the Department of Justice to subpoena this, the bank records of Ms. Castro, to see whether there were reimbursements or whether the checks were cashed——

Mr. DAWSON. We had subpoenaed the bank records of Ms. Castro and got account statements and specific checks that we had requested. Because we didn't have—well, because we didn't have a copy of the check in the Dominican Republic, obviously, we didn't know what check number to ask for. There came a time when we suggested to representatives of the Department of Justice that they should get a copy of this check. We also suggested that they should get better copies of all the checks.

Mr. WILSON. Do you know whether they did obtain copies of the checks?

Mr. PREISS. No. We just know that we gave them the original microfiche copies of the ones that we got directly from the bank, and those were three.

Mr. WILSON. Right. Well, that's——

Mr. PREISS. That was on the September 4th letter that I think I testified about earlier.

Mr. WILSON. That's something we can followup on and find whether they did or did not at any point request those checks.

Staying on the subject of Maria Castro, have either of you ever spoken with Maria Castro?

Mr. PREISS. I have not.

Mr. WILSON. Mr. Dawson?

Mr. DAWSON. No, I have not.

Mr. WILSON. Do you know whether anybody from the Department of Justice has ever talked to Maria Castro?

Mr. DAWSON. Defense counsel at sentencing suggested that other members of the Castro family had been contacted who were not defendants in our case. I took that to mean that someone had talked to Maria.

Mr. WILSON. It's my understanding from information provided to other staff yesterday on both the majority and minority side that Ms. Castro was spoken with last week, after the notice of our hearing came out, and my assumption is you would have no information as to whether that's correct or incorrect——

Mr. DAWSON. Absolutely not.

Mr. PREISS. We have no information about that.

Mr. WILSON. Just going back over a couple of points from your opening statements, you both indicated that Federal prosecutors in Miami were involved in this case, and that later Department of Justice lawyers in Washington were involved in the case. And, Mr. Preiss, in your opening statement you made the following point, and I quote, and this is in reference to an Assistant U.S. Attorney in Florida:

> He thought the case deserved a thorough investigation and his office intended to give the case a close look, and he was confident that the investigation into the alleged political contributions could be completed by the date upon which we theorized that the statute of limitations might run.

And then later on you said that you were told that the Office of Public Integrity of the U.S. Department of Justice had removed the political contributions case from the southern district of Florida to the Department of Justice in Washington, DC.

Mr. PREISS. Right.

Mr. WILSON. What was meant by that?

Mr. PREISS. Well, first of all, you just read where I talked about the second AUSA. I'm talking about Mr. Udolf. That's what he told me.

When you say, what was meant by the case being transferred to the Department of Justice, I can only tell you what I was told by the defense attorney who represented Jorge Castro, and by, I think it was, Mr. Gregorie who I called in the southern district of Florida to confirm that the case had, in fact, been transferred to Washington. And what I was told was that—by the way, the defense attorney that I'm talking about was not the defense attorney that was sitting here with Mr. Castro today; it was somebody else. It was his trial defense attorney at the time.

I was told that the case was removed from the U.S. Attorney's office in the southern district of Florida because it involved campaign—it was an investigation involving political contributions, and that, therefore, it was being sent to Washington. No other explanation was given to me, and I didn't ask for any additional explanation.

Mr. WILSON. You also indicated that, once the case was taken away from Florida and taken over by the Department in Washington, that nothing was being done. Can you provide——

Mr. PREISS. Sure. What I was—actually, what I said was that the defense attorney called me on the phone in late June/early July

and said, basically, "Listen, nothing's being done, and my client's going to face the sentencing judge without any cooperation to show that judge, and, gee, what's going on here? What's going on?"

So I called and I found out that the case had been transferred, and then, as I stated earlier, I then called the Public Integrity Section, the Chief of the Public Integrity Section's office, Mr. Radek, and then eventually someone called me back, at my request, who was assigned to the matter, and that was Mr. Ainsworth. And Mr. Ainsworth came to New York on July 23, 1997, and it was Mr. Ainsworth who called me on September 4, and asked me if I could send him copies of some banking documents. I think you have the letter, the committee has the letter. And Mr. Ainsworth—so I had probably several conversations with Mr. Ainsworth in terms of setting up the logistics before the July 23rd meeting, where he came up to New York. I invited him up. And then we talked on the 23rd. And the next time I spoke to him, I believe, was on September 4th, when he called asking for the documents that tended to corroborate the testimony, and that was the last time I spoke to him.

Mr. WILSON. Just one last question, and I'll address this to you, Mr. Dawson. Did you at any time have great enough concerns or serious enough concerns that you discussed or contemplated trying to take the case back and have your own office do something with the conduit contributions case?

Mr. DAWSON. Yes, we had conversations about it.

Mr. WILSON. Thank you very much.

Mr. DAWSON. Thank you.

Mr. BURTON. Let me followup on that. When you had the conversations about it, were those conversations involving Mr. Intriago?

Mr. DAWSON. Well, I'm reluctant to answer the question only because it involves questions between—I mean conversations between Assistant District Attorneys in our office, and the question whether to basically take back a matter that had already been referred is sort of a touchy area——

Mr. BURTON. Well, let me put it——

Mr. DAWSON [continuing]. And I really don't want to go in——

Mr. BURTON. Let me put it another way. Mr. Intriago was one of your concerns when you referred it to the Federal authorities, right?

Mr. DAWSON. The entire matter, sure.

Mr. PREISS. Sure.

Mr. DAWSON. Including him.

Mr. BURTON. The gentleman yields back his time. Do you have any more comments? You have 5 minutes left.

Mr. WAXMAN. I'll reserve my time.

Mr. BURTON. Well, I want you to use your time——

Mr. BARRETT. Very briefly, if I could——

Mr. BURTON [continuing]. If you want to; if not——

Mr. BARRETT. Very briefly, if I may——

Mr. WAXMAN. Mr. Chairman——

Mr. BURTON. You had 5 minutes on your side. One of you has used 5 minutes; you have 5 minutes left.

Mr. WAXMAN. And I want to reserve my time, just as your counsel was permitted to reserve his time. Are we finished with the hearing?

Mr. BURTON. We're going to end the hearing now, so we can go vote, right.

Mr. WAXMAN. Oh, OK.

Mr. BURTON. So if you have comments, we'd like to do——

Mr. WAXMAN. Let me take my time and yield to Mr. Barrett.

Mr. BARRETT. Thirty seconds, if I could. I'm looking at the letter dated—it's stamped "October 17, 1997," from Lee Radek, Chief, to Mr. Preiss, and in it he states, "Based upon an interview"—oh, "Mr. Barredo answered all questions put to him and otherwise cooperated with the agents throughout a lengthy interview."

My only question is, was this letter presented to the sentencing judge?

Mr. DAWSON. Yes, I presented it at sentencing.

Mr. PREISS. Mr. Dawson actually spoke at sentencing.

Mr. DAWSON. I read it into the record at sentencing.

Mr. BARRETT. Thank you.

Mr. BURTON. Are you finished?

Mr. WAXMAN. No, no. I'm just asking my counsel for clarification.

OK, I just want to say, for the record, Mr. Chairman, that it's our understanding that the Department of Justice has sent the FBI to ask Mr. Intriago and an aide of his about this very issue. They may have pursued other issues, but that's my understanding. And they also have interviewed members of the Castro family about this whole question. I think that's important to know, and it's important to hear from the Justice Department more officially, if this—if this whole hearing today was to try to accuse the Justice Department of improprieties, I don't think it's anything other than an unsubstantiated charge to that effect, and the best way to get clarification of it would have been to have the Justice Department here.

I want to just also, since it's my time, read again what you said last night about what we should expect from this hearing, because I didn't know what we were going to get from this hearing today. But you said, "Tomorrow we're going to have a hearing. We're bringing in a fellow who laundered $50,000 from Venezuela." And I assume it isn't either of you. It would have been Mr. Castro earlier. "We think part of it might have been drug money." Evidently, that's a statement for which there's no evidence. "Mr. Morgenthau the District Attorney in New York, a Democrat, referred some of the information to us. We finally got this fellow in a safe prison so he wouldn't be stabbed or hurt when he testified."

And then I didn't read, but I should for all fair purposes—complete that part which is relevant to this hearing. "We're also going to have two of Mr. Morgenthau's prosecutors before the committee, and I think you're going to see a lot of evidence come out."

Well, that's what we were promised on the Larry King Show last night about this hearing, and I have to say, about this hearing, that I don't know really what to make of it. Now I'm going to have my staff double-check to make sure my information is accurate, because I don't want to make any statement that's inaccurate. I don't want to give innuendo and accusations and uncorroborated state-

ments, because I don't think that would be fair to anybody involved. So I will check that out, but it was my understanding—we should get it from the Justice Department—that the Castros and Mr. Intriago have been interviewed on this question.

Mr. Chairman, I want to yield, since I still have time, to Mr. Barrett.

Mr. BARRETT. And I want to thank both of you for being here, and thank you for the job that you're doing.

But, again, I have to comment on this committee, because I think that you have raised some questions that deserve to be answered. But I believe that if this committee was interested in fairness, this committee would have invited the Justice Department to be here today. I just—I don't understand how you can have a person set the plates; you put the food on the table, and then you don't have the guests arrive—because the Justice Department is the person or is the Department that's under attack here. And so what we do is we throw these innuendos out, and it would make all the sense in the world to an impartial observer to let's have the Justice Department come in. I, frankly, thought, when you said the Justice Department would be—we'd hear from, I thought we'd hear from them today. There's no reason to sort of let this hang on, other than just let's just throw this out in the air and see what happens.

So I'm disappointed. I think that we deserve to know the answer, and I think if we are interested in justice and fairness to all parties, we would have done it all in the same day.

And my question, too, Mr. Chairman, is, do we have a time certain when we're going to hear, when we're going to be able to hear the testimony from the Justice Department?

Mr. BURTON. I'll answer on my time.

Mr. WAXMAN. I'll yield to the chairman to answer.

Mr. BURTON. No, I'll answer on my time.

Mr. WAXMAN. I'll yield back my time, so you can reply back on your time.

Mr. BURTON. The gentleman yields back the balance of his time.

As I said earlier in the hearing, we will have the Justice Department up here. It's now 4 o'clock, and we didn't want to run this thing on into the late night hours, but we will have the Justice Department up here and we will ask them the questions that were raised today.

Now let me just also say that you, gentlemen, continue week after week, when we have the hearings, to try to pooh-pooh the importance of the hearings, and I understand that's your job. Your job is to obfuscate and obstruct and do everything you can to keep us from getting at the facts. We will not be deterred.

Now let me just say one other thing. Mr. Waxman has made a representation that is simply not accurate. He said that he sees no evidence of an investigation of foreign money involving Republicans. Just this week, counsel for the minority requested of chief counsel for the majority that there be an interview of the wife of a Republican candidate for the U.S. Senate, Matt Fong of California. We agreed to that interview. This is in connection with Ms. Fong's work with the National Policy Forum, which has Republican affiliations. Our entire investigation involving Ted Sioeng and the

foreign money he gave to campaigns is exploring both Democrat and Republican contributions.

Furthermore, Mr. Waxman last week opposed immunity for one of Mr. Sioeng's closest associates, Kent La. As Mr. Waxman knows, Kent La is involved with marketing Red Pagoda Mountain cigarettes in the United States and China, which ought to be of interest to you.

Let me further say that I just talked to my chief counsel a moment ago, and he told me that if you have information that the FBI has talked to Mr. Intriago about this case, then it's something that has happened in the last 10 days; 10 days ago he talked to them, and they said they had not interviewed him in any way about this. So that must be new information.

I want to thank our witnesses for being here today. I know it's been a long day. We believe you have contributed, and we appreciate very much your time and effort. And I sure would like to have a couple more answers I don't think you're going to give us about when you considered taking this case back, but maybe we will find out about that at some later date.

This meeting stands adjourned.

[Whereupon, at 4:03 p.m., the committee adjourned subject to the call of the Chair.]