

Carib News Co-Founder in Hot Water over Misleading Travel Disclosures to Congressional Committee

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Corporations, trade associations and other private organizations considering sponsorship of congressional fact-finding travel, take note: Travel certification forms and related materials must be reviewed with great care before submission to the congressional ethics committees during the pre-approval process. A felony false-statement charge filed recently by the United States Department of Justice (DOJ) against an official of a private organization in connection with sponsorship of congressional travel dramatically underscores the potential consequences for travel sponsors who knowingly submit false or misleading documents or information to the congressional ethics committees.

On February 11, 2011, prosecutors with DOJ's Public Integrity Section filed a "criminal information" in U.S. District Court for the District of Columbia charging Karl Rodney, co-founder of Carib News, Inc., and the Carib News Foundation, with one count of making a false statement to the House Ethics Committee in seeking approval for a privately funded trip to the "Carib News Foundation Multi-National Business Conference" in Antigua and Barbuda in November 2007. The information charges Mr. Rodney with violating Title 18 U.S. Code § 1001 for failing to "identify [in the travel certification form submitted to the Committee] all the sponsors of the trip" and for failing "to disclose [in the certification form] all the sources that had earmarked funds and other support to finance aspects of the trip." The charge against Mr. Rodney carries a potential penalty of up to five years' imprisonment. According to additional court documents, a "Plea Agreement Hearing" for Mr. Rodney is scheduled for March 10,

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2011, before District Court Judge Emmet G. Sullivan.

Travel by House Members to the November 2007 Carib News Foundation conference and to the Foundation's conference in St. Maarten in November 2008 was the subject of investigation by the Office of Congressional Ethics (the OCE) and by an Investigative Subcommittee of the House Ethics Committee. In February 2010, the Ethics Committee adopted and issued the Investigative Subcommittee's report, including the finding that five Members under investigation—Representatives Yvette Clarke (D-NY), Carolyn Cheeks Kilpatrick (D-MI), Donald Payne (D-NJ), Bennie Thompson (D-MS) and Delegate Donna Christensen—did not knowingly violate any law or House rule or regulation in connection with acceptance of payment or reimbursement for travel to either or both of the Carib News Foundation conferences. By contrast, the Committee found that Representative Charles B. Rangel (D-NY) violated the House gift rule by accepting payment or reimbursement for travel to both the 2007 and the 2008 conferences; the Committee required Representative Rangel to repay the costs of the trips.

As to Karl Rodney's conduct, the Committee found that he "submitted false or misleading information to the Committee during its pre-travel review of the 2007 and 2008 conferences and again when providing sworn testimony to the Investigative Subcommittee." Specifically regarding the information submitted about trip sponsors, the Committee found that Mr. Rodney, either directly or through others at the Carib News Foundation, knowingly submitted false information in stating to the Committee that the Foundation was the sole sponsor of the trips when, in fact, other entities had earmarked money or in-kind donations to the Foundation to support the conferences (or travel to the conferences) and, therefore, should have been disclosed as sponsors. The Committee unanimously voted to refer the conduct of Mr. Rodney—and of two other Carib News and Carib News Foundation officers and employees—to DOJ for further action.

It is clear from the House Ethics Committee's report in the Carib News matter that any entity or individual "earmarking" funds or in-kind donations to another organization in connection with a congressional trip also will be considered a sponsor of that trip and, therefore, must be disclosed as such to the Committee during the travel approval process. However, it is not clear exactly what other conduct, short of such specific "earmarking," will be viewed by the Committee as travel sponsorship requiring disclosure to the Committee. For example, would donations by an individual or entity in response to a nonprofit's solicitation to fund *all* of its listed activities—including, but not limited to, sponsorship of unspecified future congressional travel opportunities—rise to the level of "sponsorship" requiring disclosure to the Committee in connection with any specific trips sponsored by the nonprofit? To clarify such issues, among others, the Committee established a two-member "Travel Working Group" in January 2010. The activities of this Working Group are apparently ongoing in the current Congress; to date, however, the Committee does not appear to have issued travel guidance based on any findings of the Working Group.

The fact that DOJ charged Karl Rodney through a criminal information, rather than through obtaining a grand jury indictment, together with the fact that a "Plea Agreement Hearing" is scheduled in the matter, suggests that Mr. Rodney may be cooperating in a broader DOJ investigation into the Carib News/Carib News Foundation trips. Regardless of whether further criminal charges are forthcoming against others, however, the Rodney case makes one thing certain: Congressional travel forms and information are parsed carefully by the

ethics committees, so sponsoring organizations must take equal care to ensure that the forms and information submitted to the committees are complete and accurate. If in doubt, find out-consult your counsel with any questions about the congressional travel approval process.