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Abramoff, Jack (1959–)

Political lobbyist, whose connections to high-ranking politicians led to the so-called Abramoff scandal in 2005 and 2006, leading to numerous congressional investigations and several resignations, including that of Rep. Bob Ney (R-Ohio). Abramoff himself would go to prison not for his lobbying activities but felonies in relation to fraud involving a casino. Abramoff was born in Atlantic City, New Jersey, on 28 February 1959; his father, Franklin, was the president of the franchises unit of Diners Club, a credit card charging company founded in 1950. In 1968, the Abramoffs moved to Beverley Hills, California, where Jack Abramoff attended local schools, after which he went to Brandeis University near Boston, Massachusetts. Abramoff grew up with politics: his father had been a close friend of Alfred Bloomingdale, one of the chief fundraisers for Ronald Reagan, governor of California (1967–75) and president of the United States (1981–89). A conservative Republican, Abramoff served while at Brandeis as the chairman of the Massachusetts Alliance of College Republicans. He graduated from Brandeis in 1981, then attended the Georgetown University Law Center in Washington, D.C., from which he earned a law degree in 1986.

Following his graduation from Brandeis, Abramoff was elected as the chairman of the College Republican National Committee (CRNC), the main organizing group for college Republicans. During his tenure, which lasted until 1988, Abramoff made the group more conservative and more confrontational against Democrats. As part of the coterie of advisors around him, he recruited men who would become staples in the hierarchy of the conservative movement in the 1980s and 1990s, including Grover Norquist and Ralph Reed. This triumvirate linked chapters of the College Republicans nationwide, and helped to win votes for Reagan's re-election as president in 1984. Two years later, Reagan rewarded Abramoff, a Jew,

with a seat on the United States Holocaust Memorial Council. In 1988, Abramoff left the CRNC to pursue private ventures in California, including producing a low-budget anti-Communist film called *Red Scorpion*.

In December 1994, after years of a Hollywood career that never seemed to catch fire, Abramoff moved into a completely different field: lobbying. He was hired as a lobbyist at Preston Gates Ellis & Rouvelas Meeds LLP, which did lobbying for the large international law firm of Preston Gates & Ellis, headquartered in Seattle, Washington. The firm and its lobbying arm, which leaned left politically, responded to the takeover the previous month of both houses of the U.S. Congress by the Republicans for the first time in 50 years by hiring a knowledgeable and politically connected individual. At the same time, using his connections inside and outside of government, Abramoff began to represent Indian tribes that desired to open their lands to gambling and needed someone to gain political advantage for them in Washington, D.C. When the House of Representatives considered a bill to tax Indian gaming, introduced by Republican Reps. Bill Archer (Texas) and Ernest Istook (Oklahoma), Abramoff called on Rep. Tom DeLay (R-Texas), the Majority Whip, to oppose the bill. The ties between Abramoff and DeLay ran deep, with the two men knowing each other for many years. It was through DeLay's work that the Archer- Istook bill was defeated.

What then started was the move to make Jack Abramoff into one of Washington's most influential lobbyists, and, in the process, Abramoff's fall was as rapid as his rise. Reporters Susan Schmidt and James V. Grimaldi, covering the burgeoning scandal for *The Washington Post*, explained in December 2005, "A reconstruction of the lobbyist's rise and fall shows that he was an ingenious dealmaker who hatched interlocking schemes that exploited the machinery of government and trampled the norms of doing business in Washington—sometimes for clients but more often to serve his desire for wealth and influence." His father



Jack Abramoff, pictured in 2011. Photo by Madeleine Ball, via Wikimedia Commons.

Frank had once explored the potential of opening a casino in the Northern Mariana Islands, a U.S. territory that includes the island of Saipan. Now, with Abramoff a top lobbyist, the government of the Commonwealth of the Northern Mariana Islands (CNMI) hired his firm to get them that casino; in the years between 1995 and 2001, the CNMI paid Abramoff some \$67 million to be their representative in Washington. To gain congressional support, he flew DeLay and fellow Reps. James E. Clyburn (D-South Carolina) and Bennie Thompson (D-Mississippi) to the Marianas. Abramoff also represented the Pakistani military in 1995 when then-Prime Minister Benazir Bhutto wanted to have some \$600 million in Pakistani funds returned that Pakistan had paid for 28 F-16 fighter planes that had never been delivered. In 1995, Bhutto met with then-President Bill Clinton to get the issue resolved.

In 2001, using the assistance of Grover Norquist, who was one of the nation's top experts on tax policy, Abramoff got close to several persons slated to be in control of the Department of the Interior in the new administration of President George W. Bush; among them were J. Steven Griles, the deputy Secretary of the Interior, as well as Roger Stillwell, who ran the department covering the affairs of the Marianas islands in the Interior Department. At the same time, he cultivated a team of former and current aides to high-ranking congressional leaders, most notably DeLay, Senator Conrad Burns (R-Montana), Senator Harry Reid (D-Nevada), and Rep. Bob Ney (R-Ohio). On 8 January 2001, Abramoff resigned from Preston Gates to join the law firm of Greenberg Traurig as their lobbyist. Abramoff spent most of his time trying to win casino rights for Native American tribes. The financial numbers from the half dozen or so tribes that were

paid to Abramoff is staggering: for instance, the Choc-taws alone paid Abramoff some \$80 million between 2000 and 2003. At the same time, Abramoff steered one his close friends, Michael Scanlon, into signing public relations contracts with these same tribes for additional millions of dollars. Abramoff and Scanlon also founded the nonprofit American International Center in Rehoboth Beach, Delaware, where they received millions of dollars from foreign clients that they normally would have had to report as part of lobbying laws. Among the nations involved in the AIC were Malaysia and the Sudan, the latter in the midst of a bloody war against Christians in the Darfur region of that country.

By early 2003, Abramoff's investments in a religious academy, restaurants, and other ventures had drained him of the tens of millions he had received. He looked for more revenues, luring away tribal entities from other lobbyists and charging them \$150,000 a month or more for his services. Some of these rival lobbyists—including some Republicans—began to investigate Abramoff, with one reporting his suspicions to *The Washington Post*, in late 2003. Early the following year, the paper reported on Abramoff's vast lobbying effort for Indian tribes; as well, it uncovered Scanlon's dealings with the same tribes. In all, just four tribes that were clients of Greenberg Traurig had paid \$45 million to Scanlon alone. The law firm launched an investigation and ultimately fired Abramoff. The Senate Committee on Indian Affairs opened its own investigation.

While the Washington, D.C. investigation moved forward, Abramoff's troubles continued. In 2000, he and a friend from the College Republicans, Adam Kidan, had purchased a number of casino boats in Florida for \$147 million as part of the SunCruz casino group. Just four years later, the banks and other financial institutions that had lent Abramoff and Kidan \$60 million were suing him for the return of their money, accusing the two of faking a wire transfer for \$23 million that was an initial payment. A federal grand jury in Florida was started to look into the wire transfer, as well as the murder of the man who initially sold the casinos to Abramoff and Kidan, Konstantinos Boulis.

In the months that followed, the media latched onto the "Abramoff Scandal" as it had with previous

scandals in the nation's capital. Scanlon and Kidan pled guilty to wire fraud and agreed to testify against Abramoff; three mafia figures were arrested for the murder of Konstantinos Boulis, the casino dealer, and found to have ties with Kidan. The head of the Office of Federal Procurement Policy in the Office of Management and Budget (OMB), David H. Safavian, was indicted in October 2005 on charges of lying to federal investigators over his ties to Abramoff when they asked about Abramoff's purchase of two properties that were owned by the General Services Administration (GSA); in June 2006 Safavian was found guilty by a federal jury in Washington, D.C.

On 3 January 2006, Abramoff pled guilty in Washington, D.C., to charges of conspiracy, mail fraud, and tax evasion in exchange for having the charge of wire fraud dropped. He then was flown to Miami, Florida, where on 4 January he pled guilty to conspiracy and fraud in the SunCruz casino case. On 29 March 2006, Abramoff was sentenced to five years and 10 months in prison, and fined \$21 million. He was allowed to remain out of prison until 15 November 2006, during which time he testified in the SunCruz casino trial and, as part of his plea bargain, to assist prosecutors in the lobbying fraud. He then began serving his prison sentence at the Federal Correctional Institution at Cumberland, Maryland.

The Abramoff scandal was one of the biggest news stories of 2006 in the American media, perhaps second in coverage only to the war in Iraq. Even though many Democrats took financial contributions from Abramoff and his cronies for influence—among them Senators Harry Reid of Nevada and Byron Dorgan of North Dakota—the media portrayed the scandal as one involving Republicans only. It contributed to the defeat of the Republican majority in the House and Senate in November 2006. Just after the election, Rep. Bob Ney, Republican of Ohio, pled guilty to accepting political contributions in exchange for doing official favors for Abramoff. William Heaton, the former chief of staff for Ney in the House, pled guilty to conspiracy for accepting gifts, including a golf trip to Scotland, in exchange for helping Abramoff's clients get access to Ney.

Abramoff was released from prison in 2010, but he did not disappear from public view. He positioned

himself as a political reformer and spoke out against the kind of corruption for which he was found guilty. In early 2017, he was engaged in talks with Denis Sassou Nguesso, the president of Congo, in an effort to combat terrorism in Africa, in particular to bring down the terrorist group Boko Haram. To that end he tried to solicit U.S. backing through the agency of U.S. representative Dana Rohrabacher, a California Republican.

On June 25, 2020, Abramoff and CEO Roland Marcus Andrade, the founder of ALM Bitcoin, were charged in San Francisco federal court with fraud related to a \$5 million cryptocurrency deal. Abramoff negotiated a plea of guilty on charges of conspiracy and for violation of the Lobbying Disclosure Act in relation to the AML BitCoin case, an offering of cryptocurrency. Abramoff faced up to five years in prison for each count.

See also: Ney, Robert William.

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ABSCAM

Major political scandal of the 1970s, involving charges of bribe taking that drove several congressmen and a U.S. senator to resign from office. It all began with an investigation into allegations that organized crime fig-

ures were selling stolen securities and art objects. The investigation was directed by Neil J. Welch, head of the Federal Bureau of Investigation (FBI) office in New York, and Thomas P. Puccio, head of the Department of Justice’s New York eastern district organized crime task force, and cleared with the approval of Attorney General Benjamin Civiletti.

The operation grew when agents of the FBI disguised themselves as Arab sheikhs and offered bribes to numerous congressmen and senators in exchange for allegedly getting the sheikhs easy entry into the United States to purchase casinos. Setting themselves up under the phony corporation name of “Abdul Enterprises, Ltd.,” the FBI agents asked to see the congressmen and senators from Pennsylvania, New Jersey, and Florida, where such casinos would be built and operated. Representative Raymond Lederer (D-PA), became interested in helping the “sheikhs” and volunteered his services in exchange for a hefty bribe. All of those ensnared were Democrats save for one, Representative Richard Kelly (R-FL). All were congressmen save one, Senator Harrison Williams (D-NJ).

All of the men implicated were rising stars or major figures in their respective parties. Michael Myers (D-PA) was in his second term when he became involved in ABSCAM. Born in Philadelphia, he had served in the Pennsylvania state House of Representatives before going to the U.S. House in November 1976 to fill a vacancy caused by the death of Representative William A. Barrett. John M. Murphy (D-NY) had served with honor as an intelligence officer in Korea during the Korean War, winning the Distinguished Service Cross and Bronze Star with V and Oak Leaf Cluster, after which he was in private business before being elected to the U.S. House of Representatives in 1962. Representative John W. Jenrette Jr. (D-SC) had been a city attorney and judge in North Myrtle Beach, South Carolina, and was a member for many years of the South Carolina state house of representatives. Raymond Lederer had been a probation officer in the Philadelphia Probation Department and member of the Pennsylvania state House of Representatives before his election to the U.S. House of Representatives in 1976. Frank Thompson Jr. (D-NJ) was a decorated war hero during World War II, and was a member of the New Jersey state assembly before his election to the

U.S. House of Representatives in 1954— among the ABSCAM members, he was the longest serving. Richard Kelly, the sole Republican implicated in the scandal, had served as the senior assistant U.S. attorney for the southern district of Florida (1956–1959) and as a circuit judge for the sixth judicial circuit of Florida (1960–1974) prior to his election to the U.S. House of Representatives in 1974. Harrison Williams, the only U.S. senator involved, had served in World War II in the U.S. Naval Reserve, and had been a successful attorney in New Hampshire and New Jersey before he was elected to the U.S. House of Representatives in

1952 to fill a vacancy caused by the resignation of Representative Clifford Case, and in 1958 was elected to the first of four terms in the U.S. Senate.

The “scam” began in 1978, when the FBI established a front. Using a New York contractor, Richard Muffaletto, who was given \$6 million to create a phony business, the Olympic Construction Company, it was alleged that phony sheikhs from the Middle East were trying to gain asylum in the United States and at the same time gain a business foothold in the country. One phony sheikh, convicted con man Mel Weinberg, approached Murphy, chairman of the House Merchant



U.S. Representative Michael Myers, second from left, is caught on tape holding an envelope containing \$50,000 that he just received from undercover FBI agents, 1979. Photo via Wikimedia Commons. [Public domain.]