

1 1988 campaign.

2 For that campaign, I take it that he did raise  
3 and contribute money to you?

4 A He did.

5 He was one of some 20 or 30 people who served on  
6 the executive finance committee, which these individuals had  
7 agreed to raise \$50- to \$100,000.

8 Mr. Keating volunteered to raise \$100,000 for our  
9 committee.

10 We accepted that.

11 We had other volunteers--home builders, bankers  
12 who also had agreed to do that, farmers; some raised more  
13 than \$100,000.

14 Mr. Keating did not raise that much, although he  
15 had offered to do so.

16 Q Do you recall how much he raised for the 1988  
17 campaign?

18 A I do. He raised \$48,000.

19 Q And were these contributions properly reported?

20 A They were.

21 And I think it is important that that money did  
22 not come from Mr. Keating.

23 It came from people that he solicited money--some  
24 from his family, some from employees, and some from friends  
25 that he was able to get contributions from.

1 Q I take it that some of the contributions did come  
2 from Mr. Keating, though?

3 A Mr. Keating and Mrs. Keating made a maximum  
4 contribution--I have checked since all of this started--of  
5 \$4000, \$2000 each; \$1000 to the primary, and \$1000 to the  
6 general election for 1988.

7 Q And did they also make a contribution in 1988 to  
8 your PAC?

9 A And \$1000 to the Political Action Committee that  
10 I had formed in an effort to help other candidates.

11 So a total of \$5000 came from the Keatings, Mr.  
12 and Mrs.

13 Q In the 1988 campaign, Senator, how much did you  
14 raise?

15 A We raised \$3.2 million.

16 Mr. Keating's contribution, I figured it out,  
17 amounted to approximately 1.6 percent of the total amount  
18 that was raised for my 1988 campaign.

19 Q Now when you say "his contribution," you mean the  
20 money that he raised, the total amount he raised?

21 A The money that he raised, the \$48,000 that he  
22 raised, was 1.6 percent of the total amount of money that  
23 was raised for my 1988 campaign.

24 Q Now you say that Mr. Keating offered to raise  
25 \$100,000, but he only raised \$48,000.

1                   Was he called on to raise the additional amount?

2           A        No, he was not.

3           Q        And why not?

4           A        We did not need the money.

5                   We were quite successful in raising money.

6                   We had had a number of people who had volunteered  
7           to raise substantial monies.

8                   We had a good network of small contributors, and  
9           we were ahead of our goal in 1988 when the campaign really  
10          got going and we did not need to raise any money.

11                   We ended with a surplus, as a matter of fact.

12          Q        Now has the money that Mr. Keating raised and  
13          contributed since been returned?

14          A        It has.

15                   Both the 1982 money and the 1988 money was  
16          returned by my wife and myself out of our personal funds.

17          Q        Why did you do that?

18          A        I did that after the Federal Government, the  
19          Justice Department and the Resolution Trust filed a billion  
20          dollar lawsuit against Mr. Keating and some of his  
21          associates, and it was a RICO lawsuit which was charging  
22          civil fraud.

23                   And I have had a policy through my entire process  
24          of elections that I do not take money when people have fraud  
25          cases filed against them, or criminal actions, or might have

1 criminal actions.

2 I have given those funds back on a number of  
3 occasions. In one case, the indictment did not come through  
4 I recall and it was a little bit embarrassing, but I had  
5 been told that the person was going to be indicted.

6 In this case it was a civil fraud suit that had  
7 been filed. Because it was my standard not to accept funds  
8 from people who had this kind of cloud over them, without  
9 judging the guilt or the innocence, I elected to return  
10 those funds at that time.

11 Q Were these funds returned before Common Cause  
12 filed its complaint in this case?

13 A Yes, they were. They were returned before Common  
14 Cause filed the complaint.

15 Q Now, Senator DeConcini, do you recall how much  
16 money Mr. Keating raised for your 1982 campaign?

17 A I believe it was \$31,000.

18 Q And was this amount of money properly reported to  
19 the FEC?

20 A It was. It was.

21 Q And I believe you said it has since been  
22 returned?

23 A It was returned during the same time and for the  
24 same reason after the Resolution Trust filed the billion  
25 dollar RICO lawsuit against Mr. Keating and some of his

1 associates.

2 Q And Senator DeConcini, again tell the committee  
3 from what funds this money was returned?

4 A This money was returned from my wife's and my  
5 personal funds.

6 Q Now you testified for the 1988 campaign that Mr.  
7 Keating was on your finance committee. Is that correct?

8 A That is correct.

9 Q And I take it that when he would raise this  
10 money, this \$48,000, that he would periodically send this  
11 money in to the campaign?

12 A He did. From what I have seen all the records  
13 now, he kept the campaign advised as to how he was raising  
14 it, and the campaign kept him advised.

15 Q When this money would come in to your campaign,  
16 were you aware of this at the time?

17 A At the time the money came to the campaign, I was  
18 not aware of it. I never knew when campaign contributions  
19 were made, and that was on purpose, that I would not have an  
20 instant replay of when campaign and checks came in to the  
21 campaign. The thank you letters were written by the  
22 campaign staff, and usually always signed by the campaign  
23 staff, signing my name to them.

24 Q What is a Maxi Form, Senator DeConcini?

25 A A Maxi Form was a form derived by my finance

1 chairman where someone agreed to give the maximum amount of  
2 contribution of \$1000, and that they could do it over  
3 several years. It also had all the information necessary  
4 for the Federal Election Commission's reporting basis. It  
5 was for our reporting purposes and the committee, on the  
6 campaign committee.

7 Q And would these Maxi Forms for the contributors  
8 from whom Senator Keating raised--Mr. Keating raised money  
9 show that Keating was the sponsor?

10 A Yes, they would.

11 Q Now did you see these Maxi Forms, Senator  
12 DeConcini?

13 A I did not.

14 Q Did you review the FEC reports showing that  
15 contributions had been made?

16 A Well I would receive those reports. In the early  
17 years of our 1988 campaign, the reports were due semi-  
18 annually. Twice a year they would be mailed to me by my  
19 finance chairman and the committee.

20 I would look at those reports, at least the first  
21 two pages or three pages, to see what the income was and how  
22 much we were spending and what the balances were.

23 I rarely went through all of the pages and looked  
24 at the contributors. On occasion, I did. I do not remember  
25 a specific time, but I do remember on occasion looking at

1 those.

2 Q Now you say that the reports were filed semi-  
3 annually. Explain that in some more detail. The reports  
4 for the first six months of a year, when would they be  
5 filed?

6 A Except on an election year, under the Federal  
7 Election laws, the reports are filed every six months on a  
8 calendar basis. So the report for the first six months of  
9 1985 would have been filed no later than the last day of  
10 July 1985 covering that six-months' period. Then the next  
11 six months would be the last day of January, 1986, and would  
12 cover the last six months of 1986.

13 On the election year, the year of my election  
14 1988, they are filed quarterly. Then so many, I think it is  
15 15 days, after the quarter ends.

16 Q So contributions that were made in July and  
17 August, for example, in a non-election year would be  
18 reported the next year at the end of January? Is that  
19 correct?

20 A That is correct. That is correct. Reported to  
21 the Federal Election Commission.

22 Q Now looking at these FEC reports, Senator  
23 DeConcini, would you be able to tell exactly what money Mr.  
24 Keating had raised for you?

25 A Unless the name "Keating" was on it, it would be

1 difficult. Although if you looked at it, Mr. Keating or  
2 American Continental had a number of corporations--I don't  
3 know all of them; I knew Lincoln was one of course, and  
4 Continental Homes was one--so if you looked at them and saw  
5 those as the employer, you could assume that that might have  
6 been Keating money.

7 But he had I believe six or eight different  
8 corporations, and I was not aware of the Keating  
9 contributions unless it said "Keating" or it said "American  
10 Continental." Then I might be aware. As I said, often I  
11 did not even look at all of the reports that were coming in.

12 Q Now for the contributions that were made to you,  
13 were thank you letters sent?

14 A Thank you letters were as a routine matter sent  
15 very promptly after the check came in to the campaign office  
16 which was located in Phoenix. Those letters were a letter  
17 that I had helped write with my campaign staff, and they  
18 signed those letters and sent them out very quickly.

19 Q So you did not personally sign these thank you  
20 letters?

21 A I did not.

22 Q Would you see copies of the thank you letters at  
23 some time, Senator DeConcini?

24 A These letters were mailed to me, to my home, with  
25 the Federal Election Commission records. In 1985 and 1986,



1 we did not have that many. On occasion in 1988 we would get  
2 just a package of the letters because of the tremendous  
3 increase in fund raising and the amount of contributions we  
4 were receiving. Just for a moment, that was \$3.2 million  
5 with a maximum of \$1000 contribution, which gives you a  
6 little idea of how many contributors you would have. We had  
7 well over 7000 contributors.

8 Q So for the years 1985 and 1986, there might be a  
9 lag of as much as six months before you would actually see a  
10 copy of a thank you letter?

11 A That is correct. And the thank you letters were  
12 for any amount--\$5, \$500, or \$1000. But the amount was not  
13 mentioned in the thank you letter.

14 Q But in any event, in those years it might be six  
15 months before you would actually see--

16 A That's correct.

17 Q --the document.

18 A That is correct.

19 Q Now to be a little more specific, Senator  
20 DeConcini, the records show that in 1985 that in July and  
21 August of that year \$26,000 was received by your campaign  
22 from Mr. Keating as a result of his fund raising efforts.

23 Were you aware at the time this money was  
24 received that it indeed had been received?

25 A I was not aware of it.

1           Q           Senator DeConcini, the records show that in 1986  
2           \$18,000 was raised by Mr. Keating in April and July, and  
3           mainly August. Were you aware at the time that this money  
4           had been received by your campaign?

5           A           I was not aware. You know, the argument can  
6           always be made, Mr. Hamilton, that you should be aware  
7           because the money is coming to your campaign, but  
8           unfortunately time-wise, distance-wise, and the fact that we  
9           were raising \$3.2 million as our objective, it was  
10          impossible to be aware of that and also conduct the Senate  
11          duties.

12                    And, quite frankly, I did not want instant  
13          awareness of campaign contributions. I had to know of  
14          course what the campaign was raising and how it was going,  
15          and I would get those briefings from my campaign staff  
16          periodically as to the total amounts, but we did not go into  
17          specifics.

18                    On occasion I would be called by my campaign  
19          finance chairman to help raise some money from some interest  
20          group or somebody who we might think that a call from me  
21          would help. That would happen on occasion. More so in 1988  
22          than any other time.

23           Q           Now just so I can tie this up. In 1987, the  
24          records show that \$5000 in contributions were raised by Mr.  
25          Keating, and that this money was received in October of

1 1987. Were you aware at the time of these contributions?

2 A I was not.

3 Q And the records show that in 1988, \$1000 was  
4 raised by Mr. Keating, and that was received in July of  
5 1988. Were you aware of this contribution at the time?

6 A No, I was not.

7 Q Now was this the last contribution that you  
8 received from Mr. Keating?

9 A I believe it was the last contribution received.  
10 There may have been a \$100 contribution received by one of  
11 his relatives, I am told, for a fund raising event that cost  
12 \$100, or \$125 or something like that, that they bought.

13 I believe that is correct because the exact  
14 amount, to my recollection now after reviewing it, is  
15 \$48,100 given, and that \$100 came from that event from some  
16 relative.

17 Q Senator DeConcini, in your years in the United  
18 States Senate, have you accepted honoraria?

19 A Mr. Hamilton, I have a standard, and this is my  
20 personal standard. I came here with it. Both as to  
21 political contributions and as to honorariums.

22 I believe that the appearance of honorariums is  
23 not a good appearance for members who are fully paid in the  
24 Congress. Now that is my personal view. And as a result of  
25 that personal view, I have never taken honorariums while I

1 am here.

2 My own standard is also that political  
3 contributions should be as isolated or as far away as  
4 possible from the duties or the responsibilities of a  
5 Senator, realizing the system we have where you have to  
6 raise so much money, and the limits that you can receive it  
7 from people it is difficult to always separate those.

8 But it has been my policy and standard to attempt  
9 to set up a finance committee, a finance chairman, and we  
10 talked about this with the finance committee and those that  
11 would raise funds, that we would not want to mix, if  
12 possible, substantive Senate business and campaign  
13 contributions.

14 Q Well sticking with honoraria for a moment, if you  
15 had accepted honoraria during your years in the Senate, how  
16 much could you have earned?

17 A I could have earned in excess of \$350,000 over  
18 the 14 years that I have been there, and I have elected on  
19 my own personal standards and basis not to receive  
20 honorariums.

21 Q Senator, you have said that you did not accept  
22 honoraria because of your personal standards and because of  
23 the appearance that it would create.

24 Let me ask you this question:

25 If other members of the United States Senate

1 accept honoraria and therefore to some degree violate or  
2 contravene the standard that you have set, do you think that  
3 they have done anything unethical?

4 A Absolutely not, Mr. Bennett, and I have expressed  
5 that both to my colleagues here on occasion who we have  
6 talked about honorariums, and pay raises, and what have you,  
7 and I feel that that is a standard I set myself as to what I  
8 felt was an appearance, and I was comfortable with it, and I  
9 feel that that is only Dennis DeConcini's standard and  
10 should not be applied to anyone else. And I have never  
11 applied it to anybody else.

12 Q I am only smiling because you called me "Mr.  
13 Bennett."

14 A Excuse me, Mr. Hamilton.

15 (Laughter.)

16 Mr. Bennett. I do not mind at all, Senator.

17 (Laughter.)

18 The Witness. My apologies, Mr. Bennett, or Mr.  
19 Hamilton.

20 (Laughter.)

21 Vice Chairman Rudman. Or both.

22 Mr. Hamilton. Just remember when you send the  
23 check, which one to send it to, please.

24 (Laughter.)

25 The Witness. Believe me, I know. I know how to

1 spell your name, Mr. Hamilton.

2 (Laughter.)

3 The Witness. And you know how to cash my checks,  
4 too.

5 (Laughter.)

6 BY MR. HAMILTON: (Resuming)

7 Q Senator DeConcini, what was your general practice  
8 in dealing with contributors who may have needed some  
9 assistance from your office?

10 A Well we never excluded contributors, or anyone.  
11 We had a policy of nondiscrimination. We would help  
12 Republican, Independents, Democrats. We would help people  
13 who did not contribute.

14 As a matter of fact, the man that I beat in 1976,  
15 former Congressman Steiger, asked for help on several  
16 occasions and I did it.

17 I know he not only did not contribute to me, he  
18 was I thought very mean and hateful during the campaign.  
19 But he had a legitimate concern, and that is the policy we  
20 use with all contributors.

21 We did have a policy with the finance chairman  
22 that we were not to give any favoritism to contributors, and  
23 in my staff, the Senate staff, we had a policy that they  
24 were not informed as to the contributions. We did not  
25 circulate contributors' lists.

1           I think Ms. Sedlmayr testified to that quite  
2           emphatically, that she did not even know how much, if any--I  
3           am sure she knew that some contributions had been received  
4           by the DeConcini campaign in '88 from Mr. Keating and his  
5           associates--until she read about it in the newspaper.

6           That was our policy. We would not shy away from  
7           assisting contributors any more than we would shy away from  
8           any other constituent who we felt had a legitimate concern  
9           about their government.

10          Q        Was there ever a time in your Senate career when  
11          some contributors suggested some linkage between your  
12          official action and a contribution?

13          A        Yes, there was.

14                 I had one very unfortunate experience, or  
15          unpleasant, I would say, where I sat down with my finance  
16          chairman and two gentlemen--I am not going to mention their  
17          names--and they offered to make the maximum contribution and  
18          to raise some funds, and in turn they wanted me to intercede  
19          with one of the agencies that regulated housing.

20                 We cut that meeting off immediately, and that is  
21          the most prominent time that that has happened.

22                 I have also, as I said, returned campaign  
23          contributions from people who have given me an envelope when  
24          you are at some event, and you find out the person has a  
25          major litigation against him, or has been told that there