

# **ATTACHMENT II**

HOUSE OF REPRESENTATIVES

111<sup>TH</sup> CONGRESS

2d Session

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

INVESTIGATIVE SUBCOMMITTEE

IN THE MATTER OF REPRESENTATIVE CHARLES B. RANGEL

STATEMENT OF ALLEGED VIOLATION

Adopted June 17, 2010

## STATEMENT OF ALLEGED VIOLATION

For each of the following alleged violations, the Investigative Subcommittee has determined there is “substantial reason to believe that a violation of the Code of Official Conduct, or of a law, rule, regulation, or other standard of conduct applicable to the performance of official duties or the discharge of official responsibilities by a Member, officer, or employee of the House of Representatives has occurred.” *See* Rule 19(f), Rules of the Committee on Standards of Official Conduct.

At all times relevant to this Statement of Alleged Violation, Representative Charles B. Rangel (“Respondent”) was a Member of the United States House of Representatives representing the Fifteenth District of New York. During the 109<sup>th</sup> Congress, Respondent was Ranking Minority Member of the House Committee on Ways and Means (“Ways and Means Committee”) and was a member of the Joint Committee on Taxation. During the 110<sup>th</sup> and 111<sup>th</sup> Congresses, Respondent was Chairman of the Ways and Means Committee. During the first session of the 110<sup>th</sup> and 111<sup>th</sup> Congresses, Respondent was Chairman of the Joint Committee on Taxation. During the second session of the 110<sup>th</sup> and 111<sup>th</sup> Congresses, Respondent was Vice-Chairman of the Joint Committee on Taxation.

## **STATEMENT OF FACTS IN SUPPORT OF ALLEGED VIOLATIONS**

### **I. SOLICITATION OF POTENTIAL DONORS TO THE CHARLES B. RANGEL CENTER FOR PUBLIC SERVICE AT THE CITY COLLEGE OF NEW YORK.**

1. In 2004, Respondent became interested in creating an institution, similar to the Clinton Presidential Center, in part, to preserve Respondent’s legacy.

2. Respondent discussed the idea with Gregory Williams, the president of City College of New York (“CCNY”).

3. In December 2004, Respondent wrote Williams and stated:

As I informed you, during our participation in the dedication of the William J. Clinton Presidential Center several colleagues encouraged me to begin to think of the creation of an institution that would preserve the work of my public life and make it available to the public, especially to students and scholars. I am receptive to this idea if it permits me to locate these aspects of my legacy in my home Harlem community at the City College. The creation of a Rangel Center at the City College of New York would permit me to continue my career long interest in the promotion of education and the motivation of young people towards careers in public service.

4. In the December 2004 letter to Williams, Respondent further stated that “I will be exploring with my Congressional colleagues how best to move this idea through the appropriations process . . . .”

5. In early 2005, fundraising efforts for the Charles B. Rangel Center at the City College of New York (“Rangel Center”) began.

6. CCNY prepared a 20-page glossy brochure for use in fundraising for the Rangel Center. That brochure includes a description of the Rangel Center Building. It described the Rangel Center Building as including a library to house and archive the Respondent’s congressional papers, an archivist/librarian, and a “well-furnished office for Congressman Rangel.”

7. The brochure estimated the cost of the archivist/librarian to be \$46,550 per year.

8. In April 2005, a memo to Respondent was prepared by Jim Capel, his district director, regarding the proposal prepared by CCNY for the Rangel Center. The memo states,

“[i]n the proposal, the last page is a request for \$30 million or \$6 million each year for the next five years. Do we need more to advance to our Appropriations process?”

9. In May 2005, Respondent sent letters to members of the Subcommittee on Transportation, Treasury and Housing and Urban Development requesting earmarks in the amount of \$6 million “to help establish a Center for Public Service at the City College of New York in my Congressional District.”

10. An earmark in the amount of approximately \$445,000 to the City College of New York for the planning, design, and construction of the Center for Public Service was included in the Transportation, Treasury, and Housing and Urban Development, the Judiciary, District of Columbia, and Independent Agencies Appropriations Act, 2006, Pub. L. No. 109-115, 119 Stat. 2397 (2006). That bill became law on November 30, 2005.

11. In May 2005, Respondent sent letters regarding the Rangel Center to individuals who served as co-trustees of the Ann S. Kheel Charitable Trust (“Kheel Trust”). Each of the letters states, “Since we are developing a relationship between the Ann Kheel Charitable Trust and the City College and City University of New York, I want to make you aware, through this letter and the enclosed proposal, of the Rangel Center for Public Service as another promising development at the City College.”

12. The May 2005 Kheel Trust letters were sent on congressional letterhead, bearing the words “Congress of the United States” and “House of Representatives.”

13. Respondent has been a trustee of the Ann S. Kheel Charitable Trust since its inception in February 2004. The Kheel Trust is a private foundation as defined by 26 U.S.C. § 509(a).

14. The trustee agreement for Kheel Trust contains a prohibition against self-dealing. Respondent signed that agreement.

15. Members of Respondent's congressional staff worked with CCNY officials to obtain the grant from the Kheel Trust for the Ann S. Kheel Scholars Program.

16. Respondent knew his staff was working with CCNY officials to obtain funds from the Kheel Trust.

17. Respondent was present at all meetings of the Kheel Trust Board of Trustees from its first meeting on February 19, 2004, through June 3, 2005.

18. At various board meetings, the trustees of the Kheel Trust discussed the CCNY proposal and the Rangel Center.

19. The Kheel Trust Board of Trustees approved a grant to CCNY to fund the Ann S. Kheel Scholars on June 3, 2005.

20. The Ann S. Kheel Scholars Program has consistently been listed under the "Charles B. Rangel Center for Public Service" section of the CCNY web site.

21. CCNY officials consistently represented to Respondent and his staff, potential donors, and the public the donation from the Kheel Trust as a grant to the Rangel Center in its fundraising for the Rangel Center.

22. In 2005, Respondent directed that his congressional staff develop a list of potential donors to the Rangel Center. This work was done on property of the House of Representatives, on official House time, and with the use of official House resources.

23. In June 2005, Respondent's staff prepared a form letter (the "June 2005 letter") to be sent under Respondent's signature to potential donors to the Rangel Center. This work was

done on property of the House of Representatives, on official House time, and with the use of official House resources.

24. In the June 2005 letter Respondent stated, "I will be exploring with my Congressional colleagues how best to move this idea through the appropriations process and am optimistic about securing funds for the planning phase of the creation of the Center. I request your advice and assistance concerning how to approach the donor community, particularly private and corporate foundations interested in education. I look forward to entering into a dialogue with you on the funding of the Rangel Center concept in the coming weeks and months."

25. The June 2005 letter was sent to over 100 foundations, including, *inter alia*, the Verizon Foundation, New York Life Foundation, The Starr Foundation, Ford Foundation, AT&T Foundation, Citi Foundation, JPMorgan Chase Foundation, Merrill Lynch & Co. Foundation, MetLife Foundation, Bristol-Meyers Squibb Foundation, Goldman Sachs Foundation, and Wachovia Foundation.

26. The June 2005 letter was sent to several foundations that serve as the philanthropic arm of related corporations, including, *inter alia*, Verizon Communications, Inc. and New York Life Insurance Company.

27. Respondent personally signed each of the June 2005 letters.

28. The June 2005 letters were written on congressional letterhead bearing the words "United States Congress" and "House of Representatives." Enclosed with each of the letters was a 20-page glossy brochure that requested a gift of "\$30,000,000 or \$6,000,000/year for five years."

29. The June 2005 letters, with enclosed brochures, were sent through the United States mail using Respondent's frank.

30. In June 2005, the Ford Foundation expressed to Respondent its interest in learning more about the Rangel Center.

31. In August 2005, Respondent sent a letter to Roger Bahnik of The Bahnik Foundation regarding the Rangel Center (the "Bahnik letter").

32. The Bahnik letter was written on congressional letterhead. The letter stated, "[w]hile I am disappointed that you will not be able to fund the Charles B. Rangel Center for Public Service, I thank you for consideration of my request."

33. In August 2005, Respondent sent another round of letters (the "August 2005 letters") to foundations, which were similar in content to the June 2005 letters.

34. The August 2005 letters were written on congressional letterhead bearing the words "United States Congress" and "House of Representatives." Enclosed with each letter was a "presentation."

35. In September 2005, Respondent sent a letter to Senator Robert Byrd seeking an earmark in the amount of \$3 million in order "to launch the Charles B. Rangel Center at the City College of the City University of New York."

36. In September 2005, Respondent sent a letter to Donald Trump (the "Trump letter") requesting a meeting to discuss the Rangel Center.

37. The Trump letter was sent on congressional letterhead bearing a substantial portion of the Great Seal of the United States and the words "House of Representatives."



38. In September 2005, Respondent sent letters to the Carnegie Corporation of New York and the Andrew W. Mellon Foundation (the "September 2005 letters"), which were similar in content to the June 2005 letters.

39. The September 2005 letters were sent on congressional letterhead bearing a substantial portion of the Great Seal of the United States and the words "House of Representatives." Enclosed with each letter was a "presentation."

40. In September 2005, a meeting occurred between Respondent, representatives of the Ford Foundation, and CCNY officials.

41. In December 2005, CCNY submitted a proposal to the Ford Foundation (the "December 2005 Ford Foundation proposal") regarding a potential contribution to the Rangel Center.

42. The December 2005 Ford Foundation proposal stated that "City College anticipates that the United States Congress will support this initiative with a seed grant."

43. The Ford Foundation tentatively scheduled a luncheon for other foundations regarding the Rangel Center for May 5, 2006.

44. In March 2006, the Ford Foundation postponed the luncheon due to concerns about the lack of funding, including congressional appropriations, for the Rangel Center.

45. In March 2006, Respondent sent letters to members of the Subcommittee on Transportation, Treasury and Housing and Urban Development requesting earmarks in the amount of \$6 million "to help establish a Center for Public Service at the City College of New York in my Congressional District."

46. In March 2006, Respondent sent letters to members of the Subcommittee on Labor, Health and Human Services, and Education requesting earmarks in the amount of \$6

million to “help establish a Center for Public Service at the City College of New York in my Congressional District.”

47. In March 2006, Respondent sent letters to members of the Senate seeking support for an earmark in the amount of \$6 million “to help establish a Center for Public Service at the City College of New York in my Congressional District.”

48. In early 2006, Respondent suggested that CCNY officials contact AIG regarding the Rangel Center.

49. In July 2006, Respondent sent another letter (the “July 2006 letters”) to approximately 47 of the foundations he previously solicited, including the Ford Foundation.

50. The July 2006 letters were prepared by Respondent’s staff. This work was done on property of the House of Representatives, on official House time, and with the use of official House resources.

51. The July 2006 letters were also written on congressional letterhead bearing the words “United States Congress” and “House of Representatives.” The letters informed potential donors that Respondent had secured earmarks of \$3.6 million for the Charles B. Rangel Center project.

52. Respondent personally signed each of the July 2006 letters.

53. As of July 2006, Respondent had secured, in 2005, one earmark in the amount of \$445,000 for the Rangel Center.

54. As of July 2006, earmarks in the total amount of \$3,150,000 for the Rangel Center for fiscal year 2007 were included in appropriations bills coming out of the respective subcommittees of jurisdiction. Those earmarks were ultimately not included in any appropriations bills for fiscal year 2007.

55. In September 2006, Respondent met with CCNY officials and Eugene Isenberg, CEO of Nabors Industries, in the offices of Robert Morgenthau, then District Attorney for New York County to discuss the Rangel Center.

56. In November 2006, Isenberg pledged a personal contribution of \$500,000 to the Rangel Center. Nabors Industries pledged a matching contribution of \$500,000.

57. In February 2007, Respondent met with Eugene Isenberg and Kenneth Kies, a federally-registered lobbyist, at the Carlyle Hotel in New York. They discussed the issue of retroactivity of tax provisions related to inverted companies.

58. In June 2007, Respondent met with Eugene Isenberg at Respondent's office to again discuss the issue of retroactivity of tax provisions related to inverted companies.

59. In October 2006, CCNY officials represented to the Ford Foundation that they had obtained "the seed money the Congressman promised."

60. In October 2006, the Ford Foundation encouraged CCNY to submit a proposal for \$1 million to fund academic programs at the Rangel Center.

61. In January 2007, the Ford Foundation hosted a luncheon (the "Ford Foundation lunch") to bring together Respondent and CCNY officials with other potential donors to the Rangel Center.

62. Respondent made a presentation about the Rangel Center at the Ford Foundation lunch.

63. Other potential donors that attended the Ford Foundation lunch included, *inter alia*, Verizon Foundation, New York Community Trust, and Rockefeller Brothers Fund.

64. In March 2007, the Ford Foundation approved a grant in the amount of \$1,000,000 for the Rangel Center.

65. In March 2007, Respondent sent letters to Donald Trump, David Rockefeller, and Maurice “Hank” Greenberg (the “March 2007 letters”) requesting meetings to discuss the Rangel Center.

66. The March 2007 letters were sent on congressional letterhead bearing a substantial portion of the Great Seal of the United States and the words “House of Representatives.”

67. Respondent personally signed each of the March 2007 letters.

68. The March 2007 letters were prepared by Respondent’s staff. This work was done on property of the House of Representatives, on official House time, and with the use of official House resources.

69. In March 2007, Respondent wrote a letter to the Chair of the Subcommittee on Labor, Health and Human Services, and Education requesting earmarks in the amount of \$6 million “to help establish a Center for Public Service at the City College of New York in my Congressional District.”

70. In March 2007, Respondent wrote a letter to the Chair of the Subcommittee on Transportation and Housing and Urban Development requesting an earmark “to make structural and rehabilitation work a [sic] Center for Public Service.”

71. An earmark in the amount of approximately \$245,000 for the City College of New York for “the planning, design, construction, renovation and buildout of a multipurpose educational facility” was included in the Transportation, Housing and Urban Development, and Related Agencies Appropriations Act, 2008, Pub. L. No. 110-161, 121 Stat 1844 (2007).

72. An earmark in the amount of approximately \$1.915 million for “the City College of New York for the Charles B. Rangel Center to prepare individuals for careers in public

service, which may include establishing an endowment, library, and archives for such center” was included in the Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2008, Pub. L. No. 110-161, 121 Stat. 1844 (2007).

73. In May 2007, Respondent spoke with Melvin Norris, a former House employee in Respondent’s district office. Norris was then working as a New York state lobbyist for Verizon Communications, Inc. Respondent requested an update on the status of the Verizon Foundation donation to the Rangel Center.

74. In June 2007, Respondent spoke with George Nichols, a federally-registered lobbyist for New York Life Insurance Corporation, at a breakfast campaign fundraiser. Respondent requested that New York Life consider contributing to the Rangel Center.

75. On June 4, 2007, Respondent met with Hank Greenberg, Chairman of the Board of the Starr Foundation regarding a possible donation to the Rangel Center.

76. On June 12, 2007, the Starr Foundation approved a grant to the Rangel Center in the amount of \$5,000,000.

77. In August 2007, Verizon Foundation approved a grant to the Rangel Center in the amount of \$500,000. Norris informed Respondent that the grant had been approved.

78. In April 2008, Respondent met with CCNY officials and AIG officials (the “AIG meeting”), including Edward “Ned” Cloonan, a federally-registered lobbyist, regarding the Rangel Center. The briefing memo prepared for Respondent by CCNY stated the objective of the meeting was to “close \$10M gift for the Rangel Center to create AIG Hall.”

79. At the AIG meeting, a potential donation to the Rangel Center was discussed. AIG raised concerns about a potential donation, including the potential headline risk. Respondent asked AIG, at least twice, what was necessary to get this done.

80. On numerous occasions during 2005 through 2008, Respondent attended several meetings with CCNY officials and potential donors. These potential donors included Eugene Isenberg, Hank Greenberg, David Rockefeller, Donald Trump, the Ford Foundation, and AIG.

81. In addition to the contributions noted above, the following entities and individuals solicited by Respondent made pledges and contributions to the Rangel Center:

- 1) Rhodebeck Charitable Fund (\$25,000);
- 2) David Rockefeller (\$100,000);
- 3) New York Community Trust (\$130,000); and
- 4) Rockefeller Brothers Fund (\$50,000).

82. On numerous occasions during 2005 through 2008, Respondent and his staff used official House resources, including telephones, emails, and facsimile machines, to communicate with CCNY and others regarding fundraising for the Rangel Center.

83. During the relevant period, George Dalley, Jim Capel, and Dan Berger were House employees on Respondent's personal staff. Jon Sheiner was a House employee on the Ways and Means Committee staff.

84. During the relevant period, pursuant to the Internal Revenue Code of 1986, the duties of the Joint Committee on Taxation were the following: (1) to investigate the operation and effects of internal revenue taxes and the administration of such taxes; (2) to investigate measures and methods for the simplification of such taxes; (3) to make reports to the House Committee on Ways and Means and the Senate Committee on Finance (or to the House and the Senate) on the results of such investigations and studies and to make recommendations; and (4) to review any proposed refund or credit of income or estate and gift taxes or certain other taxes in excess of \$2,000,000, as set forth in § 6405 of the Internal Revenue Code.

85. Pursuant to House Rule X, cl. 1(t)(8), the House Ways and Means Committee has jurisdiction over tax exempt foundations and charitable trusts.

86. Pursuant to House Rule X, cl. 1(t)(2), the House Ways and Means Committee has jurisdiction over reciprocal trade agreements.

87. Pursuant to House Rule X, cl. 1(t)(3), the House Ways and Means Committee has jurisdiction over revenue measures generally.

88. During the relevant period, issues before Congress affecting foundations included, *inter alia*, private foundation payout rules, excise tax rates on investment income, potential caps on foundation executive pay, IRA charitable rollover provisions, unrelated business income tax, and other charitable contribution and charitable governance issues.

89. During the relevant period, Nabors Industries lobbied members of the House of Representatives on tax issues, including retroactivity of corporate inversion tax treatment.

90. During the relevant period, Verizon lobbied members of the House of Representatives on numerous issues, including, *inter alia*, tax issues related to telecommunications.

91. During the relevant period, AIG lobbied members of the House of Representatives on numerous issues including, *inter alia*, subpart F of the Internal Revenue Code, treatment of income received by partners for performing investment management services, treatment of mortgage insurance premiums as interest, deferral of income on executives' domestic income, and several treaty and free trade agreement issues.

92. During the relevant period, New York Life Insurance Company lobbied members of Congress on numerous issues including, *inter alia*, international trade agreements, tax treatment of long term care insurance, tax treatment of estate assets and lifetime annuities, tax on insurance products, and executive compensation.

**II. FINANCIAL DISCLOSURE STATEMENTS AND AMENDMENTS FILED IN CALENDAR YEAR 2009 BY OR ON BEHALF OF REPRESENTATIVE CHARLES B. RANGEL**

93. Respondent filed an annual Financial Disclosure statement for calendar year 1998 on May 17, 1999.

94. Respondent filed an annual Financial Disclosure statement for calendar year 1999 on May 26, 2000.

95. Respondent filed an annual Financial Disclosure statement for calendar year 2000 on May 16, 2001.

96. Respondent submitted a letter, dated June 5, 2001, amending his Financial Disclosure statement for calendar year 2000.

97. Respondent filed an annual Financial Disclosure statement for calendar year 2001 on May 15, 2002.

98. Respondent filed an annual Financial Disclosure statement for calendar year 2002 on May 14, 2003.

99. Respondent filed an annual Financial Disclosure statement for calendar year 2003 on May 13, 2004.

100. Respondent filed an annual Financial Disclosure statement for calendar year 2004 on June 15, 2005. Respondent was granted an extension to file his Financial Disclosure statement for calendar year 2004 beyond the May 16, 2005 deadline, and filed within that extended deadline.

101. Respondent filed an amendment to his Financial Disclosure statement for calendar year 2004 on May 12, 2006.

102. Respondent filed an annual Financial Disclosure statement for calendar year 2005 on May 12, 2006.



103. Respondent filed an annual Financial Disclosure statement for calendar year 2006 on June 15, 2007. Respondent was granted an extension to file his Financial Disclosure statement for calendar year 2006 beyond the May 15, 2007 deadline, and filed within that extended deadline.

104. Respondent filed an amendment to his Financial Disclosure statement for the calendar year 2006 on December 26, 2007.

105. Respondent filed an annual Financial Disclosure statement for calendar year 2007 on May 14, 2008.

106. Respondent filed an annual Financial Disclosure statement for calendar year 2008 on August 12, 2009. Respondent was granted an extension to file his Financial Disclosure statement for calendar year 2008 beyond the May 15, 2009 deadline, and filed within that extended deadline.

107. Respondent's Financial Disclosure statements contained numerous errors and omissions, including failure to disclose rental and other unearned income, understating rental income and other unearned income, failure to disclose earned income, failure to disclose transactions, failure to disclose cancellation of debt income, and failure to disclose a reportable position.

108. Respondent's Financial Disclosure statements were prepared by members of his congressional staff.

109. Respondent personally signed each of his Financial Disclosure statements.

110. Respondent failed to ensure that the information reported on the Financial Disclosure Statements was accurate or complete.

111. Respondent filed amended Financial Disclosure statements for each of calendar years 1998 through 2007 on August 12, 2009.

112. Respondent personally signed each of his amended Financial Disclosure statements.

113. Respondent owned a brownstone rental unit, located at 74 West 132<sup>nd</sup> Street in New York ("Brownstone"). The Brownstone was sold in 2004.

114. Respondent disclosed ownership of the Brownstone on his original Financial Disclosure Statements for the calendar years 1998 through 2004.

115. Respondent failed to disclose his rental income from the Brownstone on his original Financial Disclosure Statements for calendar years 1998, 1999, 2000, and 2004.

116. For Respondent's original Financial Disclosure statements related to calendar years 1998 and 1999, the box for "none" under "amount of rental income" was checked. For calendar year 2000, the boxes under amount of rental income were left blank.

117. Respondent's original Financial Disclosure statements for calendar years 2001, 2002, and 2003 each listed the amount of income derived from the Brownstone rental in the range of \$2,501 - \$5,000.

118. Respondent's original Federal tax returns reported income from the Brownstone rental as follows:

	Brownstone - Original Tax Returns
1998	\$29,852
1999	\$20,449
2000	\$28,938
2001	\$21,416
2002	\$19,603
2003	\$23,036
2004	\$3,406

119. Respondent purchased a rental villa at the Punta Cana Yacht Club in the Dominican Republic in March 1987. The purchase price of the Punta Cana villa was \$82,750. Respondent made a down payment of \$28,962.50, and financed the remaining portion of the purchase price.

120. Respondent financed the purchase through a mortgage. The mortgage was payable over 7 years at 10.5% interest.

121. Respondent reported the purchase of the Punta Cana villa on his initial Financial Disclosure statement for calendar year 1987, although he assigned an incorrect value to the property. Respondent submitted an amendment to that Financial Disclosure statement on June 10, 1988, re-categorizing the purchase.

122. Respondent issued a statement on February 2, 1989, regarding the incorrect valuation on his original Financial Disclosure statement for the Punta Cana villa, as well as the associated mortgage and distribution from his retirement account used to finance the down payment. Respondent stated that he "amended my Financial Disclosure to include these items as soon as the oversight was brought to my attention."

123. Respondent received income from a Punta Cana rental pool. The rental pool was determined by taking all revenues from the gross rentals of all the units. From that amount, deductions were made for agent commissions, Dominican Republic taxes, and a 10% maintenance fee. From that balance, 53% was paid to Punta Cana and 47% was paid to the owners in the rental pool. Each owner's share of the rental pool payments was determined on a point system, with a 3 bedroom beach villa receiving 3 points. All of the owner's points were totaled, and each owner's share of the rental pool income was based on that owner's number of points as a percentage of all points.

124. No later than February 1993, management of the Punta Cana Yacht Club informed Respondent that it was forgiving any remaining interest due on Respondent's mortgage.

125. Respondent failed to report the forgiveness of interest on his Financial Disclosure statements.

126. In January 1993, Respondent wrote to the Punta Cana Yacht Club requesting information about his unit. In that letter, he stated, "As I mentioned to you, the House Ethics Committee requires the disclosure by members of Congress of any assets and unearned income and while I enjoy a good relationship with the Committee's Chairman it certainly would be politically embarrassing if I were unable to provide an accurate accounting of my holdings."

127. Respondent did report ownership of the Punta Cana villa on his original Financial Disclosure statements for each of calendar years between 1998 through 2008.

128. Respondent failed to report any rental income from Punta Cana on his original Financial Disclosure statements for calendar years 1998, 1999, 2000, 2006, and 2007.

129. Respondent failed to report any rental income from Punta Cana on his original Federal income tax returns for calendar years between 1998 through 2006.

130. For Respondent's original Financial Disclosure statements related to calendar years 1998, 1999, 2006, and 2007, the box for "none" under amount of rental income was checked. For the year 2000, the boxes under amount of rental income were left blank.

131. In June 2001, Respondent wrote a letter to the Standards Committee amending his Financial Disclosure statement for calendar year 2000. In that letter he stated, "Thank you for calling to inform me of the omission in my recent Financial Disclosure Statement of information concerning the income derived during the year 2000 from the two properties in New York City

and the Dominican Republic jointly owned by my wife and me and the New England Mutual Life Insurance policy listed by me as assets in the report. There was no income derived by us from these assets during the year 2000 and that fact should have been noted in my Financial Disclosure Statement.”

132. Respondent did report income from Punta Cana on his original Financial Disclosure statements for calendar years 2001 through 2005, but the amounts reported were incorrect.

133. Respondent reported income from Punta Cana on his original and amended Financial Disclosure statements, as well as his original and, where applicable, amended Federal income tax returns as follows:

	<b>Original Financial Disclosure</b>	<b>Original Tax Returns</b>	<b>Amended Financial Disclosure</b>	<b>Amended Tax Returns</b>
1998	None	Not reported	\$5,001 - \$15,000	N/A
1999	None	Not reported	\$2,501 - \$5,000	N/A
2000	None per letter amendment	Not reported	\$2,501 - \$5,000	N/A
2001	\$5,001 - \$15,000	Not reported	\$2,501 - \$5,000	N/A
2002	\$5,001 - \$15,000	Not reported	\$2,501 - \$5,000	N/A
2003	\$5,001 - \$15,000	Not reported	\$1,001 - \$2,500	N/A
2004	\$2,501 - \$5,000	Not reported	\$5,001 - \$15,000	\$5,030
2005	\$2,501 - \$5,000	Not reported	\$5,001 - \$15,000	\$6,280
2006	None	Not reported	\$5,001 - \$15,000	\$8,467
2007	None	\$7,800	\$5,001 - \$15,000	\$7,800

134. Respondent failed to report earned income from IRA distributions on his original Financial Disclosure statements for calendar years 1998 through 2007.

135. Respondent earned income from IRA distributions in the following amounts:

Year	Source	Amount
1998	Congressional FCU IRA	\$13,333
2000	Congressional FCU IRA	\$6,144
2001	Congressional FCU IRA	\$8,693
	Merrill Lynch IRA	\$4,235
2002	Congressional FCU IRA	\$4,177
2004	Congressional FCU IRA	\$4,438
2005	Congressional FCU IRA	\$4,486
2006	Congressional FCU IRA	\$4,187
2007	Congressional FCU IRA	\$5,509
2008	Congressional FCU IRA	\$4,893

136. Respondent failed to disclose numerous assets and sources of unearned income on his original Financial Disclosure statements for calendar years 1998 through 2007, including, *inter alia*:

1) Respondent failed to disclose his holdings at Congressional Federal Credit Union (“CFCU”) for calendar years 1998, 1999, 2000, 2004, 2005, 2006, and 2007. Respondent disclosed his holdings for the years 2001, 2002, and 2003, but estimated the value of the accounts in the range of \$15,001- \$50,000. The holdings at CFCU were, in fact, valued in the range of \$100,001 - \$250,000 for calendar years 1998 through 2006, and valued in the range of \$250,001 - \$500,000 for calendar year 2007. Respondent reported earnings related to the CFCU accounts on his Federal income tax returns for each of calendar years 1998 through 2007.

2) Respondent failed to report holdings of stocks in corporations in various years including, *inter alia*, Bell Atlantic, BellSouth, Niagara Mohawk Holdings, Verizon Communications, PepsiCo, and Yum! Brands. Respondent reported earnings related to certain stock transactions on his related Federal income tax returns. For example, Respondent reported a capital gain associated with the sale of stock in BellSouth

Corporation on his 1998 tax return. Respondent's amended Financial Disclosure statements reported the following valuations for the stocks listed above:

	Bell Atlantic	BellSouth	Niagara Mohawk Holdings	Verizon Comm	PepsiCo	Yum! Brands
1998	\$15,001 - \$50,000	None (sold in 1998)	\$1,001 - \$15,000	N/A	N/A	N/A
1999	\$15,001 - \$50,000	N/A	\$1,001 - \$15,000	N/A	\$1,001 - \$15,000	N/A
2000	N/A	N/A	\$1,001 - \$15,000	\$15,001 - \$50,000	\$1,001 - \$15,000	N/A
2001	N/A	N/A	\$1,001 - \$15,000	\$1,001 - \$15,000	\$1,001 - \$15,000	N/A
2002	N/A	N/A	N/A	N/A	\$1,001 - \$15,000	N/A
2003	N/A	N/A	N/A	N/A	\$1,001 - \$15,000	N/A
2004	N/A	N/A	N/A	N/A	\$1,001 - \$15,000	N/A
2005	N/A	N/A	N/A	N/A	\$1,001 - \$15,000	N/A
2006	N/A	N/A	N/A	N/A	\$1,001 - \$15,000	\$1,001 - \$15,000
2007	N/A	N/A	N/A	N/A	\$15,001 - \$50,000	\$1,001 - \$15,000

3) Respondent failed to report holdings of mutual funds in various years including, *inter alia*, Alliance Municipal Income Fund, Rochester Municipal Fund, ING Principal Protection Fund, and iShares Dow Jones Select Dividend Income Fund. Respondent reported earnings related to certain mutual fund holdings on his corresponding Federal income tax return. For example, Respondent reported a capital gain related to his holdings in the ING Principal Protection Fund on his 2007 tax return. Respondent's amended Financial Disclosure statements reported the following valuations for the mutual funds listed above:

	Alliance Municipal Income Fund/Alliance Bernstein (A)	Alliance Municipal Income Fund (B)	Rochester Municipal Fund	ING Principal Protection Fund	iShares Dow Jones Select Dividend Income Fund
1998	N/A	\$1,001 - \$15,000	\$15,001 - \$50,000	N/A	N/A
1999	\$1,001 - \$15,000	\$1,001 - \$15,000	\$15,001 - \$50,000	N/A	N/A
2000	\$1,001 - \$15,000	\$1,001 - \$15,000	\$15,001 - \$50,000	N/A	N/A
2001	\$1,001 - \$15,000	\$15,001 - \$50,000	\$15,001 - \$50,000	N/A	N/A
2002	\$50,001 - \$100,000	\$50,001 - \$100,000	\$15,001 - \$50,000	\$50,001 - \$100,000	N/A
2003	\$50,001 - \$100,000	\$50,001 - \$100,000	\$15,001 - \$50,000	\$50,001 - \$100,000	N/A
2004	\$100,001 - \$250,000	\$50,001 - \$100,000	\$15,001 - \$50,000	\$50,001 - \$100,000	\$15,001 - \$50,000
2005	\$100,001 - \$250,000	\$50,001 - \$100,000	\$1,001 - \$15,000	\$50,001 - \$100,000	\$15,001 - \$50,000
2006	\$100,001 - \$250,000	\$50,001 - \$100,000	\$15,001 - \$50,000	\$50,001 - \$100,000	None
2007	\$100,001 - \$250,000	\$50,001 - \$100,000	\$15,001 - \$50,000	\$50,001 - \$100,000	N/A

4) Respondent failed to disclose his holdings in Merrill Lynch Allianz Global Investors Fund for calendar years 2006 and 2007. The holding was purchased in 2006 with a value in the range of \$250,001 - \$500,000.

5) Respondent failed to disclose his ownership of vacant lots in New Jersey for calendar years 1998 through 2007. Respondent's amended Financial Disclosure statements for calendar years 1998 through 2007 reported the lots with a valuation in the range of \$1,001 - \$15,000.

137. Respondent failed to disclose numerous transactions on his original Financial Disclosure statements for calendar years 1998 through 2007, including, *inter alia*:



1) Respondent failed to disclose the sale of holdings in BellSouth in the amount of \$6,709 in 1998. Respondent did report a capital gain in the amount of \$2,738 related to that transaction on his Federal income tax return for 1998.

2) Respondent failed to disclose the purchase in 2002 of holdings in ING Principal Protection in the range of \$50,001 - \$100,000.

3) Respondent failed to disclose the purchase and sale during 2004 of Calvert Tax Free Reserves, Eaton Vance Insured New York Municipal Bond Fund, and Nuveen New York Quality Income Municipal Fund. Each of those transactions was valued in the range of \$50,001 - \$100,000.

4) Respondent failed to disclose the purchase and sale in 2006 of Merrill Lynch Institutional Tax-Exempt Fund in the range of \$250,001 - \$500,000.

138. In September 2008, Respondent filed amended Federal income tax returns for tax years 2004 through 2006.

139. Respondent subsequently filed a second amended Federal income tax return for 2006 and an amended Federal income tax return for 2007.

140. Amendments to Respondent's Federal income tax returns were necessary to correct errors in the original income tax returns, including failure to report the income related to Punta Cana and failure to report other items of income.

141. Respondent disclosed that he was a member of the Board of Directors of "the Kheel Foundation" or "the Ann Kheel Foundation" on his Financial Disclosure statements for calendar years 1998 through 2007.

142. Respondent did not disclose on his original Financial Disclosure Statement for calendar year 2008 that he was a trustee of the Ann S. Kheel Charitable Trust for calendar year 2008.

143. Respondent remained a trustee of the Ann S. Kheel Charitable Trust during 2008.

144. Respondent has not filed an amended Financial Disclosure Statement for calendar year 2008.

### **III. RENTAL OF LENOX TERRACE APARTMENT UNIT 10U FOR CAMPAIGN PURPOSES**

145. The Olnick Organization (“Olnick”) is a developer of residential, commercial and hotel properties in New York City.

146. The Olnick Organization’s properties include the Lenox Terrace apartment complex and other properties in Respondent’s congressional district and elsewhere throughout New York City.

147. The Hampton Management Company (“Hampton”) is the property management company for Lenox Terrace. Hampton is an affiliate of Olnick.

148. In November 1988, Respondent signed a lease for the use of apartment 16N-P in the Lenox Terrace apartment complex.

149. In January 1997, Respondent signed a lease for the use of apartment 16M in the Lenox Terrace apartment complex.

150. Respondent signed an application for the use of apartment 10U in the Lenox Terrace apartment complex (“apartment 10U”) indicating that his son, Steven Rangel, would occupy the apartment.

151. In October 1996, Respondent signed a lease for the use of apartment 10U in the Lenox Terrace apartment complex.

152. Apartment 10U was a rent stabilized apartment unit.

153. The lease for apartment 10U states, "You shall use the Apartment for living purposes only."

154. Steven Rangel never occupied apartment 10U for living purposes.

155. Respondent never occupied apartment 10U for living purposes.

156. Respondent's principal campaign committee, Rangel for Congress, and leadership PAC, National Leadership PAC, occupied apartment 10U as an office from November 1996 until October 2008.

157. Respondent did not enter into any written sublease with Rangel for Congress or National Leadership PAC.

158. No individual occupied apartment 10U for living purposes from November 1996 through October 2008.

159. There is no evidence that the management of Lenox Terrace permitted the use of any other rent stabilized apartments in the complex for solely non-residential purposes above the first floor.

160. In 2004, Olnick increased the number of legal actions it brought against tenants on primary residency, including those who improperly sublet their rent stabilized apartments.

161. Olnick brought no action against Respondent for the non-residential use of apartment 10U.

162. Respondent was included by Olnick on a "special handling list" on which he was identified as a Member of Congress.

163. Respondent's congressional office received complaints from constituents living in Lenox Terrace regarding legal actions brought against them by Olnick based on primary residency.

164. Respondent's staff, including his District Director, James Capel, worked with Lenox Terrace management to resolve constituent issues related to primary residency.

165. Lenox Terrace tenants discussed going on strike by refusing to pay rent until certain conditions were satisfied.

166. Capel met with a Lenox Terrace official regarding the potential rent strike.

167. In 2005, Respondent and his staff met with Olnick executives at least once regarding proposed construction projects for Lenox Terrace and other Olnick developments.

### ALLEGED VIOLATIONS

#### **Count I: Conduct in Violation of the Solicitation and Gift Ban**

168. Paragraphs 1 through 167 are reincorporated as if set forth fully herein.

169. Section 7353 of Title 5 of the United States Code provides that no Member "shall solicit or accept anything of value from a person – (1) seeking official action from . . . the individual's employing entity; or (2) whose interests may be substantially affected by the performance or nonperformance of the individual's official duties."

170. The Committee on Standards of Official Conduct ("Standards Committee"), acting pursuant to 5 U.S.C. § 7353(b), has determined that certain solicitations for organizations qualified under § 170(c) of the Internal Revenue Code are permissible. Those solicitations are subject to the following restrictions:

1) No official resources may be used. Such official resources include House staff while working on official time, telephones, office equipment and supplies, and official mailing lists. *See* House Comm. on Standards of Official Conduct, "Solicitation Under the Ethics Reform Act of 1989," (Oct. 9, 1990) (reprinted in Comm. on Standards, *House Ethics Manual*, 102d Cong., 2d Sess. 1992, at 64-65) ("1990 Solicitation Pink Sheet"). *See also* House Comm. on Standards of Official Conduct, "Revised Solicitation Guidelines," (Apr. 4, 1995) (reprinted in H.R. Rep. No. 104-886, at 28-32 (1997) ("1995 Solicitation Pink Sheet"); House Comm. on Standards of Official Conduct, "Rules Governing (1) Solicitation by Members, Officers and Employees in General, and (2) Political Fundraising Activity in House Offices." (Apr. 25, 1997) ("1997 Solicitation Pink Sheet").

2) No official endorsement by the House of Representatives may be implied. Thus, no letterhead or envelope used in a solicitation may bear the words "Congress of the United States," "House of Representatives," or "Official Business," nor may the letterhead or envelope bear the Seal of the United States, the Congress, or the House. It is permissible for Members to identify themselves as a Member of Congress, Congressman, Congresswoman, or by using their leadership title. *See* 1990 Solicitation Pink Sheet; 1995 Solicitation Pink Sheet; House Rule XXIII, cl. 11; 18 U.S.C. § 713.

3) No direct benefits may result to the soliciting official. *See* 1990 Solicitation Pink Sheet.

4) Regulations of the House Office Building Commission generally prohibit soliciting and other nongovernmental activities in facilities of the House of Representatives. *See* 1995 Solicitation Pink Sheet; The House Office Building

Commission's Rules and Regulations Governing the House Office Buildings, House Garages and the Capitol Power Plant (February 1999) at ¶ 4.

5) No suggestion may be made either that donors will be assisting the individual in the performance of official duties or that they will receive favorable consideration from the individual in official matters. *See, e.g.*, Code of Ethics for Government Service (72 Stat., Part 2, B12 (1958), H.Con. R. 175, 85<sup>th</sup> Cong.) at ¶ 5.

6) Under a provision of the House gift rule, registered lobbyists or agents of foreign principals may not be targeted in any solicitation. Thus, no employee of a lobbying firm should be targeted in a solicitation. However, it is permissible to solicit a company, association, or other entity that employs registered lobbyists to lobby only for itself or its members, provided that the solicitation is directed to an officer or employee who is not a lobbyist. *See* House Rule XV, cl. 5(e)(i); 1997 Solicitation Pink Sheet.

171. Solicitations for charitable donations do not constitute official House business.

172. Between 2005 and 2008 Respondent engaged in a pattern of soliciting for donations and other things of value on behalf of the Charles B. Rangel Center for Public Policy at the City College of New York.

173. The entities solicited were seeking official action from the House and/or had interests that might be substantially affected by the performance or nonperformance of Respondent's official duties.

174. Respondent's conduct was not within the parameters established by the Standards Committee for solicitations on behalf of charitable organizations.

175. Respondent's conduct violated 5 U.S.C. § 7353.

**Count II: Conduct in Violation of Code of Ethics for Government Service, cl. 5**

176. Paragraphs 1 through 175 are reincorporated as if set forth fully herein.

177. The Code of Ethics for Government Service (72 Stat., Part 2, B12, H. Res. 175, 85<sup>th</sup> Cong.) (adopted July 11, 1958) provides:

[A]ny person in Government service should:

...

5. Never discriminate unfairly by the dispensing of special favors or privileges to anyone, whether for remuneration or not; and never accept for himself or his family, favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance of his governmental duties.

178. As set forth above, Respondent made numerous requests for support of the Rangel Center. Those requests were directed at entities and individuals whose interests could be affected by the legislative and oversight activities of Respondent in his capacity as a Member of Congress.

179. Contributions were made by persons with interests before the Ways and Means Committee.

180. Contributions to the Rangel Center were made at the request of and as a favor to Respondent.

181. Contributions to the Rangel Center provided a benefit to Respondent.

182. Reasonable persons could construe contributions to the Rangel Center by persons with interests before the Ways and Means Committee as influencing the performance of Respondent's governmental duties.

183. Respondent's conduct violated clause 5 of the Code of Ethics for Government Service.

**Count III: Conduct in Violation of the House Gift Rule**

184. Paragraphs 1 through 183 are reincorporated as if set forth fully herein.

185. Clause 4 of House Rule XXIII states that a Member “may not accepts gifts except as provided by clause 5 of rule XXV.”

186. House Rule XXV, cl. 5(a)(1)(A)(i) provides that a Member may not knowingly accept a gift except as provided in that clause.

187. House Rule XXV, cl. 5(a)(2) defines “gift” as “gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item having monetary value.”

188. Respondent solicited contributions for the Rangel Center and the Rangel Center did receive contributions.

189. Respondent has a personal interest in the Rangel Center in that it will provide him with an office, and allows him to perpetuate his legacy, including the storage and archiving of his papers.

190. Contributions to the Rangel Center constituted indirect gifts attributable to Respondent.

191. These indirect gifts do not fall within any exception of clause 5 of House Rule XXV.

192. Respondent’s conduct violated clause 4 of House Rule XXIII.

**Count IV: Conduct in Violation of Postal Service Laws and Franking Commission Regulations**

193. Paragraphs 1 through 192 are reincorporated as if set forth fully herein.

194. Section 3215 of Title 39 provides that “a person entitled to use a Frank may not . . . permit its use by any person for the benefit or use of any committee, organization, or



association.” The Regulations on the Use of the Congressional Frank by Members of the House of Representatives (“Franking Regulations”) interpret this statute as prohibiting “the use of the Frank for the benefit of charitable organizations, political action committees, trade organizations, and so forth.” Franking Regulations at 3.

195. Section 3210 of Title 39 provides for the use of franked mail “in order to assist and expedite the conduct of the official business, activities, and duties of the Congress of the United States.”

196. The Franking Regulations provide specific examples of nonfrankable items, including the following: “No solicitations for funds for or on behalf of *any* organization or person” and “[n]o material that advertises, promotes, endorses or otherwise provides a benefit to an individual or organization not entitled to use the frank. This would include commercial, charitable, non-profit and political organizations as well as Congressional Member Organizations (CMO) and advisory boards or task forces.” Franking Regulations at 7-8. The Regulations further provide that “[t]he solicitation of funds for or on behalf of a private organization, for example, for the purpose of supporting any charitable, education, religious or political program is not frankable.” Franking Regulations at 12.

197. Respondent used his frank for the benefit of a charitable organization and for solicitation of funds.

198. Respondent’s conduct violated 39 U.S.C. §§ 3210, 3215 and the Franking Commission Regulations.

#### **Count V: Conduct in Violation of Franking Statute**

199. Paragraphs 1 through 198 are reincorporated as if set forth fully herein.

200. Section 1719 of Title 18 provides that “whoever makes use of any official envelope, label, or indorsement [sic] authorized by law, to avoid the payment of postage or registry fee on his private letter, packet, package, or other matter in the mail, shall be fined under this title.”

201. Respondent used his frank on materials that were not official business.

202. Respondent’s conduct violated 18 U.S.C. § 1719.

**Count VI: Conduct in Violation of House Office Building Commission’s Regulations**

203. Paragraphs 1 through 202 are reincorporated as if set forth fully herein.

204. The House Office Building Commission’s Rules and Regulations Governing the House Office Buildings, House Garages and the Capitol Power Plant (Feb. 1999) at ¶ 4 provide that the “soliciting of alms and contributions . . . in any of the areas covered by these regulations is prohibited.”

205. Respondent and his staff drafted solicitation letters and performed other work related to solicitations on property of the House of Representatives.

206. Respondent’s conduct violated clause 4 of the House Office Building Commission’s Regulations.

**Count VII: Conduct in Violation of the Purpose Law and the Member’s Congressional Handbook**

207. Paragraphs 1 through 206 are reincorporated as if set forth fully herein.

208. Section 1301 of Title 31 of the United States Code provides that “[a]ppropriations shall be applied only to the objects for which the appropriations were made except as otherwise provided by law.”

209. Section 57(a)(1) of Title 2 of the United States Code provides:

[T]he Committee on House [Administration] of the House of Representatives may, by order of the Committee, fix and adjust the amounts, terms, and conditions of, and other matters relating to, allowances of the House of Representatives within the following categories:

(1) For Members of the House of Representatives, the Member's Representational Allowance, including all aspects of official mail within the jurisdiction of the Committee under section 59e of this title.

210. The Committee on House Administration sets forth the regulations governing the use of the Member's Representational Allowance ("MRA") in the Member's Congressional Handbook ("Member's Handbook").

211. The Member's Handbook provides that "[o]nly expenses the primary purpose of which are official and representational and which are incurred in accordance with the Handbook are reimbursable." Member's Handbook at p. 6.

212. Respondent used House employees and other official House resources for work related to the Rangel Center.

213. Those resources included the use of staff time, use of telephones and House email accounts, other office equipment and supplies, and use of the frank. Those expenses were paid using the MRA.

214. The use of the MRA to pay expenses related to the Rangel Center was in violation of the Member's Handbook and 31 U.S.C. § 1301.

#### **Count VIII: Conduct in Violation of the Letterhead Rule**

215. Paragraphs 1 through 214 are reincorporated as if set forth fully herein.

216. Clause 11 of House Rule XXIII provides that a Member "may not authorize or otherwise allow an individual, group, or organization not under the direction and control of the

House to use the words “Congress of the United States,” “House of Representatives,” or “Official Business,” or any combination of words thereof, on any letterhead or envelope.

217. Pursuant to regulations adopted pursuant to 5 U.S.C. § 7353(b), the Standards Committee has interpreted House Rule XXIII, cl. 11, as prohibiting the use by Members of the words “Congress of the United States,” “House of Representatives” or “Official Business” on any solicitation. 1995 Solicitation Pink Sheet.

218. As set forth above, Respondent sent letters related to the Rangel Center on letterhead bearing the words “Congress of the United States” and “House of Representatives.”

219. Respondent’s conduct violated House Rule XXIII, cl. 11.

**Count IX: Conduct in Violation of the Ethics in Government Act and House Rule XXVI**

220. Paragraphs 1 through 219 are reincorporated as if set forth fully herein.

221. The Ethics in Government Act (“EIGA”), incorporated into the House Rules by House Rule XXVI, requires all Members to file Financial Disclosure statements. EIGA at § 101.

222. Section 102 of the EIGA requires a “full and complete statement” with respect to several categories, including generally: income and honoraria; unearned income including dividends, rents, interest and capital gains; gifts; property used in trade or business or held for investment or the production of income; liabilities; transactions; and reportable positions.

223. In 1986, the Standards Committee established a policy on the filing of amendments to Financial Disclosure statements:

[T]he Committee [has] a two-pronged test for determining whether an amendment is considered to be filed with a presumption of good faith: First, whether it is submitted within the appropriate amendment period (close-of-year); and second, a “circumstance” test addressing why the amendment is justified. In this latter regard, filers will be expected to submit with the amendment a brief statement on why the earlier FD is being revised. Thus, amendments meeting the two-pronged test will be accorded a rebuttable presumption of good faith and [the] Committee

will have the burden to overcome such a presumption. Conversely, any amendment not satisfying both of the above-stated criteria will not be accorded the rebuttable presumption of good faith. In such a case, the burden will be on the filer to establish such a presumption.

“Policy Regarding Amendments to Financial Disclosure Statements” (Apr. 23, 1986), reprinted in the *1992 House Ethics Manual* and *2008 House Ethics Manual*. The guidance further provides:

[S]o long as a filer wishes to amend within the appropriate period of prescribed ‘timeliness’ and such amendments are not submitted as a result of, or in connection with, action by [the] Committee that may have the effect of discrediting the quality of the initial filing(s), then such amendments will be deemed to be presumptively good faith revisions to the filings.

224. Respondent engaged in a pattern of submitting Financial Disclosure statements that were incomplete and inaccurate.

225. Respondent failed to report numerous items required to be reported under the EIGA during the period 1998 through 2008.

226. Respondent erroneously reported numerous items required to be reported under the EIGA during the period 1998 through 2007.

227. Respondent’s amendments to his Financial Disclosure statements for calendar years 1998 through 2007 were not filed within the close of the year in which the original filings were proffered. Respondent’s amendments were not timely.

228. Respondent’s amendments to his Financial Disclosure statements for calendar years 1998 through 2007 were filed after the Committee on Standards of Official Conduct (“Standards Committee”) had established an investigative subcommittee with respect to Respondent’s conduct, including his reporting of the Punta Cana villa on his Financial Disclosure Statements.

229. The pending action by the Standards Committee has the effect of discrediting the quality of his initial filings.

230. Respondent's amendments to his Financial Disclosure statements for calendar years 1998 through 2007 are not entitled to a rebuttable presumption of good faith.

231. Respondent has failed to establish that the amendments to his Financial Disclosure statements for calendar years 1998 through 2007 were submitted in good faith.

232. Respondent's conduct violated the EIGA.

**Count X: Conduct in Violation of Code of Ethics for Government Service, cl. 5**

233. Paragraphs 1 through 232 are reincorporated as if set forth fully herein.

234. The Code of Ethics for Government Service (72 Stat., Part 2, B12, H. Res. 175, 85<sup>th</sup> Cong.) (adopted July 11, 1958) provides:

[A]ny person in Government service should:

...

5. Never discriminate unfairly by the dispensing of special favors or privileges to anyone, whether for remuneration or not; and never accept for himself or his family, favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance of his governmental duties.

235. Respondent received a rent stabilized residential apartment at Lenox Terrace, which he used as office space for Rangel for Congress and National Leadership PAC.

236. The terms of the lease for the rent stabilized apartment provided that the apartment was to be used "for living purposes only."

237. Respondent's acceptance of that rent-stabilized apartment for nonresidential purposes in contravention of the terms of the lease was a favor or benefit to him.

238. Respondent had interactions with Olnick in his official capacity.

239. Respondent accepted the favor or benefit from Olnick under circumstances that might be construed by reasonable persons as influencing the performance of his governmental duties.

240. Respondent's conduct violated clause 5 of the Code of Ethics for Government Service.

**Count XI: Conduct in Violation of Code of Ethics for Government Service, cl. 2.**

241. Paragraphs 1 through 240 are reincorporated as if set forth fully herein.

242. The Code of Ethics for Government Service (72 Stat., Part 2, B12 (1958), H.Con. R. 175, 85<sup>th</sup> Cong.) provides that:

any person in Government service should:

...

2. Uphold the Constitution, laws, and legal regulations of the United States and all governments therein and never be a party to their evasion.

243. Section 1 of Title 26 of the United States Code ("Internal Revenue Code") imposes a tax on the income of individuals.

244. Section 61 of the Internal Revenue Code defines "gross income" to include "all income from whatever source derived. . . ."

245. Respondent's failure to report rental income related to Punta Cana on his Federal income tax returns violated the Internal Revenue Code.

246. As set forth above, Respondent's conduct also violated 5 U.S.C. § 7353, 39 U.S.C. § 3210, 39 U.S.C. § 3215, 18 U.S.C. § 1719, Franking Regulations, House Office

Building Commission's Regulations, 31 U.S.C. § 1301, Member's Congressional Handbook, the Ethics in Government Act and the Internal Revenue Code. .

247. Respondent's conduct violated clause 2 of the Code of Ethics for Government Service.

**Count XII: Conduct in Violation of the Code of Conduct: Letter and Spirit of House Rules**

248. Paragraphs 1 through 247 are reincorporated as if set forth fully herein.

249. Clause 2 of House Rule XXIII states that a Member "shall adhere to the spirit and the letter of the Rules of the House and to the rules of duly constituted committees thereof."

250. As set forth above, Respondent's conduct violated House Rule XXIII, clauses 4 and 11, and House Rule XXVI.

251. Respondent's conduct violated clause 2 of House Rule XXIII.

**Count XIII: Conduct in Violation of the Code of Conduct: Conduct Reflecting Discreditably on the House**

252. Paragraphs 1 through 251 are reincorporated as if set forth fully herein.

253. Clause 1 of House Rule XXIII states that a Member "shall behave at all times in a manner that shall reflect creditably on the House."

254. Respondent's improper solicitations of potential donors to the Rangel Center violated the Solicitation and Gift Ban, 5 U.S.C. § 7353.

255. Respondent's acceptance of favors and benefits from donors to the Rangel Center under circumstances which might be construed by reasonable persons as influencing the performance of his governmental duties violated clause 5 of the Code of Ethics for Government Service.



256. Respondent knowingly accepted indirect gifts from donors to the Rangel Center in violation of the House gift rule.

257. Respondent improperly used his franking privilege to send solicitations for the Rangel Center in violation of postal laws and the Franking Regulations. Respondent's use of the franking privilege also violated 18 U.S.C. § 1719, a misdemeanor.

258. Respondent's written solicitations for the Rangel Center were prepared on property of the House of Representatives, in violation of the House Office Building Commission Regulations.

259. Respondent's misuse of official House resources, including use of his congressional staff, official telephones and House email accounts, other office equipment and supplies, and the franking privilege, for work related to the Rangel Center was in violation of the Purpose Law, 31 U.S.C. § 1301, and the Member's Handbook.

260. Respondent's misuse of congressional letterhead for solicitations on behalf of the Rangel Center violated the Code of Conduct's letterhead rule, House Rule XXIII, clause 11.

261. Respondent failed, in his Financial Disclosure statements for calendar years 1998 through 2007, to set forth a full and complete statement of items required by the EIGA.

262. Respondent engaged in a pattern of submitting Financial Disclosure statements that were incomplete and inaccurate.

263. Respondent failed to ensure that his Financial Disclosure statements were complete or accurate.

264. Respondent's conduct violated the Ethics in Government Act.

265. Respondent failed to report rental income from Punta Cana on his Federal income tax returns for the years 1998 through 2006.

266. Respondent's conduct violated Title 26 of the United States Code.

267. Respondent received a rent stabilized residential apartment at Lenox Terrace, which he used as office space for Rangel for Congress and National Leadership PAC, when the terms of that lease provided that the apartment was to be used "for living purposes only."

268. Respondent's acceptance of a rent stabilized apartment for non-residential purposes was done under circumstances that might be construed by reasonable persons as influencing the performance of his governmental duties in violation of clause 5 of the Code of Ethics for Government Service.

269. Respondent's violation of the laws and regulations of the United States also constituted a violation of clause 2 of the Code of Ethics for Government Service.

270. Respondent's violation of the Rules of the House of Representatives also constituted a violation of clause 2 of the Code of Conduct, House Rule XXIII.

271. Respondent's pattern of indifference or disregard for the laws, rules and regulations of the United States and the House of Representatives is a serious violation.

272. Respondent's actions and accumulation of actions reflected poorly on the institution of the House and, thereby, brought discredit to the House.

273. Respondent violated clause 1 of House Rule XXIII.