Opening Statement
Chairman Dan Burton
Committee on Government Reform
"The Controversial Pardon of International Fugitive Marc Rich"
February 8, 2000

Today we're going to begin looking into the pardon of Marc Rich.

A few weeks ago, on his last day in office, the President pardoned 140 people. Some of these pardons were probably meritorious. Others, I think, were not.

The Marc Rich pardon has been particularly controversial. My position is simple. The American people deserve to know the facts. At this point in time, we don't know all the facts. That's why we're holding this hearing.

Last night, we received some news that I find troubling. Mr. Rich's ex-wife is Denise Rich. It's been well-reported that she gave $1 million to Democratic campaigns over the last decade. It's been well-reported that she sent the President a letter asking for this pardon. She also talked to the President about this pardon. We asked Mrs. Rich, through her lawyer, to answer a number of questions. Last night we received a letter from her lawyer stating that Mrs. Rich is going to take the Fifth and not respond to our questions. I ask unanimous consent to place this letter in the record. I find it very, very troubling that, in a case like this, where the public simply wants an explanation, that a central figure would take the Fifth.

But that's not all. We were also informed by Mrs. Rich's lawyer that Mrs. Rich has given an "enormous" amount of money to the Clinton Presidential Library. How much is enormous? That's something we need to find out.

Let's step back and take a quick look at why the Marc Rich pardon was controversial.

- In 1983, he was indicted on more than 50 counts of wire fraud, tax evasion, racketeering and violating the Iranian oil embargo.
- He was accused of evading $48 million in taxes. It was the largest tax fraud case in U.S. history.
- He faced up to 300 years in prison if he was convicted on all counts.
- Mr. Rich fled the country to avoid prosecution.
- He renounced his U.S. citizenship and took up residence in Switzerland for 17 years.
- His companies were found in contempt of court and fined $20 million for defying a judge's order. All told, they paid $200 million in penalties.
- His aides were caught smuggling subpoenaed documents out of the country.
- He was the subject of hearings in this Committee in 1991 and 1992. The Bush Administration was accused of not doing enough to try to bring Marc Rich to justice.

On the surface, this doesn't look like a very good case for a pardon. So the question we have is, "How did it happen?"

We don't know all the facts yet. That's one of the reasons we're here today. However, this much seems clear: There is a procedure that's usually followed to consider pardons. In this case, that procedure wasn't followed.

There is a pardon attorney at the Justice Department. Pardon applications are submitted to the pardon attorney for review. After they've been thoroughly reviewed and the Justice Department makes a recommendation, the application is sent to the President for a decision. In this case, none of that happened.

Mr. Rich is represented by Jack Quinn. Mr. Quinn was President Clinton's White House Counsel. They had a very close relationship. On December 11, Mr. Quinn delivered Mr. Rich's application directly to the White House. It was never sent to the pardon attorney, and it was never reviewed by the Justice Department.

Why not?

Why did the President make such an important decision without getting input from the pardon attorney or the prosecutors?

We know from reading the newspapers that Mr. Quinn contacted the Deputy Attorney General -- Eric Holder -- to tell him that he was going to submit the application. What did Mr. Holder do with that information? Did he contact the pardon attorney? Did he tell the prosecutors in New York who were responsible for the case? The fact is that we don't know exactly what Mr. Holder did. Mr. Quinn has suggested in the press that Mr. Holder was at least "neutral, leaning towards" this application, and that he may have communicated this to the White House. We haven't heard from Mr. Holder yet, but we'd like to have his side of the story.

Mr. Quinn and Mr. Holder are here today to testify voluntarily. We appreciate the fact that they've come, and we look forward to getting some of this information.

We also want to know what advice was given to the President. The White House had this application for over a month before the pardon was granted. What kind of a process did they follow? What kind of information did they ask for? Who did they consult? We asked the Counsel to the President, Beth Nolan, to testify today. We asked one of the President's closest advisors, Bruce Lindsey, to testify. They both turned us down, which I find very disappointing. But we'll get their testimony another time.

Did the White House ask our intelligence agencies for information about Mr. Rich? No they

didn't. This week we learned that the White House apparently didn't even bother to consult the intelligence agencies. Why not? Mr. Rich was publicly reported to have traded with just about every enemy the U.S. has had over the last twenty years. The President should have taken an hour to get a briefing. Twenty minutes would have been enough.

After having been briefed by our intelligence agencies, I think this pardon has been raised to a higher level. We've asked that some of this information be declassified. I hope it will be. If it is, I think it will be clear that the President failed to get all of the facts before he pardoned Mr. Rich -- or he ignored them.

We have two additional witnesses that I haven't mentioned. Appearing on our first panel will be Sandy Weinberg, Jr., and Martin Auerbach. They were prosecutors in the U.S. Attorney's office in New York. They worked on the Rich case. Mr. Quinn has raised a number of issues with the indictments brought by the U.S. Attorney's office. On CNN last night, Mr. Quinn said that the "indictment that was brought was really, truly worthless." We asked Mr. Weinberg and Mr. Auerbach to be here today to defend their work. We're looking forward to their testimony. I again want to thank all of our witnesses for being here. I want to admonish the lawyers for the witnesses that only the witnesses may testify. The attorneys may consult with their clients for as long as needed, but under our procedures, only the witnesses may testify.

Let me stop here and wrap up my opening statement. It's obvious that right now, we have a lot more questions than answers. We have witnesses here who are prepared to answer questions, so I'd like to move forward.

I now yield to Mr. Waxman for his opening statement.