

1           But when he testified before the House of  
2 Representatives, he indicated that in fact he and I had a  
3 brief conversation on that subject, as he was leaving that  
4 meeting.

5           My best recollection, and I can't play back, for  
6 you, spoken words from that conversation or any other  
7 conversation from that time period, but my sense for what  
8 would have been said by me to him was, is that I had heard  
9 from my colleagues, concerns that they had about this very  
10 visible and very public feud that was going on between Mr.  
11 Gray and Mr. Keating, and whether or not it was having an  
12 impact on the regulatory process.

13           And that I thought Mr. Gray ought to hear these  
14 concerns directly; not through me, but he ought to hear them  
15 directly from these colleagues.

16           And that would have been the thrust of what I  
17 would have said to him.

18           Q       How long do you think that conversation took,  
19 where you related what you've just testified to?

20           A       I would say, two, three, four minutes, probably.  
21 I mean, it was at the end of the meeting. He was on his way  
22 out, and it would have been very brief.

23           Q       Mr. Gray recalls that you told him that he could  
24 expect a call, I guess a telephone call from a Senator,  
25 presumably

1 Do you recall telling him that?

2 A I don't recall telling him that. And it would  
3 be, in my mind, looking back, and this is speculation on my  
4 part, but it would be unlikely that I would say that in the  
5 way that he now recalls it.

6 Now, that is not to say, that is not to say that  
7 might not have said to him, and I'm speculating when I say  
8 this, something like, you know, I think you may hear from  
9 one of my colleagues. Or I think somebody may give you a  
10 call on this, or words to that effect.

11 I might very well have said something like that.  
12 I don't know that I did.

13 But I know this. I know the feeling that  
14 colleagues were expressing to me, was serious enough and  
15 strong enough that I might very well have thought that they  
16 were going to get in touch with him at some point.

17 Q Why did you think, if you can recall, why did you  
18 think it was significant to convey to Mr. Gray the sense  
19 that you were receiving from your colleagues?

20 A Mr. Green, I was probably Mr. Gray's strongest  
21 supporter in the United States Senate during his term of  
22 office. He has said that other times. He didn't say that  
23 when he was in here, but he said that other times, and it's  
24 in public print.

25 And I had argued forcefully, at different times,

1 for initiatives that Mr. Gray, himself, was advocating, that  
2 were not popular in the industry.

3 We made a reference, back a few days ago, in this  
4 hearing to an article that I wrote in the magazine that's  
5 put out by the Federal Home Loan Bank Board, edited by Ed  
6 Gray, that was published in the middle of 1986, that put me  
7 on record in behalf of some of the more controversial  
8 initiatives that Ed Gray was taking at the time.

9 So I defended Ed Gray any number of times through  
10 '86 and '87, because I happened to agree with some of the  
11 views that he held with respect to tighter supervision and  
12 certain reining in of some of the activities in the savings  
13 and loan industry.

14 And so, anything that I would have heard, that  
15 would have been damaging to the job that was being done, or  
16 to his reputation, given our relationship, I would mention  
17 to him. That would be an absolutely normal and natural  
18 thing for me to do.

19 In fact, hearing concerns by other colleagues  
20 about the feud and not passing them on to Gray would, to me,  
21 have been unusual or strange. I mean, obviously, I would  
22 pass them on, and I did.

23 Q Mr. Gray seems to recall that he offered some  
24 protest to your statement made to him at the end of the  
25 meeting. If he did, do you recall detecting that protest?

1           A           I remember no protest, Mr. Green, then, or at any  
2 other time.

3           Q           Sir, when this inquiry started, back on  
4 approximately October 16, 1989, the Senate Ethics Committee,  
5 in a letter under the signature of Senator Heflin, the  
6 Chairman, and Senator Rudman, the Vice Chairman, wrote you  
7 and the other Senators a letter. I think the letter was  
8 identical in each case.

9                       I would like to read that letter into the record  
10 and then ask you a couple of follow up questions.

11                      The letter to you reads, as follows:

12                      "Dear Senator Riegle,

13                      "The Committee has received a number of  
14 letters, expressing concern that your  
15 participation in meetings with representatives of  
16 the Federal Home Loan Bank Board to discuss the  
17 board's review of the activities of Lincoln  
18 Savings, was prompted by certain contributions  
19 made by Charles Keating, president of Lincoln  
20 Savings. Attached, for your reference, is a  
21 complaint filed by Common Cause.

22                      "The Committee would appreciate your response.

23                      "With best wishes, . . ."

24 And then it is signed by the Chairman and the Vice Chairman.

25                      Now, if you can recall, when you received this

1 letter, did you construe that letter as making a rather  
2 specific request?

3 A When I got the letter, Mr. Green, and bear in  
4 mind, I'm not a lawyer, although I feel like I'm becoming  
5 more like a lawyer, having gone through this process for 15  
6 months, as we all have, when I got that letter, I took it  
7 for exactly what it said.

8 And I read it to mean: is there a connection  
9 between the fundraising event that took place at the  
10 Ponchartrain and my attendance at the April 9th meeting.

11 I knew there was no connection between these two  
12 things. I knew they each had their own independent  
13 foundation and that they were not connected, and I felt I  
14 could say that.

15 So I sat down, right then, and I began to write  
16 out a response. I gathered what I could gather in a day and  
17 a half.

18 By the way, I would never make that mistake again  
19 in terms of a response that quickly.

20 But I felt it was appropriate. It asked a  
21 question, and so I sat down and I wrote out an answer, it  
22 was about six pages in length, typewritten pages. I put  
23 some attachments with it, I thought that made it absolutely  
24 clear that these were independent and unconnected events,  
25 and sent it into the Ethics Committee.

1 Q Well, let me then draw your attention to a  
2 particular statement that you made at page 5 of that  
3 submission.

4 Indulge me, again, while I read this, and then I  
5 would like to ask you a follow-up question.

6 This was the first full paragraph at page 5, of  
7 your submission to this Committee on October 18, 1989, that  
8 paragraph, albeit brief, reads as follows:

9 "Let me return, now, to the issue of the  
10 April 9th meeting, and state that, at no time,  
11 did I ever initiate any contact with the  
12 regulators concerning Lincoln. Further, as to  
13 the one meeting I attended on April 9th, the  
14 transcript shows that I suggested no course of  
15 regulatory action to the regulators concerning  
16 Lincoln."

17 Now, if you can think back to the time that you  
18 authored that, I'd like you to state for me what you had in  
19 mind when you wrote those words.

20 A What I was attempting to convey, by that  
21 particular sentence, was the fact that I knew that I had not  
22 called a regulator, I'd not written to a regulator, I had  
23 not asked to go and meet with a regulator, I had not asked  
24 any regulator to come and meet with me.

25 I felt I had no initiated any contact with the

1 regulators, and more than that, I also was conveying, I  
2 believe, the thought that at no time, did I ever ask the  
3 regulators to do something for Lincoln or for American  
4 Continental, or not do something for Lincoln or American  
5 Continental.

6 And I think the record that's been established  
7 here, shows that that's exactly right. So the choice of the  
8 word "initiate" by me was, you know, did I reach out in some  
9 way to the regulators.

10 Now, you know, the question arises, well, what  
11 about when Ed Gray came to see me, when he, in effect,  
12 initiated an effort to come and visit me on other matters,  
13 and he was there, and this topic arose as he was going out.

14 I mean, I didn't think of that at the time I  
15 wrote this letter, because I didn't even remember that  
16 passing comment to Ed Gray.

17 But the point I was conveying, and the point that  
18 I think is valid, was valid then, and is valid now, is that  
19 I knew I had not initiated any action with respect to asking  
20 the regulators to do anything for or against this Company.

21 Q Senator, this is probably as good a time as any  
22 to ask you about the number of meetings you routinely attend  
23 in a year.

24 I notice that, with respect to some of the  
25 questions I've asked, where I have asked you to think back

1 to meetings which are now three, almost four years old, that  
2 your memory with respect to the details of those meetings is  
3 not absolutely precise.

4           Senator McCain testified the other day that he  
5 had some difficulty in recalling meeting by meeting  
6 discussions, as well.

7           But how many meetings do you attend during a  
8 year, and are you able to think back and recall, from  
9 memory, the conversation that occurred at any one of many  
10 many meetings?

11           A       Mr. Green, one of the things that attaches to  
12 this life that all Senators lead, is the fact that we do  
13 meetings non-stop all day long, virtually every day. And I  
14 do at least 3,500 meetings a year. It may be higher than  
15 that.

16           Since this time period of early 1987, I've been  
17 in and out of at least 10,000 meetings, and that's a  
18 conservative estimate. And I say, by that, I mean meetings  
19 where things are said, whatever the subject is, is discussed  
20 and so forth. And I don't have the ability to go back any  
21 great distance in time, and be able to speak what was said  
22 in those meetings between individuals.

23           I'll give you a couple of illustrations, because  
24 I've spent a long time trying, as hard as I know how, to  
25 remember what might have been said in some of these



1 conversations because of the importance that they have taken  
2 on in the course of this inquiry.

3 But I want to give you just two illustrations.

4 I think the most important thing I did here in my  
5 time in the Senate were the Chrysler loan guarantees in the  
6 Senate, to try to save that company, critical to my State,  
7 hundreds of thousands of jobs involved.

8 I was involved in scores and scores and scores of  
9 meetings, probably hundreds of meetings on just the Chrysler  
10 loan guarantees, with the President of the United States,  
11 Treasury Secretary, Lee Iacocca, a whole lot of other  
12 people.

13 I can't, as I sit here right now, reconstruct for  
14 you a single conversation from that period. Now, that was  
15 earlier in time.

16 But I'll give you one that's more specific than  
17 that.

18 We talked a while ago about this trade  
19 legislation in the Senate Finance Committee in early 1987.  
20 I was very much involved in getting this Super 301 provision  
21 written with Senator Danforth.

22 We had countless meetings. This took place at  
23 exactly the same time. That was really important to me.  
24 And we got it enacted, and it was very important to my  
25 state.

1 I can't, from memory, give you any part of any  
2 conversation that would have taken place in any of those  
3 meetings. It's just not the nature of my ability to do so.

4 But I want to make another point about it,  
5 because if people don't understand this, including the  
6 Special Counsel, you know, we're going to have a problem.

7 I heard the testimony on Friday, and I heard what  
8 John McCain's testimony was, that was read into the record.  
9 And he said, in different words, exactly the same thing.  
10 That when you go back three or four years, in his case, and  
11 I think it's probably true of any, of these five Senators or  
12 these six Senators, unless there's somebody that's got an  
13 extraordinary sort of photographic memory, and maybe one  
14 person in a million has that, to be able to recall precise  
15 conversations. It's just not possible to do it.

16 I mean, maybe if there's some very dramatic event  
17 or, you know, I mean some explosion that takes place in a  
18 meeting or so forth, I can see why that would be remembered.  
19 But normal stuff, you know, it's just not there to be  
20 recalled.

21 Q Let me move you along to your trip to Phoenix,  
22 which took place literally the next day, after you met with  
23 Mr. Gray, and that constitutes your next contact with Mr.  
24 Keating, does it not?

25 In Phoenix?

1           A        I'm sorry. Could you repeat that.

2           Q        I say, you left for Phoenix the day following  
3 your meeting with Mr. Gray in your office on March 6th, and  
4 that was the next time that you saw Mr. Keating.

5           A        Yes, it is.

6           Q        Now, sir, can you tell me for what purpose you  
7 went out to Phoenix, Arizona?

8           A        Yes.

9                    I went out to Phoenix, Arizona, to attend a  
10 weekend long series of meetings with the New England Life  
11 Insurance Company. They had invited me to come out as their  
12 principal participant in this nationwide gathering of their  
13 people that that year, 1987, happened to be in Phoenix.

14                   We were asked to do that, and agreed to do that,  
15 back in November of 1986, according to the records that the  
16 Committee has.

17           Q        And who accompanied you on that trip, Senator  
18 Riegle?

19           A        Kevin Gottlieb, my Executive Assistant and  
20 Director of Michigan Operations at that time.

21           Q        And you now know that, while you were out in  
22 Phoenix, you paid a visit to ACC on Monday, there was a  
23 helicopter ride and so forth on Sunday.

24                   How did those arrangements come to be made?

25           A        The records that we have indicate, and I take

1       them to be accurate, that Mr. Katz, who was assisting us in  
2       Arizona with our fundraising activities in the Jewish  
3       community in Arizona, that Mr. Katz had contacted our  
4       office, in conjunction with that, and asked if we could find  
5       some time in our weekend schedule to visit ACC, and asked  
6       that we do that.

7                 And it involved some activity on Sunday, which  
8       was the helicopter ride and a visit to a hotel, the Crescent  
9       Hotel, that was going to serve as the model for the Tower II  
10       of the Ponchartrain in Detroit.

11                And then, on Monday, a very hurried walk through  
12       of the ACC headquarters when they were actually open and the  
13       people were there during the day.

14                Q       I think you briefly mentioned it, but just to ask  
15       you, specifically, this visit to ACC. Was the purpose of  
16       that visit related to the development in Detroit?

17                A       Yes, it was; in my mind, yes.

18                Q       Now, did you conduct any fundraising at all at  
19       ACC while you were in Phoenix, Arizona, over that early  
20       weekend in March?

21                A       No, Mr. Green.

22                Q       You did, however, attend some other fundraising  
23       events.

24                And if you could, could you identify them and  
25       tell me briefly what role Mr. Katz had in arranging those

1 other fundraising events?

2 A Yes.

3 There were two other fundraising activities.

4 There were two or three events that were put  
5 together by New England Life with their people, and I think  
6 some other people in the insurance business that might be in  
7 that area, and so that was one fundraising aspect.

8 The other was a fundraising event in the  
9 metropolitan Phoenix area, a Jewish community, that was  
10 hosted by a couple who had previously lived in Michigan.  
11 And those were the only two fundraising events.

12 Mr. Katz was not involved in the New England Life  
13 Insurance event, but he spearheaded, and was the person who  
14 put together the Jewish community event.

15 Q Who was Mr. Katz?

16 A Mr. Katz is a very prominent political activist  
17 and fundraiser, and I think can fairly be said to be a  
18 leader in the national Jewish community, as well.

19 And was a person who had gone to the University  
20 of Michigan and maintained certain ties and feelings of  
21 affiliation to the State of Michigan.

22 And over the years, Mr. Katz, I think, is  
23 probably the principal democratic fundraiser in Arizona for  
24 many many candidates running, principally democrats, I think  
25 even some republicans around the country.

1 I know he was also a major fundraiser for Senator  
2 DeConcini, may have been his principal fundraiser.

3 Q There's an Exhibit which has been introduced into  
4 evidence, which identifies a number of other Senators,  
5 including your colleague, Senator Levin from Michigan, for  
6 whom Mr. Katz raised campaign funds.

7 Were you aware that he was undertaking to raise  
8 campaign funds for other members of Congress, as well?

9 A Yes. I knew he had a reputation for raising  
10 funds for candidates from other states.

11 Q Now, sir, you also alluded, a moment ago, to what  
12 you did while you were in Phoenix.

13 Let me direct you to the time that relates to  
14 ACC.

15 I take it, your activities on Sunday were  
16 restricted to the helicopter ride, and then lunch at the  
17 Crescent Hotel, and a walk through at the Hotel. Is that  
18 right?

19 A Yes.

20 And I think it's important to just take a minute  
21 to detail it.

22 I had activities of one sort or another with the  
23 New England Life meetings. But I went to an airport hangar  
24 and got into a helicopter. Took a ride over metropolitan  
25 Phoenix, saw certain development activities in at least two

1 hotels that Mr. Keating was developing at the time. Landed  
2 at the Crescent Hotel. Went in for a quick lunch.

3 I left there to go on to -- left him, and went on  
4 to the event in the Jewish community in the afternoon. And  
5 that was it for Sunday.

6 And do you want to go further on Sunday, or  
7 should we go to Monday?

8 Q Well, let me just stop.

9 On Sunday, was there any examination of ACC  
10 financial statements or papers or documents, or anything  
11 like that, at all?

12 A No, there was not. And Kevin Gottlieb, who was  
13 with me at the time, described the only two events that  
14 occurred. One was the helicopter ride. The other was the  
15 brief, a buffet luncheon in a very large public dining room.  
16 And that was the extent of it.

17 Q Now, we know that you departed Phoenix the next  
18 day, Monday morning, at about 11:45, 11:50 in the morning.

19 On your way to the airport, did you stop at ACC  
20 that Monday morning?

21 A We did. And I also recall that there was some  
22 other final event, as best I remember, with New England  
23 Life, which, where they were having their event was at some  
24 geographic point some distance away. So I remember the  
25 morning as being very, there was great time pressure.

1 I remember going to ACC. I remember being given  
2 a walking tour through the building, meeting the employees  
3 in the building. I remember talking with a group. They  
4 gathered the employees down in like a cafeteria room.

5 And then we were on our way to the airport.

6 And my guess would be that we were there 25  
7 minutes total, or thereabouts, for the whole thing.

8 Q On that Monday, before you left, did you have a  
9 short conversation with Mr. Keating?

10 A Yes.

11 I mean, this again is going back and trying to  
12 sort of piece together everything that would have occurred.  
13 In the course of walking through the building, at some  
14 point, Mr. Keating and I stepped into his office. We would  
15 have talked in there, I think, and this is partly the  
16 reflection, too, of Kevin Gottlieb, who was with me, and his  
17 recollection, for maybe five minutes or so.

18 And that would have been the extent of the time  
19 that I would have been alone with Mr. Keating at any point  
20 during either of these two days.

21 Q Can you recall, for us, what you two gentlemen  
22 discussed during that very short interlude?

23 A I can't in any specific detail, no. I can't play  
24 back that conversation or any other conversation from that  
25 time period.



1 I mean, we may very well -- I mean, I can  
2 speculate. And if you would like me to do that, I'll --

3 Q Well, let me follow up in that vane.

4 If Mr. Keating had raised the subject of his feud  
5 with Mr. Gray, and had he asked for your advice, would you  
6 have been inhibited or reluctant to offer advice to Mr.  
7 Keating?

8 A No, I would not have been.

9 Q Do you know whether or not your March 6th meeting  
10 with Mr. Gray, the one you just had with Mr. Gray that you  
11 just testified to which immediately preceded your trip to  
12 Phoenix, do you know whether that meeting with Mr. Gray was  
13 raised or discussed by you with Mr. Keating?

14 A I have no recollection that it was, or wasn't.

15 Q It's a possibility that it might have been?

16 A Speculating, it certainly is a possibility.

17 I mean, you know, if I had said to him, something  
18 like -- and this is pure speculation on my part -- you know,  
19 I've already -- you know, State Senators have mentioned to  
20 me some of the concerns you have, and I've already passed  
21 those along to Gray.

22 But I can't tell you that I said that, and --

23 Q If Mr. Keating had asked for help in dealing with  
24 the feud or his problems with the Federal Home Loan Bank  
25 Board, can you give me a feel for what kind of advice you

1 probably would have given him, consistent with your standard  
2 operating practices?

3 A Yes, I can, Mr. Green.

4 I think this is very important, and I think it's  
5 very important in this setting and circumstance.

6 And that is that I've a very clear sense in my  
7 mind, as to how I respond to case situations of all types  
8 and sorts.

9 And my view would be that anybody that is  
10 domiciled in a state outside of my state, and whose problems  
11 are outside of Michigan, would have to take up their  
12 problems and handle their problems with their home state  
13 Senators, just like people in Michigan do with me.

14 And that, so, in the vane of any discussion on  
15 this, my standard operating procedure would be to say to  
16 someone in a situation like a Mr. Keating, maybe a business  
17 constituent who's in my state but whose home base operation  
18 is elsewhere, what I would say to him is:

19 Look, you have to work with your home state  
20 Senators, and if they want my help, they can ask for it.  
21 But, you know, you've got to work with your home state  
22 Senators. I've said that to people countless times, because  
23 that's the standard procedure by which I work.

24 Q Is it possible that the concept of a meeting with  
25 Gray and Senators was discussed while you were out there in

1 Phoenix?

2 A Mr. Green, I can't tell you exactly what words  
3 were spoken.

4 If the concept of a meeting had arisen, you know,  
5 it would have made sense to me, just based on all the facts  
6 known at the time; the public feud, representations by  
7 Greenspan and Arthur Young that this was a well-run  
8 operation, concerns of colleagues, press articles. You  
9 know, the concept of a meeting, you know, I think would have  
10 made sense.

11 I mean, obviously, you've got five Senators in  
12 this room who, at one time or another, all came to the  
13 conclusion that a concept of a meeting made sense because of  
14 just what we now know to be the case.

15 So, you know, in my own mind, I've always felt  
16 that the notion of the concept of a meeting is something of  
17 a red herring here. But that's one man's view.

18 Q Senator, is my understanding correct that, when  
19 you returned to Washington from Phoenix, you had no contact  
20 with Mr. Gray to set up or arrange any meeting between Mr.  
21 Gray and other Senators in regard to Mr. Keating or Lincoln  
22 or any problems Mr. Keating was having?

23 A That's right, Mr. Green.

24 Q Did you have any face to face meeting with Mr.  
25 Gray at all between March 6th and April 2, 1987, which is

1 the day of this first meeting?

2 A No, Mr. Green.

3 Q So if Mr. Grogan, one of Mr. Keating's  
4 assistants, understood you to say, in Phoenix, Arizona, that  
5 you were going to go back to Washington and contact Mr. Gray  
6 in furtherance of setting up some meeting, Mr. Grogan must  
7 have misunderstood or mis-perceived what you said in  
8 Phoenix, is that right?

9 A Well, that's correct, because, clearly, I did not  
10 come back and talk to Mr. Gray.

11 And you know, there are -- with all due regard to  
12 Mr. Grogan, he, I think, suffers from the same problem we  
13 all do in going back and trying to recall, with precision,  
14 exactly what was said or what was done, you know, at any  
15 particular time.

16 And there've been a number of points that he has  
17 raised, and I don't fault him for his view. I mean, I think  
18 he's struggling to try to sort of make sense out of distant  
19 events, himself, but there've been a number of points that  
20 he's raised in that regard that have just been contradicted  
21 by others.

22 I recall two occasions, last Friday, one with  
23 Senator Glenn and one with Senator McCain.

24 But even with myself, you'll recall that when Mr.  
25 Grogan testified in private session here, he was convinced

1 that the concept of a fundraiser at the Ponchartrain Hotel  
2 began and was created in Phoenix. He, over the next three  
3 days, decided that he was wrong about that, and that  
4 changed.

5 He also thought that I'd conducted an inquiry in  
6 Phoenix, and after the cross examination by yourself and  
7 laying out what we knew had happened, he also ended up  
8 endorsing my description of what had happened, rather than  
9 his earlier description.

10 So, again, I don't imply any bad faith on his  
11 part. I think he's struggling, like we all are, to try to  
12 make sense out of things. But in that area, whatever he  
13 would have thought, there's somebody or something missing in  
14 the translation here, something was misconstrued somewhere  
15 along the line.

16 Q Now after you got back to Washington, from  
17 Phoenix --

18 Vice Chairman Rudman. Mr. Green, that's probably  
19 a good time to take a ten-minute morning break.

20 Mr. Green. Yes, sir.

21 (Recess.)

22 Vice Chairman Rudman. Mr. Green, you may proceed  
23 with your examination.

24 Mr. Green. Thank you, sir.

25 By Mr. Green:

1 Q Senator Riegle, let me just back up one moment.

2 After your return from Phoenix to Washington, you  
3 did not contact Ed Gray to set up or arrange any meeting, is  
4 that correct?

5 A That's right, Mr. Green.

6 Q All right, now, after your return from Arizona  
7 and in that interval up and to the April 2, 1987 meeting,  
8 did any of your Senate colleagues contact you to discuss any  
9 matter pertaining to Mr. Keating and Mr. Gray, or a meeting?

10 A Well, my calendars indicate that Dennis DeConcini  
11 contacted me, and that we talked presumably on that issue.

12 I don't remember any conversation with him about  
13 it, but I gather he does, and I would have to rely on what  
14 he remembers.

15 Q All right, sir.

16 Your calendar shows a meeting with Mr. Grogan on  
17 the 17th day of March, 1987.

18 There's been some testimony by Mr. Grogan with  
19 respect to a meeting he recalls having with you, when he  
20 came to Washington, after your visit to Phoenix.

21 Have you been able to ascertain what kind of a  
22 day that was for you, March 17, 1987?

23 A Yes, I have, Mr. Green. That was another sort of  
24 frantic work day, where there were multiple activities and  
25 meetings going on throughout the day.

1           And if I say Mr. Grogan at all, and I don't know  
2           that I did or didn't, but if I did, it had to be for a very  
3           brief period of time, because of activities that I've been  
4           able to determine that I was involved in before the time he  
5           was on the schedule, and other items immediately after the  
6           time that he was on the schedule.

7           So I would say, if I saw him at all that day, it  
8           had to be for probably five minutes.

9           Q       Do you recall telling him that you wanted to be  
10          invited to a meeting, and do you recall asking him to tell  
11          his home state or constituent Senators to invite you to a  
12          meeting?

13          Did that conversation take place?

14          A       Mr. Green, I don't recall such a conversation  
15          taking place.

16          Q       Now, sir, with respect to the arrangements for  
17          what turned out to be the April 2, 1987 meeting, did you  
18          contact or call any of the other Senators, your colleagues  
19          that are involved in this inquiry, and ask them to set up or  
20          attend a meeting in Senator DeConcini's office on April 2,  
21          1987?

22          A       No, sir.

23          Q       Did you ask Mr. Grogan to make the rounds to  
24          various Senators, and drum up support for a meeting with Mr.  
25          Gray?

1           A       No, I would not have done that.

2                    Although I have to say, consistent with the  
3 speculation that I did, earlier, you know, just in trying to  
4 figure out where the confusion is here, you know, my  
5 standard procedure is to say to somebody that mentions a  
6 problem to me, you know, work with your home state Senators.  
7 If they want my help, ask for it.

8                    And so I've wondered if somehow or another, you  
9 know, that's gotten turned into some different view in his  
10 mind.

11                   But the point is, in terms of me asking him to go  
12 and see other Senators and ask them to do things, that did  
13 not happen.

14           Q       And you did not contact any Senators, is that  
15 correct?

16           A       I know of no Senators that I contacted.

17           Q       And did you contact, or telephone, Ed Gray, to  
18 ask him to come to Senator DeConcini's office on April 2,  
19 1987?

20           A       No, I did not.

21           Q       Did you ask to be invited, yourself, to the  
22 April 2, 1987 meeting?

23           A       No, Mr. Green, nor was I invited.

24           Q       Did you have anything to do with the agenda of  
25 the April 2, 1987 meeting as we have seen it referred to



1 here in these hearings?

2 A No, Mr. Green.

3 Q I think you just mentioned it, but you did not  
4 attend the April 2, 1987 meeting, is that not correct?

5 A I was neither invited, nor did I attend the  
6 April 2 meeting.

7 Q Now, in light of your answers to these last few  
8 questions, do you consider, in your own mind, that you set  
9 up and made the arrangements for the April 2, 1987 meeting?

10 A No. I have never felt that I did, Mr. Green.  
11 Because I did not do any of the things that we've  
12 just described. And that, to me, is what constitutes  
13 setting up or arranging or convening a meeting.

14 Q Now, you were invited to the second meeting on  
15 April 9, 1987, is that right?

16 A That's correct.

17 Q Can you tell me who invited you, and how that  
18 came to pass.

19 A My best recollection on that, I know I was  
20 invited by Senator DeConcini, and I think he invited me in  
21 person, or it may have come over the phone. I'm not exactly  
22 certain, but I'm certain that he asked me to come.

23 It was also my recollection that I had been  
24 invited by John McCain. I know he dissents from that, and I  
25 can't say in fact that he did. I mean, that was just my

1 impression, and so there's been that difference for some  
2 time.

3 And I think Alan Cranston also may have said  
4 something to me, but I'm not certain of that. That's --

5 Q Now, your invitation came to you in the form of a  
6 letter dated April 9, 1987.

7 Why did you want that invitation to be put in  
8 writing?

9 A Well, three reasons, Mr. Green.

10 One is is that I don't handle case problems of  
11 this kind that are in other states by companies domiciled in  
12 other states. And so that's my dividing line, and that's  
13 why my staff people were not put to work on this issue, as  
14 they would not be in a situation of that kind.

15 Sp I wanted it clear that I was not handling this  
16 case problem, and that it was consistent with my dividing  
17 line on that.

18 Secondly, I think I had some sensitivity at the  
19 time about the fact that Mr. Keating had hosted the  
20 fundraiser for me at the Ponchartrain Hotel. And I wanted  
21 it clearly understood that if I'm going to go to this  
22 meeting of the 9th, I'm going by invitation and for a very  
23 specific purpose, to go in, in effect, as a neutral party,  
24 as sort of a fact finder, to try to listen to the arguments  
25 and draw out the facts and find out whether or not there's a

1 feud going on.

2 And I think there was probably a third factor at  
3 work in my mind, as well.

4 And that is is that it was said to me in the  
5 invitation, however the invitation was conveyed, that these  
6 were field regulators coming in, as I understood it, at the  
7 suggestion of Chairman Gray and at the authorization of  
8 Chairman Gray. But I think, also, being a member of the  
9 Banking Committee, myself, and with field regulators coming  
10 in, I may well have had some sensitivity on that point, as  
11 well.

12 And so, for a combination, I think, of those  
13 reasons, I would have wanted the invitation in writing,  
14 principally to set forth the purpose of my being there.

15 Q Senator, you made reference to the fundraiser.  
16 This fundraiser, which Mr. Keating offered to sponsor back  
17 in January, 1987, was ultimately scheduled for and held on  
18 March 23, 1987, is that right?

19 A That's right.

20 Q With respect to that, can you tell me how much  
21 money Mr. Keating personally contributed in connection with  
22 that fundraiser?

23 A Yes.

24 Mr. Keating, himself, contributed \$2,000 to my  
25 1988 campaign. His wife contributed \$2,000, so a total of