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Dole

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Business Administration. The SBA's regional office in Kansas City assigned the contract under its minority set-aside program aimed at bringing federal contracts to minority-owned businesses.

Owen told HNS that he served as a consultant to EDP. Owen also is a director and former owner of the State Bank of Stanley, which was involved in financing EDP, according to state records and SBA officials.

A month after the Overland Park office building transactions, Palmer donated \$5,000 to Campaign America, a political action committee created by Bob Dole to make donations to other Republican candidates. Palmer was one of 13 Kansans to make the maximum donation during the current reporting period, according to donation records.

In October 1986, Palmer also made a personal donation of \$3,000 to Kansas Gov. Mike Hayden's campaign, and EDP Enterprises made a \$5,000 corporate donation. Those donations were part of a pool of nearly \$50,000 donated to the Hayden campaign through fundraising efforts linked to Owen.

Neither Owen nor the trustee of the Dole trust would comment on the transactions, citing confidentiality restrictions enforced by the U.S. Government Ethics office in Washington, D.C., in connection with maintenance of the blind trust.

"I am not at liberty to discuss those matters," Owen told HNS when asked about financing statements on file with the Kansas Secretary of State bearing Owen's name and the name of the Dole trust. "But I can assure you that was a straight-up business deal."

When asked about the Dec. 30, 1986, transaction, Palmer first requested that the questions be submitted in writing. He then refused to answer virtually all of the written queries relating to his company's role in the purchase and disposal of a new office building in a thriving business district of Overland Park.

Palmer would acknowledge only that he is a participant in the Small Business Administration's minority set-aside program and that he has had a 15-year relationship with Owen.

"With respect to the remainder of your questions, I am certain you can find something appropriate to do with them," Palmer told HNS.

Walt Riker, press secretary to Sen. Dole, was informed of the circumstances in mid-December and again this week but has not responded.

Efforts to learn the identity of the new owners were unsuccessful. Kansas law requires that "limited partnerships" be recorded, but that requirement does not apply to "general partnerships."

Owen's involvement in the transactions stems from his role as an investment counselor to the Dole trust. Owen was retained in that capacity by the trustee, Mark McConaghy, Washington, D.C. However, McConaghy told HNS he later replaced Owen with another investment counselor after Owen became actively involved in the Dole presidential campaign.

The Elizabeth Dole trust was established in January 1985 under the Ethics in Government Act to insulate the Doles from any appearance of conflict of interest between their private business holdings and their public responsibilities. Although the fund was supposed to have been kept well apart from the Doles' political dealings, Owen was retained as an investment advisor to the trust, despite his obvious political and personal ties to Mrs. Dole's husband.

At its inception, the trust held assets worth at least \$900,000 and perhaps \$1.85 million or more, according to U.S. Government Ethics Office documents. Its holdings at the time of its creation are public record, but later transactions — such as the office building purchase — are confidential under federal law.

Building's history traced through paper trail

By Dale Goter

OVERLAND PARK — From outward appearances, the new office building at 11827 West 112th, Overland Park, seems to have little to do with U.S. Sen. Robert Dole.

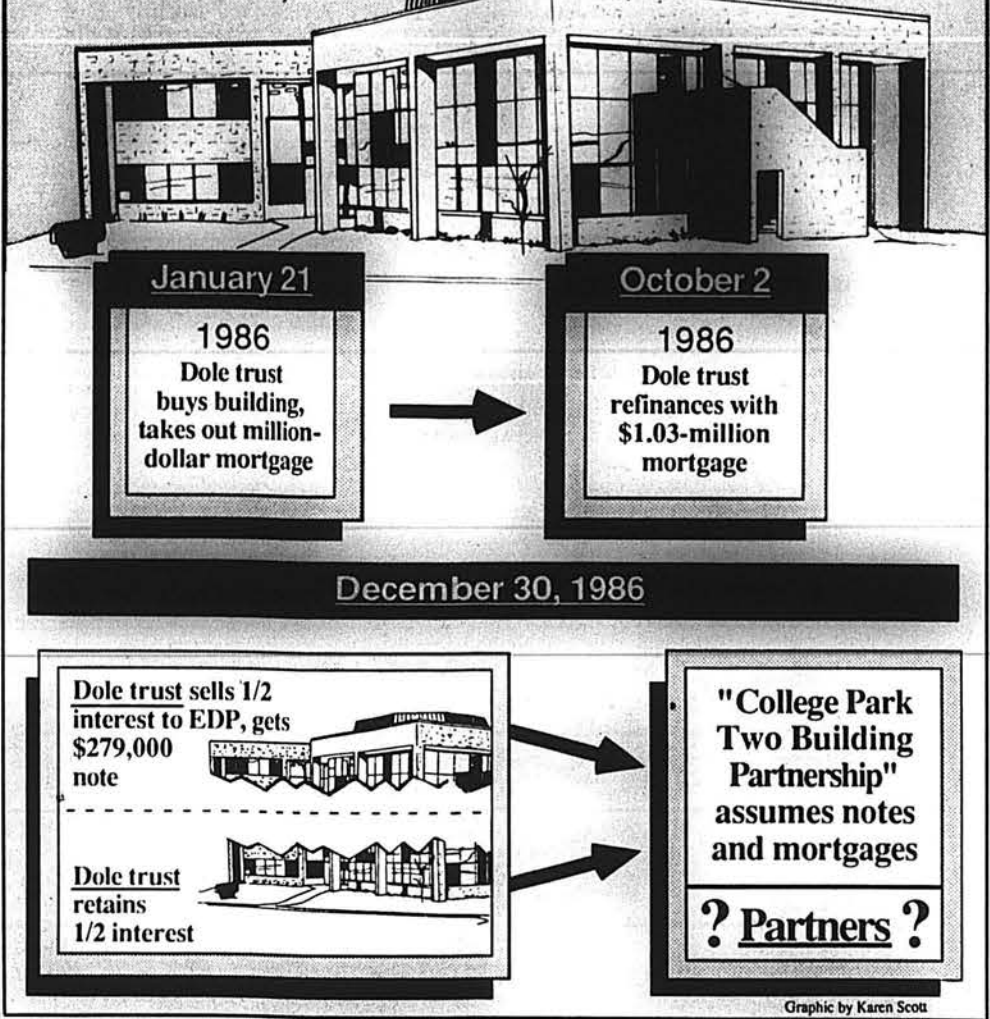
Inside, only a small "Dole" sticker on an office window gives evidence that one of the building occupants is the Kansas City headquarters of the Dole For President campaign.

But the building, once owned by a blind trust in the name of Dole's wife, Elizabeth, is the subject of a series of unexplained property transactions involving that trust. Here is a chronology of those transactions:

Jan. 20, 1986: The Elizabeth Dole trust purchased the building from Overland Park contractor James Deibel. The purchase, Deibel said, was

Mystery on 112th Street

11827 W. 112th St.
Overland Park, Ks.



Blind trust raises eyebrows

By Dale Goter

OVERLAND PARK — When Elizabeth Dole created a "blind" trust for her million-dollar-plus assets, the purpose was to protect her and her husband — U.S. Sen. Robert Dole — from conflicts, or even the appearance of conflict, between their personal interests and public duties.

The trust was supposed to be maintained in a way that kept the Doles' political interests at a safe arm's length from their personal investments.

But Washington, D.C., ethics officials, who agreed to comment only if not identified, say the trust was a victim of poor judgment because Dave Owen was retained as an investment counselor.

Owen, former Kansas lieutenant governor and a longtime Dole political associate, was hired by the trust as a financial adviser, despite his obvious political and personal connections to the Doles.

In 1986, Owen negotiated the purchase of an Overland Park office building. That building would house several offices, including a Dole For President headquarters. At the end of 1986, Dec. 30, the property changed owners again: part of that transaction included a \$279,000 promissory note and second mortgage to the trust from EDP Enterprises, a company owned and headed by a former Dole Senate aide.

Owen's involvement raises one important question: How "blind" could the trust have been when its investment counselor is a former Dole campaign chairman and longtime Dole confidant who is a national general finance chairman in the Dole presidential campaign?

The trustee of the Elizabeth Dole trust — Mark McConaghy, a Washington, D.C., accountant — says he dismissed Owen as an investment counselor when Owen took a more active role in Dole's campaign.

"In this case, when he (Owen) became active, I certainly felt it was better all the way around to cut those ties" to the trust,



Owen. Dole

McConaghy said. The trustee said confidentiality restrictions prevent him from saying when that change took place.

But government ethics officials in Washington, D.C., say Owen's involvement even before the Dole campaign officially began raises serious questions about whether the fund was properly insulated from Dole's political interests.

The fact that Owen was retained as an investment counselor would be enough to raise questions on its own, officials say. But when the trust account became involved in the complex land transaction involving Owen and the former Dole aide, John Palmer, the "blindness" of the trust became even more suspect, they say.

Palmer is president of EDP Enterprises, Overland Park, which last year won a three-year federal contract worth \$30 million, awarded by the Small Business Administration on a non-competitive basis. In addition to his past association with Dole, Palmer also has been a longtime associate of Owen.

Government ethics officials also say the circumstances involved in the Overland Park transaction have seriously compromised the "blindness" of the trust.

Those officials say the involvement of Owen in the trust represents a major mistake in judgment by the trustee, McConaghy.

McConaghy was picked by Elizabeth Dole to administer the trust because he was not a "political operative" who would invite criticism over possible conflicts of interest.

But McConaghy, who supposedly would keep the trust free of any appearance of conflict of interest, hired Owen as an investment counselor. Owen later arranged the purchase of the Overland Park office building.

In addition to the Dole For President campaign office, the building also houses Owen's Overland Park consulting firm and Palmer's company.

Owen's role in the trust account is likely to be perceived as "cronyism," the officials say. Similar criticisms were leveled at former Presidents Richard Nixon and Jimmy Carter in connection with some of their private business dealings while in office and led to the 1978 Ethics in Government Act that established procedures for "blind trusts."

The law does permit investment counselors. But the hiring of Owen, a consultant with close political ties to Dole, appears to contradict the trust's stated intent to avoid "the appearance of a conflict of interest," ethics officials say.

Those officials also question why the purchase and resale of the Overland Park office building by the Dole trust was a publicly recorded transaction that listed the Dole trust as the dees.

"When we advise trustees regarding a blind trust, we recommend that they not use specific names (in transactions) because it is so interesting for people to know what someone important owns," one ethics official said.

That advice apparently was ignored by the trustee, because the trust fund is clearly identified in deeds and mortgages of record in Johnson County and on financing statements filed with the Kansas Secretary of State.

As a result of those public filings, ethics officials say they would advise that the building purchase be "backed out" of the blind trust.

In fact, the Elizabeth Dole trust no longer holds title to the building. But the trust continues to hold, of record, the \$279,000 note secured by a second mortgage.

While the documents leave a clear trail regarding ownership of the property, they leave a number of unanswered questions as well. Among them:

- Who are the partners in College Park Two Building Partnership?

- Why was it necessary for EDP Enterprises to be involved in the Dec. 30 transaction? EDP had no interest in the property at the beginning of the day and no interest at the end of the day. The company, however, signed a mortgage and a \$279,000 note, which were assumed by the buying partnership.

The questions go unanswered because those involved in the transactions say they either cannot or will not comment.

4 Topeka Capital-Journal, Sunday, January 10, 1988

Dole dismisses seriousness of fraudulent Texas petitions

By EDWARD WALSH
L.A. Times Washington Post Service

ARLINGTON, Texas — Senate Minority Leader Bob Dole, R-Kan., sought Saturday to play down an episode involving apparently fraudulent petitions for his campaign here as he stepped up his attack on Vice President Bush's "credibility problem" in the Iran-Contra affair.

Dole and his national campaign chairman, William E. Brock, spoke at a news conference here after Dole's appearance before a meeting of the Texas Conservative Leadership Conference.

Both said that despite the apparent forgeries on some petitions circulated in the Houston area, Dole's Texas campaign had collected more than the necessary 5,000 legitimate

signatures of registered voters to have his name placed on the ballot in this state's March 8 primary, the largest of the Super Tuesday contests.

"I don't think I should be penalized if someone is out there ripping us off," Dole said.

"It's about a two- or three-day story," he added. "It doesn't involve the candidate. I'm the candidate. I didn't run around forging people's names."

Dole then responded to Bush's assertion during Friday's debate in Des Moines that he had answered all questions about his role in the Iran-Contra affair except those involving his private advice to President Reagan.

"If George Bush really wants to put to rest all the Iran-Contra thing, he should release all his notes, all

the memoranda that have come to him from agencies except those directly dealing with the national security and involving the president," Dole said.

The news conference, however, was dominated by the petitions incident, which has embarrassed the Dole campaign and is under scrutiny by the FBI and U.S. prosecutors.

The investigation also involves apparently fraudulent signatures on petitions circulated by the campaign of Alexander M. Haig Jr. Late Friday, Texas Republican Party officials asked the investigators also to look at the petitions of a third GOP candidate, former Delaware governor Pierre S. "Pete" du Pont IV.

Aides to du Pont said Saturday that they are confident they have enough legitimate signatures to qualify for a place on the ballot.

Texas GOP Chairman George Strake, however, told United Press International that Haig and du Pont may lose their spots on the ballot, although Dole appears to be all right.

Brock reiterated Saturday that the fraudulent signatures apparently re-

"It's about a two- or three-day story."

— Sen. Bob Dole

sulted from the work of a political consulting firm and a subcontractor that the Dole and Haig campaigns hired to help in the petition drive.

But Brock, who said Dole campaign officials "really don't understand why or how" the forgeries took place, said he takes responsibility for the embarrassing episode.

"I really don't see this as affecting us in any fundamental way," he said. "It's a lousy story. It shows we did not have the oversight we should have had. That's my failing."

Brock, a former senator from Tennessee and labor secretary in the Reagan administration, took over the chairmanship of the Dole campaign in November. Since then, he has made at least one trip out of the country on private business and spent nine days on a Caribbean island with his family during the Christmas holidays.

Asked Saturday whether he was paying close enough attention to the Dole campaign, Brock said: "Yeah, I think we're doing well. I committed to my children to take them on that trip six months before I consented to this campaign. ... You're damn right. I'm busting my rear. I'm very

comfortable with where we are."

Dole and former television evangelist Pat Robertson were the only Republican presidential candidates to appear at the conservatives' conference, where Robertson received by far the most enthusiastic reception from about 800 people. Du Pont and Rep. Jack Kemp, R-N.Y., addressed the group by telephone.

Robertson won a straw poll of conference participants with 46 percent of the vote. Kemp finished second with 28 percent, followed by Dole with 11 percent, du Pont 9 percent, Bush 3 percent and Haig 1 percent.

Bush, who claims Texas as his home state, angered leaders of the coalition of conservative groups by refusing to appear or speak by telephone.

U.S. NEWS

Bob Dole talks about leadership, the Iran-Contra affair and his war wounds

'My whole life raced in front of me'

In the living room of his apartment at the Watergate complex in Washington, Senator Bob Dole spoke with David Frost for his television series on "The Next President," presented by U.S. News. In a wide-ranging dialogue, Dole discussed his war injuries, his political odyssey, his leadership role in the Congress and his attitudes toward the Reagan administration, the Iran-Contra affair and the Republican Party. Some excerpts:

Q Do you think that you can be as good a President as Ronald Reagan has been?

Well, he's been pretty good. But we each have our focus. I think the President came in as sort of an outsider—after another outsider, Jimmy Carter—and he was not convinced

you couldn't do all these things people said you couldn't do, so he did them. He lowered taxes. He dealt with inflation. He put people back to work. And he's done a good job. I think he has brought back respect to America around the world. ...

You don't stand on the Reagan record; you build on the Reagan record. And I would deal with the deficit. I think that's the one area that we need to focus on.

Q Describe what happened to you on April 14, 1945, the day that really changed your life.

It was two days after the death of Franklin Roosevelt, which was a sad day for all of us. ... And we had delayed the offensive (in Italy) a couple of days. ... We were supposed to cross a hedgerow, and we were pinned down by fire. As a result, I had gone back to sort of drag the radio man into a little shallow hole. ...

And about the time I got back, I felt this sting in my shoulder. I must say: My whole life sort of raced in front of me ... and then I don't remember anything for a long time.

Q How many times during the 39 months of battling back from that injury were you written off?

I don't think anybody ever told me. ... But, you know, compared with a lot of young men, I didn't have much trouble at all. ... I was healthy and strong and athletic; had good, kind, loving parents and friends. ...

But I think you go through stages. I think that, first, it's sort of a self-pity. I mean: "Why me? Why should it happen to Bob Dole?"

Q Don't you think there's still something deep down—

Not bitterness, but I think I'm certainly more sensitive. ... It takes a while. You sort of start over. You learn how to feed yourself ... and you learn how to let somebody else help you dress. ... So it's a big, big change for a young man who is 21 years of age.



Q Who do you think should take the blame for the whole Iran-Contra mess?

Well, as the President said, he accepts responsibility. He is the President.

Q That's responsibility; what about blame, which is more uncomfortable?

Blame—I assume the President gets a little of that. Everybody around him gets a little of that. But I don't think he was very well served by some of those who took it upon themselves to make judgments on what the President should know and what he shouldn't know.

Q You once said that the Republican Party was too "country club," not caring enough for the poor or blacks.

I think we do care, but I believe there is a perception [that we don't]. Otherwise, why would so many people be in the other party—because the Democrats promise more spending? Not necessarily. I happen to believe that one way to change that is to reach out—give somebody reason to join the Republican Party. There are good reasons for a lot of Americans—hard-working, real people.

Q Who do you think would be the strongest Democratic candidate?

Well, I've been saying that I don't want to get in trouble with any of my friends on the Democratic side.

But I've been watching Paul Simon. I've watched Simon for many years. Paul Simon is campaigning the same way he votes. He is a decent human being. He's a genuine liberal, old-fashioned Democrat—makes no excuses for it—and it's having an impact.

Q Would you support an amendment forbidding all abortions?

I support the human-life amendment, which prohibits abortion except when the life of the mother is in danger. It has been a consistent position, and it's a very controversial issue. ... My hope is that we are not going to be judged on one issue.

Q If you were willing to take the risk, how would you summarize your vision?

I guess the problem I have with vision is the word. I think you ought to know what you want, but if you ask the candidates, they are all going to be pretty much alike. They are going to say they want a better America for our children and grandchildren. And that's a vision.

Is that Bob Dole's vision? Well, to some extent. As I look out at different audiences, I've got to believe that 90 percent of the people who have thought about it would say to themselves, "When I'm gone from this earth, I want it to be better for my kids." That's what the people want, and that's what I want as a leader.



The minority leader: "Build on the Reagan record"

J.S. NEWS & WORLD REPORT, Jan. 11, 1988

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