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Campaign '88

# No impropriety seen in Dole's effort to swing contract

By BARRY MASSEY  
Associated Press writer

WASHINGTON — A congressional committee chairman said Thursday that he saw nothing improper with Republican presidential candidate Bob Dole's personally calling a former aide to secure a government contract.

"There's no evidence that I've been able to come up with that indicates any questionable activity on Senator Dole's part personally," said Rep. John J. LaFalce, D-N.Y., chairman of the House Small Business Committee, which has been investigating the awarding of a \$26 million, no-bid contract to a former Dole aide.

LaFalce's comments came a day after the committee staff released a memo outlining a November 1983 call by Dole to the head of the Small Business Administration seeking help for John Palmer, a black Kansas businessman who in 1986 obtained the \$26 million job through the SBA's minority set-aside program.

LaFalce had made a similar statement on Tuesday, and he said the

new information about Dole's phone call didn't change his opinion.

"Every member of Congress makes phone calls every single day to federal agencies on behalf of constituents, arranging meetings," LaFalce said.

"I don't see anything questionable about that."

— Rep. John LaFalce, D-N.Y., Small Business Committee

Dole previously has insisted that he did not make any phone calls to help Palmer obtain the three-year contract to provide food services at Fort Leonard Wood, Mo. He has acknowledged that his office assisted Palmer, however.

After the disclosure Wednesday, Dole said he had no recollection of

calling then-SBA Administrator James Sanders, but he maintained that there would be nothing improper in personally contacting an agency head to help a constituent such as Palmer.

Sanders, who left the SBA about two years ago, said members of Congress routinely called him when he was administrator and asked for help on matters involving the agency.

"It's quite common for a senator or congressman to call me when one of his constituents had a problem. That's what we're there for," said Sanders.

He also contended that Dole was receiving an "awful bad rap" for making the call.

An Iowa official in Vice President George Bush's presidential campaign has made references this week to the SBA contract controversy and other issues saying they reflect a "record of cronyism" by Dole.

According to the latest information from the committee, Robert Lhulier, the former administrator's chief of staff, said Sanders told him that Dole "called to request that the SBA try to help" Palmer secure a contract.

A meeting with top SBA officials was arranged for Palmer the day after the call. Also attending, according to committee documents, were a Dole aide, David C. Owen, a

LaFalce said that "there are serious questions regarding the activities of (Dave) Owen, (John) Palmer and obviously some SBA officials" in the soliciting of the contract.

former Dole associate whose financial activities and ties to Palmer are under government investigation, and Leroy Tombs, a Kansas businessman who held the Fort Leonard Wood contract at the time.

LaFalce said he would be "absolutely surprised" if Dole's call in 1983 had any direct influence on the awarding of the Army contract more than two years later to Palmer's company, EDP Enterprises Inc.

However, LaFalce said he continues to believe "there are serious questions regarding the activities of Mr. Owen, Mr. Palmer and obviously some SBA officials" in the soliciting of the contract. The committee has asked the Justice Department, FBI and SBA inspector general to

continue to investigate the possibility of criminal wrongdoing and undue political influence in the contract award.

Documents show that Palmer was twice denied admission into the SBA minority set-aside program after the November 1983 meeting.

## Dole, Bush

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tangled from afar in Iowa over Bush state chairman George Wittgraf's written statement released the day before, which accused Dole of "a history of mean-spiritedness" as well as "cronyism" in helping a former aide win a government contract.

Dole demanded an apology from Bush, and said Bush should fire Wittgraf over the remarks. Bush responded, "No, I don't endorse them, but I don't reject them."

"I've just stood there and taken a pounding from other campaigns and I'm going to continue to do that," Bush said.

The Bush campaign has grown increasingly angry over Dole's barbs, compiling a 10-page list of what it called "negative statements" from Dole or his aides.

"The point is this: the Dole campaign and Senator Dole have been making increasingly negative and increasingly personal attacks on the vice president," Bush spokeswoman Barbara Pardue said.

On Wednesday, Wittgraf said in a statement that Dole had "brought the Republican national ticket down to defeat" as the party's vice presidential candidate in 1976. He said that Dole tells Iowans of his poor childhood in Kansas whereas in fact Dole and his wife Elizabeth live as millionaires and "vacation regularly" at a Florida condominium purchased with the help of a wealthy agribusinessman.

Wittgraf also referred to investigations of a former Dole aide for his handling of Elizabeth Dole's blind trust.

Babbitt, the former governor of Arizona, alluded to those investigations, too, as he criticized the GOP candidate for what he said was a lack of vision.

"You may have heard about Elizabeth Dole's finances," Babbitt said. "Well, she's not the only one. Bob Dole's whole vision for the future is locked in a blind trust."

Babbitt has been attacking the leading Democratic contenders in recent days, but on Wednesday he turned to Bush and the Republicans. Stalled by a New Hampshire snowstorm Thursday, Babbitt said Dole's proposal for a federal budget freeze was an "amoral policy" that avoids "making tough choices on taxes and spending."

"I wouldn't freeze aid to the homeless. They're cold enough," Babbitt said. "I wouldn't freeze aid to education. In a lot of schools around this land, they're still waiting for a thaw. I wouldn't freeze Social Security. When you live on a fixed income, a frozen check means hardship."

Robertson, the former television preacher running for the Republican nomination, was forced onto the ground in Iowa when the helicopter he planned to use to tour the state froze up before takeoff.

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## Dole attempts to deflect cronyism issue

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Dole commented, "That saves you a lot of time."

But Dole said another longtime associate, Dave Owen, was not acting with Dole's authority when he wrote a letter to the head of the SBA on Kansas Republican Party stationery seeking help for Palmer. Owen, then chairman of the Kansas GOP, said Palmer "can be a real asset to the Republican Party, and I know Senator Dole is supportive of his endeavors."

**Character Attacks**

Dole portrayed himself as a candidate who has run on his record and avoided personal attacks on his opponents. He accused the vice president's campaign aides of attacking his character because they are aware that polls show the public believes Dole has higher integrity than Bush.

"As I see it, this is all character stuff," Dole said. "This is attacking Bob Dole's character. If we want to get into that game, as I told George Bush, I have a lot of ammunition. I could send my minions out with little pamphlets. We haven't done that. We don't intend to do that."

Dole wasn't shy, however, about displaying the sort of ammunition he had in mind. "If we want to get into the cronyism thing, there are all kinds of things we could talk about," he said.

For example, he said, Bush's former chief of staff, retired Admiral Daniel Murphy, now runs a Washington public relations firm that has "a \$400,000 contract with who? Noriega."

Dole was referring to Panamanian leader Gen. Manuel Antonio Noriega, who was indicted in the United States last week on charges related to drug trafficking.

Dole also noted that Bush's campaign press secretary, retired Admiral George T. "Teley" Teley, worked as a consultant to the scandal-ridden PTL television ministry and once brought Jim and Tammy Bakker to the vice president's home in Kennebunkport, Maine.

"There are a lot of things, if you want to get into that kind of character assassination," Dole said.

**Teley Denies Visit by Bakkers**

In an interview, Teley said Dole is "absolutely wrong on both accounts." He said the Bakkers never visited Bush at Kennebunkport or had any private meeting with him elsewhere. Teley also said Murphy has never had Noriega as a client.

Political contributions to Bush's campaign form another line of attack, Dole said. "I told George Bush... I could go out and say you're the one who got \$2 million from oil. You're the oil man's candidate. That wouldn't sit very well in New Hampshire or Iowa, but I haven't done that."

Dole said he has made public his tax returns for the last 21 years while Bush has released returns from only the last ten years. "I've called him and raised him," Dole said. "He won't release returns covering all 21 years, and nobody seems to care."

Dole answered questions in a confident, amiable manner, displaying none of the testiness he showed on Thursday and Friday, but the barbed wit for which he is noted frequently was present.

For example, the Bush campaign recently has taken much glee in noting that Dole and his wife are millionaires who live in comfortable surroundings, in sharp contrast to the humble Kansas childhood Dole describes in campaign appearances. "Somehow he's become the poor man's candidate," Dole cracked. "I've said, if he can prove he was ever

poor, he ought to be president."

The matter of personal finance clearly rankles Dole. Much of his wealth is the result of his 1975 marriage to Elizabeth Hanford, whose family runs a large wholesale floral company in North Carolina. Bush was born into affluence on the East Coast but moved to Texas and earned his own fortune in the oil equipment business.

"How much money is he going to inherit from his mother?" Dole asked. "They're picking on Elizabeth because her father left her a million. How much money is he going to inherit?"

Much of the controversy surrounding Dole in recent weeks concerns the blind trust Elizabeth Dole established for her holdings in 1985, after she had become secretary of transportation. The trust was controlled largely by Owen, who was working at the same

time as the finance chairman for Dole's presidential campaign.

Dole fired Owen from the campaign last month and took steps to open up the trust after questions were raised about Owen's dual role. At the time the trust was dissolved, about half its \$1.6 million in assets were invested in holdings related to Owen. On two occasions, the trust also had financial dealings with Palmer, the former aide who received the SBA contract.

Dole said he was unfamiliar with all of the details concerning Owen's involvement with the trust, but Dole acknowledged that "it looks like there was some self-dealing there."

"When I learned that Dave Owen had some problems, he was gone," Dole said. "Obviously if you knew everything in advance, Dave Owen wouldn't have been around."

Dole said his own reason for trying

to help Palmer win the SBA contract grew out of his desire to help young black businessmen. The House committee staff report suggested Palmer's firm, EDP Enterprises, actually was a "front company" established to benefit Owen.

Dole said the question of Owen's relationship to EDP should be investigated, but he maintained "there was no inference of a deal" when he tried to help Palmer. Dole asserted again that he could not recall making a phone call on Palmer's behalf to SBA chief James Sanders.

"I don't like to make calls," he said. "I don't like to lean on people."

## Dole attempts to deflect cronyism issue

By JOHN HYDE

**OF THE REGISTER'S Washington Bureau**  
Kansas Senator Robert Dole, stung by the sharp exchange over "cronyism" that dogged his campaign last week, sought to deflect the controversy Saturday with a detailed account of his own activities and a fresh volley of questions about Vice President George Bush's associates.

At his request, just two days before the Iowa caucuses, Dole met for 45 minutes with editors and reporters of The Des Moines Register to respond to questions about his wife's blind trust and his involvement in helping secure a no-bid government contract for a former aide.

Dole insisted he had done nothing out of the ordinary to help former aide John Palmer win a "minority set-aside" contract from the Small Business Administration and said he was "somewhat at a loss" over the criticism he has received. "I don't know what the big deal is," he said.

"All I did was write a letter," Dole said. "When the day comes that you can't write letters for constituents, can't make phone calls, can't arrange meetings, they might as well abolish Congress."

**"Improper" Circumstances**

A report issued last week by the House Small Business Committee staff said Palmer clearly was unqualified to receive the \$30 million contract to provide 9 million meals a year to Fort Leonard Wood, Mo. The report contended the contract was awarded under "improper" and possibly illegal circumstances.

The committee's chairman, Representative John LaFalce (Dem., N.Y.), has forwarded the report to the Justice Department and the SBA's inspector general for further investigation. LaFalce reiterated in a statement issued Friday that he has "found nothing that suggests any U.S. senator was personally involved in any questionable events or occurrence."

Dole defended the actions of Mike Pettit, a former administrative assistant who was described in the committee report as being extremely persistent in pursuit of the contract. "You want a pretty tough staff guy,"

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