

# Abramoff: More Unanswered Questions

By Rick Cohen

It's hard to believe that anyone stumbling into NCRP hasn't heard the basics of Jack Abramoff's network of corruption used philanthropy. Some brief exploration of articles written about Abramoff by NCRP staff in issues of *Responsive Philanthropy*, the *Nonprofit Quarterly*, the online *Philanthropy Journal*, and shortly the *Chronicle of Philanthropy*, provides the basics on lobbyist Abramoff's misuse of his personal foundation, the Capital Athletic Foundation, in his corrupt schemes.

No matter how much we write about the Capital Athletic Foundation, Abramoff's particular uses of philanthropy raise some relatively unanswered questions that we pose (in no particular order of priority):

1. Who or what is IIA and why did IIA contribute \$500,000 to the Capital Athletic Foundation in 2003? Whether they were given the straight story or a bunch of lies, just about every donor had a motivation for making major donations to Abramoff's foundation, few of them related to CAF's mission of promoting sportsmanship among underprivileged children. The various Indian tribes responded to Abramoff's requests for donations, as Abramoff was their lobbyist promoting their interests on Capitol Hill, the Israeli telecommunications company that wanted the wi-fi contract through the House Administration Committee was also an Abramoff lobbying client. But IIA?

According to CAF's 2003 990PF, the IIA that gave \$500,000 to CAF was listed with an address on Weisman Street in Tel Aviv. That address is an office complex, a stunning complex modeled after the Guggenheim Museum, loaded with embassies, interna-



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tional banking firms, and major Israeli law firms. According to *The Washington Post*, IIA stands for "International Interactive Alliance" which it identified as an international gambling company pushing internet gambling. However, IIA's home base appears to be in Gibraltar, not Israel. Was it connected to Abramoff's financing of

sniper and other military equipment for radical West Bank settlers?

IIA's contributions may not have been limited to \$500,000. It apparently gave \$1.5 million to Abramoff's old firm, Greenberg Traurig, which turned some money to the right wing think tank, the National

Somehow, Abramoff's Capital Athletic Foundation spent \$6 million in less than four years.

Center for Public Policy Research (NCPPR) which gave the money to one of Abramoff's scads of wholly-owned limited liability corporations, the Kaygold LLC (Kaygold's address happens to be Abramoff's home address as well and was listed by NCPPR on its 2003 990 as one of its 5 highest paid contractors). Kaygold is then listed on CAF 990PFs as having contributed almost \$48,000 in 2003 to the Foundation. Was Kaygold simply laundering more IIA money to and through the Foundation? Was IIA supportive of or

**Responsive Philanthropy** is the quarterly journal of the National Committee for Responsive Philanthropy

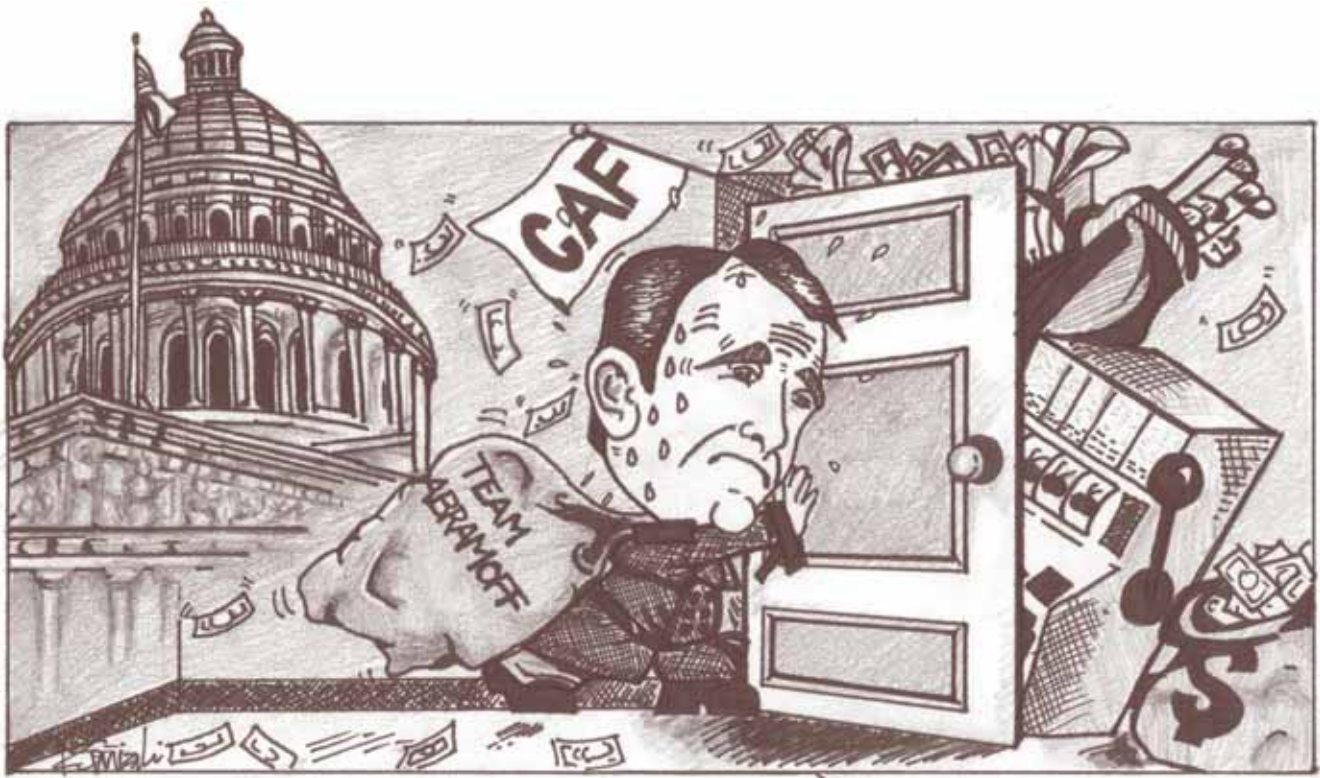
2006, Issue No. 1  
Yearly subscription: \$25  
(free to members)  
ISBN: 1065-0008



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opposed to the tribes' interest in opening more casinos (since Abramoff used money for both pro- and anti-casino efforts, it could be either)? Wouldn't major donations of this sort from off-shore entities catch someone's eye at Treasury or the IRS?

2. What was the Capital Athletic Foundation's home schooling program, who ran it, what happened to it? In 2001, CAF apparently spent \$102,000 on a religious Jewish home schooling program, and CAF recorded tuition income from the program to the tune of \$13,420 in 2001 and \$20,180 in 2002. Yet CAF reported no staff and of course provided no detail in the 990 on the 6-figure home schooling expenditure, so what was this program, and who benefited from the expenditures and the educational process?

Abramoff's friend, Rabbi David Lapin, helped him create the religious school, the Eshkol Academy, which received \$4 million in grants from CAF. Better known for his multi-million consulting contract with the Marianas Islands (a no-bid contract to promote ethics in government, work including paying for a trip for Tom DeLay to the Marianas), another Abramoff lobbying client, Rabbi Lapin told the press that the school grew out of the home schooling program. Was Capital Athletic Foundation taking tuitions (generally at \$12,000) for Eshkol kids under the guise of income for the foundation to use for its other activities? If CAF did run a home schooling program, ostensibly in Maryland where Abramoff lived, wouldn't the state of Maryland or Montgomery County have some interest in the oper-

ations and legitimacy of the foundation's provision of home schooling services?

3. What was the story behind the creation and cancellation of the Capital Athletic Foundation fundraiser scheduled for March of 2003? As he plotted his complex web of surreptitious cash flows from donors to lobbyists to politicians and back again, maybe Abramoff enjoyed the delicious irony in planning a fundraiser for CAF at the International Spy Museum.

The foundation had planned a fundraiser at the Museum, paying the wife of Congressman John Doolittle (R-CA) a substantial sum to put together the shindig. Certainly by 2003, there were plenty of indications that Abramoff was skating on thin ice, but that didn't deter Julie Doolittle or the big-name stars she attracted to the event. The guest to be honored that night was to have been Jim Kimsey, one of the America Online (AOL) founders and head of the eponymous Kimsey Foundation. Dan Snyder, the majority owner of the Washington Redskins, was listed as a co-host of the party. Among the luminaries to attend with speaking roles, aside from members of Congress (DeLay, Santorum, Rohrbach), were Fox TV's Tony Snow and Brit Hume and MSNBC's Chris Matthews. Other big names in the event included opera star Placido Domingo on the event committee, Pittsburgh Steelers running back, Jerome "The Bus" Bettis, and Philadelphia Eagles running back Brian Mitchell. Despite being identified as the chair of the event, Snyder's people say that he wasn't involved in the event, but had only lent his name without knowing

more than that, Matthews went vitriolic implying that he had been used by Abramoff and Doolittle and called Abramoff "Satan," and the others have been quiet about the event.

## The CAF's filings are a gold mine of money laundering hiding behind the mask of a charitable foundation.

We kid you not on the substance of the event, a "Spy Game Gala," in which 30 teams of 10 people would interact with 15 paid actors to get clues to solve a spy puzzle designed by a video game designer and others. The winning team would get \$50,000, but the event was intended to raise \$300,000 for the foundation. The notice of the event on the DC Social Calendar included more than Snyder in a major role:

MARCH 26

*CAPITAL ATHLETIC FOUNDATION GALA SPY GAME*  
You have been selected for a top secret Washington, D.C. Mission. Please join Daniel M. Snyder, Dinner Chair, and Tony Snow, Master of Ceremonies, in presenting The Capital Athletic Foundation's "Interactive Spy Game" in honor of James V. Kimsey, Founding Chairman of America Online. The Interactive Spy Game, created by the writer of the Lord of the Rings video game where one victorious team will win up to \$50,000 in prizes, begins promptly at 7PM, at The International Spy Museum, 800 F Street, NW. Washington, DC Game Registration/Reception at 6pm. Come dressed to kill! (Black tie) Valet Parking. Proceeds will benefit the Capital Athletic Foundation. 6 PM, International Spy Museum, 800 F St., NW; \$1,000. Chairs: Daniel Snyder, Jack Abramoff, Jack Kemp, Joe Robert Jr., Eleanor Holmes Norton. Please report back to Special Agent Headquarters at (703) 416-6414 or [rsvp@cconsulting.net](mailto:rsvp@cconsulting.net).

Who really was involved in this event? How connected to Abramoff were these luminaries? Or were they simply being good civic-minded Washingtonians volunteering to help a charity ostensibly operating to provide sports resources to kids? Were they so naïve not to recognize in 2003 exactly who and what Jack Abramoff was? Were they smart, savvy people who simply got duped or what?

4. What happened to the Capital Athletic Foundation's awards? If you were a metropolitan DC philanthropic leader or foundation sector leader and a foundation popped up announcing a bunch of awards and programs, wouldn't you take notice, keep an eye on the foundation, watch for notices of the awardees, inquire if you didn't see anything?

Somehow, Jack Abramoff's Capital Athletic Foundation was big enough to make a splash, spend \$6 million in less than four full years of operation, gather a gaggle of luminaries for a glitzy (subsequently cancelled) fundraiser, and no one asked what happened to the program?

Here was the purported statement of the Capital Athletic Foundation's mission and program (taken from CAF's now defunct website and from the information CAF supplied to Guidestar):

*The mission of the foundation is to foster character development by promoting the American ideals of sportsmanship in all endeavors. Grants are made to public and private secondary schools for programs that integrate sportsmanship within the academic curriculum, and to Boy Scout troops, Girl Scout troops, and other youth organizations for programs that teach sportsmanship within the framework of organized group activities.*

*Program area(s): (1) National Sportsmanship Hall of Fame...(which) recognizes role models in sports, business, and civic life, who exemplify the ideals of sportsmanship...A national committee reviews nominations on an annual basis, and inducts honorees at the NSHF annual award dinner in Washington, DC...(2) Spirit of America Award...a lifetime achievement award conferred upon distinguished Americans who are role models in their respective fields and who represent the highest ideals of sportsmanship...(3) Spirit of America Certificate of Achievement for Schools:...certificates of achievement to secondary schools and colleges which do one of the following: Have outstanding records of sportsmanship in the athletic or scholastic activities; integrate the philosophy of sportsmanship within the educational curriculum; produce role models who embody the spirit of sportsmanship...(and) (4) Ambassadors of Sportsmanship Award... certificates of achievement to individual athletes, coaches, or teachers at the secondary school or the college level who are either role models or "ambassadors" of sportsmanship within their schools.*

Given what is known about Abramoff's philanthropic work, it all reads like a satire from *The Onion*, but it's true. But don't you think that all of the youth-oriented and sports-oriented foundations and nonprofits in the metro Washington area might have noticed the Capital Athletic Foundation, researched its programs, and looked for information about what this foundation was actually doing? It was listed by the Foundation Center as the 29th largest foundation grantmaker in DC in 2002 and the 25th in 2003, and none of CAF's grantmaking peers or grant-seeking nonprofits wondered what had happened to these programs? What did the metropolitan Washington philanthropic sector think about and know about the Capital Athletic Foundation?

This is hardly all there is to Abramoff's star turn as a budding philanthropist. The Capital Athletic Foundation's 990PF filings are a gold mine of dubious, laughable, and horrific money laundering hiding behind the mask of a charitable foundation. NCRP noticed some of it. A number of other bloggers have

caught it. Where was the IRS? Where was the self-regulatory fervor of the nation's foundation trade associations? Maybe the IRS was so busy chasing All-Saints Episcopal Church for a guest sermonizer's mention of George Bush that they missed CAF. Maybe the foundation sector leaders missed the Capital Athletic Foundation because Jack Abramoff failed to join their organizations and sign their statements of ethical standards. Someone should have caught, called out, and convicted Jack Abramoff for his misuse and abuse of philanthropy long before his non-foundation plea bargain earlier this month.

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