http://www.latimes.com/news/nationworld/nation/la-na-abramoff5-2008sep05,0,2600935.story

From the Los Angeles Times

Jack Abramoff is sentenced to 4 years in prison

The onetime Republican lobbyist, who is already doing time on a separate conviction, tearfully admits to the judge that he 'happily and arrogantly' engaged in a corrupt lifestyle.

By Richard B. Schmitt
Los Angeles Times Staff Writer

September 5, 2008

WASHINGTON — Jack Abramoff, the once-powerful Republican lobbyist, was sentenced Thursday to four years in prison for his leading role in a wide-ranging corruption scandal that rocked Congress and the Bush administration.

As family members and angry former clients looked on, U.S. District Judge Ellen S. Huvelle pronounced sentence after a tearful Abramoff, admitting that he had "happily and arrogantly engaged" in a corrupt lifestyle, made a plea for leniency.

"I come before you today as a broken man," he said. "My name is the butt of jokes, the source of laughs, the title of scandals, the synonym for perfidy, and I am not sure that will ever change. . . . I am so sorry I put everyone through all this."

The sentence means that Abramoff, who has been imprisoned since November 2006 on a separate Florida fraud conviction, will spend what Huvelle described as "just shy of six years in prison." The two sentences will be served at the same time, the judge said.

In the case heard Thursday, federal sentencing guidelines recommend a minimum sentence of 10 years and one month. Huvelle said the sharp reduction was appropriate because of Abramoff's cooperation in the cases against 10 other people, including former Rep. Bob Ney (R-Ohio) and the former No. 2 official at the Interior Department, J. Steven Griles.

Both prosecutors and defense lawyers had sought an even lesser sentence, but Huvelle rejected those requests, citing Abramoff's central role in the scandal.

"Your fraud activities are really quite multifaceted," she told Abramoff. "These activities corrupted the political process and deprived the public of the honest services of their public officials."

The courtroom drama was the final chapter in a stunning fall from grace for one of Washington's most powerful figures, whose web of influence -- and crimes -- came to snare figures in the Bush administration, members of Congress and their

top aides.

Abramoff pleaded guilty in January 2006 to fraud, tax evasion and conspiracy to bribe public officials by showering them with gifts and inducing them to take official action on behalf of his lobbying group. The largesse included the use of luxury suites at Washington-area sports venues, free meals at an upscale restaurant Abramoff owned and an all-expenses-paid golf outing to Scotland.

Clad in khaki pants and a faded brown T-shirt, Abramoff remained stoic through much of Thursday's hearing, seated facing Huvelle with his hands folded in his lap. He wiped away a tear while a member of an Indian tribe he once represented asked the judge to impose a lesser sentence because of the millions of dollars in federal aid Abramoff had brought the tribe.

Others, however, urged Huvelle to throw the book at the defendant.

"His actions have caused a dark stain not only on the tribes that hired him but on Indian country as a whole," said Brian Sprague, a former member of the governing council of the Saginaw Chippewa tribe in Michigan, a former Abramoff client.

"Thank you, Jack," Sprague said facetiously, turning from the lectern to address Abramoff directly.

Although acknowledging the seriousness of his client's crimes, Abramoff's lawyer, Abbe Lowell, told Huvelle that some offenses attributed to Abramoff had been exaggerated, and that some clients were overlooking the benefits of the access Abramoff brought them.

"This is a case where the myth of Jack Abramoff can overtake the actual man," Lowell said. "Jack is here to make an accounting for his actions -- those that were wrong and those that were not."

Abramoff has already served 21 months of a 70-month sentence for mail and wire fraud in a separate case involving the purchase of a casino-boat business in Florida. The Justice Department has asked the judge in that case to reduce that sentence as well because of help Abramoff provided prosecutors.

rick.schmitt@latimes.com

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA	|	**06cr001 (ESH)**
	|	
v.	|	
	|	
JACK A. ABRAMOFF	|	
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VICTIM'S IMPACT STATEMENT AND REQUEST TO ADDRESS THE COURT

IN SUPPORT OF THE

MAXIMUM SENTENCE FOR MICROSOFT LAWYWER-LOBBYIST

JACK A. ABRAMOFF

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SUMMARY:

The author intends to establish via this filing that Jack A. Abramoff (Abramoff) was:

1. An important party to the criminal conspiracy, as defined by the RICO Statutes, to obtain at least three official acts regarding H-1B Visa legislation that benefited Microsoft Corporation (Microsoft) in 1996, 1998, and 2000.

2. That Abramoff was employed as a lobbyist by Microsoft and by Microsoft's proxy, The Business Software Alliance during this period, which began in December, 1994 and included the passage of S. 2045 in October, 2000.

3. That Microsoft provided substantial "things of value" in the form of direct and indirect political contributions in the neighborhood of $100 million during this period in exchange for these “official acts.”

4. This set of actions by Abramoff and Microsoft Corporation was contrary to the broadly - written RICO Statutes that proscribe the provision of "things of value" in exchange for "official acts." This set of actions has boosted the profitability of Microsoft by billions of dollars since to 1996 - at the expense of employment opportunities for millions of experienced American citizen technical professionals, contrary to the legislative intent of the Age Discrimination Act of 1967, as amended.

The Court is provided via a selection of references to establishing that the author is a representative member of a Class that has suffered adverse economic impact as a result of Microsoft and Abramoff's actions. A subset of the author's bibliography on the topic of economic harms of the H-1B visa program from 1996 to present are included in this filing.

Among other relevant evidence, the author worked as a contractor to Microsoft during the period from 1995 to 1996. The author's compensation after earning a Ph.D. in radiation biophysics and having over a decade of relevant information technology employment was a meager $11.06 per hour.

Finally, the author will include copies of his earlier correspondence with Judge Ellen Segal Huvelle that establishes that Abramoff has not been forthcoming in providing information, either to the author, or to other investigators the author is aware of, regarding his involvement in this criminal enterprise whose multi billion dollar takings dwarf by orders of magnitude the losses of the American Indian tribes that retained him as a lobbyist.

For these reasons, the author is requesting as a harmed U.S. citizen and as a representative member of the harmed Class that he be allowed to address the Court during the sentencing hearing on 4 September 2008 for Microsoft Corporation lawyer - lobbyist Jack Abramoff. The author further requests that Abramoff given the maximum sentence to deter other individuals from pursuing a similar course of action in the future.

1. Abramoff is a party to a criminal conspiracy involving Microsoft and the H-1B Visa Program.

While there has been much publicity regarding the investigations by Senator John McCain (R-AZ) of the "Abramoff Scandal," the investigations have apparently been limited in scope to serve partisan political purposes. The shortcomings of McCain's investigations have been addressed in part by Rep. Henry Waxman, (D-CA) chair of the House Committee on Government Reform. Among other actions, Waxman's Committee released reports on 11 June 2008 and 29 September 2006 which included criticisms of the limited scope of the McCain investigations. The 2008 report bore the approval of Ranking Minority Thomas Davis, III (R-VA.) This approval is significant, as the pre-2006 chair of the House Committee on Government Reform was Rep. Davis. Davis was quoted in 2000 as supporting elements of the Microsoft conspiracy. In Spring 2000, Davis was a major supporter of pending legislation which would increase the H-1B quota. Davis commented, ``This is not a popular bill with the public. It's popular with the CEOs...This is a very important issue for the high-tech executives who give the money." *National Journal*, May 5, 2000 and *New York Daily News*, May 3, 2000

Furthermore, when this author recently questioned Rep. Davis at an 8 March 2008 town hall meeting in Vienna, VA in which Davis affirmed his 2000 quotations and specifically referenced "sitting down with Bill Gates, III about this issue." Davis employs Jennifer McLaughlin Safavian, who served as chief investigative counsel to the Committee when Davis served as Chair. Jennifer is the spouse of David Safavian, one of the principals in the Abramoff Scandal. In the view of this author, this arrangement was akin to "the fox guarding the hen house."

An August, 1996 *Wired* Magazine article, “Do You Know the Way to Ban Jose?” established the close relationship between Microsoft lobbyists Ralph Reed and Grover Norquist (both being employed via Preston – Gates and both long – time friends and business associates of Abramoff) in scuttling Sen. Alan Simpson’s proposed 1996 reforms of the H-1B visa legislation that would have provided significant U.S. workforce protections. While Abramoff was not specifically mentioned in the *Wired* article, he was already working for Microsoft as a lobbyist. This article appears in Appendix A, which also includes a 7 February 2006 *Seattle Times* article supporting the perspective that Jack Abramoff was in control of “Team Abramoff” while working at Preston – Gates. This article discloses that Abramoff " …demanded his own car and driver, in addition to the firm's”…

A Washington, DC investigative journalist, Dennis F. Greenia has written extensively criticizing the limitations of the McCain investigations at the “Daily Kos” website. The text of two of Greenia’s recent online articles are presented in Appendix B. The websites also include informative graphics to support the text.

Additional evidence of the strong Microsoft – Abramoff – Norquist connections is provided by a *Computerworld* article, “Microsoft Gets Help From Both Sides of the Aisle on Lobbying,” by Carol Sliwa from December 04, 2006 at http://www.computerworld.com/action/article.do?command=viewArticleBasic&taxonomyName=it_in_government&articleId=275352&taxonomyId=69&intsrc=kc_top

"….E-mail records released in mid-October by the U.S. Senate Finance Committee as part of a 600-page report show that Microsoft had paid ATR (Americans for Tax Reform) in the past. The report questions the tax-exempt status of organizations such as ATR and examines its ties to convicted federal lobbyist Jack Abramoff, a longtime Norquist associate. E-mails included in the report indicate that Abramoff channeled money to ATR and other nonprofit groups in return for their advocacy on issues.

According to the report, on March 10, 1996, Abramoff wrote to Bruce Heiman, a colleague at Preston Gates & Ellis LLP, that Microsoft was "supposed to be paying [Norquist] $120k for this year ($10k a month)" and that "these lack of payments are really disgusting." After receiving a reminder letter from Heiman on March 26, Jack Krumholtz, Microsoft's managing director of federal government affairs, wrote to Heiman, "A check for $60k was mailed on 3/26; he should have it any day. I forwarded the new invoice to Redmond and it's been processed."

This author wrote a ten-page investigative article that was published in *The Social Contract* in January, 2008 titled "The Greedy Gates Immigration Gambit," The text is reproduced in Appendix C and is available online at http://www.thesocialcontract.com/pdf/eighteen-one/tsc_18_1_nelson.pdf Subsequent to the above article being published, this author also wrote an Op-Ed titled "Foreign workers take jobs away from skilled Americans" critical of Microsoft and Abramoff's role in expanding the H-1B visa program in the 21 August 2008 issue of the *DC Examiner* available at

http://www.dcexaminer.com/opinion/columns/guestcolumnists/NO_Foreign_workers_take_jobs_away_from_skilled_Americans.html or http://tinyurl.com/GeneNelsonOpposesH-1BVisas . This Op-Ed text is included in Appendix D.

The above articles support the contention that Abramoff played a critical role in helping to obtain the three "Microsoft friendly" changes to H-1B Visa law in 1996, 1998, and 2000. As noted in the author's earlier correspondence with Judge Ellen Segal Huvelle, Abramoff declined to provide additional details regarding his lobbying for Microsoft on this issue, which stands in stark contrast to Abramoff's pledges to be forthcoming regarding his involvement in the Abramoff Scandal. Furthermore, it is very likely that additional relevant details are contained in the 97% of the Abramoff Scandal records that were obtained by Sen. John McCain that have been placed under seal in the National Archives until 2056. The author feels there is a compelling national interest in lifting that seal immediately.

2. Abramoff was employed by Microsoft and by a Microsoft proxy as a lobbyist

Images of lobbying disclosure forms required by the Lobbying Disclosure Act of 1995 from the U.S. Senate Office of Public Records clearly establish that Abramoff was employed as a lobbyist, both by Microsoft and by the Microsoft proxy organization, The Business Software Alliance (BSA.)

Here is a table of the lobbying disclosure images showing Abramoff as a lobbyist found in Appendix E:

Abramoff for Microsoft Corporation, First Half of 1998

Abramoff for Business Software Alliance, 2 February 1998

Abramoff for Business Software Alliance, Mid Year 2000

Abramoff for Business Software Alliance, End Year 2000

Abramoff discontinuance Business Software Alliance, End Year 2000

Abramoff discontinuance Business Software Alliance, Mid Year 2001

The 1998 images are not apparently retrievable via the website http://sopr.senate.gov when tested on 2 September 2008.

To understand how the BSA serves as a Microsoft proxy organization, see the January, 1998 *Mother Jones* article, "Overseas Invasion" by Rachel Burstein, at http://www.motherjones.com/news/feature/1998/01/burstein.html

"…While the BSA won't release its funding details, it does say that money comes from membership dues, which are based on each company's software revenues. This is one way in which Microsoft dominates the BSA: Microsoft's annual revenues, for example, are eight times that of Novell, its largest rival…."

Microsoft has utilized numerous proxy organizations in addition to the BSA. (It is likely that the McCain information referenced on the previous page would shed further light on these other organizations.)

3. Microsoft's provision of "things of value" from 1995 – 2000

A summary of Microsoft's direct lobbying activity between 1998 and 2000 appears in Appendix F, based on published lobbying disclosure forms. While the records are not necessarily complete, this author's review finds that $1,740,000.00 of Microsoft's $21.7 million in lobbying expenditures were H-1B Visa program connected. The $1.74 million is a lower bound for Microsoft's H-1B Visa program, since many of Microsoft's lobbying expenditures were not completely characterized as to legislative purpose.

Note that the 2 October 2000 Center for Responsive Politics article, Cyberdemocracy III: An Update on the Computer Industry's Political Giving by Holly Bailey begins, "As the 106th Congress winds to a conclusion this week, members of the House and Senate are poised to vote on the high-tech industry's **most important lobbying issue of the year**, (emphasis added) an immigration bill that would expand the number of work visas available for skilled foreign workers. If approved, it would mark the second time in less than two years that the computer industry has successfully argued for an increase in the six year visas (H-1B)…" Microsoft's political giving dominated the industry by virtue of Microsoft's size.

One of the footnotes also shows that Microsoft Corporation made ~$15,420,453 in campaign donations since ~1998 per http://www.OpenSecrets.org. Most of those donations were made before 2001. Based on the running rates for Microsoft's direct political expenditures – and its indirect expenditures via proxies such as BSA, this author estimates that the total for Microsoft's direct and indirect political expenditures between

1995 and 2000 are in the vicinity of $100 million. This is a huge sum to spend. Furthermore, Microsoft has used public relations techniques to portray the firm as a "Washington outsider." The evidence shows this claim is untrue.

4. Microsoft, RICO and the Author's Class Membership

This set of actions described above and in the appendices by Abramoff and Microsoft Corporation was contrary to the broadly - written RICO Statutes that proscribe the provision of "things of value" in exchange for "official acts." This set of actions has boosted the profitability of Microsoft by billions of dollars since to 1996 - at the expense of employment opportunities for millions of experienced American citizen technical professionals, contrary to the legislative intent of the Age Discrimination Act of 1967, as amended.

As noted in a 2007 Microsoft press release, cited in Appendix C, about 1/3 of Microsoft's U.S. workforce of 46,000 are working via the authority of work visas such as H-1B – or they are naturalized U.S. citizens. Given the computer industry practice of providing only a small percentage of work visa holders "green cards" it is a reasonable assumption that almost all of the 15,000 Microsoft employees are working via H-1B visas. This large population provides significant benefits to Microsoft's profitability.

Free-market advocate and Nobel economist Milton Friedman identified the H-1B visa program as a "government subsidy" in a 2002 *Computerworld* article by Paul Donnelly,

also cited in Appendix C. It is a government subsidy because it permits employers to have access to highly-skilled imported labor at below-market rates. UC Davis Computer Science Professor Norm Matloff provides documentation regarding the large, industry – designed loopholes of the H-1B Visa program at his website, "Debunking the Myth of a Desperate Software Labor Shortage" at http://www.cs.ucdavis.edu/~matloff/itaa.html . His information includes Congressional testimony and refereed articles that he has written on this topic. One of the articles is over 100 pages in length. Professor Matloff's information clarifies the role of the H-1B visa program in facilitating employment discrimination against older (greater than 35 years old) American citizen technical professionals. The program is modern indentured servitude because the imported worker's visa is conditioned on being continuously employed. Furthermore, the employer has even more leverage because the employer can dangle the promise of permanent residency sponsorship for the six – year duration of the immigrant's H-1B visa. Since the H-1B visa program guarantees workforce gluts, it restrains wage demands for all workers. It is also a potent employer weapon against unionization. Microsoft's 2007 annual report proudly notes that none of its U.S. workforce is unionized.

Among other relevant evidence, the author worked as a contractor to Microsoft during the period from 1995 to 1996. The author's compensation after earning a Ph.D. in radiation biophysics and having over a decade of relevant information technology employment was a meager $11.06 per hour. In almost all of the years since the passage of the H1-B visa program in 1990, the author has been either unemployed or underemployed. The author was 40 in 1992.

The table on the third page of Appendix C establishes the bloated numbers of individuals being imported via the H-1B "government subsidy" Visa program and related programs. Over 25 million visa admissions have occurred between FY 1975 and FY 2005. This large number likely corresponds to at least 8 million immigrants competing for roughly an equal number of "high tech" positions. This large population diminishes wages, worsens working conditions, and causes a large amount of misery for older American citizen technical professionals, independent of their nation of origin.

Subsequent to the failure of Sen. Simpson's H-1B Visa program reforms to be enacted in 1996, but prior to the 1998 increase in H-1B visa levels, the author gave testimony against increasing H-1B visa levels in the U.S. House of Representatives. He was invited by Rep. Lamar Smith (R-TX) to tell his story in July, 1998. He was accompanied by two other experienced programmers, Terry Oldberg of San Francisco, and Ed Curry of Austin. In May, 1999, Cindy Curry, Ed Curry's wife, called me to inform me that Ed Curry had just died of a stroke, before the age of 40. I attribute Ed's premature death to the dreadful employment prospects that already existed in 1998 for people such as Ed, Terry, and myself as a consequence of the H-1B Visa program. I also note the suicide of Kevin Flanagan as a consequence of the H-1B Visa program in my article in Appendix C.

In the interest of brevity, I'm including a select bibliography of my writings on the harms of the H-1B Visa in Appendix F, which also includes the entirety of my 13 April 1996 testimony against H-1B Visa increases that was delivered at the Washington, DC

headquarters of the National Academy of Sciences. Please also note the reference to my testimony opposing an increase in H-1B visa levels delivered in the U.S. House of Representatives on 5 August 1999. (The H-1B Visa program level was again increased slightly more than a year later.)

5. Letters to Judge Huvelle showing Abramoff's Lack of Cooperation

Redacted copies of the author's correspondence with Judge Huvelle are included in Appendix G. The correspondence has been redacted to protect the privacy of the parties. The salient point of the correspondence is that Abramoff has **not** been forthcoming in providing any details of the massive criminal enterprise since January, 2006, that has been the subject of this filing – now worth tens of billions of dollars to Microsoft since 1995. As a consequence, the author is requesting that Abramoff's conduct be considered as an aggravating factor in his sentencing determination.

6. Conclusion

For these reasons, the author is requesting as a harmed U.S. citizen and as a representative member of the harmed Class that he be allowed to personally address the Court under the provisions of the Victim Rights Act, 18 U.S.C. § 3771, during the sentencing hearing on 4 September 2008 for Microsoft Corporation lawyer - lobbyist Jack Abramoff. The author further requests that Abramoff given the maximum sentence to deter other individuals from pursuing a similar course of action in the future.

APPENDIX A

http://www.wired.com/wired/archive/4.08/netizen_pr.html

Wired Magazine - August 1996 (Volume 4, Issue 8) Page 7.

Do You know the Way to Ban Jose?

Senator Alan Simpson thought he did. Then he ran into a postpartisan, ideologically androgynous political colaition (sic) that included formerly DC-phobic Silicon Valley. The immigration battle of 1996 was turning point for high tech- and for Washington, too.

By John Heilemann

José Arreola, a pleasant, soft-spoken 46-year-old with a neatly trimmed beard, tortoise-shell glasses, and a PhD in transistor physics and electrical engineering, might seem an unlikely political scapegoat. Arreola is the director of technology development at Cypress Semiconductor. From his nondescript cubicle in the firm's San Jose headquarters, he manages a team of 40-odd engineers who work on what Cypress CEO T. J. Rodgers calls "our most advanced technologies for the future." "My division," José adds with a grin, "is where the science is."

But at a rally one night before the Iowa caucuses last February, Pat Buchanan let loose with the blunt message he planned to deliver, if elected, to the hordes of foreigners amassed at the country's borders: "Listen, José, you're not coming in this time!" It was, actually, the only instance in the whole campaign that Buchanan mentioned the name - but it stuck. Soon, in headlines and in editorials, in cartoons and in commentaries, "José"

had become vivid shorthand for Buchanan's nativism and a symbol of the simmering anti-immigrant sentiment in the electorate at large.

"I was truly pissed off," says Arreola, a native of Mexico City who came to the US for graduate school in 1974, went home for a time, then returned a few years later on an employment visa and, in 1985, became a citizen. "First of all, I felt it was a personal insult, because it was very specifically directed at one segment of the population: Mexicans. And, well, my name is José, so it touched me directly. Of course, he was just making a political statement. But I think the guy really didn't know what he was talking about. I mean, it doesn't make much sense to keep people like me on the other side of a wall."

Which is quite an understatement, considering that people like José - immigrant engineers and scientists - are the lifeblood of an array of leading-edge industries. The computer hardware and software businesses, pharmaceuticals and finance, biotech, telecom, and electronics are all driven, to one degree or another, by the firing of foreign-born synapses. From high-profile figures like Intel's Andy Grove, who is from Hungary, and French-born Philippe Kahn, founder of Borland and now CEO of Starfish Software, to scores of lesser-known names, immigrants make Silicon Valley hum. Fully a third of the Valley's engineers hail from abroad; on Arreola's team at Cypress, the figure is closer to two-thirds. A map on the wall is covered with pins that show where his people came from: Shanghai, India, Iran, Cuba, even Mongolia.

At the start of this year, however, it was the image of Buchanan's José and not the reality of Cypress's that seemed to hold the nation's political class in its sway. In the wake of California's Proposition 187 and on the cusp of the presidential election, a consensus had formed at both ends of Pennsylvania Avenue that it was time to do something about immigration.

On Capitol Hill, Congress was poised to pass the most severe anti immigration legislation since the 1920s. Significantly, measures designed to crack down on illegals were paired with plans to slash legal immigration by 40 percent. Senator Alan Simpson and Representative Lamar Smith, the two leading Republican voices on immigration, were pushing the bills hard. The White House was sounding supportive, having been given cover to back the cuts by a set of similarly restrictive recommendations from a bipartisan commission chaired by the late, famously liberal Barbara Jordan. It was a powerful, if unlikely, alliance. And with no politician daring to risk being called "weak" on immigration in an election year, it seemed an unstoppable one as well.

But six months later, the unstoppable alliance had been hacked to pieces by another, equally unlikely one. Proposed cuts in legal immigration had not been modified, or delayed, or scaled back - they'd been scrapped altogether. Simpson and Smith had been routed. The White House had come around and done the right thing, albeit reluctantly. The final bill dealing with illegal aliens still contained provisions that staunch pro immigrationists found troubling, but there was no question that a potential disaster had been averted.

"The restrictionists wanted to impose a régime that was as close as America could ever get to Europe's zero-immigration policies, and that goal was within their grasp," says Frank Sharry, head of the National Immigration Forum, a Washington, DC-based pro-immigrant advocacy group. "But they failed. Not only did we keep them from getting everything they wanted on legal immigration, we kept them from getting almost anything. The deck was stacked in their favor, but we outfoxed them. It was, I think, an astonishing victory."

And all the more so for the way it was won. For when Sharry talks about "we," he is talking about a loose, informal, uneasy, tenuous, fractious, chaotic, but ultimately successful pro-immigration coalition which bound together as allies some of the strangest bedfellows imaginable: the libertarian right, the old-school left, Christian conservatives, supply-side Wall Streeters, ethnic groups, and the business community. Strangest of all - perhaps even historic - was the presence of a clutch of companies from Silicon Valley.

No industry since the dawn of the New Deal has developed more free of the hand of government than the bit business; and, not coincidentally, no industry has been so disengaged from the ins and outs of politics and policy. "The high-tech community's view of Washington has traditionally been that it's this alien entity on the other coast," says William Archey, president of the American Electronics Association. "Our government relations policy has boiled down to Keep those bastards off our backs." But as the hardware and software industries have grown, and as the Feds have cast an increasingly

attentive eye on their doings, the Valley has found itself, by necessity and by choice, more alert to the affairs of the capital. Offices have been set up in DC. Schmoozing has gone on; even some boozing. The atmosphere was unhurried, exploratory, tinged with aloofness - until the immigration debate fiared. Suddenly, high tech had no choice but to dive headlong into a hot, politically charged, election-year battle, in which the stakes involved not only the industry's own bottom line, but the fate of tens of thousands of wannabe Americans and the country's competitive position in the new economy.

It was a fight for which high tech was profoundly unprepared - and it showed. Time and again during the ensuing months, the industry fiirted with disaster: by behaving stupidly, or selfishly, or with exactly the same cluelessness about Washington that it routinely accuses DC of displaying toward the Valley. Yet, time and again, high tech was saved: by its own energy and rare moments of clarity, by the savvy of its unlikely allies, and, most critically, by the grand miscalculations of Alan Simpson, an overblown and decrepit figure who nonetheless seemed likely to win this, his last battle to close the golden door of immigration.

Mostly, the industry just got lucky. And, therefore, so did we.

The broker, the head banger, the guy who gets in and mixes it up" is how Rick Swartz describes himself, and nobody who's worked with him, let alone against him, disagrees. "Politics is a contact sport with Rick," Sharry says. "He's a rumbler. He says to people, This is what you should be doing; if you don't, I'm going to jam you."

Sharry and Swartz are old friends and allies in the immigration wars. It was Swartz, a liberal lawyer and activist, who in 1982 founded the National Immigration Forum. Eight years later Sharry took over, and Swartz went solo as a consultant. He quickly landed his first big-time client: Richard Gilder, a wealthy Wall Street stockbroker with close ties to the Jack Kemp-Steve Forbes wing of the Republican Party. What Gilder wanted was someone who could find common ground among groups from across the ideological spectrum, in favor of causes such as immigration and free trade. Swartz, who saw his work at the forum in precisely those terms, agreed to make it happen.

And so it was that, during the 1990s, Swartz developed a unique specialty: building what he calls "left-right coalitions." First came the Immigration Act of 1990, a piece of legislation that had been conceived as a way of limiting legal entries into the US but instead, due partly to Swartz's work, had ended up increasing them. On NAFTA, he served as a bridge between Hispanic groups, the White House, and congressional Republicans. At one point, Swartz even took a stab at tax reform, trying (and failing) to broker a deal between the ethnic left and the supply-side right.

Given this history, it was all but inevitable that Swartz would find himself, in the spring of 1995, talking to Gilder about another left-right coalition, this time to fend off what Simpson and Smith had in mind. "After 15 years of working on immigration, I could see how badly the politics were shaping up," Swartz recalls. "You have this whole anti immigration thing in the public coming out of Prop. 187. You have two Republican

committee chairs who are completely hostile. You have a Clinton administration that's totally untrustworthy. It's just obvious to me that if we don't have a left-right coalition, we're going to lose, and lose badly, on everything."

That April, Swartz started pulling together a far-fiung assortment of advocates, who would meet every two weeks for the rest of the year. It was, by any standard, a crew of staggering ideological eclecticism. There were libertarian think tanks like the Cato Institute and the Center for Equal Opportunity. There were ethnic groups like La Raza and the Organization of Chinese Americans. There were liberal activists from the ACLU, and religious ones from the US Catholic Conference and the American Jewish Committee. There were business lobbyists from the National Association of Manufacturers and the National Federation of Independent Businesses. There were congressional staffers of both parties. And there was Grover Norquist, a well-known antitax crusader and a fixture in Newt Gingrich's inner circle.

Swartz's embryonic coalition was immediately forced to confront the fact that its members had different objectives. What moved those on the right were proposals by Simpson and Smith that to combat illegal immigration, the government should create a national worker computer registry, perhaps even issuing national ID cards, complete with "biometric data" such as fingerprints and retina scans. These ideas bothered some on the left, too, but what moved them even more were the proposals to cut family-based immigration (about 500,000 visas last year) by a third, and to cut refugee and asylum

admissions (90,000) in half. And business wanted mainly to protect the 140,000 permanent and 65,000 temporary employment visas issued each year.

Still, by midsummer, necessity had proven to be the mother of strategy, and the left-right group had settled on a core goal: legal and illegal immigration, which Simpson and Smith planned to combine in a single legislative package, should be dealt with separately. This split-the-bill concept was the brainchild of Cato's Stephen Moore, who believed the Republican chairs were "intentionally blurring the distinctions between the two issues and that if we could separate them, there would be considerable public support for continuing legal immigration."

Moore's strategy would create a patch of common ground on which the disparate factions of the coalition could all comfortably stand. "Ethnics didn't have to say nice things about business immigration, and business didn't have to say anything about family visas," Sharry explains. "All everybody had to say was: legal immigration's good, so split the bill. At first, I'll admit, it was mostly a tactical thing. But it was right on the merits, and gradually, it became a powerful, unifying theme."

The only trouble was the business community remained unconvinced. Phyllis Eisen, NAM's immigration lobbyist and a former employee of Swartz's at the forum, was a regular at the left-right meetings; Swartz himself was advising Microsoft. But the coalition's other contacts with high tech were spotty at best. Intel, Hewlett-Packard, Oracle, Sun Microsystems, Texas Instruments, and other firms were buzzing round

Washington, but they weren't really organized, and they hadn't made any commitments to push for splitting the bill. As October rolled around and Smith prepared to put his measure before the House Judiciary Committee, the pro-immigration alliance was shaky. Swartz feared that Smith would try to buy the business faction off.

Which is precisely what he did. By offering a compromise on worker visas, Smith was able to extract from business an agreement to abandon split the-bill. Playing a novel and slightly awkward role, the high-tech firms led the way in cutting the deal with Smith. They knew the compromise he offered was far from perfect, but they feared that the momentum was all in his direction, and that Swartz's left-right coalition simply didn't have legs.

"We looked at this split-the-bill alliance and decided it was just too fragile to stay together for the long term," says a senior high-tech industry lobbyist. "I heard people say, 'I can't go to my CEO and say, We're not taking Smith's deal because we're working with these family and ethnic groups.' Plus, we weren't sure those guys would be with us in the end, anyway. When people started screaming about businesses importing immigrants as cheap labor, maybe they'd join in and we'd get screwed. It was just a clash of cultures."

With business's defection from the coalition, the issue became a partisan one: every Republican on the committee save one voted with Smith to keep legal and illegal immigration together in one piece of legislation. When the dust settled, family immigration had been creamed - in terms of raw numbers, and in terms of taking away

the ability of naturalized US citizens to bring their parents, siblings, or adult children into the country from abroad - and the number of refugee admissions had been chopped in half.

"The ethnic groups, the church groups, even the groups on the right all felt that they'd been double-crossed by business, that they'd been misled," Swartz says. "My feeling was that the business people had made a huge mistake in terms of their self-interest. If they'd hung tough on split-the bill, even if we'd lost, it would have sent a message to Simpson and the Senate. But by abandoning split-the-bill, I figured it would give Simpson the courage to introduce a really dramatic bill that would be a catastrophe for everyone."

A few weeks later, it happened. Simpson's bill was the harshest, most draconian piece of anti-immigration legislation to be considered seriously in decades. It attacked family immigration, and it ravaged business immigration with a set of provisions that would have been especially devastating to Silicon Valley. Permanent employment-based visas were to be reduced from 140,000 to 90,000. An "immigrant tax" of US$10,000, or 10 percent of the worker's first-year salary, would be levied on firms. Any foreign-born student would need two years' work experience outside the US before an American company could hire him or her on a temporary visa - an effective ban on campus recruiting. And so on.

The high-tech community had just learned a hard lesson in Capitol Hill dealmaking. It had also just heard the first of many loud, nasty roars from the man known in some

quarters as "the lion of immigration." It was like the end of the world," says Ira Rubinstein, Microsoft's point person on immigration. "It was as if the contributions of immigrants to high-tech firms had never occurred. As if Andy Grove never existed. As if the huge percentage of foreign students in US graduate programs had been waved away. As if the realities of our whole business had been completely ignored and all that was left was the ideology of restriction."

Rubinstein's reaction typifies the awakening that rapidly occurred within the high-tech world. What had been a loose alliance of firms became, almost overnight, a formal organization: American Business for Legal Immigration. ABLI, run by Jennifer Eisen, Phyllis's daughter and fellow immigration lobbyist, set to work planning a "lobby day" on which a hundred execs, many from the Valley, would hit Capitol Hill en masse. ABLI also commissioned studies to refute Simpson's claims that high-tech firms use immigrants as cheap labor and that immigrants steal jobs from equally qualified native-born engineers and scientists.

Of course, Simpson was prone to putting those claims more colorfully. "Business advocates continually give me the babble: All we want is the best and the brightest. I say: Bull! You want the best, brightest, and cheapest, and I for one am going to bust up your playhouse!" In one of the ABLI- and Empower America-funded studies, Cato's Stuart Anderson dismantled the cheap-labor thesis with data from the National Academy of Sciences, showing that foreign-born engineers and scientists typically earn higher salaries than their American-born counterparts who completed advanced degrees in the same

year. (Another report, from the Alexis de Tocqueville Institute, showed that one in four patents in America are created by immigrants.) As Anderson argued, with the jobless rates for computer scientists and top-fiight engineers at 1 to 2 percent, with salaries in these fields soaring, and with high-end jobs going unfilled at many Silicon Valley companies, native-born propellerheads don't seem to be suffering too grievously from competition with legal immigrants.

To anyone familiar with the high-tech industry, Anderson's conclusions were fairly obvious. But since few congresspeople fell into that category, the Valley had some serious schooling of its own to do.

"Last November, Bill Gates was quoted saying that if you want to prevent firms like Microsoft from doing work in the US, then the Simpson bill was a masterpiece," a high-tech lobbyist recalls. "Simpson responded by saying he'd never want to stop Gates from getting 'the best guy in Germany to do some kinda X chip.' I thought, Jesus, this guy doesn't know what the fuck he's talking about. He thinks Microsoft makes chips!"

Ignorant or not, Simpson had jolted high tech to life. And he'd done something else as well: resurrected split-the-bill. With Simpson palpably hostile to business, and with Edward Kennedy, the Senate Judiciary Committee's Democratic leader on immigration, aching to turn skilled worker visas into a populist, anti-foreigner campaign issue, Silicon Valley began to appreciate the wisdom of isolating legal immigration. Prodded by Phyllis and Jennifer Eisen, the high-tech forces began gravitating back toward Swartz's coalition

- which was in the process of being adopted by a rather unexpected champion: the first-term Republican senator from Michigan, Spencer Abraham.

In another life, in another era, Simpson and Abraham would have made an ideal silent-film comedy team. A rail-thin, bald-headed, stoop-shouldered WASP from Wyoming, Simpson has the look of a scarecrow left out too long in the sun. Abraham is Max Klinger in a suit - relentlessly ethnic, screamingly urban (if not urbane), as textured as his counterpart is brittle. At 6-foot-7, Simpson is the Senate's tallest member. With too many chins to count, Abraham is its chubbiest.

The contrasts between the two men extend to the political, at least where immigration is concerned. During his 18 years in office, Simpson has cultivated a reputation as Congress's leading authority on the subject; certainly he is its leading restrictionist. Abraham is a neophyte, but his every instinct pushes in the direction of openness. The grandson of Lebanese immigrants, he was by temperament the ideal champion for split-the-bill in the Senate. For while the main tension in the left-right coalition was between those concerned with family immigration and those concerned with business immigration, Abraham was passionate about both. "Spence believes families should be able to reunite, and he believes that immigrants have given the country a big economic edge, especially in high tech," says Cesar Conda, his legislative director. "He also understands that key people in places like Silicon Valley come in on family visas as often as they come in on business visas."

Yet, because Abraham was a mere freshman in an institution that reveres seniority above all else (apart, perhaps, from the ability to get on television), he seemed unlikely to pose much of a challenge to Simpson. A wily legislator and an expert on both the intricacies of immigration law and the arcane rules of Senate procedure, Simpson also happened to have announced that he would retire at the end of 1996. The immigration bill, therefore, was to be his lasting legacy, a landmark piece of legislation to deal with what he called "the strain on the fabric of America" that the infiux of newcomers was causing. So confident was Simpson that in November, when Abraham first met with him privately and said he planned to oppose cuts in legal immigration, Simpson's reaction was, in essence: So what?

He was equally dismissive of the high-tech crowd. For almost two decades, Simpson had been violently at odds with the pro-immigration forces - "the groups," he called them. These newest players were as irksome as the others, and plainly naïve. Simpson was in no mood to try to accommodate them. "This time, he didn't want to deal with the groups," says a senior Senate aide. "He wanted to beat 'em, just roll right over 'em."

Even after the harshness of Simpson's bill, his unrelenting intransigence in the weeks that followed came as a surprise to high tech and the rest of the business lobby. Considering the bill, they knew a deal would be very difficult to cut; what amazed them was that no credible deal was even offered. "You'd come out of these meetings with Simpson's staff and say to yourself, Were those Republicans we just talked to?" one high-tech lobbyist remembers. "Isn't there supposed to be an affinity here? We are US business, after all."

In fact, Simpson's prime target was family immigration, where the numbers were highest. But he knew to expect stiff resistance on that front from Kennedy, who would be eager in the bargain to sound the alarm over cheap imported labor stealing American jobs. So business would be Simpson's bartering tool; in the deal he foresaw striking, Kennedy would make concessions on family immigration and Simpson would deliver a solid whack to corporate America. From Simpson's point of view, business had no room to maneuver. If he wouldn't do a deal with them, who would?

What all this added up to was Simpson's fundamental delusion: that he was in control of the process.

In fact, the ground was shifting all around him. In January, for instance, Swartz managed to worm his way into the White House to meet with Rahm Emanuel, the president's main political hand on immigration. A few months before, Clinton, sprinting desperately to the "center," had endorsed the Jordan commission's recommendation that legal immigration be cut by a third. With one eye permanently locked on California, where the anti-immigrant feelings ran strongest, Emanuel was skeptical of split the-bill. But Swartz convinced him that it wasn't a hopeless cause, and that protecting family visas was good politics in the swing-state ethnic communities critical to Clinton's survival. In the end, Emanuel agreed that the White House would encourage - ever so discreetly - the committee's Democrats, especially Kennedy, to support split-the-bill.

At the same time, Simpson's assumption that business had nowhere to turn was being demolished by Abraham, whom high tech (as well as the rest of the split-the-bill alliance) embraced with a grateful fervor. On the inside, Abraham wheedled and cajoled his fellow Republicans on the Judiciary Committee. On the outside, Op-Ed pieces began appearing in the pages of The Wall Street Journal by the likes of Grove and T. J. Rodgers. (Rodgers trumpeted the fact that four of Cypress's ten vice presidents were immigrants, while using the example of José Arreola as a rebuke to Buchanan, whose victory in the New Hampshire primary in February had turned up the heat even further on the immigration debate.) ABLI's studies were fed to friendly editorialists at the Journal and elsewhere, who started a steady drumbeat of criticism for Simpson's proposals and support for split-the-bill. As Swartz puts it, "Business was slamming, especially high tech - I mean just going nuts."

And yet, even then, the left-right coalition remained in some ways as fragile and full of suspicion as ever. Some of the suspicion was well founded, for as it started to dawn on Simpson that he might actually lose the vote on splitting the bill, the chances rose that he, too, would try to buy business off. And for all the energy they had been expending on behalf of split-the-bill, large chunks of the business coalition were still perfectly willing to be bought.

Three days before the Judiciary Committee was to take up Simpson's bill, and the day before ABLI's "lobby day," the senator met with five of the group's leaders to talk about a deal. "If one could've been cut that day, I could've taken it to everyone the next morning,

and the whole debate might have changed," says Jennifer Eisen, who was in the room. "But he didn't offer a deal. We ended up arguing over the merits of the bill - the merits of an immigrant tax, the merits of making companies pay prevailing wage, the merits of limiting numbers. All non-negotiable points. He wanted to stick with his bill as the framework, and we couldn't live with that. Like, will we accept a $10,000 tax or a $50,000 tax? Neither!" The next day, after the 100-plus executives had canvassed the three Senate Office Buildings, another meeting was held with Simpson, this time with around 40 of ABLI's people. Simpson gave a speech - his this-is-my-swan-song-so-don't-fuck with-me speech, says one lobbyist who was there - and then settled in to listen to the group's complaints. "He seemed taken aback, by their depth, their passion, their comprehensiveness," the lobbyist recalls. "I don't think he'd planned to do what he did next." Which was, astonishingly, to declare that he was going to jettison all of the bill's provisions on business immigration. "I'm done dealing with you people," Simpson told them, visibly annoyed. "I can never do enough."

Business was baffied, and set about, over the next 36 hours, trying to figure out what, if anything, it should do. On the face of it, Simpson seemed to be offering the ultimate deal: everything they wanted in exchange, presumably, for their backing off split-the-bill. But that seemed too good to be true, especially in light of the way Simpson had been treating them over the past few months. "He wasn't really offering a deal; he was offering a unilateral decision," Eisen says. "But what did it mean? Did he have the votes to strike all the business provisions? Would we see them again on the Senate fioor?"

Business, it seemed, was confronted with what is known in football parlance as a Hail Mary pass - and one being thrown by an out-front restrictionist whose every utterance throughout the debate had been antithetical to the goals of pro-immigrationists of all stripes. The possibility of being suckered was very real. Then there was Abraham, who had brought them so far, and who had made it clear the day after Simpson's declaration that if business blew off split-the-bill, he would infiict pain on them later. There was also the appeal of staying tight with the family-immigration groups, for in the wake of Buchanan's triumph, the two words business and immigration seemed a ripe target for populist ire. And, most important, there was the fact that victory was in sight - that they had the votes in hand to split the bill.

By the morning the Senate Judiciary Committee began its work, high tech and the rest of the business bloc had declared their intention to stick with the coalition, no matter what Simpson did.

In three successive sessions over two weeks, Simpson whined and squawked and stalled, keeping Abraham and his two primary allies, Mike DeWine, an Ohio Republican, and Russ Feingold, a Wisconsin Democrat, from making their bid to split the bill. Having expected great deference, Simpson instead found himself listening to these three freshmen - two from his own party, no less - make windy speeches on the glories of immigration. Plainly exasperated, he became so angry that at one point he lashed out at his friend, the committee's chair, Orrin Hatch.

But it was all piss and wind. On March 14, six of the committee's eight Democrats joined with six of ten Republicans (Hatch among them) and sided with Abraham over Simpson. The vote to split the bill passed, 12-6.

Twelves votes. Sometimes in Washington, that's all it takes to transform a debate. The momentum shifts and, unexpectedly, you've got a juggernaut on your hands.

It could easily have been otherwise, of course. High tech had ultimately played a decisive role in the battle for the Senate Judiciary Committee, but along the way it had again demonstrated its capacity for self-serving myopia. It had made the right call in the end, but Simpson's spectacular miscalculations were largely responsible.

"Simpson fell prey to a kind of Gallipoli phenomenon, where if he'd done the things he did just a little bit earlier, he would've won," says Conda, Abraham's aide. "If he'd offered to pull out the business provisions, or even just offered a decent deal, just a month earlier, I have no doubt that he would have picked off the high techs and blown the split-the-bill coalition apart. We wouldn't have stood a chance."

Still, with the House fioor vote on Lamar Smith's bill scheduled to take place precisely one week after the vote in the Senate committee in late March, the pro-immigration forces had no time to celebrate. Having come out of nowhere to defeat the lion of immigration in its den, they had all the energy on their side. They had all the arguments. They had a straightforward message that seemed to be resonating with the public, despite

piles of punditocratic gibber about how Americans didn't see the difference between legal and illegal immigration. And the analysis and anecdotes put forward in research like Stuart Anderson's made it plain to House members (and especially to Republicans) how reliant high tech was on foreign-born talent.

What the pro-immigration forces didn't have in the House, however, was high tech. The earlier bargain with Smith compelled companies not to lobby for split-the-bill on the fioor. Some firms, realizing that splitting the bill was in their best interest, and cursing the fact that they had ever made the deal with Smith, made it quietly known to congresspeople which outcome they favored. Other firms had, as ever, trouble seeing the forest for the trees. Not realizing that splitting the bill on the House fioor would probably be the death knell for legal-immigration "reform" this year, they divined some advantage in currying favor with Smith. It was these companies that most worried Swartz, Sharry, and the others. They knew well that Smith would put immense pressure on high tech and other businesses to do more for him than remain neutral.

Swartz's worst nightmare seemed to be coming true a couple of days later when a Hill Democrat phoned to tell him that Intel and Hewlett-Packard had started to lobby actively against split-the-bill. Moving into sharpshooter mode, Swartz called Conda, who summoned Intel's lobbyist, Eva Jack, to Abraham's office. "We weren't messing around," Conda says. "We told her that they were singlehandedly threatening everything we'd achieved. We told her they were crazy to be doing this. And we threatened to haul Intel's chair in here if they kept it up." They didn't.

Meanwhile, Swartz's cross-ideological cadres were kicking out the jambs. With the supposedly pro-immigration GOP House leaders Newt Gingrich and Dick Armey remaining pathetically silent, Swartz had turned to two freshmen - Sam Brownback of Kansas and Dick Chrysler of Michigan - to be their Republican champions. Along with Democrat Howard Berman, Brownback and Chrysler issued a series of highly infiuential, deeply devastating "Dear Colleague" letters educating their peers about the hazards of Smith's bill. The letters were mainly the work of Cato's Anderson and Paul Ryan, Brownback's legislative director, whose ties to the pro-immigration mafia ran deep. A protégé of Conda and an ally of Swartz, Ryan was the staffer who had aided Jack Kemp and William Bennett in their crusade against Proposition 187.

"Smith was getting a free ride because he knew immigration law so much better than most of the other members," Ryan says, noting that Smith even claimed that his bill would not "significantly reduce" legal immigration, when in fact its cuts were the deepest in 70 years. "Once people learned what was actually in the bill, we were able to peel them off, one by one."

Other Swartz allies were doing some peeling of their own. From the Democratic side, Swartz's courting of Rahm Emanuel had apparently paid off, for the White House was now openly urging its party's representatives to go for split-the-bill. From the Republican side, the cavalry arrived courtesy of Grover Norquist, who had proved to be one of Swartz's most significant conduits to the activist right.

Almost from the start, Norquist (who was on Microsoft's payroll) had been trying to convince the Christian Coalition's Ralph Reed that being pro family meant being against cuts in family immigration, and that Reed should therefore support split-the-bill. Reed had resisted, but shortly before the vote, at a dinner with Gingrich and Norquist, the Speaker had indicated that he was in favor of splitting the bill. Just days before the vote, Reed weighed in with a letter urging pro-family Republicans - read Christian conservatives - to side with Berman, Brownback, and Chrysler.

Had the vote been as close as everyone expected, Reed's letter might have proven to be the decisive factor, since all sides agree it probably pulled in 20 to 25 votes. Instead, it was one of a handful of factors that contributed to what turned out to be a 238-183 stomping of Smith's assault on legal immigration.

It was clear that the Senate Judiciary Committee victory had set the stage for the one on the House fioor. Now the House fioor vote carried back over to the Senate side of Capitol Hill, where, a month later, Alan Simpson decided to make a last-ditch effort to attach nasty cuts in family visas to his illegal-immigration bill. But the split-the-bill coalition was out in force, this time including high tech. Hours before the vote, Simpson found himself in the Senate cloakroom trying to convince Bob Dole to vote for his amendment. Abraham was there, too, along with DeWine, urging Dole to do the opposite, whispering the names of their electorally crucial, immigrant-heavy home states in the then-majority leader's ear.

Simpson was trounced, 80-20, and Dole was among those who administered the trouncing.

"When all this started, we were this weird alliance, and it seemed like the whole establishment, in both parties, was lined up against us," Sharry notes. "But by the time we got to the endgame, everyone seemed to be on our side, from Ralph Reed to Clinton to Dole, on top of all these groups from across the ideological spectrum. And who's over on the other side? Two crazy restrictionist interest groups: FAIR [the Federation for American Immigration Reform] and the Center for Immigration Studies. I don't mean to be glib, but what we were left with was 'We Are the World' versus 'We are the Whackos.'"

In truth, however, the split-the-bill coalition was always less We Are the World than When Worlds Collide. From the beginning of the immigration debate all the way until the end, the high-tech industry was several steps behind its allies when it came to grasping the big picture. Nobody could have guessed that splitting the bill was a route to killing legal immigration legislation altogether in 1996. But among the savvier, more ideologically oriented - more Washington - of the coalition's members, it was always understood that the reason you form a coalition in the first place is that there's strength in numbers. Politicians hate successful coalitions: they're constantly trying to break them up, pick them apart, strip away this faction or that faction, so that whichever ones are left are all the more vulnerable the next time around. In this case, high tech was a sitting

duck, practically begging to be pumped full of lead. But through a combination of good luck, exceptional energy, and some help from a collection of friends that needed high tech at least as much as high tech needed them, the industry - and the immigration system - came out intact.

From the immigration debate, Washington learned an enormous amount about Silicon Valley - not so much about technology but about the internationalist character of the human capital that creates the technology. The question now is whether high tech learned anything equivalent about Washington, and whether it wants to.

"You don't mind if I change clothes, do you?"

Grover Norquist is doing a modified striptease for me in the offices of his interest group, Americans for Tax Reform, as he gets ready for a black-tie dinner on the other side of town. Looking at this bearded, gnomic little guy, pacing around the room half-dressed, clutching a tuxedo shirt with a big yellow stain on its chest, you'd never guess he's the founder and chief strategist of his very own ad hoc political coalition. He calls it the Leave Us Alone Coalition, and despite the fact that its most active members are gun fanatics, antitax zealots, and home schoolers - not exactly the profile of Mountain View, Palo Alto, or Santa Clara - he's explaining why his people and the high-tech industry have a glorious future together.

"I think it's just the first of many victories in which the high-tech industry is going to be part of the Leave Us Alone Coalition," he says of the immigration debate. "You'll see it again on encryption - same fight, all the same players on the right and many of the same players on the left, as with the immigration bills. And we'll win on encryption because we'll get all the Republicans who feel bad about having voted wrong on the Communications Decency Act. All the guys who knew better, but who couldn't vote for pornography - of course, it wasn't voting for pornography. They know it, you know it, I know it. But damned if you could explain that in a 30-second TV spot.

"Anyway," Norquist goes on, "there are all these issues where radical free-market conservatives and the radical civil-libertarian left both agree, and oppose increased government restrictions, sometimes for the same reason, sometimes for different reasons. NAFTA was another counterintuitive coalition, and GATT. High tech was there, too. And really, those companies fit right in. They don't want anything from government. They just want to be free to go about their business. And once you start thinking about it like that, you realize that the high-tech industry shouldn't just be cheerful members of the Leave Us Alone Coalition. They should be leaders of it."

Such theories aren't uncommon in Washington. Another of Gingrich's gurus, Jeff Eisenach, speaks of an emerging "information-age political coalition," organized around the idea of "freedom," in which Silicon Valley plays a central role. But you don't hear this kind of talk in Silicon Valley. In fact, even among the people paid by high-tech companies to take Washington seriously, phrases such as "information-age political

coalition" are usually met with a bewildered stare, or a somewhat insincere declaration of naïveté. "This talk about coalition politics is probably the enlightened view," Microsoft's Ira Rubinstein says, "but I think, in practice, it's still a long way off for our industry."

What Silicon Valley's CEOs and government-affairs mavens do acknowledge is that like it or not, their involvement in high politics is bound to increase - if only as a defensive measure. "It's not a matter of the 'maturing' of our industry; it's a matter of the government doing more things that are profoundly harmful, forcing us into action," T. J. Rodgers says. The American Electronics Association's William Archey agrees. "The traditional passivity is changing, from Keep those bastards off our backs to If we don't get involved, those bastards will screw us."

Yet the story of high tech and the immigration debate is about more than the successful defensive maneuverings of an industry to protect its bottom line. In the years after the Second World War, big business played an awesomely infiuential role in American politics. The New York Washington axis was tight and strong, and as a result, a solid consensus developed around any number of policies that were a great benefit to the US and the rest of the world - most notably, free trade. With the relative decline of the manufacturing sector and the rise of the information one, and the shift of the economy's center of gravity from the East Coast to the West, the old bonds between business and government have frayed - and so, not surprisingly, has the old policy consensus. It's no coincidence that support for free trade has declined within the political class at the very

moment when Silicon Valley, whose bosses for so long refused to speak with that class, has been in its ascendancy.

Six months ago, a consensus in favor of legal immigration looked even less secure than the one in favor of free trade. Today, levels of legal immigration remain intact, and with any luck, the issue has been taken off the table for the fall campaign. The win wasn't textbook, and it certainly wasn't pretty. In places, it was downright ugly. But its shadings are reminiscent of recent debates, from NAFTA and the Mexican financial rescue to the role of the UN, thrown up by a world that is becoming borderless and interdependent. The shadings are postpartisan, ideologically androgynous - and as such, they hint at the new political order being born in our midst. In this light, it's hard not to see the immigration battle of 1996 as a watershed for high tech - and for Washington, too.

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John Heilemann is national affairs editor at Wired.

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(Three relevant passages of the article below have been bolded by the author.)

http://community.seattletimes.nwsource.com/archive/?date=20060207&slug=prestongates07m

Tuesday, February 7, 2006 - Page updated at 12:00 AM

Corrected version

How scheming lobbyist operated in Seattle firm

By David Postman and Hal Bernton

Seattle Times staff reporters

Sidebar Text Preston - Gates History: (Article also includes four graphics, including a chart of Preston Gates revenues by year, showing a peak of $11.79 million in 1999. About 1/4 was from indian tribes)

Founded: 1883, by Harold Preston, later known for writing Washington state's Workmen's Compensation Act. Seattle civic booster Jim Ellis joined the firm in 1949.

Mergers: The firm grew through a series of mergers including in the early 1900s with O.B. Thorgrimson, and in 1990 with Shidler McBroom Gates & Lucas, which brought to the firm **William H. Gates, father of the Microsoft founder**.

Current: The firm employs more than 420 attorneys in 11 offices, including Washington, D.C., Anchorage, Beijing and Hong Kong.

Source: Preston Gates

Before joining Seattle-based Preston Gates & Ellis, Jack Abramoff had been involved with South Africa's apartheid regime, Col. Oliver North's campaign to arm Nicaraguan

contras, Zaire's dictator Mobutu Sese Seko and Angolan rebel leader Jonas Savimbi, who reportedly had his opponents burned at the stake.

Not the sort of résumé one would expect to appeal to a Democratic-leaning law and lobbying firm with a largely establishment client list. The firm had once turned down a request to represent India in D.C., because of concern for the shaky state of democracy under Indira Gandhi.

But it was a different era when Abramoff showed up. He was a fiercely partisan Republican, and his hiring was announced Dec. 30, 1994 — just days before Newt Gingrich became speaker of the House and Republicans took control of Congress.

Abramoff would emerge as the firm's star in the capital, pulling in millions of dollars and catapulting Preston Gates into the big leagues of lobbying even as his freewheeling style, disdain for authority and penchant for secrecy strained relations with his bosses.

Ultimately, Abramoff's lobbying practice at Preston Gates became a launching pad for schemes of fraud and influence peddling that would play out on a larger scale once he left the firm at the end of 2000 — eventually exploding into one of the biggest lobbying scandals in a generation.

Abramoff admits in a plea agreement that, while at the firm, he tried to corrupt a congressman, influence one House aide by hiring his wife through a Mercer Island-based religious foundation, and sway another by offering a free trip to a Pacific island.

He also committed fraud, helping to fabricate $23 million in financing to gain backing to buy a fleet of casino ships then owned by a client of Preston Gates.

The lobbyist pleaded guilty to four felonies last month and is now cooperating with federal agents in a widening corruption investigation. He and his attorney have declined to comment publicly.

Abramoff worked with about a dozen other lobbyists and staffers at Preston Gates' D.C. office. Most of them left the firm along with Abramoff, a blow to its prestige and a big hit to its billings. One Abramoff associate, Michael Scanlon, pleaded guilty in November to a single count of conspiracy to commit fraud that occurred while he worked at Preston Gates.

Preston Gates has said very little officially about Abramoff's six-year tenure. That's at least partly because Justice Department investigations continue, which firm officials say restrains their ability to comment.

Firm officials say they didn't know about Abramoff's crimes until a government investigation began, after 2004 reports about Abramoff in The Washington Post. Instead, it was his swashbuckling ways that created a conflict. In a statement, the firm made it clear that senior partners tried to rein him in, leading to his departure.

"Abramoff left the firm when it became clear over a number of conversations that there were irreconcilable differences over firm supervision and insistence on teamwork," Preston Gates spokeswoman Genevieve Woodard said.

"Our message was that this was the only way the firm could operate. Instead, Abramoff chose to leave."

The firm

Preston Gates traces its Seattle roots back to 1883. In the Seattle office, where many of the firm's more than 420 attorneys are based, its commitment to public service was exemplified by former members Jim Ellis, perhaps Seattle's archetypal, good-government civic booster, and **William Gates Sr., father of Bill Gates**.

In the '70s, Preston Gates was known in the Pacific Northwest as a Republican firm.

The D.C. office was opened in 1973 as part of the firm's efforts to expand from legal work into the then-burgeoning world of lobbying Congress and the federal government. Much of that work is done by people employed by large law firms.

By the 1980s, Preston Gates had a strong Democratic tilt, with a cadre of former aides to Sen. Warren Magnuson on staff and a partnership that included Lloyd Meeds, the former Democratic congressman from Everett who maintained close ties on Capitol Hill.

The D.C. operation is officially Preston Gates Ellis & Rouvelas Meeds.

Abramoff's ascension in the firm tracked the rise of Republican power in D.C. After the 1994 elections, Republicans pressured corporations and interest groups to hire Republican-friendly lobbyists. That effort, said Seattle attorney and former Preston Gates partner Eric Redman, was "really brutal and meant to be brutal."

At the time, Abramoff was known as a political organizer more than as a lobbyist. His roots were in the College Republican National Committee.

Later he was involved with Citizens For America, a conservative group that backed President Reagan's support of the Nicaraguan contras, and the International Freedom Foundation, which received money from South Africa's apartheid regime. He lobbied to

get a visa for Sese Seko, and with Savimbi organized an anti-communist guerrilla convention in Angola, according to *The Washington Post*.

Abramoff may have had an unusual résumé, but he claimed powerful GOP connections to Gingrich. The press release announcing his hiring touted his "strong ties to Speaker Newt Gingrich" and other Republicans such as then-House Majority leader Dick Armey.
Firm spokeswoman Woodard says the firm checked out those credentials before Abramoff was hired, and found them to be "excellent."
Those initial credentials, however, are in dispute.
A spokesman for Gingrich said that the former speaker didn't know Abramoff, and he fabricated that relationship. Armey also said he had no relationship with Abramoff.
Armey said he didn't know Abramoff in 1994 and no one at Preston Gates ever asked him about the lobbyist. He said that two of his chiefs of staff knew of Abramoff, and "thought he was a bad guy and did not accept appointment requests from him."
But Abramoff did forge ties with one rising Republican star: Rep. Tom DeLay of Texas.
And that relationship would help Abramoff as he emerged as one of the top lobbyists in Washington, D.C., and DeLay — as House majority leader — became one the nation's most powerful politicians.

Lobbyist becomes a star

Abramoff was not an easy fit for Preston Gates. He bridled at some of the firm's policies. He often skipped firm meetings. He acted like a star.

"He demanded his own car and driver, in addition to the firm's, which ... I found a little bit offensive," said Tom Allison, a retired, Seattle-based partner for the firm.

Abramoff also helped recruit a fresh influx of Republican lobbyists who were former congressional aides with strong ties on Capitol Hill.

"He wanted young, aggressive lobbyists who would cry if we lost clients," one of those recruits said. "That's the way he led our lobby team. And his success allowed him to say 'trust me.' "

Abramoff and his team delivered big-dollar accounts, which resulted in soaring revenues for Preston Gates.

During the three-year period that ended in 2000, Abramoff's lobbying clients accounted for roughly 30 percent of the firm's total lobbying revenue of more than $32 million, according to federal disclosure records.

His biggest client was the Mississippi Band of the Choctaw Indians, which in 1999 paid the firm $3.12 million, the most any lobbyist was paid that year by a single client, according to an analysis by the Center for Responsive Politics, a D.C. organization that tracks political spending.

E-mails released by a Senate committee investigating Abramoff indicate the Choctaw account was sometimes tapped for expenses that had little — if anything — to do with the tribe's agenda.

In September 2000, when Abramoff wanted to take a trip to Florida on a deal unrelated to the Choctaws, he asked someone at Preston Gates to bill the plane ticket to the tribe if the other account took more than a week to reimburse the money, according to an Abramoff e-mail.

The Choctaws are in negotiations with Preston Gates about possible billing improprieties, tribal Attorney General Donald Kilgore said.

Kilgore called Abramoff "a scam artist" and said Preston Gates and Abramoff's later firm, Greenberg Traurig, with which the tribe has already reached a settlement, were victimized by the lobbyist. He conceded, though, "When you're one of the top law firms in the world, it's hard to be a victim."

Controversial clients

Abramoff also lobbied on behalf of the Commonwealth of the Northern Mariana Islands, a U.S. protectorate with manufacturers that wanted to keep exemptions from federal minimum-wage laws.

The work rankled some members of the firm, who felt it didn't fit with their view of Preston Gates.

"There were a lot of people in the Seattle office that didn't share the policy goals of his clients, and were uncomfortable with him," Allison said. "He was going after a different market. And a lot of folks were uncomfortable."

As early as March 1998, Abramoff's lobbying for the Marianas was the subject of criticism during a Senate hearing about labor conditions in the islands. Both Republicans and Democrats criticized Preston Gates for teaming up with island garment manufacturers to thwart federal officials trying to curb labor abuses. The strategy was detailed in an Abramoff memo that was reviewed at the hearing.

The day after the hearing, The *Seattle Times* ran a story headlined, "Firm draws fire for lobby tactics — accused of intimidating officials."

Managing Partner David Tang and Preston Gates Chairman Richard Ford responded with a guest editorial saying the firm had given the islands "a voice in the federal issues that affect it."

They wrote that sometimes "it is necessary to remind people that we do not represent clients based on the popularity of their cause." They said that's a lawyer's role in society.

But Phil Kaplan, who at the time headed a Catholic Church effort to help workers in the islands, said there is a distinction between an attorney's obligation to represent someone in the legal system and the role of a lobbyist.

"When you choose to lobby for someone, you're advocating for them in a public arena and you bear their sins," Kaplan said. "They can't duck that. ... The Preston Gates folks like to think of themselves as liberal, forward-thinking, whatever. Well, they made a dirty buck."

Preston Gates continued to pursue business with the islands, with Abramoff taking a lead role.

In January 2000, he flew with an aide to Rep. Robert Ney, R-Ohio, to the islands in a trip that was part of a scheme to use political influence to obtain and maintain island lobbying clients, according to his plea agreement.

The plea agreement lists the trip among the "official acts and influence" done by public officials in exchange for donations, free meals, concert tickets and other items Abramoff provided.

Recently the governor of the Commonwealth of the Northern Mariana Islands wrote to Preston Gates and another firm where Abramoff later worked, asking that money paid for lobbying be refunded.

The government of the territory claims it was overbilled and potentially bilked and is now suffering from a spate of bad publicity.

In addition to his Preston Gates lobbying, Abramoff, while at the firm, jumped into business ventures. One of those deals caused serious friction with the partners.

Early in 2000, Abramoff joined with Adam Kidan — then owner of a Washington, D.C., mattress-store franchise - to buy a fleet of casino ships operated by Florida-based SunCruz.

Abramoff initially kept his stake in the deal secret from other members of the firm. The seller was a client of Preston Gates and the firm introduced him to Kidan. But officials at the firm say that for months they never knew Abramoff was behind the scenes as Kidan's partner.

In August 2000, Preston Gates officials say, they finally learned of Abramoff's stake in the SunCruz partnership. They were angry but didn't make him withdraw from the SunCruz venture.

Meanwhile, Abramoff and Kidan struggled to find financing to close the deal.

So Abramoff resorted to fraud, according to his plea agreement.

In September 2000, Abramoff used fraudulent documents to convince lenders that his partnership with Kidan had put $23 million in equity into the deal, according to his plea agreement.

Abramoff's departure

Throughout 2000, Preston Gates partners tried to impose discipline on Abramoff and persuade him to conform to their concept of a team player.

In a now oft-cited quote — confirmed by a source who was at the firm at the time — the firm's partner, Manny Rouvelas, told Abramoff he would end up "dead, disgraced or in jail."

But Abramoff's attitude remained rebellious. At one of the last meetings, Abramoff told his bosses that he never wanted to hear the word "teamwork" again, according to someone who worked at the firm at the time and was a part of the conversation.

Abramoff and most of his own team left the firm at the end of December 2000 and moved to Greenberg Traurig, a Miami-based law firm with a larger Washington, D.C., lobbying office.

Though Preston Gates tried to keep some of these lobbyists, many at Preston Gates were glad to see Abramoff go.

"My impression was that this guy was driven by greed, and what drove him to make the change was greed," said Allison, the retired Seattle partner.

"They just had enough of him," said Mary Meeds, widow of Meeds, the former Washington congressman and Preston Gates partner. The congressman passed away last year as the Abramoff scandal grew and the firm responded to Senate and Justice Department investigations.

Meeds says her husband bemoaned the cost to the Preston Gates reputation.

When he read news stories of the scandal, he would say to his wife, "Why are they always putting our firm's name in there?"

Staff reporter Alicia Mundy and researcher Gene Balk contributed to this story. David Postman: 360-943-9882 or dpostman@seattletimes.com

Information in this article, originally published February 7, 2006, was corrected February 13, 2006. A previous version of this story incorrectly stated the Preston Gates & Ellis was involved in negotiations over the 2000 sale of SunCruz Casinos. A Preston Gates attorney introduced the seller to one of the buyers, Adam Kidan. But that attorney was not involved in subsequent negotiations over the SunCruz sale to a partnership of Kidan and Abramoff, according to a Preston Gates spokesman.

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Sidebar:

http://community.seattletimes.nwsource.com/archive/?date=20060207&slug=crimes07m

Tuesday, February 7, 2006 - Page updated at 12:00 AM

Abramoff's illegal acts at Preston Gates

Lobbyist Jack Abramoff pleaded guilty last month to four felonies involving wire fraud, conspiracy to defraud his clients, schemes to corrupt public officials, and tax evasion.

His two plea agreements detail actions that occurred while Abramoff worked at the Seattle-based law and lobbying firm Preston Gates.

Trying to corrupt a congressional aide:

Beginning in 1999, Abramoff and others enlisted a congressional aide to perform a series of official acts, including help to stop Internet gambling legislation and to oppose postal-rate increases. With the intent to influence officials' acts, Abramoff provided things of value, including a job for the aide's wife that paid $50,000 from June 2000 through February 2001.

Trying to corrupt a congressman:

Abramoff sought to influence a congressman through campaign contributions, golf, regular meals, fund-raising events and other things of value. In 1999 and 2000, Abramoff and a partner were trying to purchase a fleet of casino ships operated by SunCruz. The congressman, Rep. Bob Ney, R-Ohio, in 2000 inserted two separate statements into the congressional record at Abramoff's and his partner's request. One in March 2000 attacked the SunCruz owner as Abramoff sought to forge favorable sale terms, and another in October 2000 praised the honesty and integrity of Abramoff's partner after the sale was completed.

Trying to enlist congressional help to land a lobbying client:

In January 2000, Abramoff arranged a trip to the Northern Mariana Islands in the South Pacific for a senior staff member of Ney. The goal was to gain assistance for Abramoff, and Preston Gates, to obtain and maintain the Marianas government as a lobbying client.

Bilking lenders through wire fraud:

Abramoff helped create a bogus wire transfer for $23 million to persuade lenders to help bankroll the purchase of SunCruz casino ships for more than $140 million. The sale was finalized in September 2000. Copyright © 2006 The Seattle Times Company

APPENDIX B

http://www.dailykos.com/story/2008/2/23/03912/3990/390/462347

Daily Kos

Jack Abramoff: John McCain's other Lobbyist problem...

by dengre - Since 1999 I've been researching Jack Abramoff and the Culture of Corruption as my "hobby". I work at Co-op America, a nonprofit in Washington, DC.

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Fri Feb 22, 2008 at 09:52:13 PM PDT

John McCain has a Lobbyist Scandal on his hands and despite Right-wing auto-rants, this is not a "made-up" story.

The "sex" hook may be a MacGuffin, but this Lobbyist Scandal has legs.

As Thomas C pointed out *Newsweek* has poked another hole in McCain's version of reality. The Washington Post has added details about McCain's dependence on Lobbyists for his survival and the Polk winning Muck Rakers at TPM are connecting the McCain Lobbying Scandal dots as fast as they can rake 'em up.

McCain is "shocked" and fighting back. Key to his defense is his investigation of Jack Abramoff. This, he argues, is proof of his "reputation" as a "reformer" and his "integrity".

Yeah, right.

Don’t buy that hype.

Jack Abramoff is at the heart of McCain’s campaign—and not in a good way.

To the jump...

dengre's diary :: ::

John McCain is an ambitious man. It drives him/

Ambition is not always a bad thing and it is a requirement for those who run for President. Sometimes though, ambition trumps everything including honor. McCain has that kind of ambition. The kind that is blind.

Perhaps that wasn’t always the case.

Eight years ago in 2000, McCain’s was on track to upset the status quo. He took on George W. Bush and the Republican machine. In the early primaries he showed that he had enough support and juice to win—if he wasn’t stopped.

He was stopped.

Jack Abramoff was key to that effort, as were his long-time pals and partners in crime Ralph Reed and Grover Norquist. They funded dirty tricks and went after McCain with a viciousness they usually reserved for Democrats. A recent article in Salon described part of their anti-McCain campaign:

During the 2000 campaign, Norquist was a vocal opponent of McCain's candidacy, holding press conferences in New Hampshire and South Carolina to denounce McCain's support for campaign finance reform. Norquist's nonprofit, Americans for Tax Reform, ran issue advertisements that echoed the talking points of then-candidate George W.

Bush. The ad called McCain "the only candidate approved by the liberal New York Times" and suggested that Bill Clinton and "Big Labor" supported McCain's positions.

I could write a very long Diary about the many things these three Caballeros of the Right did to elect Bush and defeat McCain. Their actions and money were critical to Bush's victory and John McCain knew it.

Time passed.

The Supreme Court installed Bush and the three Caballeros had access and power.

January 2001 through January 2004 became the golden days for Reed, Norquist and Abramoff.

They were at the height of their power.

It seemed nothing could ever slow them down, but then the Washington Post ran a story about Jack ripping off his Native American clients—by more than $30 million dollars.

That got some attention in Washington.

One person who noticed was John McCain. He was the second ranking Republican on the Senate's Indian Affairs Committee and would soon become the Chairman when Senator Ben Nighthorse Campbell retired.

He quickly lined up an investigation.

It was payback time.

McCain went after Abramoff with a vengeance. Before Jack and his team could organize a defense McCain subpoenaed ALL of Jack's records. Now Jack could stall on papers, but not electronic files. Those really belonged to his employers: Preston Gates from 1995

to 2000 and Greenberg Traurig from 2000 to 2004. These firms were tied to the scandal and McCain held their fate in his hands.

A major concern for any corporations tied to a growing scandal in early 2004 was the fate of Arthur Andersen. The Enron scandal had proved that a company tied to a corruption scandal could get a "death sentence" if they did not cooperate with investigators.

Jack's lobbying firms got the hint from McCain and turned over everything they had related to Jack Abramoff, his team and his clients. It turns out that they had a lot of records.

Jack liked new technology. He liked to update his toys and he wanted access to all of his files with every upgrade. Turns out the IT departments of his firms had learned to keep back-ups of all his emails, memos, reports and electronic files so they could always meet Jack's needs.

D'oh.

These documents and many, many more were turned over to McCain. When the dust settled McCain had 750,000 pages of documents.

He had everything. He had Jack's Little Black Book as it were.

He had the goods on Jack and everybody who ever worked with Jack.

It was easy to leak details to the press to drive the story in whatever direction McCain wanted the narrative to take.

It was easy for McCain to let the folks who took him down in 2000 know that payback time was on the horizon.

There would be blood and there would be fall guys.

Jack was first.

Then a bunch of staffers. Then Bob Ney.

Tom DeLay lost his power base as well.

McCain made it clear that he had the goods on Ralph Reed and Grover Norquist as well.

By 2005, journalists like Peter Stone were laying out the details:

"At Greenberg Traurig, [there] was an understanding that Jack was helping Grover with money and that Grover was there to help some clients," said one former lobbyist from the firm. "It was a symbiotic relationship."

Until early 2004, Norquist and ATR played a pivotal role in boosting Abramoff's lobbying career. Norquist championed the interests of Abramoff's two biggest clients to the influential network of conservatives, policy wonks, and politicians who attend ATR's regular Wednesday meetings. He also deployed his group's grassroots resources to help fend off the threat of taxes and regulation on Indian tribes' gambling ventures and on other Abramoff clients.

And Stone made it clear that Norquist, Reed and Abramoff knew McCain was on a mission of payback and that they were the targets:

In an interview with National Journal last year, after the Abramoff scandal broke, Norquist charged that Sen. John McCain, R-Ariz., chairman of the Indian Affairs Committee, who has been leading the Senate inquiry into Abramoff's alleged lobbying abuses, "hates Bush and hates DeLay, and Jack is an ally and friend of both."

A funny thing happened to McCain’s payback investigation—reality intruded.

As the details of the scandal emerged it quickly became clear that this was bigger web of corruption than anybody thought (well except me, I had been following Jack for year by

2004—and I knew it was and is a massive scandal). It quickly became apparent that the Abramoff scandal—if fully investigated—would defeat George W. Bush in 2004 and throw Republicans out of power in the House and Senate. By mid 2004, McCain was slow-walking his "investigation". After Bush was re-elected it picked up a little steam in 2005 but went dark again as the 2006 election approached.

Finally, with little fanfare, McCain's committee released a report of their investigation in July 2006. The investigation had been slow-walked into a cover-up. Still, McCain took parting shots at Reed, Norquist and Abramoff.

Grover was not pleased and he said so:

"He has exhibited personal animus toward me," Norquist said. "McCain, who's running for president and is ostensibly the front-runner, takes time and effort to throw a punch at me and Ralph Reed. Why? He has told people we stopped him in the presidential election last time, and he thinks we might do it again. He is delusional. George W. Bush Beat him in South Carolina. But that's high praise of the taxpayer movement that he has told so many people this."

McCain staffers said the 373-page report, the culmination of a two-year investigation, is a neutral, factual account of Abramoff's movements. E-mails from Abramoff cited in the report indicate that the disgraced lobbyist used ATR — for a fee — as a conduit for moving money from the Mississippi Choctaw American Indian tribe to anti-gambling grassroots activists who would have been uncomfortable receiving money from gambling profits. [snip]

McCain and Norquist have had a contentious relationship since 2000, when Norquist banded with conservative groups like National Right to Life, the National Rifle

Association and the National Right to Work Committee to criticize McCain on campaign-finance reform. McCain's campaign faltered after he lost to George W. Bush in South Carolina's primary.

And even as he was attacking Grover, McCain had an eye on running for President in 2008 and was signaling that Norquist really had nothing to worry about—Grover would not be a fall guy like Jack:

Norquist said that within the past year, four high-level lobbyists sent by McCain's operations have contacted him, seeking to mend fences, including one lobbyist who sent him a $10,000 check. McCain's staff vigorously denies that and points to Norquist's refusal to name the lobbyists. [snip]

"McCain needs the taxpayer movement to get elected in a Republican primary and in a presidential election," said Norquist, who holds strategy meetings each Wednesday with conservative lawmakers, grassroots activists and representatives from the White House. "If he fought for abolishing the capital-gains tax or dramatically cutting the income tax, I would be out there, applauding, saying, 'That's great.'"

And it turns out that McCain has been able to mend his fences with Grover and McCain now has his support:

Grover Norquist, president and founder of Americans for Tax Reform, for example, criticized McCain in an interview with Cybercast News Service in January. "If the rest of Congress had voted the way Senator McCain did over the years, your taxes would be a trillion dollars higher than they are today," he said.

But on Saturday, in another interview with Cybercast News Service, Norquist seemed ready to put the past away and support the frontrunner, apparently in light of McCain's

recent statements that he is now a hard-line anti-taxer. "McCain has staked a good tax position," said Norquist. "He has said twice he will veto a tax increase. I will support the Republican nominee."

In fact, the extremely corrupt Grover Norquist is now one of McCain's advisors on tax policy:

One of those McCain is listening to is Grover Norquist, the anti-tax crusader who demands that candidates sign his "pledge" not to OK a tax increase. McCain refused to put his name on it. Yet in recent months, his advisers devised a tax plan with input from Norquist and others. First, McCain said he'd fight to make the Bush tax cuts permanent—even though he originally opposed them. Then, before New Hampshire, he unveiled a plan to cut corporate and investment taxes and to abolish the alternative minimum tax. "I'd still like to get it in writing," Norquist tells me, "but I'm pleased with McCain's tax-cut position now."

This is a startling development. Just a few years ago, McCain and his advisors were attacking Norquist at every turn. They even inspired the Senate Finance Committee to investigate him and release yet another damning report on the way Norquist breaks the law on a regular basis:

A long-awaited report by the Senate Finance Committee accuses Grover Norquist's Americans for Tax Reform and other Abramoff-linked non-profits with committing acts that are likely in violation of their tax-exempt status. [snip]

Carol Guthrie, spokeswoman for ranking member Max Baucus (D-MT), said that copies of the report, which details possible violations of law and tax code, were delivered to the

Justice Department and the IRS, along with "brief explanatory" letters from Baucus. She would not release a copy of the letter.

"The Justice Department and the IRS will have to determine whether tax laws were broken," Baucus said in a statement sent to reporters. "But in my view, these groups' dealings with Jack Abramoff certainly violated the spirit, and perhaps the letter," of the law.

Of course it was the Bush DOJ investigating Norquist, so Grover is in the free and clear. His only worry might be the evidence in the 750,000 Abramoff documents collected by the Senate's Indian Affairs Committee.

Grover (and most Republicans in Washington) would be in trouble if those files were ever released, but they can sleep well because John McCain has made sure they won't ever be released.

It is a Senate thing so it is hard to understand.

McCain has an agreement with the Democrats that the Abramoff documents held by the Indian Affairs Committee can not be released unless both sides of the aisle agree to release them. In other words, McCain has a hold on releasing any of these documents. This gives him great power within a weakened and corrupt Republican Party.

Perhaps it is why only "C" list Republican back benchers and gadflies challenged him in the Republican primary. All the "players" knew that McCain could release a new wave a scandal by leaking selective Abramoff documents. His control of the Abramoff documents has been his greatest tool in lining the Party up behind him.

Obstruction of justice and intentionally covering up the Abramoff scandal is John McCain's Abramoff problem.

John McCain needs to be held accountable for his actions.

So far, he has buried this meme and used his cover-up to create the illusion of a reformer on the teevee.

The NYTs story makes it possible that the truth might come out. It makes it possible that McCain's Abramoff Cover-up will become an issue in the 2008 campaign.

I hope it does.

All that is required is curiosity and a willingness to question authority and the status quo.

For example, one could ask, "why is Grover Norquist endorsing McCain?" and/or "why is McCain signing on to Grovers 'no-tax' scam?"

Or one might look at McCain's relationship with Jack's old lobbying firm, Greenberg Traurig.

GT was a movement Republican lobbying shop. They were foot soldiers in the effort to establish one-party rule in the USA.

Before the Abramoff Scandal broke, McCain had received only $1,000 from one member of the firm.

After the scandal, the firm owed their continued existence to cooperation with McCain. It was how they survived the fallout from the scandal:

Greenberg Traurig was a politically well-connected law firm long before Jack Abramoff, the disgraced lobbyist who pleaded guilty last week to conspiracy, fraud and tax evasion, joined it about six years ago.

Lawyers for the firm represented George W. Bush in the weeks after the disputed 2000 election. Its partnership ranks include high-powered lawyers like John Scalia, the son of Justice Antonin Scalia.

The firm has weathered scandal in the past. [snip]

But no crisis has been as potentially toxic as the one involving Mr. Abramoff, who pleaded guilty to defrauding clients of tens of millions of dollars and enticing government officials with bribes. [snip]

Greenberg Traurig rushed to distance itself from Mr. Abramoff, appease his clients and work closely with prosecutors. In the process it has earned praise for its cooperation from Senator John McCain, Republican of Arizona... [snip] ... when the Senate Committee on Indian Affairs held a hearing on the widening scandal in November, Fred Baggett, a partner in the Tallahassee office of Greenberg Traurig, went.

"Based on Mr. Schuelke's investigation, the firm has made disclosures to clients affected by Mr. Abramoff's activities, worked out resolutions with a number of affected clients and hopes to work out resolutions with still other affected clients," Mr. Baggett's prepared statement reads.

The statement was clearly appreciated by Senator McCain, the committee chairman. "I know this chapter in the firm's history is embarrassing and painful in many ways," Mr. McCain said in his prepared remarks. "But I want the record to reflect that, consistent with their professional obligations, Greenberg Traurig and its counsel have always been responsive to the committee's requests, always made themselves available to answer questions, and have always conducted themselves with dignity and professionalism in these trying circumstances."

And Greenberg Traurig rewarded McCain with cash.

Sam Stein over at the Huffington Post went digging through McCain's donations and found McCain received over $100,000 from Jack's old firm

"Ask Jack Abramoff if I'm an insider in Washington," McCain often contends. "You'd probably have to go during visiting hours in the prison, and he'll tell you and his lobbyist cronies of the change I made there."

But how much change did McCain actually effect? And is he all that removed from Washington's special interests?

A review of campaign finance filings shows that the Arizona Republican has accepted more than $100,000 in donations from employees of Greenberg Traurig, the very firm where Abramoff once reigned.

And these donations started when McCain started his investigation cover-up of the Abramoff Scandal.

A curious person might want to explore the connection.

A curious person might asked What else is in the 750,000 pages of Abramoff documents?

A suspicious person might demand these documents be released to the press and the public.

McCain actively controlled the story and he put the investigation into slow motion. He ensured that the Abramoff Scandal was a not a factor in the 2004 election. Then he worked to ensured that voters would not know about how closely Abramoff, Rove and Bush worked together. Then McCain worked to actively limited the damage the

Abramoff scandal had on the GOP in the 2006 election. And then he used his access to Jack's little black book to discourage serious competition and build support for his 2008 run for the White House.

And in the process truth, honor and justice have become the victims of McCain's ambition. An ambition that has led him to hide the most damning details of the Abramoff scandal:

Jack's role as a 25-year bagman for the GOP: hidden.

Jack's close working relationship with the Bush White House: hidden.

Jack's close working relationship with the Republican Congressional Leadership: hidden.

Jack's role in dirty tricks and off-the-books money for the GOP: hidden.

Jack's role in Medicare reform: hidden.

Jack's role energy policy: hidden.

John McCain needs to be called on this.

We need to demand the release of the Abramoff papers.

Think of a carton of paper.

Each box hold 5,000 sheets.

Now, visualize 150 boxes filled with Abramoff's emails, memos, billing records, schedules, appointments and many, many more related documents. McCain had everything.

Now, take away a box and a half of documents.

Set them in a pile.

This is what the McCain investigation, I meant cover-up released. And most every Abramoff scandal news story and indictment to date has grown from these initial releases of documents.

Mountains of scandals and thousands of real crimes have been hidden and protected by Senator John McCain.

How many documents has John McCain hidden?

Well, if you stacked them into a single stack, it would be about the fifth of the height of the Washington Monument, around 123.5 feet tall!

Here is what the McCain//Abramoff Cover-up looks like: [Graphic in article]

This scandal should be hung around McCain's neck. There is no way we should let him get away with bragging about doing the dirty work to minimize the impact of the scandal on George W. Bush's 2004 race and to keep most of his caucus out of a well deserved jail cell.

John McCain is intensely corrupt.

He is especially unfit to be President of the United States of America.

I just thought I would pass that along.

Cheers

McCain's Abramoff Problem: CliffNotes Edition...

http://www.dailykos.com/story/2008/8/22/03626/1126/185/572396

by dengre - Since 1999 I've been researching Jack Abramoff and the Culture of Corruption as my "hobby". I work at Co-op America, a nonprofit in Washington, DC.

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Thu Aug 21, 2008 at 10:05:47 PM PDT

For almost a decade I have been tracking and writing about Jack Abramoff and the Culture of Corruption.

Since 2006, I've written about the many ways that John McCain covered-up the Abramoff Scandal. Usually these Diaries are very long and linked filled. They are rich in details and I'll add a list of some them after the jump.

But this is campaign season and McCain's cover-up of the scandal needs to be stripped down and simplified if it is to break through and impact this election.

Recently, the Obama campaign released an ad that got me thinking about ways to condense the story of McCain's cover-up of the Abramoff scandal. Here is the ad:

"Never" ad posted by the BarackObama.com 20 August 2008

http://www.youtube.com/watch?v=pXj4mEwM6PQ

Nice. And so, I've tried to reduce my many McCain/Abramoff Diaries to seven Power Point slides.

In a nutshell, John McCain covered-up the crimes of his Republican Party in the Abramoff Scandal. He washed the narrative. He made it a simple story of a "bad apple" greedy lobbyist, gullible Indians and the straight talking maverick Senator who saved the day. It was all bullshit.

John McCain is a Corruptionist. For those without a dictionary, that means that he is a politician who has protected and upheld corrupt practices throughout his political career.

His dirty work is obscured by his carefully constructed myth as a "maverick" and his false mask of a reformer. It is all hype. His reputation is built on a twisted web of lies and protected by a legion of well trained sycophants in the media.

His work to cover-up the Abramoff Scandal deserves exposure.

Over the months, I've written a number of Diaries that have tried to do just that. Here are a few of them:

Corrupt Sleazebags in bed: Ralph Reed hosts McCain Fundraiser...

John McCain and the Wrecking Crew...

No Surprise: Another McCain Advisor Lobbying Scandal...

Gramm, McCain, Abramoff and the Corruptionist Party...

McCain helps Doolittle, Pombo and the Abramoff gang....

The Abramoff bomb drops in September: He is talking and he'll testify.

New Abramoff Plea is Trouble for McCain & the GOP

Get Ready: McCain is surrounded by GOP thugs

Trouble for McCain: Jack Abramoff, Charlie Black & the 1980s...

For those who seek details and links, please review the Diaries listed above. But, for those who want the highlights, I've put together the following seven slides (one for each of McCain's houses).

Here we go: (Transcribed text of the seven slides.)

1. John McCain has a "Jack Abramoff Problem" On the campaign trail, John McCain points to his record on the Abramoff Scandal as proof of his claim to be a "Maverick." This is a MYTH and a LIE! McCain's "investigation" was for show. Crimes were hidden, the guilty were protected and Justice was obstructed. And McCain was Rewarded for the Cover-up.

2. McCain Lied about his Abramoff "Investigation." On November 17, 2004, the Senate's Commiteee on Indian Affairs held a hearing on the Abramoff Scandal. At that Hearing, John McCain made a promise to the representatives of the Tigua Tribe of Texas: "I pledge as a member of the Committeee on Indian Affairs, the we will not stop until the complete truth is told." John McCain November 17, 2004. John McCain BROKE that pledge.

3. Over 750,000 Pages of Abramoff Scandal Documents were collected by John McCain. Far less than 5,000 pages were released to the public. The rest have been sent to the National Archives and stamped: "Do NOT Open Until 2056." McCain's choice to HIDE these documents from any real review is OBSTRUCTION of JUSTICE!

4. Ralph Reed and Grover Norquist were both clearly implicated in the Abramoff Scandal. And despite threats to subpoena their financial records and call both to testify under oath, John McCain let both co-conspirators off the hook. McCain DID NOT seek the truth. Reed and Norquist were NEVER called to testify and now both men are active supporters of McCain's Campaign.

5. Greenberg Traurig, Abramoff's lobbying firm also got a pass from McCain's "Investigation." The firm was in trouble. Documents released by other Abramoff investigations showed that Greenberg Traurig was involved in the scandal. A real investigation would severely damage the firm. Enter McCain and a deal to hide the truth. According to the the NYTs, the firm hired Randy Schunemann (McCain's long-time aide and advisor) to help the lobbying firm "cooperate" with McCain during the investigation. McCain gave Abramoff's lobbying firm a "clean bill of health" and since 2006 they've given McCain over $160,000.

6. By March 2005 it was clear that the Abramoff Scandal implicated dozens of Republicans in criminal activity. And yet, on March 10, 2005, Roll Call reported that John McCain had met with Republicans in Congress and promised NOT to investigate them. Once again, McCain DID NOT seek the truth. John McCain intentionally looked the other way when crimes committed by Republicans were exposed.

7. John McCain will accept his Party's Nomination for President on September 4, 2008. Earlier that day, Jack Abramoff will be in Washington, DC to be sentenced for crimes related to his work as a lobbyist. As part of his plea, more details will come out. Jack Abramoff has been cooperating with the slow moving DOJ investigation. John McCain has done everything he can to slow it down. John McCain is a Corruptionist. He protects corruption in Washington. He is part of the problem and needs to be exposed.

We have a lot of power. We can find and push out stories to impact this campaign. The story of John McCain and the Abramoff Scandal is one of those stories that should come to the surface this fall.

For example, it is amazing that McCain's advisor Randy Scheunermann was hired by Abramoff's old lobbying firm to "advise" Greenberg Traurig on how to "work" with McCain's "investigation". Here is how the *NYTs* explained it:

"After Greenberg Traurig severed ties to Mr. Abramoff, Mr. Scheunemann advised the law firm on how best to cooperate with the Senate investigation," said Brian Rogers, a spokesman for the McCain campaign. "The record reflects that the law firm cooperated."

And did they ever cooperate! Since then the lobbying firm was "cleared" by McCain they have given McCain over $160,000 for his run for the White House. That story alone should make a great 30 second ad.

And the same ads that the Obama campaign ran about Ralph Reed could be run about Grover Norquist, with very small revisions.

And then there is McCain's investigation and report on Abramoff Scandal for the Senate's Committee on Indian Affairs. It reminds me of Silver Blaze an old Sherlock Holmes tale:

> "Is there any point to which you would wish to draw my attention?"
>
> "To the curious incident of the dog in the night-time."
>
> "The dog did nothing in the night-time."
>
> "That was the curious incident," remarked Sherlock Holmes.

It is time for a review of McCain's work. What was done and more importantly, what was not done. Have any of the tribes been made whole? When you combined McCain's "investigation" with the slow moving Bush DOJ it becomes clear that the only real product has been the protection of the guilty and the rounding up of the small fish. Sure, Abramoff went down and so did Bob Ney, But Ney is already out and Jack won't serve his full sentence. Meanwhile, Tom DeLay, Karl Rove and many other of the Abramoff-linked walk the streets and a host of Baby Jacks, trained by Abramoff, feed off Republican corruption in Washington.

These lobbyists and others like them own John McCain and his Party. McCain created the appearance of action, while actually doing nothing. An independent Special Prosecutor with access to the documents collected and sealed by McCain would have exposed the corruption and punished the guilty.

McCain looked the other way. We need to call him on it.

He needs to be exposed.

The week of the GOP Convention should be Abramoff Guilty Plea Week. We should be hitting McCain everyday on his ties to Jack and the cover-up (and I expect that this book will also help to drive the story).

Let's give the McCain/Abramoff cover-up story some legs.

Cheers

APPENDIX C

The Greedy Gates Immigration Gambit

By Gene A. Nelson

Volume 18, Number 1 (Fall 2007)

Summary:

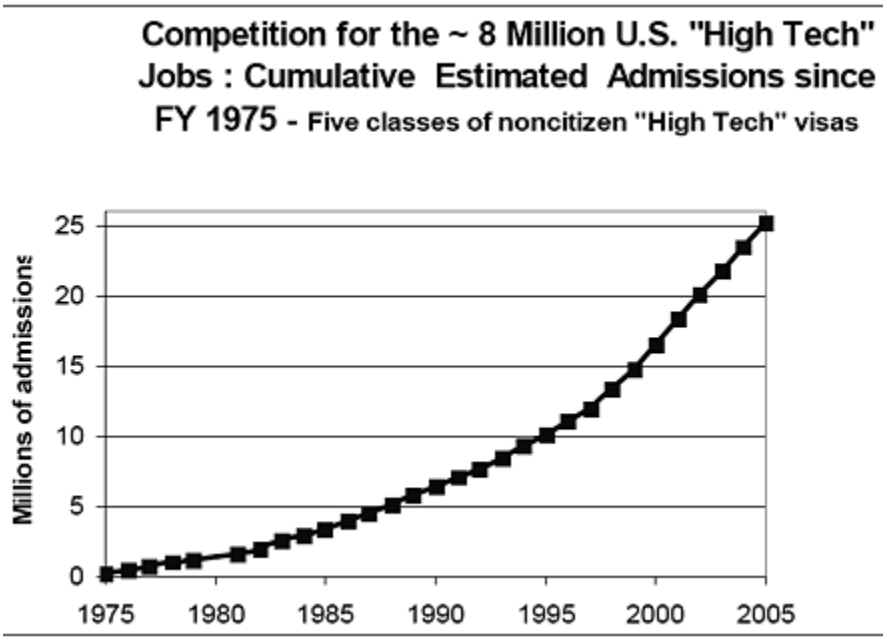
This article establishes that "things of value" were provided by Microsoft Corporation in order to facilitate "official acts"—changes beneficial to Microsoft in H-1B visa law in 1996, 1998, and 2000. Microsoft lawyer-lobbyist (and felon) Jack Abramoff played a critical role in conspiring with 10 members of his network and elected officials to expand the "Abramoff visa" (the H-1B visa). As a consequence of the employment discrimination against older and minority American citizens, this author seeks prosecution of the conspiring parties under RICO.

The U.S. "Baby Boom" generation (born from 1946 to 1964) had to deal with the consequences of "too many all at once" from the moment of birth into typically overcrowded hospital delivery rooms. Like a "pig in a python," the Baby Boomers then endured overcrowded schools. Demographer Landon Jones noted in his influential 1980 book—where he coined the term "Baby Boomer"[1]—that as a consequence of their great numbers, the Baby Boomers would have a lifelong competition for available employment that would make use of their training and experience. The Baby Boomers were the first generation in history to have ready access to a college education, with about one-fourth of them earning a bachelor's degree.

This author has noted that the U.S. government made available to colleges and universities tremendous economic resources subsequent to the Soviet 1957 launch of *Sputnik* and President Kennedy's May 25, 1961 goal to put a man on the moon before 1970. There were unprecedented increases in federal R&D funding, with a rapid rise to over 11 percent of the federal budget in FY1964 to FY1966. (See figure 1 next page). These resources facilitated the Baby Boomers' college attendance and a massive U.S. college building boom. However, "high tech" employers enjoyed their first taste of "fresh (inexpensive) young blood" as the first Baby Boomers earned bachelor's

degrees in 1967. Once high tech employers became accustomed to the resultant high profit margins, they were reluctant to give them up, as we shall see later in this article.

By the late 1970s, federal R&D funding, which is a key funding source for higher education, had returned to the more typical value of about 4 percent. Around this time, college and university administrators were apparently becoming concerned about the cost of faculty and researchers needed to staff the recently enlarged campuses. The administrators utilized their trade association, the Association of American Universities, to influence Rep. Joshua Eilberg (D-PA), who chaired the House Immigration Subcommittee. Rep. Eilberg utilized once-in-a-lifetime parliamentary tactics to sneak through a change to U.S. immigration law in 1976 that granted colleges and universities the right to import unlimited numbers of professors and researchers—and to avoid any attestations that these employers were harming the employment rights of qualified American citizens. More details are available in the author's 2005 article about the "Eilberg Amendment." Title 8, section 1182, U.S.C. 1976.[2]



Competition for the ~8 million U.S. "High Tech" jobs

Private sector employers who learned about the "sweetheart deal" that colleges had obtained in 1976 desired to have access to the same pool of young reduced-cost, highly skilled labor. The levers of power in Washington, D.C. were manipulated by firms such as Microsoft, Hewlet Packard, IBM, Motorola, Raytheon, Intel, and DuPont in the late 1980s to accomplish this goal.

The astounding information that the U.S. government utilized taxpayer resources in the late 1980s to destroy the careers of both black and white Americans (the science, engineering, and information

technology workforce that strengthened the U.S. economy) seems implausible. Legal researcher and MIT mathematician Eric Weinstein, Ph.D., unearthed this information and has published several online articles regarding these policies.[3] The policies included a set of National Science Foundation "reports" starting about 1985, claiming an incipient "looming shortage" of scientists and engineers. These "reports" were never subject to critical analysis by outside experts. (There are still versions of this myth being circulated in 2007 by public relations professionals paid by special interests.) Weinstein noted, "The NSF-sponsored shortage initiatives emanated from a single division within the foundation. This insular unit was known as the Policy Research and Analysis division (PRA) and, together with its controversial director Peter House, maintained an especially close relationship with the then NSF director Erich Bloch."

A PRA salary analysis projected that U.S. Ph.D. researcher wages would roughly double between 1982 and 2000. Rather than allow the workings of a free marketplace, a strong government intervention was proposed by the NSF (which also employs young scientists, a conflict of interest). Young, highly skilled foreign nationals would be imported in large numbers, mostly from "third world" nations. *Artificially low wages would be offered in exchange for potential U.S. permanent legal residency for the immigrant—and perhaps for his family.* These immigrants could in effect move to the head of the "green card" line rather than waiting for the typically decade or more waiting times. Since significant numbers of foreigners would be imported, there would be an advantageous (from the employer perspective) depression of salaries for U.S. citizens as a consequence of the law of supply and demand. Science, engineering, and technology (SET) fields are the first to be harmed by this mass importation, since natural laws are not dictated by political boundaries. A physicist trained in Beijing, Bangalore, or Boston learns the same principles. *Inflation-corrected wages of U.S. SET professionals have been essentially stagnant since 1996 as a result.*

Immigration policy researcher David North noted in his 1995 book (publication was sponsored by the Sloan Foundation) that the employer-designed provisions of the Immigration Act of 1990 stipulated that the immigrant could be subject to immediate deportation if his job were cut. This provision ensured that the imported high-skill work force was docile—and could be intimidated to avoid joining unions, for example.[4] The visa program, like most special visa programs, was "dual intent," permitting the so-called temporary worker to apply for permanent residency if his current employer completed sponsorship documentation. This provision gave the employer unprecedented power over the immigrant, resulting in a de facto indentured servitude during the typical seven-year process to obtain permanent residency. If the immigrant left an employer, the sponsorship process would have to start all over. In a May 1999 article, the president of a "high tech" recruiting company, John Wentworth, praised the "remarkable loyalty" that arises from this form of indenture.[5]

A related problem is the employer abuse of standards programs such as ISO 9000. (See the online version for more information.)

A particularly striking example of the dangers associated with intellectual property theft by high-skill nonimmigrant workers is the story of Pakistani Abdul Kadeer Khan, Ph.D. Khan was a gifted and articulate Pakistani who received a master's- level degree in West Germany followed by earning a Ph.D. in metallurgy from the Catholic University of Leuven in Brussels, Belgium in 1972. Utilizing some form of Dutch work visa analogous to the H-1B, Khan started work in 1972 for URENCO, a European conglomerate in Almelo, the Netherlands. This author believes that the likely eventual result of Khan's intellectual property theft will be the detonation of a nuclear device in a U.S. city that will dwarf the September 11, 2001 attacks on the New York World Trade Center and the Pentagon. (See the online version for details.)

Overpopulation via special visa programs in the United States benefits many of the economic elite at the expense of the middle class (of all races.) The resultant labor gluts depress wages and benefits, enhancing employer profitability. The increasing U.S. population pushes up the demand for the necessaries of life such as food, shelter and transportation, yielding higher prices and higher profit margins for the economic elite. (Overpopulation is the biggest cause of environmental degradation.) The author believes that Bill Gates III became the world's wealthiest man as a result of U.S. special visa programs which served to provide a "government subsidy" for Microsoft Corporation in the form of young, pliant, low-cost imported labor. Gates's wealth has given him unimaginable power. As a recent example, Bill Gates, III had the ear of the U.S. Senate HELP Committee on March 7, 2007, during his solo two-hour speech in which he demanded "infinite" H-1B visas.[6] See additional details online.

A "bloated government subsidy program"

The late free-market advocate and Nobel Laureate Milton Friedman accurately characterized the H-1B visa program as a "government subsidy" in a 2002 *ComputerWorld* article.[7] This government subsidy extends to an "alphabet soup" of work visa programs procured by special interests—and to the intentional federal non-enforcement laws prohibiting the employment of illegal aliens in the U.S. (Approximately 41–45 percent of the estimated 20 million U.S. illegal aliens are visa overstayers—and a large fraction of this population are employed in high-skill positions)

American Citizens Can't Apply for These Jobs

Year	L1 Visa	H-1B Visa	TN Visa	F1/M1 Visa	J1 Visa	Ann. Totals (Millions)	Est. Total Since 1975 (Millions)
1975	12,570	**15,550**		107,495	46,001	0.182	0.182
1976	15,112	**47,387**		121,317	44,486	0.228	0.410
1977	17,673	**47,387**		154,507	50,507	0.270	0.680
1978	21,495	**42,979**		191,139	53,319	0.309	0.989
1979	16,423	**32,942**		106,977	30,644	0.187	1.176
1981	38,595	**44,770**		240,805	80,230	0.404	1.580
1982	47,893	**52,482**		263,176	85,382	0.449	2.029
1983	62,025	**39,944**		286,909	89,969	0.479	2.508
1984	62,359	**42,473**		227,394	94,008	0.426	2.934
1985	65,349	**47,322**		257,069	110,942	0.481	3.415
1986	66,925	**54,426**		261,081	130,416	0.513	3.928
1987	65,673	**65,461**		261,829	148,205	0.541	4.469
1988	63,849	**77,931**		312,363	166,659	0.621	5.090
1989	62,390	**89,856**		334,402	178,199	0.665	5.755
1990	63,180	**100,446**		326,264	174,247	0.664	6.419
1991	70,357	**118,038**		282,077	182,940	0.653	7.072
1992	75,347	**110,193**		241,093	189,919	0.617	7.689
1993	82,606	**92,795**		370,620	196,782	0.743	8.432
1994	98,189	**105,899**	19,806	394,001	216,610	0.835	9.266
1995	112,124	**117,574**	23,904	364,220	201,095	0.819	10.085
1996	140,457	**144,458**	26,987	426,903	215,475	0.954	11.039
1997	140,457	**144,458**	26,987	426,903	215,475	0.954	11.994
1998	203,255	**240,947**	59,061	564,683	250,959	1.319	13.312
1999	234,462	**302,421**	68,411	567,146	275,545	1.448	14.760
2000	294,658	**355,605**	91,279	659,081	304,225	1.705	16.465
2001	328,480	**384,191**	95,486	698,595	339,848	1.847	18.312
2002	313,699	**370,490**	73,699	646,016	325,580	1.729	20.041
2003	298,054	**360,498**	59,446	624,917	321,660	1.665	21.706
2004	314,484	**386,821**	66,219	620,210	321,975	1.710	23.416
2005	312,144	**407,418**	65,010	629,556	342,742	1.757	25.173
Est. Totals 1975-2005	**3,700,284**	**4,443,162**	**676,295**	**10,968,748**	**5,384,044**	**25.173**	25.173
Grand Estimated Total	**25,172,533**					File: Visa Statistics-Complete.xls	

Sources: 1976 -2001 Statistical Yearbooks of the Immigration and Naturalization Service, U.S. Dept. of Justice
Federal Repository Library Reference Catalog Number J.21.2-2.982 for the 1982 Yearbook. Microfilm copies used for some years.
Per *1982 Yearbook*, page 107, Basque Sheepherder admissions. 1977:206, 1978:274, 1979:258, 1980:149, 1981:206, 1982:185.
Up to 500 Basque Sheepherder visas issued per year by the Immigration Act of April 9, 1952
Year skipped (no data available): 1980. FY1997 duplicates FY1996 data, as no reliable INS data exists. (System re-engineering problems.)
Online Statistical Yearbooks: http://www.dhs.gov/ximgtn/statistics/publications/yearbook.shtm
1996-2005 summary statistics: http://www.dhs.gov/xlibrary/assets/statistics/yearbook/2005/Table26D.xls
Prior to October 1, 1991 (fiscal year 1992), H1B admissions were termed "Distinguished merit or ability."

Note that for the H-1B visa tabulation, admissions are substantially above statutory limits from FY 1992 to Present

American Citizens can't apply for these jobs

To obtain an estimate of the economic value to employer interests from these 24.4 million visa admissions, assume that a modest $50,000 reduction in salary and benefit expenditures results from each admission as a result of the direct and indirect effects of the resulting labor gluts. Over the past two decades, employer interests pocketed approximately *$24 trillion* that should have gone into the wallets of experienced American citizen technical professionals.

See the online version of the article for details regarding the total *$73.2 billion* benefit of H-1B visa program in increased profitability to Microsoft Corporation since 1991. (An April 5, 2007 AP story noted that according to Microsoft spokeswoman Ginny Terzano, about one-third of their 46,000 [15,333] U.S. employees are on work visas or are legal permanent residents.) Other external costs shifted to American citizens as a result of these policies include training and equipment expenditures, untreated illnesses arising from a lack of health insurance (while unemployed or

underemployed), premature death or suicide—as in the case of former Bank of America programmer Kevin Flanagan,[8] and an increase in divorces as a consequence of economic hardships caused by the premature end of their technology-based careers.

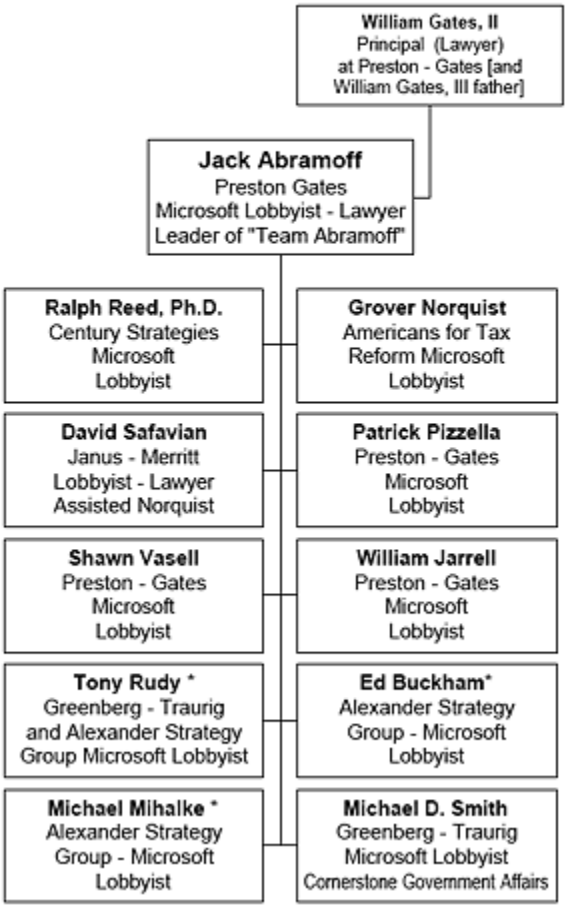
The Corrupt Roots of the "Abramoff Visa"

Two books released in 2006 provide background regarding Jack Abramoff's tight control of "Team Abramoff"—and his desire to attract deep-pocketed lobbying clients such as Microsoft Corporation (and one of Microsoft's proxy organizations, the Business Software Alliance). The long-term relationships between lawyer Jack Abramoff, lobbyist Grover Norquist, and lobbyist Ralph Reed are underscored. Lawyer David Safavian is also involved with Microsoft. *The K Street Gang: The Rise and Fall of the Republican Machine* by Matthew Continetti (Doubleday) was completed in late January 2006. The second book, *Heist: Superlobbyist Jack Abramoff, his Republican Allies, and the buying of Washington* by Peter H. Stone (Farrar, Straus, and Giroux) was finished in early Summer 2006. (Neither author anticipated that both the House and Senate would shift to the Democratic Party in the November, 2006 mid-term elections as a result of the "Culture of Corruption.")

On the next page is an organization chart for members of "Team Abramoff" who were paid by Microsoft. The three entries marked with an asterisk had roles in procuring reduced tax obligations for the Microsoft profits that had been enhanced by the H-1B visa program since Jack Abramoff began work at the Washington, D.C. offices of Preston-Gates (now Kirkpatrick, Lockhart, Preston, Gates, Ellis LLP) in early 1995. Note that one of the principals in Preston-Gates is Bill Gates II, the father of the head of Microsoft, Bill Gates III. This author believes that there is a strong connection between Abramoff starting to work at Preston-Gates and with Bill Gates, III becoming the "World's Wealthiest Man" in 1995, a title that Gates has held until mid-2007.

References 11–15 (available online) document Microsoft's 1996 payments to Grover Norquist and Norquist's effectiveness in preventing Senator Alan Simpson's 1995 reforms (S. 1394. IS) of the H-1B visa program that would have required firms to make meaningful attempts to recruit American citizens before hiring H-1B visa holders, among other still-needed changes to the H-1B visa regulations in 2007. This author's February, 2007 telephone conversation with former Sen. Simpson confirmed that Simpson was angered by Norquist's dirty tricks and hopes that Grover Norquist will eventually suffer legal sanctions for his conduct.

The Abramoff Network becomes connected to ***Microsoft*** and H-1b visas in about 1995 - and continues to 2007. Entries with asterisks became active after 2000, to obtain preferential tax treatment for H-1b related profits for the Microsoft Corporation.



The Abramoff network

It is likely that "Team Abramoff" was emboldened by their Microsoft-financed 1996 victory against Senator Simpson's H-1B visa program reform. Thus, they worked with House and Senate leaders to ram through H-1B visa level increases in 1998 via S.1723, sponsored by Senator Spencer Abraham (R-MI) and passed on May 18, 1998 and the Rep. Lamar Smith-sponsored (R-TX) H.R.3736 during the 105th Congress. The vehicle for 1998 passage was to bury the provisions of the employer-friendly S.1723 in the "must pass" bill, "The Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999." Public Law 105-277 signed by President Clinton on October 21, 1998. The H-1B section numbers are 401–431.

Again, on October 3, 2000, devious means were used to pass S.2045, Sponsored by Orrin Hatch (R-UT) and cosponsored by Sen. Spencer Abraham (R-MI) and 23 other Senators, which further

increased the H-1B cap. It was passed in the Senate in the morning of October 3. This news story summarizes subsequent events that day.

Doggett Annoyed by Stealth House Vote

By Marilyn Geewax, Cox News Service

(link)

WASHINGTON — The speed—and stealth—with which the House voted Tuesday to increase visas for skilled foreign workers left one lawmaker shaking his head. ``Incredible,'' said Rep. Lloyd Doggett, D-Texas, a major supporter of increased visas. Doggett said the voice vote on a bill to increase H-1B visas for foreign professionals came as such a surprise that only about 40 of 435 lawmakers were there. The GOP leadership's decision to hold a vote on such an important issue with no warning was "pretty underhanded,'' he said. Doggett, who had co-sponsored a bill to increase the so-called H-1B visas for foreign workers, gave this account of the evening: "At about 3:30, it was announced that there would be no further votes'' on important issues in the House, he said. Because many lawmakers wanted to get home early to watch the presidential debates, nearly everyone left, he said. "But at about 5:30, an e-mail was sent over here'' announcing that an H-1B debate would begin shortly. "I didn't see the e-mail until about 6,'' he said. Doggett said he scurried to the House floor, while other major supporters of the legislation also rushed back to Capitol Hill. Using various procedural moves, the GOP leaders ended the debate quickly and called for a voice vote, even though the House was nearly empty. "It's a really sorry way to run a railroad,'' he said. "This was very improper. We needed this bill, but I would hope that...a better job could be done by a new Congress.''

The following news release from his Congressional Web site documented the leadership role of Rep. Chris Cannon (R-UT). (link)

For Immediate Release, October 18, 2000

Cannon Manages House Passage of High Tech Visa Bill

WASHINGTON, D.C. — U.S. Rep. Chris Cannon (R-UT) hailed passage of S. 2045, the American Competitiveness in the Twenty-first Century Act of 2000, as a victory for both the economy and worldwide democracy. *Cannon managed the bill on the House floor*, completing swift passage of legislation approved earlier in the day by the Senate. The quick action should provide immediate relief to the high tech industry....

Representatives Dick Armey (R-TX), who was the House Majority Leader and Tom DeLay (R-TX), "The Hammer," House Majority Whip, amassed huge leadership PACs, funded by Microsoft and other high tech firms, to "enforce party discipline" during the 105th and 106th Congresses. Armey and DeLay would dole out funds to Republican U.S. Representatives that voted according to their instructions. Both Representatives aggressively promoted H-1B visa program expansion. (Please see

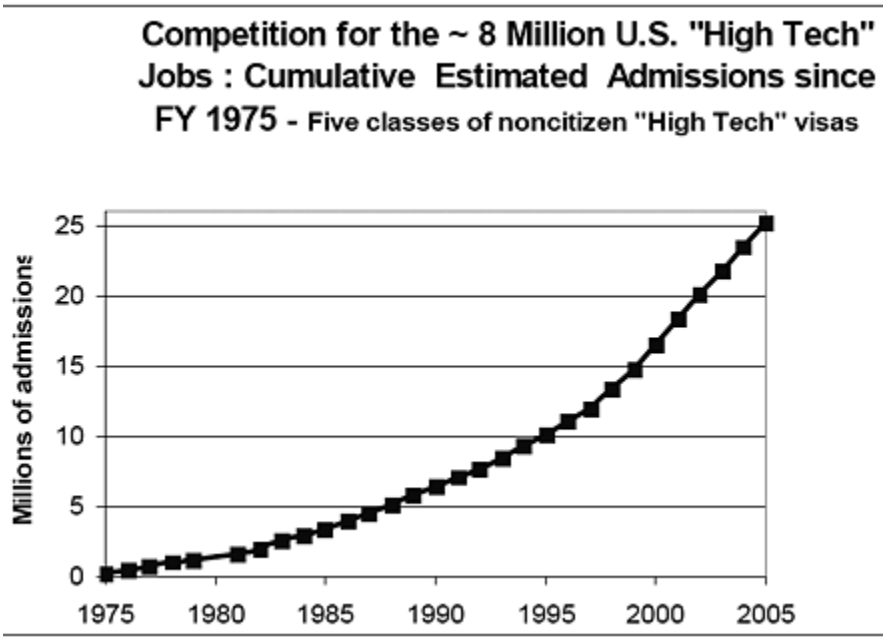
the online version for an excerpt from a related October 16, 2000 *WSJ* story documenting $16 million in Microsoft political expenditures since 1997.)

With lobbyist Jack Abramoff's network beginning to collapse in 2005, Microsoft saw the benefit of retaining a Democratic lawyer-lobbyist who was an original member of "Team Abramoff" named Michael D. Smith. Smith now works for Cornerstone Government Affairs. (See Smith's biography here.)

This biography neglects to mention that Smith was forced to leave Greenberg-Traurig in January, 2005 after an internal investigation uncovered that he had received kickbacks. The biography fails to mention that he was a member of "Team Abramoff" and doesn't even mention Greenberg-Traurig, referring instead to "a leading International law firm." There are some documented irregularities in lobbyist Smith's 2007 campaign finance disclosures. Furthermore, Cornerstone's lobbying disclosure forms for 2005 and 2006 mention that the work for client Microsoft Corporation included lobbying on "HB1 Visas"—perhaps to thwart research into Microsoft's recent lobbying. (The disclosure for the first half of 2007 identifies the visa correctly as "H1B.") Microsoft has expended about a quarter of a million dollars on this lobbying effort since 2005, just with Cornerstone. Microsoft continues to use many other lobbying firms in addition to a large in-house lobbying staff.

Next Steps

There needs to be a restoration of multi-decade long U.S. science and technology careers as the foundation for military and economic strength of U.S. intellectual property such as inventions takes a long time to develop. Historically, this intellectual property has enhanced the profitability of corporations. Long careers are incompatible with the current "disposable employee" practices where most employees are discarded after a few years. The majority of "high tech" employers terminate their employees before they enter the protected class (over age 40) defined by the Age Discrimination Act of 1967, as amended. Similarly, minority employment civil rights are destroyed. The author contacted Federal Judge Ellen Segal Huvelle via a letter on March 29, 2006. A redacted copy of this letter appears in the appendix of the online version of this article. Judge Huvelle is responsible for sentencing Jack Abramoff as a consequence of his January 3, 2006 Washington D.C. plea bargain. This author has learned that sentencing will occur in June 2007. Two relevant sections of the U.S. Code should apply: 18 U.S.C. § 201: Bribery of Public Officials and Witnesses and 18 U.S.C. § 371: Conspiracy to Commit Offense or Defraud United States. Specifically, 18 U. S. C. §201(c)(1)(A) prohibits giving "anything of value" to a present, past, or future public official "for or because of any official act performed or to be performed by such public official."



Competition for the ~8 million U.S. "High Tech" jobs

Given the history of the program, the author believes that the H-1B visa program is an example of "bad law." The entire program should be repealed, including the removal of elements of the program from harmful trade treaties such as GATT. During the U.S. Great Depression, there was forced repatriation of foreign nationals to Mexico to generate workforce opportunities for American citizens.

To improve the employment prospects of harmed U.S. citizens, repatriation of the approximately 9 to 17 million imported foreign nationals, perhaps through "self deportation" of those whose special visas have expired—and those who are working in the U.S.—but only holding tourist or student visas (many have also expired). The legal term for these individuals is that they are "out of status."

The history of the H-1B visa program demonstrates the need for campaign finance reform to diminish lobbyist impact.

There also needs to be prosecution of current and former corrupt federal officials and corrupt corporations. The author suggests use of applicable RICO statutes 18 U.S.C. § 1961 et seq. without time limits for prosecution.

There are many immigration reform organizations such as NumbersUSA, FAIR, CIS, US Incorporated, WashTech, Programmer's Guild, TORAW, NAEA, BrightFutureJobs, Coalition for Fair Employment in Silicon Valley, various organizations comprised of exploited special visa holders, news commentators such as Lou Dobbs, and elected officials such as Rep. Tom Tancredo (R-CO) and Rep. Bill Pascrell (D-NJ) that desire genuine H-1B visa reform. The author believes that these

organizations and individuals need to find "common ground" in order to apply their passion for reform. Otherwise, employer interests will assist in pulling them in different directions so that no reform is accomplished. The author has seen this occur in the reform organizations YSN and NES, cited in the online section of this article.

Microsoft recognizes that the corporation is associated with the Abramoff scandal and hired the Glover Park Group to distance itself from the scandal. The challenges in these suggested next steps are are outlined in a Software and Information Industry Association amicus brief co-filed by Attorney Ken Wasch against Microsoft Corporation regarding the antitrust litigation filed by the U.S. Attorney General on May 18, 1998.

"Although Microsoft used to be a member of SIIA—and a member of the SIIA Board of Directors—Microsoft resigned from SIIA and withdrew its funding after SIIA filed an amicus brief criticizing Microsoft's conduct at the liability stage of this proceeding. Microsoft has also induced some other companies dependent upon it to withdraw funding from both amici. These events shed a strong light on the remedy issue now before the Court. *Microsoft's power and wealth give it the ability to both punish its critics and retain battalions of lawyers, lobbyists, and publicists to undermine the government at every turn." (Brief on Remedy of Amici Curiae*, Computer and Communications Industry Association and Software and Information Industry Association [SIIA], May 19, 2000.) ■

End Notes

1. Jones, Landon, *Great Expectations: America and the Baby Boom Generation* (New York, Coward, McCann and Geoghegan, 1980).
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3. Weinstein, Eric, "How and Why Government, Universities, and Industry Create Domestic Labor Shortages of Scientists and High-Tech Workers" (see online version for web references).
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6. "Gates Calls For 'Infinite' Visas For Highly Skilled Workers, By Marilyn Geewax," Cox News Service, March 8, 2007.
7. "H-1B Is Just Another Gov't. Subsidy," Paul Donnelly, *Computerworld*, July 22, 2002.
8. http://www.engology.com/BobFlanagan.htm "Job losses sap morale of workers," Ellen Lee, *Contra Costa Times*; May 13, 2003.

About the author

Gene Nelson is writing a book, *An American Scam: How Special Interests Undermine National Security with Endless 'Techie' Gluts*. This article is excerpted from the manuscript. Gene Nelson has opposed expansion of

increased caps in 1998 and 2000 of the controversial H-1B Visa program. He testified twice in the U.S. House of Representatives (July 1998 and August 1999) and twice to the *National Academy of Science* (NAS) (April, 1996 and December, 1999).

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APPENDIX D

Foreign workers take jobs away from skilled Americans *DC Examiner*
21 August 2008, Page 22
By Gene Nelson
Special to the *Examiner* | 8/20/08 10:39 PM

Wealthy advocates of H-1B visas have industriously worked to keep this employer-designed program hidden from middle-class Americans, who are outraged when they learn how it harms them.

In 2002, Nobel economics laureate Milton Friedman correctly identified the 1990 H-1B visa program as a "government subsidy" because it allows employers access to imported, highly skilled labor at below-market wages.

False allegations of worker shortages have been a popular approach. But American colleges and universities graduate four to six times the number of students needed to fill openings in technology fields that are generated by retirements and business expansion.

Consequently, since 1960, there have been more than 30 million graduates with bachelor's degrees who are qualified to work as scientists, engineers, computer programmers and mathematicians (the STEM fields) pursuing approximately 8 million "high tech" positions requiring this level of training. The importation of foreign technical professionals further swells the job-seeker ranks.

Between 1975 and 2005, more than 25 million admissions were approved in just five highly skilled visa programs.

Former Microsoft lobbyist Jack Abramoff helped direct $100 million in political expenditures between 1995 and 2000, enabling Microsoft and other employers to procure employer-friendly changes to H-1B visa legislation in 1996, 1998 and 2000. As a result of this work force glut, real wages in STEM fields have remained flat since at least 2000.

Contrary to Stuart Anderson's claim, this program prevents innovation since American citizens are typically discarded by employers by age 35 — before their inventions can be turned into practical revenue generators.

It facilitates hiring discrimination against Americans. In the April 15, 2007, edition of the New York Times, Indian Commerce Minister Kamal Nath called H-1B the "outsourcing visa."

This program also undermines national security, as 200,000 U.S. science and engineering jobs have already been lost to communist China.

In the late 1980s, bureaucrats at the National Science Foundation found that they could increase the supply of technical professionals by importing them — offering foreign nationals the prospect of remaining in the United States.

This increase in supply depresses wages — an important policy objective.

One measure showing that this government intervention was successful (at least from the employers' perspective) is that a typical postdoctoral research or teaching position in a STEM field (requiring 12 years of education after high school) offers pay and benefits comparable to what a high school graduate earns managing a fast-food restaurant.

University of California at Davis computer science professor Norm Matloff recommends sharply diminishing the size of the H-1B program to about 15,000 admissions annually so that it is only used to import "the best and brightest" — rather than the "fresh [inexpensive] young blood" of average talent currently imported from the developing world.

In a 1993 article in the American Scholar, CalTech Vice Provost David Goodstein pointed out that the American taxpayer is forced to support extremely expensive research universities whose main purpose is to train students from abroad who will stay here and

take jobs that could have gone to Americans, or go home and take our knowledge and technology with them.
We are ignoring our own students and using our money to train our economic competitors.

This piece is part of an American Conversation in the Examiner, featuring both pro and con views. Please click here to read the other side of the argument.

Gene Nelson, an advocate for the employment rights of American technical professionals since 1979, works as an IT professional at NumbersUSA.com in Arlington.

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APPENDIX E Abramoff's Lobbying Disclosure Images for Microsoft and BSA

Lobbying disclosure images identifying Jack Abramoff as a Microsoft or BSA lobbyist:

Abramoff for Microsoft Corporation, First Half of 1998

Abramoff for Business Software Alliance, 2 February 1998

Abramoff for Business Software Alliance, Mid Year 1999

Abramoff for Business Software Alliance, Mid Year 2000

Abramoff for Business Software Alliance, End Year 2000

Abramoff discontinuance Business Software Alliance, End Year 2000

Abramoff discontinuance Business Software Alliance, Mid Year 2001

Registrant Name: PRESTON GATES ELLIS & ROUVELAS MEEDS LLP

Client Name: MICROSOFT CORPORATION

Item	Description	Data
18a	Lobbyist Name	STEPHENS, DENNIS
18b	Covered Official Position	
18c	New Lobbyist	No
18a	Lobbyist Name	MOSHER, SOL
18b	Covered Official Position	
18c	New Lobbyist	No
18a	Lobbyist Name	BERGER, AMY
18b	Covered Official Position	
18c	New Lobbyist	No
18a	Lobbyist Name	ABRAMOFF, JACK
18b	Covered Official Position	
18c	New Lobbyist	No
18a	Lobbyist Name	MASHBURN, JOHN
18b	Covered Official Position	LEG. DIR. SEN. JOHN ASHCROFT
18c	New Lobbyist	No
18a	Lobbyist Name	PIZZELLA, PATRICK
18b	Covered Official Position	
18c	New Lobbyist	No
18a	Lobbyist Name	PECKINPAUGH, TIM
18b	Covered Official Position	
18c	New Lobbyist	No
18a	Lobbyist Name	JARRELL, WILLIAM
18b	Covered Official Position	Deputy Chief of Staff - Rep. Tom DeLay
18c	New Lobbyist	No
18a	Lobbyist Name	ROUVELAS, EMANUEL
18b	Covered Official Position	
18c	New Lobbyist	No

SECRETARY OF THE SENATE
CLERK OF THE HOUSE OF REPRESENTATIVES

98 FEB 17 PM 1:33
HAND DELIVERED ☐

LOBBYING REGISTRATION UPDATE

Lobbying Disclosure Act (Section 5(b)(1))

[Above Space for Official Use]

1. Name of registrant previously reported
PRESTON GATES ELLIS & ROUVELAS MEEDS LLP

INSTRUCTIONS: Complete lines 1a-12b only to report updates or changes to information provided on Form LD-1 or on a prior Form LD-1U. Attach Form LD-1U to the Form LD-2 filed for the same registrant and client.

REGISTRANT - Update

1a. New registrant name **PRESTON GATES ELLIS & ROUVELAS MEEDS LLP**

1b. New address **1735 NEW YORK AVENUE, N.W.; SUITE 500**

City **WASHINGTON** State **DC** Zip **20006-5209**

2. New principal place of business
City State (or Country)

3. New telephone number or contact
( ) Contact Name/Position

4. New general description of registrant's business or activities

CLIENT - Update

LOBBYING FIRMS: *Ensure that line 5 is always completed if any updates or changes are reported on lines 5a-12b.*
ORGANIZATIONS EMPLOYING IN-HOUSE LOBBYISTS: *Leave lines 5-7 blank. The organization is the client for lines 8a-12b.*

5. Name of client previously reported **BUSINESS SOFTWARE ALLIANCE**

5a. New client name

5b. New address

City State Zip

6. New principal place of business
City State (or Country)

7. New general description of client's business or activities

INDIVIDUAL LOBBYISTS - Update

8a. Name of each employee of the registrant, not previously identified, who has acted or is expected to act as a lobbyist for the client. For any employee who served as a covered executive branch official or covered legislative branch official in the 2 years before the date the employee first acted or will act as a lobbyist for the client, *state the position(s) in which the employee served during the 2-year period.*
MASHBURN, JOHN - ATTORNEY C.O.P.: LEG. DIR. SEN. JOHN ASHCROFT
O'NEIL, MICHAEL - ATTORNEY C.O.P.: Gen. Counsel, CIA -Chief of Staff-CIA

8b. Name of each previously identified employee who is no longer employed by the registrant or is no longer expected to act as a lobbyist for the client.
ABRAMOFF, JACK
AGRANOV, SHARON

9 8 0 2 0 4 6 1 0 5 7

Registrant Name: PRESTON GATES ELLIS & ROUVELAS MEEDS LLP

Client Name: BUSINESS SOFTWARE ALLIANCE

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. **Using a separate page for each code,** provide information as requested. Attach additional page(s) as needed.

15. General issue area code CPI (one per page)

16. Specific Lobbying issues
H.R.850, Security And Freedom through Encryption (SAFE) Act, all sections.
S.798, Promote Reliable On-Line Transactions to Encourage Commerce and Trade (PROTECT) Act of 1999, all sections.
S.854, Electronic Rights for the 21st Century Act, all sections.
Issues affecting the software industry including export controls and possible domestic use limitations of software with encryption capabilities.

17. House(s) of Congress and Federal agencies contacted ☐ Check if None
House of Representatives
Office of the Vice President
OSTP NSC USTR DOJ FBI NEC DOC CIA OMB NSA
Senate
White House

18. Name of each individual who acted as a lobbyist in this issue area

Name	Covered Official Position (if applicable)	New
ABRAMOFF, JACK		No
BRANDT, WERNER		No
CARLSON, AMY		No
FUNDERBURK, DAVID	CONGRESSMAN	Yes
HEIMAN, BRUCE		No
JARRELL, WILLIAM	Deputy Chief of Staff - Rep. Tom DeLay	No
KAPLAN, JAMES		Yes

19. Interest of each foreign entity in the specific issues listed on line 16 above ☒ Check if None

Signature _____ Date 8/13/99

Printed Name and Title BRUCE HEIMAN - ATTORNEY Page 2 of 12

Registrant Name: PRESTON GATES ELLIS & ROUVELAS MEEDS LLP

Client Name: BUSINESS SOFTWARE ALLIANCE

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. **Using a separate page for each code,** provide information as requested. Attach additional page(s) as needed.

15. General issue area code CPI (one per page)

16. Specific Lobbying issues
Issues affecting the software industry including export controls and possible domestic use limitations of software with encryption capabilities and critical infrastructure protection.

17. House(s) of Congress and Federal agencies contacted ☐ Check if None
House of Representatives
Office of the Vice President
OSTP NSC USTR DOJ FBI NEC DOC CIA OMB NSA, CIAO
Senate
White House

18. Name of each individual who acted as a lobbyist in this issue area

Name	Covered Official Position (if applicable)	New
ABRAMOFF, JACK		No
STEPHENS, DENNIS		No
BRANDT, WERNER		No
MEEDS, LLOYD		No
HEIMAN, BRUCE		No
PECKINPAUGH, TIM		No
PIZZELLA, PATRICK		No

19. Interest of each foreign entity in the specific issues listed on line 16 above ☒ Check if None

Signature _____ Date 08/14/2000

Printed Name and Title BRUCE HEIMAN - ATTORNEY Page 2 of 9

Registrant Name: PRESTON GATES ELLIS & ROUVELAS MEEDS LLP

Client Name: BUSINESS SOFTWARE ALLIANCE

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. **Using a separate page for each code,** provide information as requested. Attach additional page(s) as needed.

15. General issue area code CPI (one per page)

16. Specific Lobbying issues
Issues affecting the software industry including export controls and possible domestic use limitations of software with encryption capabilities and critical infrastructure protection.

17. House(s) of Congress and Federal agencies contacted ☐ Check if None
House of Representatives
Office of the Vice President
OSTP NSC USTR DOJ FBI NEC DOC CIA OMB NSA, CIAO
Senate
White House

18. Name of each individual who acted as a lobbyist in this issue area

Name	Covered Official Position (if applicable)	New
ABRAMOFF, JACK		No
BRANDT, WERNER		No
CARLSON, AMY		No
FUNDERBURK, DAVID	CONGRESSMAN	No
HEIMAN, BRUCE		No
JARRELL, WILLIAM		No
MEEDS, LLOYD		No

19. Interest of each foreign entity in the specific issues listed on line 16 above ☒ Check if None

Signature _____ Date 02/14/2001

Printed Name and Title BRUCE HEIMAN - ATTORNEY

Registrant Name: **PRESTON GATES ELLIS & ROUVELAS MEEDS LLP**

Client Name: **BUSINESS SOFTWARE ALLIANCE**

Item	Description	Data
23	Lobbyist Update	ABRAMOFF, JACK
23	Lobbyist Update	WALDRON, MOLLY

Registrant Name: **PRESTON GATES ELLIS & ROUVELAS MEEDS LLP**

Client Name: **BUSINESS SOFTWARE ALLIANCE**

Item	Description	Data
23	Lobbyist Update	MEEDS, LLOYD
23	Lobbyist Update	SLOMOWITZ, ALAN
23	Lobbyist Update	PIZZELLA, PATRICK
23	Lobbyist Update	ABRAMOFF, JACK
23	Lobbyist Update	FUNDERBURK, DAVID
23	Lobbyist Update	WALDRON, MOLLY

APPENDIX F: Microsoft Lobbying Spreadsheet 1998 - 2000

	Jan - June 1998		July - Dec. 1998	
Registrant	Includes H-1B Connected	Non-H-1B Connected	Includes H-1B Connected	Non-H-1B Connected
Arthur Anderson		$ 10,000.00	$ 320,000.00	
Barber Griffith & Rogers LLC		$ 280,000.00		
Clark & Weinstock		$ 160,000.00		
Covington & Burling LLP		$ 40,000.00		$ 60,000.00
Downey McGrath Group Inc		$ 80,000.00		$ 60,000.00
Microsoft Corp (Note 1.)	$ 1,280,000.00		$ 2,140,000.00	
Norquist, Grover G.	**$ 60,000.00**		**$ 40,000.00**	
Preston Gates Ellis & Rouvelas Meeds LLP	**$ 360,000.00**		**$ 240,000.00**	
Patton Boggs LLP				$ 20,000.00
PriceWaterhouseCoopers		$ 40,000.00		
Swidler Berlin LLP		$ 60,000.00		$ 80,000.00
Vander Stoep, J. *				
Washington Counsel *		$ 10,000.00		$ 10,000.00
Half Year Totals	**$ 1,700,000.00**	**$ 680,000.00**	**$ 2,740,000.00**	**$ 230,000.00**
1998 Totals	**$ 4,440,000.00**	**$ 910,000.00**		
1998 Abramoff Network Totals - H-1B Connected	**$ 700,000.00**			

The first H-1B Increase was passed in October, 1998

	Jan - June 1999		July - Dec. 1999	
Barbour Griffith & Rogers LLC		$ 300,000.00		$ 320,000.00
Clark & Weinstock		$ 220,000.00	$ 280,000.00	
Covington & Burling LLP		$ 40,000.00		$ 20,000.00
Downey McGrath Group Inc		$ 80,000.00		$ 100,000.00
McSlarrow Consulting L.L.C.		$ 20,000.00		$ 40,000.00
Microsoft Corp (Note 2.)	$ 2,040,000.00		$ 2,620,000.00	
Norquist, Grover G.	**$ 60,000.00**		**$ 60,000.00**	
Patton Boggs LLP		$ 40,000.00		$ 10,000.00
Preston Gates Ellis & Rouvelas Meeds LLP (Note 2.)	**$ 240,000.00**		**$ 200,000.00**	
Swidler Berlin LLP		$ 80,000.00		$ 120,000.00
Vander Stoep, J. *		$ 10,000.00		$ 10,000.00
Verner Liipfert Bernhard McPherson & Hand				$ 80,000.00
Half Year Totals	**$ 2,340,000.00**	**$ 790,000.00**	**$ 3,160,000.00**	**$ 700,000.00**

1999 Totals	**$ 5,500,000.00**	**$ 1,490,000.00**		
1999 Abramoff Network Totals - H-1B Connected	**$ 560,000.00**			
	Jan - June 2000		**July - Dec. 2000**	
Barbour Griffith & Rogers LLC (Note 3.)		$ 300,000.00		$ 240,000.00
Clark & Weinstock	$ 280,000.00		$ 280,000.00	
Covington & Burling LLP		$ 200,000.00		$ 200,000.00
Downey McGrath Group Inc		$ 80,000.00		$ 40,000.00
Fontheim Int'l *		$ 20,000.00	$ 10,000.00	
McSlarrow Consulting L.L.C.	$ 40,000.00		$ 60,000.00	
Microsoft Corp	$ 3,340,000.00		$ 3,020,000.00	
Palmetto Group			$ 40,000.00	
Preston Gates Ellis & Rouvelas Meeds LLP	**$ 220,000.00**		**$ 260,000.00**	
Swidler Berlin LLP		$ 140,000.00		$ 100,000.00
Vander Stoep, J. *		$ 10,000.00		$ 10,000.00
Verner Liipfert Bernhard McPherson & Hand		$ 160,000.00		$ 120,000.00
Washington Group Inc	$ 80,000.00		$ 100,000.00	
Half Year Totals	**$ 3,960,000.00**	**$ 910,000.00**	**$ 3,770,000.00**	**$ 710,000.00**
2000 Totals	**$ 7,730,000.00**	**$ 1,620,000.00**		
2000 Abramoff Network Totals - H-1B Connected	**$ 480,000.00**			

The second H-1B visa increase was passed in October, 2000

1998 - 2000 Totals	**$ 17,670,000.00**	**$ 4,020,000.00**	
1998 - 2000 Abramoff Network Totals: H-1B Connected			**$ 1,740,000.00**

$21.7 Million Grand Total for 1998 - 2000 *Microsoft* Lobbying

Notes:

Registrant entries with an asterisk (*) were rounded up to $10,000 for that six month period.

The available evidence suggests that the Abramoff Lobbying Network played a large part in setting policy goals for many entities outside the Abramoff Lobbying Network. Thus, declining Abramoff Network annual lobbying between 1998 and 2000 do **NOT** imply declining political influence.

Note 1. Microsoft Corporation noted that education lobbying issues no longer pertain as of July 1998

Note 2. S.1440, co-sponsored by Sen. Spencer Abraham, contained similar H-1B features to S.2045, passed in Oct. 2000.

Note 3. Barbour Griffith & Rogers lobbying in 2000 included only visa waiver program issues.

Additional Resources and a concluding comment:

* Microsoft Corporation made $15,420,453 in campaign donations since ~ 1998 per http://www.OpenSecrets.org and $46,020,000 in "Lobbying expenses" between 1998 and 2004 per http://www.PublicIntegrity.org

* The late Nobel Economics Laureate Milton Friedman identified the H-1B program as a "government subsidy" in this 2002 article by Paul Donnelly
www.computerworld.com/careertopics/careers/labor/story/0,10801,72848,00.html

* To see the multibillion dollar economic benefits of the H-1B program, see the 4,327 H-1B visas granted to Microsoft Corporation in only 3 years (FY 2001-2003.)
http://www.h1b.info/lca_search.php?error=1&year=ALL Use Microsoft as the employer name.
Assume that Microsoft avoids paying, on average, $50,000/year in salary and benefits by **not** hiring experienced American citizens. Over FY 2001 - 2006, with just those 4,327 H-1Bs, Microsoft saved **$ 1,298,100,000.00**
Microsoft procured many more visas in other years as can be seen via the "Advanced Search" at
http://www.jobdestruction.com/LCA-Data/
In addition, Microsoft Corporation uses contractors such as Tata, Syntel, etc. to disguise their visa holders use.

* To understand the impact (and some of the current employers) of the Abramoff Lobbying Network, see the informative table at http://www.techpolitics.org/congress/delayalum.php Note the benefits to the Bush - Cheney 2004 Reelection. (Jack Abramoff was a 2004 fundraising "Pioneer.")
http://www.washingtonpost.com/wp-dyn/content/article/2005/08/11/AR2005081101752.html

* A Spring, 2005 article by this author provides some historical background regarding the H-1B visa program
http://www.thesocialcontract.com/pdf/fifteen-three/xv-3-207.pdf The table cited in the article is found at:
http://www.jobdestruction.com/library/brainsavers/h%2D1bvisausage%5Fnih%5F2003.pdf

* In Spring 2000, Rep. Tom Davis, a PAC leader, (R-VA) was a supporter of S.2045, a H-1B quota increase.
Davis commented, "**This is not a popular bill with the public. It's popular with the CEOs...This is a very important issue for the high-tech executives who give the money**." National Journal, May 5, 2000 and New York Daily News, May 3, 2000 (Note the conflict of interest as Davis headed the Gov't Reform Committee, with David Safavian's wife as Chief Counsel.)

* Cyberdemocracy III: An Update on the Computer Industry's Political Giving http://www.opensecrets.org/alerts/v5/alertv5_59.asp
ALERT October 2, 2000 Vol. 5, No. 59 Prepared by Holly Bailey tel: 202-857-0044 fax: 202-857-7809

As the 106th Congress winds to a conclusion this week, members of the House and Senate are poised to vote on the high-tech industry's most important lobbying issue of the year, an immigration bill that would expand the number of work visas available for skilled foreign workers.

If approved, it would mark the second time in less than two years that the computer industry has successfully argued for an increase in the six-year visas….

* The H-1B visa increases that Microsoft desired (Dec. 2005 and Dec. 2006) ***failed*** after the Abramoff Lobbying Network collapsed.

Abridged Nelson H-1B Criticism Bibliography

Career Destruction Sites - What American colleges have become *The Social Contract*
Spring 2005 http://www.thesocialcontract.com/pdf/fifteen-three/xv-3-207.pdf
Missing table regarding H-1B visa usage by NIH Grantees:
http://www.jobdestruction.com/ShameH1B/Library/BrainSavers/H-1BVisaUsage_NIH_2003.pdf

How Not to "Solve" the Social Security Problem - Mass immigration is the wrong answer
Summer 1999 *The Social Contract*
http://www.thesocialcontract.com/pdf/nine-four/ix-4-260.pdf

Gene A. Nelson, Ph.D.'s 13 April 1996 speech at the National Academy of Sciences Washington, DC headquarters.
http://www.engology.com/ArtNelson.htm

Draft of author's 5 August 1999 Oral Testimony critical of the controversial H-1B visa program before the House Immigration and Claims Subcommittee,
http://judiciary.house.gov/Legacy/nels0805.htm
Testimony Transcript: http://commdocs.house.gov/committees/judiciary/hju63314.000/hju63314_0f.htm

Gene A. Nelson Ph.D - National Academy of Sciences Testimony 04 13 96

http://www.eng-i.com/ArtNelson.htm

We're All in This Lifeboat Together!
Gene A. Nelson, Ph.D.

This is the text of a speech delivered by Dr. Nelson at the National Academy of Sciences, Washington, DC on April 13, 1996 as part of a NAS hearing regarding "Trends in Early Research Careers" (TERC) The TERC report was released in September, 1998. The report only acknowledged me as an employee of Microsoft Corporation.

Some background information regarding immigration legislation, including the 1976 "Eilberg Amendment" (cited as precedent for the 1990 Immigration Act) and the summary of findings of the DoL Office of the Inspector General, Charles Masten, released on April 4, 1996 is attached.

First, I wish to thank you Dr. Lazen, and the other members of the NAS Commission for inviting me to be part of this elite group of younger people briefly summarizing what we have learned about the world of science and engineering (S&E). As I look forward to my silver anniversary reunion at Harvey Mudd College (HMC) in Claremont, California in

1998, I recognize the challenge of condensing a quarter of a century of being a scientist into 600 seconds. I recall that one definition of a scientist is one who sees the extraordinary in the ordinary. S&Es are also dedicated to describing the truth.

A couple of analogies from the entertainment world come to mind.

First was the observation by members of the Yale - trained comedy group, The Firesign Theatre, sometimes described as "historians of the future." In their 1973 album "How Time Flies" which is set around the year 2000, then U.S. President William D. Gazatchorn discusses how the country is turning inward to "more conservative, more entertaining uses of our Nation's resource systems", rather than continuing to explore space.

I have played that recording on a number of occasions, such as the day the SSC was canceled. The second example is the multimedia performer Laurie Anderson. Her first major album from 1982 had the relevant title "Big Science." The emotional trend in her subsequent releases has been bleaker and bleaker, just like U.S. S&E trends.

To summarize my academic training and experience, I earned my B.S.in biophysics from HMC in 1973, was a researcher at JPL, and earned my Ph.D. from SUNY Buffalo in biophysics in 1984. My 1983 position at Technicon Instruments, at that time a world leader in clinical diagnostics, was my only position that had any research focus. The position was eliminated two years later in a mass termination of the advanced research department in preparation for a leveraged buyout orchestrated by Michael Milken.

My position has also been eliminated in three other firms, each position utilizing less and less of my training. Since earning my doctorate, I have experienced at least six years of unemployment or underemployment. My present employer is a large privately - held firm, which utilizes me and many other S&Es to provide outsourced telephone technical support for computer products. There was a recent article which mentions that "(The firm's) high - priced services 'are a difficult sell when you're working with CFOs who are worried about costs.'"

The value of organizing to fight those interests intent on destroying the American S&E enterprise is clear. Their most likely motivation is "short term profitability" - usually manifested as greed. Mostly younger S&Es have shouldered the brunt of these harmful

changes. In these changes, a small group of individuals have dramatically reduced the S&E's retained portion of the value added to goods and services. That loss decreases the probability that S&Es will have the power as individuals to reverse the harmful career trends. The only choice left is to organize and to be politically active. Now.

Recent perspectives on the utilization of my training and experience as a Ph.D. biophysicist:

A. Utilizing physics atop a rickety metal ladder, my eye level about two stories above a hard concrete floor, wrestling with a bulky 30 kg box containing a monitor. My physics background is beneficial to estimate the likely damage to myself if I were to lose my balance.

B. Utilizing chemistry and economics at the firm where I am employed. Each of us has a highly monitored cubicle, about 2 meters square. The steric hindrance is obvious in the cubicle when I am training a new coworker sitting beside me. A steady stream of intelligent new recruits are visible in this location. Many of the new recruits are in the "historically under - represented groups in S&E" including women, people of color, and immigrants.

I can estimate the large profit margins for the firm with the knowledge that the thousand or so building occupants are all earning around $11.00 per hour or less.

C. [Sociology & Economics] There is also a process that increases the probability that students with wealthier parents will be those that get "good" positions. The process was summarized in a front - page Wall Street Journal article from 1980 titled "The Groans of Academe." The article outlined how managers choose the candidate that takes the least amount of time to pass academic milestones.

Neglecting the few examples of true scientific genius, those selected will often have enriched educational backgrounds by virtue of their parent's wealth. They also have the resources available so that they can focus 100% of their training time on learning. The conclusion is that the chance of a person successfully elevating their economic class via a S&E career choice is very low.

D. [Teaching] Being glad to be been able to teach at the university level several undergraduate science courses at community colleges in Ohio and Texas. I like being able to impart knowledge to the next eager generation. However, they also know about the present career realities, including that my compensation, with over a decade of industrial experience, on a fixed - term contract is around the minimum wage. Again, I was fortunate to have the position.

E. I have concerns about the present generation, as I watch my new wife, a nontraditional student, invest long hours as she works towards completion of her bachelor's in biology. Already, as she begins searching for a research - type position, she is beginning to hear discussions of the form, "Sorry, our grant is still awaiting funding."

F. I have concerns about future generations, including my children's generation. I see my children show aptitude for science. My oldest daughter will be attending college starting in 2004 and my youngest daughter will start two years later. Extrapolating the trends of decreasing amounts being invested in education and R&D, the probability of them having a S&E career is extremely low. As a parent, I want to improve the odds for them. That means much to me.

Some Statistics That Underscore The Talent Glut and the shortage of funding

The Federal expenditures for basic research are modest. Next year's budget shows about $15 billion will be spent for basic research, a bit less than one percent of the Federal budget. To put this figure in perspective, the U.S. spends twice as much annually on beer.

Even with the "Cold War" crisis of a third - world totalitarian dictatorship launching Sputnik on October 4, 1957, the public largess for S&E has been very limited in the U.S. Only between FY 1964 and 1966 were R&D funds above 11% of the Federal budget. Current levels are in the vicinity of 4% of the Federal budget.

A projection of the future by Rep. George E. Brown of California from page 4 of the 1 April 1996 issue of Chemical & Engineering News indicates that ....science faces a "major diminution of Federal support for R&D," on the order of 30% over the next seven years. Coupled with cuts in private - sector support for R&D, he predicts a loss of about 160,000 science and technology related jobs over that period. [or about 1/6 of all individuals employed in R&D in the U.S.] "All of which should give you pause," he told

the standing - room - only audience. [of the recent ACS national meeting in New Orleans] "You should be participating in politics more than you do."....

S&E funding shortages have motivated the "Systematic shift to the lowest cost provider." Namely, students, who are usually valued only while they are "fresh (inexpensive) young blood." New graduates are often retained for a short period of time by industry, then discarded. Many can't pay back their student loans after they are unemployed or underemployed.

Contrast the supply of ~330,000 B.S. S&Es / year with the very modest 55,850 increase in annual demand for B.S. and above projections by Braddock under the "Low real GNP growth model" in the Monthly Labor Review, February 1992, Page 35.

Then factor in the increase in immigration under IMMACT-90, obtained under suspect pretenses by American industry and universities. With just the H1-B "visiting worker" visa program and the S&E preference visas, around 200,000 new S&Es may be added annually by immigration. Recent NSF estimates place the total R&D employment in the U.S. at approximately 1 million. That means in about five years, the entire U.S. R&D labor force could be replaced with lower - cost immigrants. These post - 1990 actions have the potential to destroy the career prospects for almost all S&Es, whether they are previous immigrants or natural born citizens of the United States. That is why we are all in this lifeboat together. S&E immigration policies must be reformed so that they do not harm current U.S. S&E employees.

It has been an unquestioned social good that producing more S&Es will be beneficial. This is not the case.

To close on a very chilling note, one consequence of the S&E glut is to "sow dragon's teeth" - namely to increase the probability of techno - terrorism (or at the very least, to be "eaten for lunch" by an economic competitor.) Recent techno - terrorist events include the NY Trade Center bombing, The Tokyo subway nerve gas attacks, The Oklahoma City bombing, and other smaller scale events such as the Unabomber. The U.S. Department of State considers that S&Es in the FSR are vulnerable to economic extortion by the Sadaaam Husseins of the world, so they have spent millions of dollars to provide them survival level stipends. Why isn't such a program in place to assist U.S. S&Es who have had their positions eliminated?

Even former AAAS President Philip Abelson recognizes the threat. He predicted a year ago in Science that there could be a terrorist nuclear explosion within a decade. In a realistic scenario, a stolen nuclear warhead could be detonated aboard a truck here in Washington, DC. Such an attack could destabilize the U.S. government, cause a massive loss of civil rights, and likely motivate a strong public backlash against science, like in the movie "12 Monkeys" Yes, we are all in this lifeboat together!

(Note added after the talk: Note the "techno - terrorism" that is shown on the front cover of the May, 1996 Scientific American - namely the new generation of high technology anti - personnel mines described in the article. Excess production of S&Es for third world countries is likely to accelerate the development of these terrorist weapons.)

Attached you will find an excerpt of the text of a FAX which I received on April 18, 1996 from:

Scott Cote, U.S. Department of Labor Employment and Training Administration, U.S. Employment Service, Room N - 4456, 200 Constitution Avenue NW, Washington DC 20210 (202) 219 4369 Voice (202) 219 6643 FAX

I will recap one paragraph from the cover letter dated April 4, 1996 from Charles C. Masten, Inspector General after an introduction.

Acronyms: S&E = Scientists and Engineers, who are the professions most affected by the PLC and LCA programs.

PLC = Permanent Labor Certification = S&E Immigration Visa program. The Immigration Act of 1990 (IMMACT 90) boosted allowable S&E preference visas from 54,000/yr to 140,000 a year, primarily on the basis of an alleged "Shortfall" being widely promoted from 1985-on by the National Science Foundation. This "shortfall" never materialized. Factors that have made the S&E employment situation worse were widespread industry cutbacks in both defense and non - defense research and development (R&D), coupled with government sector cutbacks. The 1976 Eilberg Amendment was another factor that boosted S&E immigration.

Eilberg Amendment = This was supposed to be a technical amendment that equalized immigration for the two hemispheres into the United States. Basque Sheepherders had already been exempted from Labor Certification and were given “special handling” in 1952. However, Scientists and Professors were added to the “special handling” provisions for colleges and universities in a 1976 technical amendment by the Pennsylvania Representative, Joshua Eilberg. This exemption from labor certification for universities and colleges, coupled with the "Baby Boom" and Cold - War induced S&E supply glut, essentially closed off S&E career opportunities in higher education for U.S. citizens. Many foreigners offer the "advantage" of their willingness to accept lower salaries, allowing meager research and instructional budgets to be stretched further.The AAU was very pleased with this exemption and sent a letter of appreciation to Rep. Eilberg. Rep. Eilberg left the House in a 1978 scandal not related to this Amendment.

AAU = Association of American Universities. A lobbying association for the 60 "first tier" research universities, headquartered in Washington, DC. They are located at One Dupont Circle, Suite 730, Washington DC 20036. In 1996, their President was Cornelius Pings, Ph.D. The phone is (202) 466 5030 and the FAX is (202) 296 4438. AAU Senate testimony during immigration hearings on 9/13/95 and 9/28/95 by Rice University Provost David Auston, Ph.D. includes the following: "First it is not at all clear that there is in fact an oversupply of Ph.D.s"

LCA = "Temporary" H1 - B Labor Condition Application Program which presently allows so - called visiting high - technology workers to work in the United States for up to six years. Up to 66,000 per year are allowed. This program was designed in large part by “high tech” industry lobbyist Harris Miller. (Harris was previously employed by California agribusiness interests to increase the numbers of temporary agricultural workers that were imported from Mexico.)

Note that this is approximately the annual increase in B.S. and above S&E employment, assuming a "moderate real GNP growth" scenario occurs, in the February 1992 Monthly Labor Review article "Scientific and technical employment, 1990 - 2005," pages 28 - 41, by Douglas J. Braddock.

S.1394 = The so - called Simpson Immigration Bill. The focus of the 1996 bill is on illegal immigration. Senator Simpson had removed the reforms relating to legal

immigration, citing "distortions" by the business and academic community as his rationale for doing so.

"Briefly, we concluded that PLC and LCA programs do not protect U.S. workers' jobs or wages from foreign labor. Moreover, we found DOL's role under the current program design amounts to little more than a paper shuffle for the PLC program and a rubber stamping of applications for the LCA program. We believe program changes must be made to insure that U.S. worker's jobs are protected and that their wage levels are not eroded by foreign labor. However, DoL should be removed from the process unless a more meaningful role is defined."

APPENDIX F – AUTHOR'S CORRESPONDENCE WITH JUDGE HUVELLE:

Ellen Segal Huvelle - U.S. District Judge
District of Columbia
333 Constitution Avenue NW – Room 4423A
Washington, DC 20001-2802

(202) 354-3230

March 29, 2006

Dear Judge Huvelle:

I hope that you will take this non-cooperation information provided in this correspondence into consideration regarding any defense motions to delay sentencing for Jack Abramoff. I understand that Federal Judge Paul C. Huck is set to sentence Jack Abramoff on March 29, 2006 in connection with his guilty plea in the Southern District of Florida Court.

The issue that I am concerned about is what a prominent Nobel economist in 2002 called a "government subsidy". It is a thing of value worth billions of dollars a year for employer interests as a consequence of official acts. Federal officials such as Rep. Tom DeLay received campaign contributions either directly or indirectly from these employer interests. As an example, Microsoft Corporation spent approximately $100 million since 1990 on these issues.

Here is a transcript of a call from an unidentified female caller to my residence number (972) 394 - 3880 phone answering machine.

> Calling party number (202) 349 - 4033 Time: 12:09 PM CST 02 14 2006
>
> "Hello, this is Jack Abramoff's office calling. Uh, regrettably, Mr. Abramoff is unable to assist you with your request of your letter dated January 31st 2006. So I just wanted to let you know. Thank you very much. Bye bye."

The tape has been archived. This lack of cooperation is inconsistent with the recent requests from Jack Abramoff's attorney's to delay the sentencing phase of his two guilty pleas so that he may assist in the ongoing investigation.

http://www.washingtonpost.com/wp-dyn/content/article/2006/02/17/AR2006021701949.html

Abramoff's Sentencing In Fla. Case May Wait
Defense Seeks Time For Ex-Lobbyist To Cooperate More
Associated Press
Saturday, February 18, 2006; Page A14

MIAMI, Feb. 17 -- The Justice Department and defense lawyers asked a federal judge Friday to delay the March sentencing of lobbyist Jack Abramoff in a Florida fraud case to allow him more time to cooperate in a broader government corruption investigation.

Abbe Lowell, Abramoff's lawyer in Washington, said in a telephone conference with U.S. District Judge Paul C. Huck that if sentencing went forward as scheduled on March 16, it would be "upsetting to what's happening behind the scenes."

Abramoff, the once-powerful lobbyist at the center of a wide-ranging public corruption investigation, pleaded guilty Jan. 3 to fraud, tax evasion and conspiracy to bribe public officials in a deal that requires him to provide evidence about members of Congress.

"It's based solely on the sensitivities of cooperation," Lowell said of the request.

Abramoff pleaded guilty Jan. 4 to charges that he and a former partner, Adam Kidan, concocted a fake wire transfer to make it appear they were putting a sizable stake of their own money into the $147.5 million purchase in 2000 of the SunCruz Casinos gambling fleet. Kidan also pleaded guilty.

Abramoff also pleaded guilty last month to charges stemming from an investigation into the former lobbyists' ties to members of Congress and to the Bush administration.

Both guilty pleas require extensive cooperation from Abramoff in exchange for potential leniency at sentencing. The motion, signed by federal prosecutors and defense lawyers, seeks a maximum delay of 90 days in the March sentencing date.

"Mr. Abramoff has been working very hard in terms of his cooperation," said Neal Sonnett, Abramoff's attorney in Miami.

Huck said he would consider the request, which also includes Kidan, now scheduled to be sentenced March 1.

When I called the number (202) 349 - 4033 on 2/15/06 at 9:07 AM CST, I received a recorded message that the number has been temporarily disconnected. This status was re-confirmed at 12:23 PM CST on 2/23/06.

Googling on the number (202) 349 - 4033 yields a Kevin Lancaster of the Winvale Group. I called Kevin 2/23/06 on Winvale's toll free number and asked for a Mr. Abramoff. He seemed genuinely puzzled and when I informed him how I had obtained the number, he told me that Winvale had given up that number a couple of years ago.

Jack Abramoff

January 31, 2006

Dear Mr. Abramoff:

I am a scientist and researcher who is very interested in your lobbying activities on behalf of the Microsoft Corporation while you were with Preston, Gates, Ellis, Rouvelas, and Meeds.

In particular, I'm interested in Microsoft's advocacy for expansion of the H-1B visa program. Microsoft expended significant sums in lobbying expenditures and campaign finance contributions. A substantial increase in visa levels occurred in 1998. I and others testified in the U.S. House of Representatives

on August 5, 1999 against further expansion of the H-1B program. However, on October 3, 2000, further increases were passed via S. 2045 and signed into law by President Bill Clinton.

I'm very interested in any communications that you may possess that would shed light on Microsoft's advocacy for visa program expansion.

Thanking you in advance.

Gene Nelson, Ph.D.

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http://www.AnAmericanScam.com
The author's website documents some of the connections between lobbyist (and criminal) Jack Abramoff and corporations such as Microsoft that have procured expansions of the controversial H-1B visa program. The role of Abramoff friend Ralph Reed, also retained by Microsoft is also highlighted.
Some pages from this website are attached. Considerably more information is available on request.

APPENDIX: RELATED USFN MATTER

In addition, there is the related matter of the U.S. Family Network (USFN,) an alleged nonprofit entity that is closely connected with lobbyist Jack Abramoff, in that his clients funded USFN.

Here are two March 7, 2006 emails to the USFN counsel and his replies

Dear J Thomas Smith Jr.: Do you have any information regarding the approximately $2 million in unaccounted for disbursements from the **U.S. Family Network**? Please refer to the article below for details.

Thanks! Dr. Gene A. Nelson,

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http://nationaljournal.com/about/njweekly/stories/2006/0213nj1.htm

March 7, 2006

LOBBYING & LAW
Investigators Issue New Subpoena In Abramoff Case
By Peter H. Stone, ***National Journal***
© National Journal Group Inc.
Monday, Feb. 13, 2006…..

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Envelope-to: @airmail.net
From: @aol.com
Date: Tue, 7 Mar 2006 15:32:38 EST
Subject: Re: Where did the $2 million for the US Family Network Go?
To: @airmail.net
X-Mailer: 9.0 Security Edition for Windows sub 5301
X-Spam-Flag: NO
X-Airscreen: PASSED
X-DCC-DCC0AIRMAILNET-Metrics: client-1.airmail.net 1337; Body=1 Fuz1=1 Fuz2=1

Dr. Nelson.
Nothing was unaccounted for. All returns were filed. Can you please tell me why you are asking? Is this for publication or other public disclosure?

Tom

_____

Dear Tom: I appreciate your prompt reply. I'm an investigative journalist. I am interested in this information for a book and/or article that I am writing. In your opinion, why was a subpoena issued on February 6 if "nothing was unaccounted for?" I was unable to locate a copy of the subpoena at the U.S. Department of Justice website. Similarly, no information was available at the FindLaw website. Could you please point me to its location on the web?

Thanks! Gene

_____

Envelope-to: @airmail.net
From: @aol.com
Date: Tue, 7 Mar 2006 16:00:24 EST
Subject: Re: Where did the $2 million for the US Family Network Go?
To: @airmail.net

I can tell you nothing for the record until the investigation is finished.

J. *Thomas Smith*
Attorney At Law
1816 Old Natchez Trace
Franklin, TN 37069
615-790-0770, Fax 615-790-2150
Please Reply to Tennessee Address
Licensed in Tennessee Only

117 Second Street, NE, Suite 2
Washington, DC 20002
202-669-1452(Cell), Fax 202-546-7307

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While Attorney Smith claimed that the USFN funds were accounted for, their expenditures in a nonprofit entity are certainly a matter to be scrutinized.

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http://www.washingtonpost.com/wp-dyn/content/article/2006/03/25/AR2006032501166.html

Former DeLay Aide Enriched By Nonprofit

Bulk of Group's Funds Tied to Abramoff

By R. Jeffrey Smith ***Washington Post*** Staff Writer
Sunday, March 26, 2006; Page A01

A top adviser to former House Whip Tom DeLay received more than a third of all the money collected by the U.S. Family Network, a nonprofit organization the adviser created to promote a pro-family political agenda in Congress, according to the group's accounting records.

DeLay's former chief of staff, Edwin A. Buckham, who helped create the group while still in DeLay's employ, and his wife, Wendy, were the principal beneficiaries of the group's $3.02 million in revenue, collecting payments totaling $1,022,729 during a five-year period ending in 2001, public and private records show…..

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The author has prepared a two page spreadsheet showing USFN receipts and expenditures which is attached.

/gn: File Abramoff Huvelle Letter 03 29 06.doc

Ellen Segal Huvelle - U.S. District Judge
District of Columbia
333 Constitution Avenue NW – Room 4423A
Washington, DC 20001-2802

(202) 354-3230

May 7, 2007

Dear Judge Huvelle:

I have talked with several of your courtroom staff members via phone since sending you some correspondence on March 29, 2006. Excerpts of that earlier correspondence follow my message.

A sentencing hearing for Microsoft lawyer – lobbyist Jack Abramoff is set for June, 2007, based on the conversations referenced above. I respectfully request that Abramoff's role in a far larger scandal than the widely publicized fleecing of various American Indian tribes of approximately $80 million be considered as an aggravating factor in your determination of his sentence. A preprint of my investigative article that will be appearing in ***The Social Contract*** under the title "The Abramoff Visa" that I have written is attached to this letter. The article summarizes Jack Abramoff's role as leader of "Team Abramoff" in procuring beneficial (for Microsoft) changes to the H-1B visa law in 1996, 1998, and 2000. Microsoft procured legislative changes worth **billions** to their profitability, while millions of experienced American citizen technical professionals lost their livelihoods, and our nation's homeland security was weakened. This letter also sets forth lobbyist Abramoff's lack of cooperation in providing details about his lobbying on behalf of Microsoft while he was awaiting incarceration.

Many footnotes are included. Many more sources are cited in my online version of this article, available on request.

Gene A. Nelson, Ph.D.

(The text of the March 29, 2006 correspondence to Judge Ellen Segal Huvelle followed.)

CERTIFICATE OF SERVICE

Gene A. Nelson, Ph.D. hereby certifies that on September 2, 2008, I caused a true and correct copy of the foregoing notice to be served by electronic case filing.

s/ Gene A. Nelson, Ph.D.
Gene A. Nelson, Ph.D.