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HEADLINE: A possible conflict for DeLay?

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BODY:

WASHINGTON - House Majority Leader Tom DeLay owns stock worth more than \$50,000 in ExxonMobil, according to financial disclosure reports, while at the same time he is one of the driving forces behind legislation that would shield that company and other manufacturers of the gasoline additive MTBE from lawsuits that could cost them millions.

Already under fire for alleged ethical lapses, DeLay, a Texas Republican, has hired the Houston law firm Bracewell and Giuliani to defend against those charges. But the firm, in which former New York City Mayor Rudolph Giuliani is a partner, also represents a host of MTBE manufacturers in court and in Congress.

The use of the additive has been a key issue in the Northeast, where areas, including Long Island, have been dealing with the chemical tainting water supplies.

While not prohibited by ethics rules, the potential conflicts are a matter of debate.

"It looks like a serious conflict of interest," said Jeffrey Stonecash, a political scientist at the Maxwell School of Syracuse University. "I think the issue of owning the stock and then promoting it just doesn't look good."

DeLay's stake in ExxonMobil, which is held jointly with his wife and is valued between \$50,000 and \$100,000, as well as his legal bills, ranging from \$125,000 to \$315,000, were revealed in annual disclosure statements lawmakers are required to file and were released this week. He also earned between \$1,000 and \$2,500 in stock dividends, which were reinvested, according to the documents.

Dan Allen, DeLay's spokesman, scoffed at the suggestion the second highest-ranking House Republican has done anything untoward.

"First of all, everyone knows Congressman Tom DeLay bases his votes on the merits of legislation before him and only the merits of the legislation," Allen said.

As for the law firm, Allen said, they did represent him against ethics charges lodged by "partisan Democrats and backed up by partisan Democratic groups that have been launching a barrage of attacks against House Republicans, including Tom DeLay."

The House ethics code does not require that members abstain from legislation that could benefit a business they have a financial stake in; there is language barring compensation from any source by "virtue of influence improperly exerted" as a result of serving in Congress.

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Hofstra University law professor Eric Freedman said he doesn't think DeLay did anything wrong. Freedman said it would be unfair to expect members of Congress, who by virtue of their role as federal legislators deal with almost every aspect of national life, not to have any financial holdings. He said what matters is that full disclosure is made.

"The fact that this is public is good news; to that extent the system is working, as it should," he said.

But Steven Weiss, communications director for the Center for Responsive Politics, said merely disclosing a relationship or financial interests in a legislative matter only allows a thorough inquiry to begin.

"It certainly raises the question of whether DeLay or any lawmaker with investments and connections to energy interests makes objective decisions that affect the industry," he said. "Obviously it is not illegal for lawmakers to have connections, but it's their duty to explain those to the voters that their approach to the industry is not jeopardized by those relationships."

GRAPHIC: Photo - Tom DeLay

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