

Ethics Corner: Special Inspector General Takes on House Carib News Case Because of TARP-Recipient Bank Connections

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In a follow-up to a story in the March 2011 issue of *Election Law News*, (see "Carib News Co-Founder in Hot Water over Misleading Travel Disclosures to Congressional Committee"), the Office of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) has taken an interest in Karl Rodney, the co-founder of Carib News, Inc., and the Carib News Foundation, who pled guilty on April 14, 2011, in U.S. District Court for the District of Columbia to a criminal information charging one count of making a false statement to the U.S. House of Representatives.

In his plea, Mr. Rodney admitted making false statements in connection with the Private Travel Certification Form submitted to the House Ethics Committee in seeking approval for Members to participate in a privately funded trip to the "Carib News Foundation Multi-National Business Conference" in Antigua and Barbuda in November 2007. Mr. Rodney had been charged with failing to "identify [in the travel certification for submitted to the Committee] all the sponsors of the trip" and with failing "to disclose [in the certification form] all the sources that had earmarked funds and other support to finance aspects of the trip."

The case against Mr. Rodney was investigated by the Federal Bureau of Investigation and by SIGTARP. The involvement of SIGTARP in a matter arising out of conduct before the House Ethics Committee is unusual. In its April 28, 2011, *Quarterly Report to Congress*, however, SIGTARP explains its involvement in the case by noting that "[s]everal key sponsors of the [Carib News Foundation] conference were TARP recipient banks."

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Although Mr. Rodney faced a maximum sentence of five years in prison and a \$250,000 fine on the false statement charge, it is reported that under the plea agreement prosecutors have agreed not to seek a sentence of more than six months in jail and have also agreed not to proceed against Mr. Rodney's wife. As noted in the March *Election Law News* article on this matter, the fact that Mr. Rodney plead to a criminal information as part of a plea deal suggested that he may have been cooperating in a broader investigation.