

usatty

A

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA :

v. :

RICHARD R. MILLER, :

Defendant. :

Criminal No.:

87-0190

Violation: 18 U.S.C.

Section 371 (Conspiracy)

J. J. J.

I N F O R M A T I O N

MAY 06 1987

The Independent Counsel informs the Court that:

INTRODUCTION

1. At all times relevent to this Information, the National Endowment for the Preservation of Liberty ("NEPL") was a non-profit corporation. From NEPL's inception in or about May 1984 to in or about August 1986, NEPL had offices located at 305 4th Street, N.E., Suite 210, Washington, D.C. From in or about August 1986 to the filing of this Information, NEPL had offices located at 1331 Pennsylvania Avenue, N.W., Suite 350 South, Washington, D.C.

2. At all times relevant to this Information, in its promotional literature and in filings with the United States Internal Revenue Service ("IRS"), NEPL purported to be an educational and charitable organization devoted to the study, analysis, and evaluation of the American socio-economic and political systems.

3. At all times relevant to this Information, NEPL made representations to the IRS as to the organization's purposes and activities and, on the basis of those representations, NEPL was duly qualified by the IRS as an organization exempt from

federal income taxation under Section 501(c)(3) of the Internal Revenue Code and applicable regulations. Section 501(c)(3) of the Internal Revenue Code, among other things, exempts from federal income taxation corporations "organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary or educational purposes...." A contribution to an organization properly recognized and operating as exempt under Section 501(c)(3) is deductible on the contributor's federal income tax return only if it is a "charitable contribution" within the meaning of Section 170(c)(2) of the Internal Revenue Code and applicable regulations.

4. At all times relevant to this Information, Carl R. Channell was the President of NEPL.

5. At all times relevant to this Information, the defendant RICHARD R. MILLER was a principal of International Business Communications ("IBC"), a public relations firm located in Washington, D.C.

6. At all times relevant to this Information, the Contras were insurgents engaged in armed conflict against the Sandinista government in Nicaragua.

#### THE CONSPIRACY

7. From in or about April 1985 to the filing of this Information, in the District of Columbia and elsewhere, the defendant RICHARD R. MILLER, together with Carl R. Channell and others known and unknown to the Independent Counsel,

unlawfully, wilfully and knowingly did combine, conspire, confederate and agree together and with each other to defraud the United States of America and the IRS by impeding, impairing, defeating and obstructing the lawful governmental functions of the IRS in the ascertainment, evaluation, assessment and collection of income taxes.

#### OBJECTS OF THE CONSPIRACY

8. It was an object of the conspiracy to defraud the IRS and deprive the Treasury of the United States of revenue to which it was entitled by subverting and corrupting the lawful purposes and operations of NEPL by using NEPL for an improper purpose, namely, to solicit contributions to purchase military and other types of non-humanitarian aid for the Contras.

9. It was an object of the conspiracy to defraud the IRS and deprive the Treasury of the United States of revenue to which it was entitled by falsely representing that contributions made to NEPL were tax-deductible when, in truth and in fact, certain of such contributions were not deductible since they were made for a non-deductible purpose, namely, to purchase military and other types of non-humanitarian aid for the Contras.

#### OVERT ACTS

10. The following overt acts, among others, were committed and caused to be committed, in the District of Columbia and elsewhere, by the defendant RICHARD R. MILLER and

his co-conspirators in furtherance of the conspiracy and to effect the objects thereof:

(a) In or about April 1985, in Washington, D.C., the defendant RICHARD R. MILLER met with Carl R. Channell, and with a consultant to NEPL, another principal of IBC, and "Contributor A," a potential contributor to NEPL.

(b) On or about July 9, 1985, in a dining room of the Hay-Adams Hotel, Washington, D.C., the defendant RICHARD R. MILLER met with Carl R. Channell, and with a consultant to NEPL, and a United States government official ("the Official").

(c) On or about September 11, 1985, in Dallas, Texas, Carl R. Channell and the Official met with at least three potential contributors to NEPL.

(d) On or about November 7, 1985, at the Hay-Adams Hotel, Washington, D.C., the defendant RICHARD R. MILLER met with Carl R. Channell, the Official, and "Contributor B," a potential contributor to NEPL.

(e) From on or about November 15, 1985 to on or about December 4, 1985, "Contributor B" caused the mailing of stock certificates valued at approximately \$1 million to NEPL in Washington, D.C.

(f) On or about November 22, 1985, in Washington, D.C., at his government office, the Official met "Contributor C," a potential contributor to NEPL.

(g) On or about January 16, 1986, in Washington, D.C., "Contributor C" caused a check in the amount of \$20,000 to be issued to NEPL.

(h) On or about March 28, 1986, in a dining room of the Hay-Adams Hotel, Washington, D.C., Carl R. Channell and the Official met with "Contributor D," a potential contributor to NEPL.

(i) On or about March 31, 1986, in a dining room of the Hay-Adams Hotel, Washington, D.C., Carl R. Channell and the Official met with "Contributor D," at which time "Contributor D" delivered to Channell a check in the amount of \$130,000 payable to NEPL.

(j) On or about April 11, 1986, in the cocktail lounge of the Hay-Adams Hotel, Washington, D.C., Carl R. Channell and the Official met with "Contributor E," a potential contributor to NEPL.

(k) On or about April 15, 1986, "Contributor E" caused a wire transfer in the amount of \$470,000 to be made to a NEPL bank account in Washington, D.C.

(l) On or about April 15, 1986, "Contributor E" caused the wire transfer of stocks valued at approximately \$1.15 million to a NEPL brokerage account in Washington, D.C.

(m) On or about May 19, 1986, "Contributor E" caused a wire transfer in the amount of \$350,000 to be made to a NEPL bank account in Washington, D.C.

(n) On or about November 18, 1986, in Washington, D.C., Carl R. Channell caused to be filed with the IRS a 1985 Return of Organization Exempt from Income Tax for NEPL.

(Violation of Title 18, United States Code, Section 371.)

  
LAWRENCE E. WALSH  
Independent Counsel