

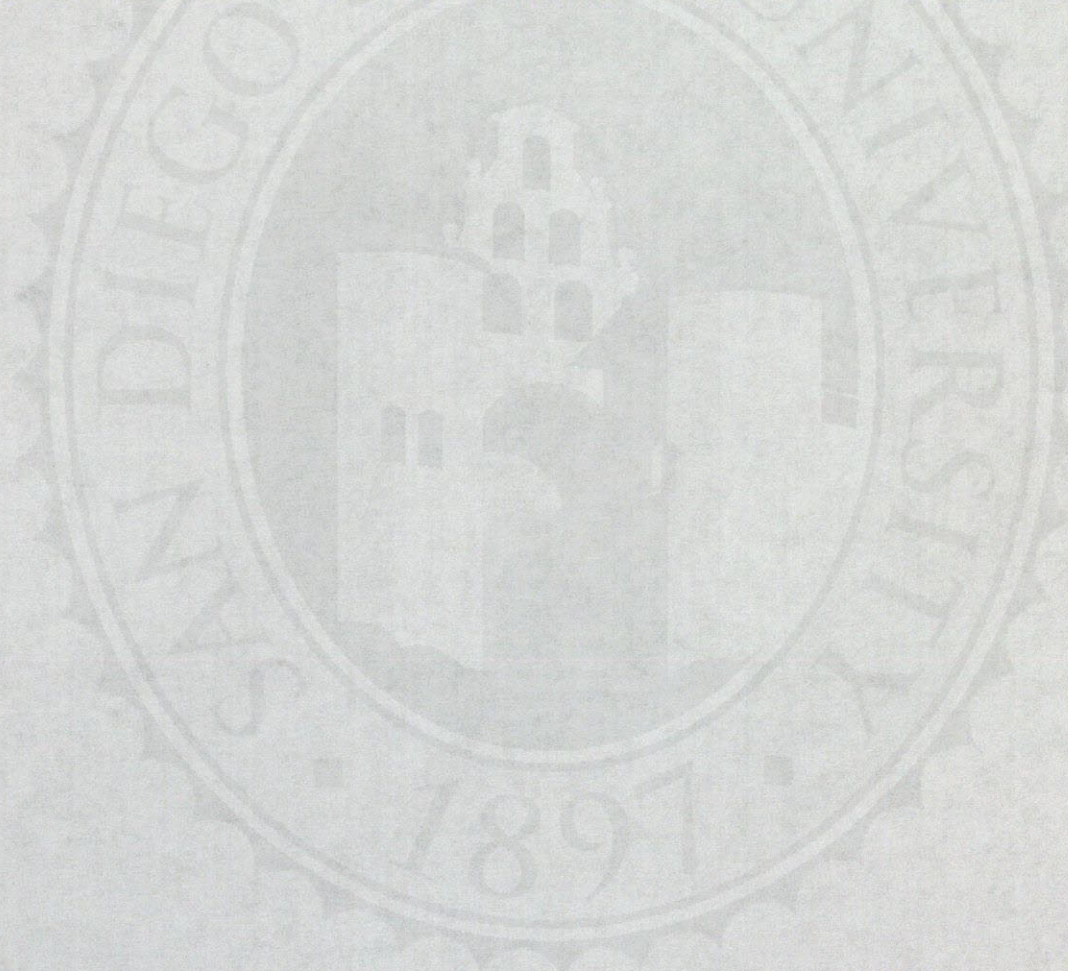
1997
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JOHN MARTIN
1997 TV STORIES BROADCAST (PARTIAL)

WORLD NEWS TONIGHT: 37
GOOD MORNING AMERICA: 4
NIGHTLINE: 3

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01	JAN 06	MONEY: HEALTH SURVEY SQUANDERS FUNDS?	WNT
02	JAN 13	MONEY: MARINE CHOPPER SPENDING BINGE	WNT
03	FEB 03	MONEY: NASA SQUANDERING SHUTTLE REPAIR FUNDS	WNT
04	FEB 10	MONEY: WEST VIRGINIA UNIVERSITY TRAIN SUBSIDY	WNT
05	FEB 17	MONEY: FOOD STAMP FRAUD COSTING A BILLION	WNT
06	MAR 03	MONEY: HEALTH CARE PROFESSIONALS HIGHLY PAID	WNT
07	MAR 10	MONEY: RESEARCH VESSEL NEGLIGENTLY DAMAGED	WNT
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10	MAR 24	MONEY: FEMA CANCELS REPAIR OF JUNK ART SHOP	WNT
11	MAR 31	MONEY: INDEPENDENT COUNSELS WASTE TIME	WNT
12	APR 01	21 INDEPENDENT COUNSELS SPENT \$132 MILLION	GMA
13	APR 02	MONEY: TV BROADCASTERS OPPOSE SPECTRUM AUCTION	WNT
14	APR 23	MONEY: \$65 MILLION MEDICARE COMPUTER COST OVERRUN	WNT
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19	JUN 04	MONEY: 'WATER WELFARE' FOR UTAH FARMERS	WNT
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22	AUG 07	THOUSANDS OF CHESAPEAKE FISH DYING IN MYSTERY	WNT
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26	AUG 20	MONEY: YUCCA MOUNTAIN'S SOARING COSTS	WNT
27	AUG 21	TAINTED MEAT RECALL LARGEST IN U.S. HISTORY	WNT
28	AUG 22	QUESTIONED RECORD KEEPING AND TAINTED MEAT	GMA
29	SEP 10	LEGALITY OF AL GORE FUNDRAISING QUESTIONED	NIGHTLINE
30	SEP 11	MONEY: RURAL CLINICS CLUSTERED IN SUBURBIA	WNT
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32	SEP 24	MONEY: COSTLY WORKER HOUSING AT YOSEMITE PARK	WNT

33 OCT 01 AMERICANS SWINDLED OUT OF \$40 BILLION PER YEAR WNT
34 OCT 06 CLINTON LINE-ITEM VETOES 38 MILITARY PROJECTS WNT
35 OCT 16 AARP SAYS TOO MANY DEPENDING ON SOCIAL SECURITY WNT
36 OCT 29 MONEY: TREASURY IG REPORT COSTS SKYROCKET WNT
37 NOV 05 MONEY: ETHANOL SUBSIDY SOARS WITH LITTLE RESULT WNT
38 NOV 13 FDA UNCERTAIN ANTI-BALDNESS DRUG WORKS WNT
39 NOV 17 TEAMSTERS PRESIDENT CITED FOR ILLEGAL FUNDRAISING WNT
40 NOV 20 MONEY: PELL GRANT FRAUD \$170 MILLION PER YEAR? WNT
41 DEC 02 MONEY: LANDLORDS ABUSING HOUSING ASSISTANCE WNT
42 DEC 16 MONEY: CHILD FOOD AID ABUSED BY ADMINISTRATORS WNT
43 DEC 18 MONEY: LAW CHANGE CAPTURES CROOKS ON FOOD STAMPS WNT
44 DEC 23 TENNESSEE COMPANY ACCUSED OF SMUGGLING ALIENS WNT



----- Segment Number: 5 -----

Story Name: YOUR MONEY - \$16 MILLION HEALTH SURVEY

Air Date: 1997-01-06

Start Time: 00:00:00

End Time: 00:00:00

Run Time: 00:00:00

Anchor: PETER JENNINGS, NEW YORK, NY USA

Correspondent: JOHN MARTIN, WASHINGTON, DC USA

Content: PETER JENNINGS

On Your Money this Monday, the tax dollars that the government spends to protect millions of Americans from contagious diseases such as mumps and measles, whooping cough and polio. We're talking here about millions of dollars. The goal is certainly admirable.

But as ABC's JOHN MARTIN reports, the execution may leave a little something to be desired.

JOHN MARTIN, ABC NEWS

(VO) Last July, at this club near Houston, six children turned up with red measles. Before long, there were 34 cases in the area. Outbreaks like this are rare because the country's immunization program works pretty well.

Part of its success comes from the \$33 million federal tax dollars paid the states last year to encourage vaccinations. But while \$33 million is going to good use, there are serious questions about \$16 million additional dollars. That money goes to Abt Associates, a private company in Boston. Federal officials refused ABC News entry here, citing privacy concerns. The company conducts a state by state household phone survey used to decide how much each state receives. But Dr Donald Henderson, the former deputy assistant secretary of health who helped create the survey, says the information it collects is worthless.

DR DONALD HENDERSON

I don't see what is being derived from this survey that is of any value at all.

JOHN MARTIN

Henderson and other critics say that's because the effort excludes 6 million homes without telephones, averages 200 calls before completing a single interview and does not even identify areas of low immunization within states. So what does the government get for its \$16 million survey?

(VO) Very little, says the General Accounting Office, to justify the expense. It questions the survey's accuracy and efficiency, as well. A Senate subcommittee report even called for eliminating or significantly curtailing it.

What do federal health officials say in defending their expense?

DR DAVID SATCHER, DIRECTOR, CENTERS FOR DISEASE CONTROL

The overwhelming opinion about this survey among the leaders in public health in this country is that it is a very valuable tool for helping us to immunize our children.

JOHN MARTIN

(VO) But instead of spending \$16 million to conduct a phone survey, some health officials say the money could better be used on more direct efforts to fight disease, including for example, an investigation of just how the measles outbreak in Texas got started.

That's \$16 million. And it's your money.

JOHN MARTIN, ABC News, Washington.

PETER JENNINGS

Now some other items from around the world. The Irish Republican Army said today it had fired a grenade at a courthouse in Belfast in Northern Ireland. Two people were injured. This was the car they used and abandoned, destroying the evidence inside. The IRA later said it had planted bombs at hotels, as well as train stations, but no bombs have yet been found.

In Peru, this is the latest delegation trying to free the 74 hostages still held by the Tupac Amaru terrorists. They are described to us as witch doctors and other traditional healers from the Peruvian highlands who marched today to the Japanese ambassador's residence. Their message is 'We want peace.'

In Serbia, the former Yugoslavia, it's Christmas Eve. Tomorrow, the Orthodox Church celebrates the birth of Christ. The holiday drew the largest crowd of anti government demonstrators since demonstrations started 50 days ago. Today, President Milosevic apparently lost two very important supporters, including the Orthodox Church itself, which insists Milosevic step down. And today, the Yugoslav army commander called on the government to embrace democracy.

When we come back, new eyes on the prize. Why two upstart teams have such a good shot at the Super Bowl. We'll hear from them tonight.

----- Segment Number: 6 -----

Story Name: YOUR MONEY MARINES OBJECT TO PENTAGON BUYING HELICOPTERS

Air Date: 1997-01-13

Start Time: 00:00:00

End Time: 00:00:00

Run Time: 00:00:00

Anchor: PETER JENNINGS, NEW YORK, NY USA

Correspondent: JOHN MARTIN, WASHINGTON, DC USA

Content: PETER JENNINGS

And now, because it is Monday and it is "Your Money" and how the government spends it, we get on with taking another look how the government is doing with your money in specifics. Tonight, we take a look at buying the quantity -- something the government does all the time.

In this case, helicopters. The Pentagon had a mind to save some money and get a new generation of helicopters for everybody. But the Marines objected. Here's ABC's JOHN MARTIN.

JOHN MARTIN, ABC News

(VO) Remember the famous helicopter scene from the movie "Apocalypse Now?" They were UH-1s, Hueys, symbols of the war in which helicopters came of age in battle. But the Huey is wearing out, and the Pentagon has been trying to get all the services to replace them with the Blackhawk.

Blackhawks can fly 6,000 feet higher, 65 miles an hour faster, 80 miles farther and carry up to six more people than the Huey.

(on camera) And one thing more -- if all the services bought Blackhawks, it could reduce the cost for each one substantially and save the taxpayers up to \$717 million.

(VO) But the Marines, who've declined an on-camera interview, say they don't want to spend any money from their budget for Blackhawks, that it would be cheaper for them to upgrade their old Hueys instead. And that this would save them the cost of retraining pilots and extra mechanics and finding ways to store the bigger Blackhawk on ships designed to hold the Huey.

A retired Marine colonel who works for the Huey manufacturer says the Marines simply don't need the Blackhawk, even though it would save money for the Pentagon overall.

(on camera) Isn't there an extra benefit to the Pentagon if all the services use the same aircraft?

TERRY CREWS, Consultant

I would have to say to the Department of Defense, there might be -- if they all use it, if they all bought them.

JOHN MARTIN

Wait. Wait a minute. Aren't we all in the same boat?

TERRY CREWS

Sir, but that's the Department of Defense overall. We'd need to look at what is best for the service that has to go and face the enemies of the republic.

JOHN MARTIN

(VO) The General Accounting Office insists that by focusing on their own narrow interests, the Marines are ignoring a vital overall savings.

LOUIS RODRIGUES, General Accounting Office

By combining the buys of the Navy, the Air Force and the Marine Corps, you can buy a larger quantity at more efficient rates and thereby drive the price of that aircraft down.

JOHN MARTIN

(VO) But the GAO has lost the argument. The Pentagon has given the Marines the go-ahead to upgrade their Hueys. Yet if they had been ordered to buy this Blackhawk, the kind the other services are buying, the GAO insists it would have saved as much as \$340 million. It's "Your Money." JOHN MARTIN, ABC News, Washington.

Document ID: WNT19970203
Library: NEWS-NY
Asset Type: Transcript
Air Date: 1997-02-03

----- Segment Number: 5 -----

Story Name: YOUR MONEY SHOULD SPACE SHUTTLES BE SENT TO CALIFORNIA FOR MAINTENANCE
Air Date: 1997-02-03
Start Time: 00:00:00
End Time: 00:00:00
Run Time: 00:00:00
Anchor: PETER JENNINGS, NEW YORK, NY USA
Correspondent: JOHN MARTIN, WASHINGTON, DC USA
Content:

PETER JENNINGS

Our report tonight on how the government spends "Your Money" might be called "The Case of the Inconvenient Garage." Here's a clue. Imagine you live on the coast of the United States, but every time you want to get your car repaired, you have to send it to a garage 3,000 miles away. ABC's **JOHN MARTIN** on the space agency's garage.

CONTROLLER

Atlantis now rolling out on Runway 33 at the Kennedy Space Center.

JOHN MARTIN, ABC NEWS

(VO) Atlantis returned to earth 12 days ago after four million miles in space. After two more trips this year, workers will strap it to the back of a transport plane so it can be flown 3,000 miles more, from here in Florida, where it landed and is based, to Palmdale, California, where NASA sends the Shuttles for maintenance and overhaul. That's where the Shuttles were built, and the agency says it's the safest place to do the work.

STEVE OSWALD, NASA

If it costs us a few more dollars to do the thing on the West Coast, then to me, that's worth it to protect the \$2.5 billion vehicle that we are flying.

JOHN MARTIN

(VO) But it's not worth it, according to NASA's own inspector general, whose audit shows those "few more dollars" amount to \$30 million more every year. In 1995, NASA auditors found that most of the facilities and nearly all the necessary trained workers now exist here in Florida. Keeping the Shuttle here would save the cost of duplicate facilities, ferrying Shuttles across the country and back, and sending employees to California to help with the work. Why has nothing changed? Florida Republican Congressman Dave Weldon claims the Clinton administration kept the arrangement going in California to protect jobs and win votes.

REP. DAVE WELDON, (R) FLORIDA

I think this is the kind of thing that is very frustrating for taxpayers to see money being wasted for political purposes.

JOHN MARTIN

(VO) But California Congressman Buck McKeon, also a Republican, says it's not politics but competence that keeps the work in his district.

REP. BUCK MCKEON, (R) CALIFORNIA

I would back NASA in their decision to keep it in Palmdale, based on what they said is the best for the program.

JOHN MARTIN

(on camera) So if NASA said it's better to do it in Florida, you would go along with that?

BUCK MCKEON

I would consider it.

JOHN MARTIN

(VO) For the moment, NASA is sticking with California, claiming it will send Atlantis there in October for special work. From then on, it says, it will decide on a case - by - case basis. But the inspector general says the case should be open and shut. Doing the work in Florida would save, over the final 16 years of the program, a total of \$480 million federal tax dollars. It's "Your Money." **JOHN MARTIN**, ABC News, Washington.

PETER JENNINGS

On Wall Street today ...

(VO) ... the Dow Jones Industrials lost nearly seven points to close 6806. On the NASDAQ market, stocks lost more than three points.

Graphics: Dow Jones 15 - day Trend

Change: Down 6.93

Close: 6806.16

Volume: 463,576,210

NASDAQ 15 - day Trend

Change: Down 3.80

Close: 1376.05

Volume: 537,110,760

(on camera) Sometimes on Monday, we are a little uncertain what you've seen and heard over the weekend and what you've missed. Just in case you missed this.

SPORTS ANNOUNCER

Ladies and gentlemen, please don't leave your seats!

PETER JENNINGS

(VO) Lance Alstodt, who's a 26 - year - old New York banker, worked all last week on his place kicking. After all, there was a million - dollar prize on the line from the Hershey Chocolate Company if he could kick just one field goal under all that pressure from 35 yards. It was clearly the highlight of the Pro Bowl in Hawaii.

SPORTS ANNOUNCER

And the kick is -- good! All right, Lance!

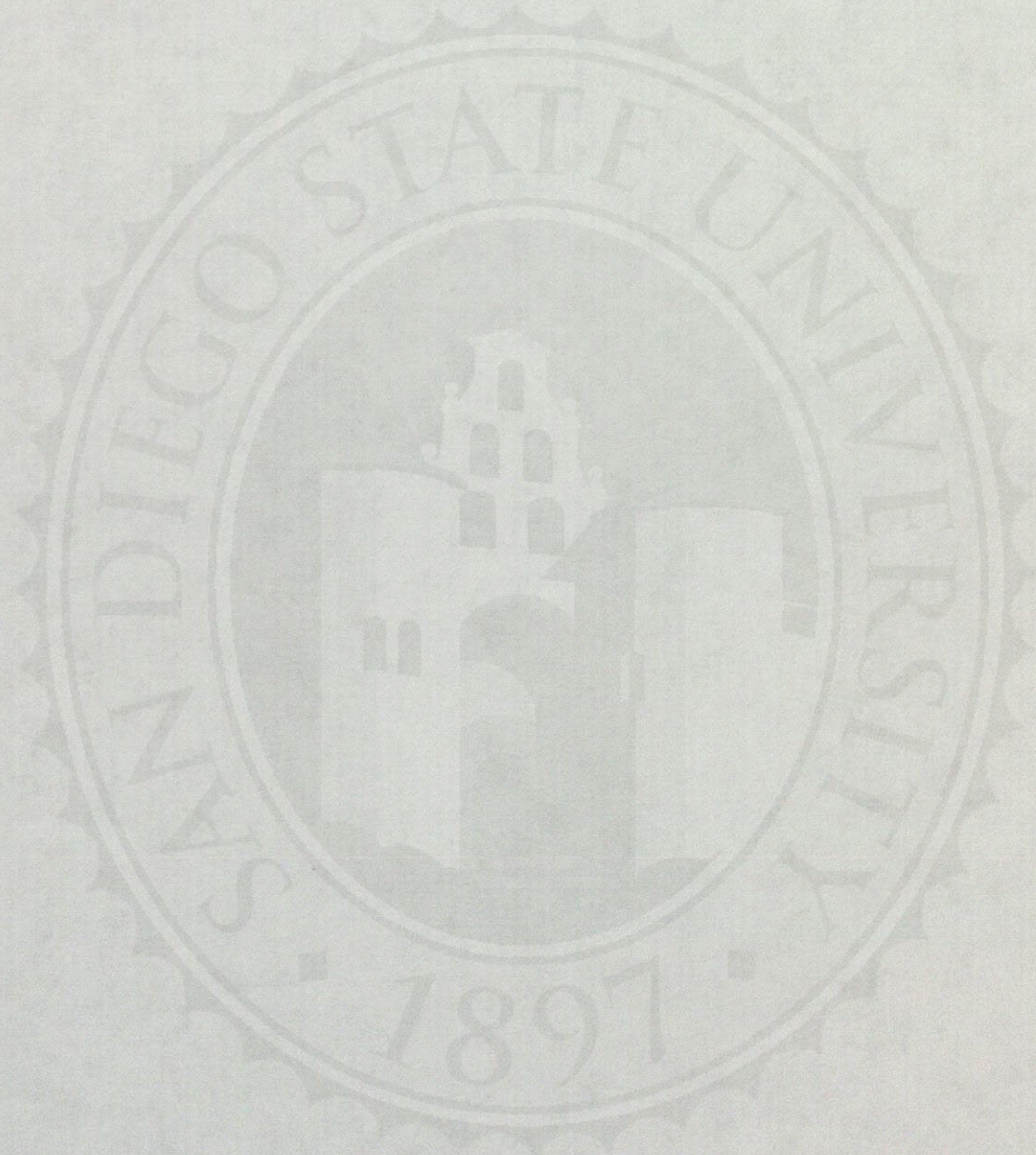
PETER JENNINGS

(VO) Every man's dream.

(on camera) By the way, last year's kicker who missed -- he got \$5,000 as a consolation prize. He and his wife used it to have fertility treatments. She's going to have triplets.

Back in just a moment.

(Commercial Break)



Document ID: WNT19970210
Library: NEWS-NY
Asset Type: Transcript
Air Date: 1997-02-10

----- Segment Number: 7 -----

Story Name: YOUR MONEY FEDERAL TAX DOLLARS KEEP SMALL COLLEGE TRAIN UP AND RUNNING
Air Date: 1997-02-10
Start Time: 00:00:00
End Time: 00:00:00
Run Time: 00:00:00
Anchor: PETER JENNINGS, NEW YORK, NY USA
Correspondent: JOHN MARTIN, MORGANTOWN WV
Content:

PETER JENNINGS

Just before our final story tonight, a brief review of the lead. The OJ Simpson story has added enormous punitive damages to the money that they ordered last week. Totalling everything up, Simpson is ordered to pay \$33.5 million by this jury. The jurors will talk to Ted Koppel later this evening on Nightline. Finally from us, "Your Money" and the little engine that couldn't. The whole railroad, actually. But it's a very small one which has been running for 25 years. Considering how few people it serves, the big question is why so much of your money is keeping it in business. Here's ABC's **JOHN MARTIN**.

JOHN MARTIN, ABC NEWS

(VO) The cars look like toys, but they once cost \$126 million of your federal tax dollars. That was 25 years ago when this transit system was built at the University of West Virginia as a demonstration project for the rest of the country. The university and the town love it, but nobody else ever copied it, not one of the engineers who came from around the globe to see it. That's because it is too complicated and expensive to operate. It uses 71 cars to cover only 3.3 miles at a cost to students and the state of \$3 million a year.

But despite the fact that it turned out to be a white elephant, the federal government is not finished putting money into it.

(on camera) Now, thanks to the influence in Congress of West Virginia's powerful Senator Robert Byrd, you're about to spent \$4.2 million more to buy new computer controls for this system.

(VO) Since this clearly benefits no one but the students, you might ask why can't the university pay for this?

STEPHEN SHOWERS, WEST VIRGINIA UNIVERSITY

Well, essentially, West Virginia University is a relatively low - cost institution. We take great pride in keeping student fee costs as low as possible.

JOHN MARTIN

(VO) We asked a watchdog group, Taxpayers For Common Sense, whether this makes sense. Its director says the federal budget is riddled with such nonsense.

RALPH DEGENNARO, TAXPAYERS FOR COMMON SENSE

You couldn't count how many projects there are like this. If you went through those appropriations bills with a fine - tooth comb, there's dozens and hundreds of projects just like this. And each one is just a nibble, but they're eating the taxpayers out of house and home.

JOHN MARTIN

(VO) In this case, Congress ate quietly. Last summer, in just 53 words in the Transportation Appropriations Bill, it spent \$4.2 million more on a system that hasn't been going anywhere for 25 years. It's "Your Money." **JOHN MARTIN, ABC News, Morgantown, West Virginia.**

PETER JENNINGS

And that is our report on World News Tonight. Nightline later. I'm Peter Jennings. Hope we'll see you tomorrow. Have a good evening, and good night.

----- Segment Number: 5 -----

Story Name: YOUR MONEY FOOD STAMP PROGRAM TARGET FOR CHEATERS

Air Date: 1997-02-17

Start Time: 00:00:00

End Time: 00:00:00

Run Time: 00:00:00

Anchor: FORREST SAWYER, NEW YORK, NY USA

Correspondent: JOHN MARTIN, ATLANTA, GA

Content:

FORREST SAWYER

For our report on how the government spends "Your Money" tonight, we're going to look at a program that costs taxpayers \$24 billion a year. Millions of needy Americans depend on food stamps to survive. But a program that size makes it a very large target for those looking to cheat the system. Here's ABC's **JOHN MARTIN**.

JOHN MARTIN, ABC NEWS

(VO) This is a crime in progress -- a store clerk in Stockton, California, illegally buying food stamps from an undercover federal agent. Government food stamps are supposed to be exchanged for groceries and other staples. But sometimes recipients sell them illegally to stores at 50 cents or less on the dollar. The stores then redeem them for cash at full value.

This clerk was caught and prosecuted. But thousands of other unscrupulous owners and clerks drain hundreds of millions of dollars from the program every year and get away with it.

The Department of Agriculture has had difficulty policing suspicious operations. In a 1995 survey of 5,000 stores in six states authorized to redeem stamps, the department's inspector general identified 1,300 places with virtually no qualifications to accept them.

Like this one -- it sold liquor, money orders, bus tokens and only snack foods. This store was authorized to accept food stamps, even though inspectors found it sold only clothing.

(on camera) This Atlanta barber shop used to house something called Liz's Grocery. It was in operation only about six months, but the owner continued to use her USDA authorization to redeem food stamps for 19 months and got away with nearly \$1 million.

(VO) The grocery store owner, Elizabeth Renee **MARTIN**, is now a fugitive. She was caught and convicted of food stamp trafficking but fled before she could be sentenced. Officials say four cents of every food stamp dollar is lost to this kind of fraud. The USDA admits it has major problems watching the 200,000 stores in the program.

YVETTE JACKSON, USDA FOOD STAMP PROGRAM

We do have a small number of investigators that work for the Food and Consumer Service.

JOHN MARTIN

(on camera) How many?

YVETTE JACKSON

But their efforts -- about 48 investigators.

JOHN MARTIN

For the whole country?

YVETTE JACKSON

For the whole country.

JOHN MARTIN

(VO) Congress has given the USDA \$4 million to hire contractors to inspect more stores. But it will take time to stem the tide of fraud. This clerk got caught and paid a fine. But the ones who got away last year stole nearly \$1 billion. It's "Your Money." **JOHN MARTIN**, ABC News, Atlanta.

FORREST SAWYER

A government program that is working quite well -- a spectacular scene in space today.

(VO) Two astronauts from the Space Shuttle Discovery finished installing new equipment onboard the Hubble Space Telescope this morning. Now, they're going to do one more space walk tonight to repair some of the Hubble's torn and peeling skin. Take a look at it right there. You can see the problem.

The astronauts hooked up to the Shuttle's robot arm. And in the background, covered with clouds, that is the earth. A little understatement today from astronaut Joe Tanner, who said, "I'm glad I'm not too afraid of heights."

(on camera) When we come back, the most accomplished adventurers ...

(VO) ... of their age, or were they?

(Commercial Break)

----- Segment Number: 5 -----

Story Name: YOUR MONEY SHOULD GOVERNMENT KEEP SPECIAL MEDICAL TEAM?

Air Date: 1997-03-03

Start Time: 00:00:00

End Time: 00:00:00

Run Time: 00:00:00

Anchor: PETER JENNINGS, NEW YORK, NY USA

Correspondent: JOHN MARTIN, WASHINGTON, DC USA

Content: PETER JENNINGS

The high cost of health care is the focus of our report tonight on how the government spends "Your Money." The question is how many doctors should be on the government payroll? And whether a medical team formed more than a century ago should still be in business today. Here's ABC's **JOHN MARTIN**.

JOHN MARTIN, ABC NEWS

(VO) They wear the uniform of the United States, but they're not in the armed forces. They're officers in the commissioned corps of the Public Health Service. The corps was formed in 1872 to treat merchant sailors.

This 1936 film dramatized its quarantine duty.

FILM NARRATOR

This patient is suffering from typhus fever.

JOHN MARTIN

(VO) The corps helped out in both world wars but hasn't been near a battlefield in 45 years. Today, its 6,000 doctors, nurses and others spend most of their time out of uniform, working in places like Indian reservations and prisons.

But some in Congress say the corps is unnecessarily expensive.

REP. LAMAR SMITH, (R) TEXAS

Let's phase them out, save the taxpayer money. Let other individuals do those same jobs but at least expense.

JOHN MARTIN

(on camera) What concerns Congressman Smith and others is that members of the corps receive the same kind of benefits and allowances for housing, medical care and retirement as officers in the military. The General Accounting Office estimates that each year, this amounts to about \$130 million more than civilians would earn.

(VO) And the Public Health Service has 18,000 civilian doctors and health professionals who already do the same work as the uniformed corps. Writing in the Washington Times, former surgeon general C. Everett Koop disputes the GAO savings and insists the corps deserves higher status because some members contribute to medical policy and research.

The corps says it can be sent quickly to disasters or remote assignments. Opponents answer that civilian professionals already perform all these jobs. Still, Dr. Philip Lee, just retired as the top official at the Public Health Service, says recruiting would suffer without the extra benefits.

DR. PHILIP LEE, FORMER ASSISTANT SECRETARY FOR HEALTH

I still believe that the commissioned corps is a very valuable part of the department's personnel system.

JOHN MARTIN

(on camera) And you couldn't do it with just civilians?

DR. PHILIP LEE

Well, I don't know that you couldn't do it. I think that would be -- I would be overstating if I said you couldn't do it.

JOHN MARTIN

(VO) But Congressman Smith is convinced civilians could and should replace the corps.

LAMAR SMITH

You can't justify the commission corps on the basis of merits or on the basis of the job they do or any other reasons.

JOHN MARTIN

(VO) Smith says he may offer a plan as soon as this month to slowly phase out the uniformed service and save those \$130 million federal tax dollars each year. It's "Your Money." **JOHN MARTIN, ABC News, Washington.**

PETER JENNINGS

Two international items of interest -- at the White House today, Palestinian president Yasser Arafat ...

(VO) ... and President Clinton discussed the Israeli decision last week to build a new Jewish settlement in East Jerusalem, which the Palestinians consider the capital of any future Palestinian state.

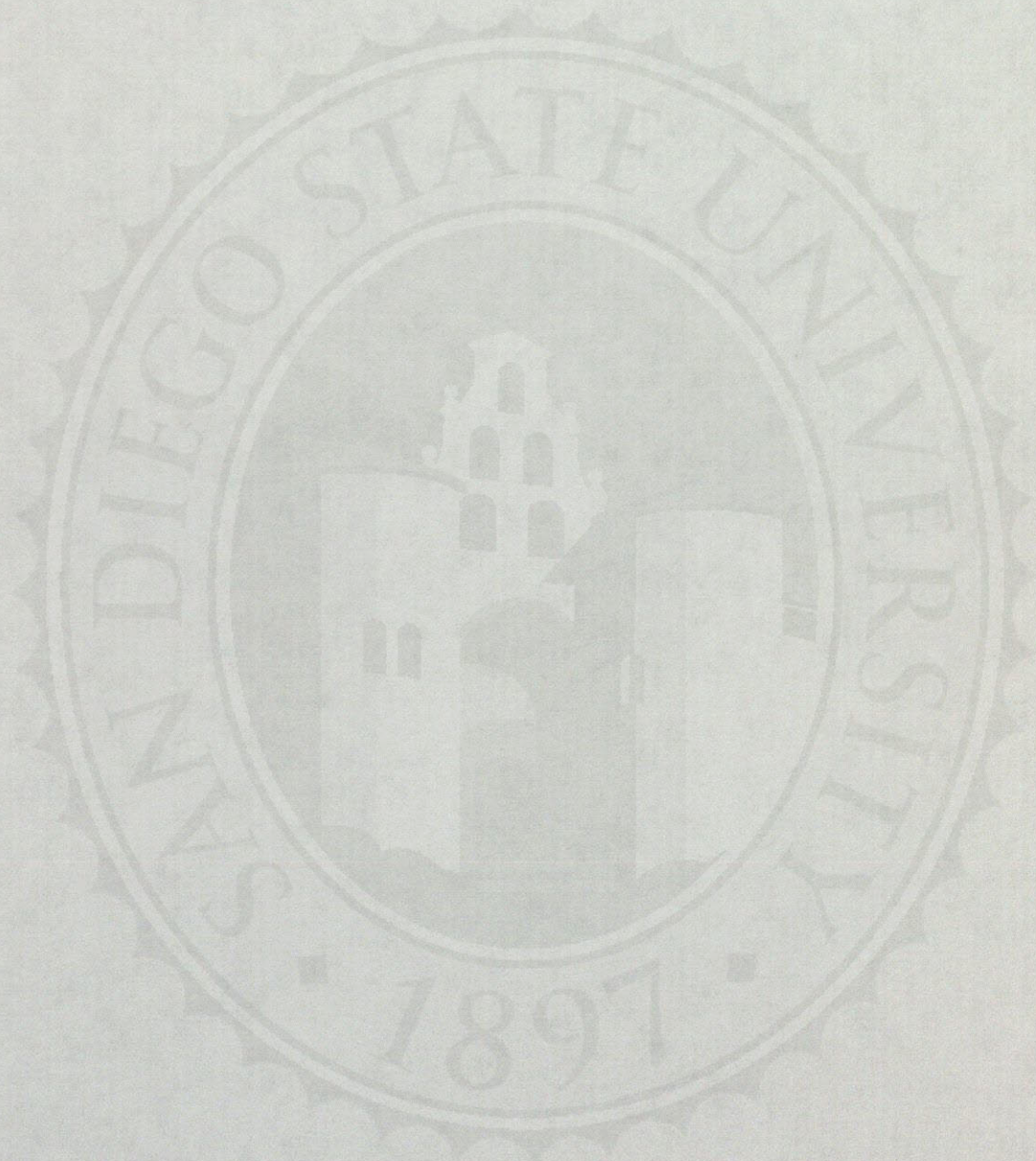
Mr. Clinton ...

(on camera) ... criticized the Israeli decision, saying that he thought it built mistrust.

And Jordan's King Hussein, it turns out, was so moved ...

(VO) ... during a visit to an orphanage last week and so appalled by

the miserable conditions that he ordered the place to be shut down. And as the palace in Jordan tells us, after a couple of sleepless nights, the king thought of a new home for the orphans - the Hashamiyeh Palace -- another palace built for his first wife, which is now a guest house for dignitaries. The orphans will move in. (on camera) When we come back tonight, the Pentagon's secret plane . (VO) ... and a secret plan to free the American hostages in Iran 16 years ago.
(Commercial Break)



Document ID: WNT19970310
Library: NEWS-NY
Asset Type: Transcript
Air Date: 1997-03-10

----- Segment Number: 6 -----

Story Name: YOUR MONEY SALVAGING SUNKEN NOAA'S ARK WORTH \$1 MILLION?

Air Date: 1997-03-10

Start Time: 00:00:00

End Time: 00:00:00

Run Time: 00:00:00

Anchor: PETER JENNINGS, NEW YORK, NY USA

Correspondent: JOHN MARTIN, MUSKEGON, MI

Content: PETER JENNINGS

Just before our last story tonight, a brief review of the lead. The FBI says it alerted White House aides last year that the government of China might be trying to influence congressional elections. President Clinton says he was never informed. Finally this evening, "Your Money" and the case of the sunken ship. The ship belongs to the National Oceanic and Atmospheric Administration, whose scientists monitor the weather, the oceans and inland waters as well. In his report on how the government spends your money, ABC's JOHN MARTIN tonight on the research vessel, the Halcyon.

JOHN MARTIN, ABC NEWS

(VO) The Halcyon was supposed to study the Great Lakes, not sit at the bottom of one. But there it was, under water at the dock where it was moored on Lake Michigan - a mysterious loss that had townspeople scratching their heads.

FRED WILDER (PH), RETIRED NAVY PILOT

Sinks all by its lonesome, and I just felt something's wrong.

JOHN MARTIN

(VO) Retired Navy pilot Fred Wilder lives nearby. And when he read about what happened to the Halcyon, he wrote us a letter.

FRED WILDER

I realize that this story does not involve the millions of tax dollars that I see you explain from time to time, but once again, the taxpayer is taken.

JOHN MARTIN

(on camera) When they got Halcyon to the surface here, they discovered a series of flaws and mistakes that will cost taxpayers \$1 million or more.

(VO) Documents show the Army Corps of Engineers bought Halcyon in 1988 for \$1.8 million, even though the shipyard had used heavier materials than the boat was designed to carry. Later, workers later installed anti - corrosion plates that left tiny holes, allowing water to seep in. The Corps says it didn't know this when it gave the vessel to National Oceanic and Atmospheric Administration at no cost in 1995.

NOAA's crew apparently didn't realize it either. They stashed heavy drums on deck pushing the stern deeper into the water. Bilge pumps didn't help. They'd been turned off. The documents were obtained by Jeff Alexander, a reporter for the Muskegon Chronicle. One was by an investigator who found numerous holes in all watertight bulk heads.

JEFF ALEXANDER, REPORTER

He said the ship had a total lack of watertight integrity. An accident waiting to happen, a shipwreck waiting to happen.

JOHN MARTIN

(VO) A shipwreck, the paper complained, that might have cost lives. So who's to blame?

DAVID KOLB, EDITORIAL PAGE EDITOR

I think the taxpayers of this country would like to know. But it's - - somebody should own up to it. It's ridiculous.

JOHN MARTIN

(VO) But here at its Great Lakes laboratory, NOAA ordered researchers not to talk to us until a study is complete. Today, the Halcyon sits high and dry while the agency decides what to do. To salvage NOAA's ark would cost more than \$1 million federal tax dollars.

(on camera) How does it make you feel to see a, maybe \$1 million to go down the ...

FRED WILDER

Very sad. Very sad. To the average taxpayer, that is one heck of a chunk of cash.

JOHN MARTIN

(VO) And what if Halcyon can't be repaired and NOAA has to buy a new vessel? That would cost \$4 million. It's "Your Money." JOHN MARTIN, ABC News, Muskegon, Michigan.

PETER JENNINGS

And that is our report on World News Tonight. Later this evening on Nightline -- the dilemma over air bags. They were designed to save lives, so why are they killing people?

I'm Peter Jennings. I hope you'll join us tomorrow. Have a good

Document ID: WNT19970312
Library: NEWS-NY
Asset Type: Transcript
Air Date: 1997-03-12

----- Segment Number: 3 -----

Story Name: CLINTON PUTS PRICE TAG ON TRANSIT IMPROVEMENTS PRESIDENT PROPOSES SPENDING \$174 BILLION
Air Date: 1997-03-12
Start Time: 00:00:00
End Time: 00:00:00
Run Time: 00:00:00

Anchor: PETER JENNINGS, NEW YORK, NY USA
Correspondent: JOHN MARTIN, WASHINGTON, DC USA

Content: PETER JENNINGS

In Washington today, the nation's infrastructure was on the President's agenda. President Clinton has now put a price tag on what he thinks it will cost to improve the nation's highways, bridges and the transit systems. Here's ABC's **JOHN MARTIN**.

JOHN MARTIN, ABC NEWS

(VO) The President wants to spend \$174 billion over the next six years improving and building highways, bridges, rail systems and tunnels.

PRES. BILL CLINTON

It will create tens of thousands of jobs for our people, help move people from welfare to work, protect our air and water and improve our highway safety.

JOHN MARTIN

(VO) One feature would also allow some states to charge tolls on interstate highways for the first time. Some drivers may see this as double taxation, since they already pay federal taxes to finance the interstate system. But transportation officials said they expect only a few states to levy tolls and that those tolls would be used only on road projects.

The President's proposal also returns to each state at least 90 percent of transportation taxes it pays to the Federal Highway Trust Fund. Some members of Congress have been asking for at least 95 percent, complaining that a few powerful members hog more than their share of the money.

One senator accused by other members of doing just that -- Robert Byrd of West Virginia -- will be pleased with one feature of the plan. An additional \$2.1 billion will go to his Appalachian region. (on camera) Is that at Senator Byrd's request?

MORTIMER DOWNEY, DEPUTY SECRETARY OF TRANSPORTATION

No. Senator Byrd had shown interest in that. But, in fact, it's an administration proposal.

JOHN MARTIN

(on camera) The plan now goes to Congress, which is notorious for slicing the transportation pie in its own special way. The question now is how much more will Congress want to spend than the President has asked for. **JOHN MARTIN**, ABC News, Washington.

PETER JENNINGS

Some other news around the nation today.

(VO) Flooding, for a change, not in the Ohio Valley. More than five inches of rain fell across southeast Texas today. They also get the nation's sympathy. In Houston, a small hospital had to be evacuated. There were hundreds of stalled cars, but there are no reports there of serious injury.

In Detroit today, a guard at the bank where a gunman went on a rampage yesterday was found today hiding in the basement. The guard said that the last thing she remembered was the suspect putting a gun to her head. Police say she was not hurt -- despite what you see there. But she was certainly frightened and has been admitted to the hospital anyway. Three other people yesterday were killed.

On Wall Street today, the Dow Jones Industrials lost about 45 points to close at 7039. On the NASDAQ market, stocks lost 12.5 points.

Graphics: Dow Jones 15 - day Trend

Change: Down 45.79

Close: 7039.37

Volume: 483,124,980

NASDAQ 15 - day Trend

Change: Down 12.63

Close: 1304.13

Volume: 564,248,676

(on camera) In our next segment, we're going to go back to Washington to listen to the fight over drugs and Mexico.

(Commercial Break)

Document ID: WNT19970317
Library: NEWS-NY
Asset Type: Transcript
Air Date: 1997-03-17

----- Segment Number: 6 -----

Story Name: YOUR MONEY CENSUS BUREAU'S EXPENSIVE PLAN FOR ACCURATE COUNT

Air Date: 1997-03-17

Start Time: 00:00:00

End Time: 00:00:00

Run Time: 00:00:00

Anchor: FORREST SAWYER, NEW YORK, NY USA

Correspondent: JOHN MARTIN, WASHINGTON, DC USA

Content: FORREST SAWYER

It is Monday night, time for our report on how the government is using "Your Money." Tonight, a new program by the Census Bureau to get a more accurate head count of Americans. Billions of dollars in federal funds are at stake, so the government wants to get it right. And they have come up with a very expensive way of trying to make it happen. Here's ABC's JOHN MARTIN.

JOHN MARTIN, ABC NEWS

(VO) In 1990, using thousands of field workers, the Census Bureau claimed it counted just about everyone in America.

MICHAEL DARBY, UNDERSECRETARY OF COMMERCE

I believe that we have seen here a full, fair and efficient census.

JOHN MARTIN

(VO) But it wasn't. The 1990 census cost \$3 billion, the most in history, yet missed nearly 10 million people and double counted four million others. That means that when the government hands out money based on population, communities can lose millions of dollars for everything from police to schools.

(on camera) So what is the government doing to make the next count more accurate? Some pretty risky things, according to the General Accounting Office. In fact, the GAO has labeled the census a high - risk program, meaning there is a high risk it will waste a lot of your money.

TELEVISION AD

The US Census isn't just a population count.

JOHN MARTIN

(VO) Perhaps the biggest risk is a television ad campaign urging people to return their census forms. In 1990, the Census Bureau used public service announcements, which TV stations ran for free, but not at any particular time.

Now, it wants to pay the stations 100 million federal tax dollars to run ads at specific times. It says this will reach more people at less cost because it won't have to hire as many field workers.

MARTHA FARNSWORTH RICKE, DIRECTOR, CENSUS BUREAU

If we can get you to respond, you cost \$2. If we have to go to your house, you cost us \$12. That's assuming you're there the first time.

JOHN MARTIN

(VO) But the GAO isn't sure TV ads can persuade millions of people to respond, especially those who mistrust government or insist on their privacy.

NYE STEVENS, GENERAL ACCOUNTING OFFICE

I would have to say that the bureau and the government in general has very little experience with paid advertising.

JOHN MARTIN

(on camera) From your reading of it, is there any evidence that this is likely to work?

NYE STEVENS

Not yet. As I say, it's untested.

JOHN MARTIN

(VO) Even in the ad world, the idea raises eyebrows.

IRA TEINOWITZ, ADVERTISING AGE MAGAZINE

It is a risk. And you just have to see what's going to happen.

JOHN MARTIN

(VO) Congress has begun hearings on the census and is aware that if the ad plan doesn't work, the government could waste 100 million federal tax dollars. It's "Your Money." JOHN MARTIN, ABC News, Washington.

FORREST SAWYER

One bit of business news today -- on Wall Street, the Dow Jones Industrial gained 20 points to close at 6955. On the NASDAQ market, stocks lost more than 13 points.

Graphics: Dow Jones 15 - day Trend

Change: Down 20.02

Close: 6955.48

Volume: 494,430,120

NASDAQ 15 - day Trend

Change: Down 13.54

Close: 1279.43

Volume: 580,839,080

(on camera) When we come back, finishing the famous flight that

----- Segment Number: 5 -----

Story Name: SOME CALIFORNIANS BLOCK FEDERAL FUNDS AFTER QUAKE FEMA TO TAKE BACK MONEY FOR BOTTLE VILLA

Air Date: 1997-03-24

Start Time: 00:00:00

End Time: 00:00:00

Run Time: 00:00:00

Anchor: PETER JENNINGS, NEW YORK, NY USA

Correspondent: JOHN MARTIN, SIMI VALLEY, CA

Content: PETER JENNINGS

Another Monday, another opportunity to check on how the government is spending "Your Money." Tonight, an unusual story about some Californians who actually blocked some federal funds for their community. All the more unusual because it happened after an earthquake when people seem to need government assistance more than ever. Any rate, here's ABC's JOHN MARTIN.

JOHN MARTIN, ABC NEWS

(VO) The 1994 Northridge earthquake set off fires and floods and destroyed thousands of homes and structures. The Federal Emergency Management Agency received 35,000 requests for money.

Today, some families are still waiting, their homes still not repaired. Yet FEMA did approve funds to restore something called Bottle Village in Simi Valley -- a bizarre mix of doll heads and rooms made largely with discarded beer and wine containers collected by an eccentric artist known as Grandma Prisbrey (ph) who died in 1988. FEMA granted \$455,000 to pay for it.

(on camera) Bottle Village has supporters. But to many townspeople here, this is not folk art, it's damaged junk. They want it bulldozed rather than rebuilt, and they can't believe the government would consider spending nearly half a million dollars to restore it before fixing damaged homes and public buildings.

EDNA BAUER, SIMI VALLEY RESIDENT

What's the point? What's the point of keeping this heap of junk?

JOHN MARTIN

(VO) At first, FEMA told us it had no choice.

MORRIE GOODMAN, FEMA

If it's eligible, it's funded. If people don't like the fact that it's eligible, then they need to try and change that.

JOHN MARTIN

(VO) That's what residents decided to do, calling their congressman, Elton Gallegly, who pointed out to FEMA that the city had condemned and closed the property for structural damage 10 years before the quake.

REP ELTON GALLEGLY, (R) CALIFORNIA

We have families suffering across this nation, and to me, Federal Emergency Management is to provide federal emergency management, not to rebuild what most people didn't want to start with.

JOHN MARTIN

(VO) It took three months from the time the congressman complained, but FEMA finally canceled the grant 10 days ago, saying it had discovered a technicality -- the fact that the village had been closed, which made it ineligible for funds.

MORRIE GOODMAN

The Congressman did step in at a time -- and it's a good thing that he did because if he hadn't stepped in, there is a slight chance that this project could have slipped through.

JOHN MARTIN

(VO) In fact, if citizens and the congressman hadn't stepped in, there was every chance the project would have slipped through. FEMA had already sent out the first \$18,000, which it says it will now try to recover. What's the lesson for this congressman?

ELTON GALLEGLY

Well, you know, every once in a while, it shows you can make a difference.

JOHN MARTIN

(VO) In this case, the difference is nearly half a million federal tax dollars. It's "Your Money." JOHN MARTIN, ABC News, Simi Valley, California.

PETER JENNINGS

On Wall Street today, the Dow Jones Industrials gained more than 100 points to close at 6905. On the NASDAQ market, stocks lost about 11 points.

Graphics: Dow Jones 15 - day Trend

Change: Up 100.46

Close: 6905.25

Volume: 442,145,450

NASDAQ 15 - day Trend

Change: Down 11.43

Close: 1242.64

----- Segment Number: 4 -----

Story Name: YOUR MONEY THE STAGGERING COSTS OF INDEPENDENT INVESTIGATIONS

Air Date: 1997-03-31

Start Time: 00:00:00

End Time: 00:00:00

Run Time: 00:00:00

Anchor: PETER JENNINGS, NEW YORK, NY USA

Correspondent: JOHN MARTIN, WASHINGTON, DC USA

Content: PETER JENNINGS

Our Monday report about your tax dollars tonight looks into the staggering cost of investigating potential wrongdoing in high places. Over the years there have been nearly two dozen independent counsels looking into possible misdeeds in the executive branch. And today, the General Accounting Office has told us how much they are costing the taxpayer. Here is ABC's JOHN MARTIN.

JOHN MARTIN, ABC NEWS

(VO) They are legal lions conducting monumental investigations -- Leon Jaworski looking into Watergate, Lawrence Walsh looking into Iran/Contra, Kenneth Starr looking into Whitewater. But today's GAO report shows that many cases are far from monumental, and the time and money spent on them are far from inconsequential. Example -- the investigation of whether former agriculture secretary Mike Espy repaid corporate favors worth perhaps a few thousand dollars. On the day Espy resigned, independent counsel Donald Smaltz told ABC News ...

DONALD SMALTZ, INDEPENDENT COUNSEL

I would hope to have my investigation completed in under a year.

JOHN MARTIN

(VO) But that was 2 1/2 years ago, and so far, Smaltz has spent \$6.6 million. To find out how much former housing secretary Henry Cisneros spent on his mistress before he took office -- \$10,000 or \$60,000 -- independent counsel David Barrett has spent \$2.1 million, nearly two years, and still isn't finished. Mark Levin, a former Justice Department officer, says regular federal prosecutors looking into a case like this would have found a way to finish a lot sooner.

MARK LEVIN, FORMER JUSTICE DEPARTMENT OFFICER

You're not going to spend two to three years and \$1 million trying to figure out whether Cisneros lied about \$50,000. You're not going to do it.

JOHN MARTIN

(VO) Former independent counsel Joseph DiGenova and his staff spent three years and \$2.8 million before announcing they had cleared Bush administration officials of improperly searching Bill Clinton's passport file. He says the independent counsel law covers too many people in the executive branch.

JOSEPH DIGENOVA, FORMER INDEPENDENT COUNSEL

There's probably been several millions of dollars that have been wasted. It might be more than several millions.

JOHN MARTIN

(on camera) Two former independent counsels who didn't want to be quoted by name said they were astonished at the cost of these lesser investigations. One called the expenses "disgraceful."

(VO) Even the law's defenders in Congress concede there are excesses.

(on camera) Why should the taxpayer be willing to pay so much for so little?

SEN CARL LEVIN, (D) MICHIGAN

Public confidence is so important that it is worth expending some money to achieve it. The problem is that some of these independent counsels just go on and on and on.

JOHN MARTIN

(VO) And on. Today's report shows that over the years, for the worthwhile and the wasteful, 21 legal lions, large and small, have spent more than \$132 million. It's "Your Money." JOHN MARTIN, ABC News, Washington.

PETER JENNINGS

We want, by the way, to clarify something JOHN MARTIN reported last week. In his story about how the government decided against granting earthquake relief to the so - called Bottle Village in Simi Valley, California, he said other victims of the earthquake three years ago had not received their federal money. Not correct. They have. In news from around the world today ...

(VO) ... the Israelis, as expected, demolished the West Bank town of Palestinian terrorist who killed himself and three Israeli women in that bomb attack a week ago in Tel Aviv. Any bomber would have known that his family -- in this case, wife and four children -- would pay at least this price. It's Israeli policy.

----- Segment Number: 5 -----

Story Name: HUGE COST OF INDEPENDENT COUNSELS INVESTIGATIONS 21 INDEPENDENT COUNSELS HAVE SPENT \$132
Air Date: 1997-04-01
Start Time: 00:00:00
End Time: 00:00:00
Run Time: 00:00:00

Anchor: MARK MULLEN, NEW YORK, NY USA
Correspondent: JOHN MARTIN, WASHINGTON, DC USA

Content: MARK MULLEN

In other news, the Whitewater investigation has been costing American taxpayers close to \$1 million every month. Congress General Accounting Office says the independent counsel spent \$5 million over a six - month period and that is just part of what such investigations cost. ABC's **JOHN MARTIN** has more on the government's big ticket probes.

JOHN MARTIN, ABC NEWS

(VO) They are legal lions conducting monumental investigations -- Leon Jaworski, looking into Watergate, Lawrence Walsh, looking into Iran - Contra, Kenneth Starr, looking into Whitewater. But many cases are far from monumental and the time and money spent on them are far from inconsequential.

Example -- the investigation of whether former agriculture secretary Mike Espy repaid corporate favors worth perhaps a few thousand dollars. On the day Espy resigned, independent counsel Donald Smaltz told ABC News ...

DONALD SMALTZ, INDEPENDENT COUNSEL

I would hope to have my investigation completed in under a year.

JOHN MARTIN

(VO) But that was 2 1/2 years ago, and so far, Smaltz has spent \$6.6 million. To find out how much former housing secretary Henry Cisneros spent on his mistress before he took office -- \$10,000 or \$60,000 -- independent counsel David Barrett has spent \$2.1 million, nearly two years, and still isn't finished. Former independent counsel Joseph DiGenova and his staff spent three years and \$2.8 million before announcing they had cleared Bush administration officials of improperly searching Bill Clinton's passport file. Even the law's defenders in Congress concede there are excesses.

SEN CARL LEVIN, (D) MICHIGAN

Some of these independent counsels just go on and on and on.

JOHN MARTIN

(VO) And on. Over the years, for the worthwhile and the wasteful, 21 legal lions, large and small, have spent more than \$132 million.
JOHN MARTIN, ABC News, Washington.

MARK MULLEN

Now here's a look at some of the events making news in the day ahead. Lawyers for accused Unabomber Theodore Kaczynski will be in court in Sacramento. They are seeking information on other potential suspects who they say were investigated by the FBI.

President Clinton and Jordan's King Hussein will discuss Mideast peace problems during a meeting at the White House.

And secretary of state Madeleine Albright will be in Baltimore to help open the major league baseball season. She'll toss out the first ball at the game between the Orioles and the Royals.

Tonight on World News Tonight -- it is revolutionary and it is going to change the way we all use the telephone. See and hear your future, on ABC News World News Tonight with Peter Jennings.

More news this morning coming up next.

ANNOUNCER

You know the odds of celebrating 50 years of marriage? It's no April Fools' joke. Next.

(Commercial Break)

Document ID: WNT19970402
Library: NEWS-NY
Asset Type: Transcript
Air Date: 1997-04-02

----- Segment Number: 4 -----

Story Name: YOUR MONEY SHOULD TV STATIONS AUCTION FREQUENCIES FOR FUNDS?

Air Date: 1997-04-02

Start Time: 00:00:00

End Time: 00:00:00

Run Time: 00:00:00

Anchor: PETER JENNINGS, NEW YORK, NY USA

Correspondent: JOHN MARTIN, WASHINGTON, DC USA

Content: PETER JENNINGS

In Washington, the government is about to make a fairly controversial decision which affects the television industry and which will certainly be of interest to television viewers who are also taxpayers. We're talking about what is potentially your money. Before very long, every television station in the nation is going to need new frequencies so that viewers can get dramatically new high definition television pictures. Stations have never had to pay for the old frequencies. But auctioning off the new ones would conceivably raise billions of dollars for the Treasury. Here is ABC's **JOHN MARTIN**.

JOHN MARTIN, ABC NEWS

(VO) You can't see the difference in these pictures, but this is high definition television, still a few years away. It will be broadcast over the public airwaves. For years, broadcasters have been given the right to use the airwaves in exchange for pledges to serve the community.

But now, in his budget, President Clinton proposes that the federal government auction the frequencies carrying the new digital signals to the highest bidders and use the money to help balance the federal budget over the next several years.

By one estimate, this could be worth up to \$70 billion for the US Treasury. Today, several public interest groups complained that the broadcasters want the new frequencies for nothing.

ANN MCBRIDE, PRESIDENT, COMMON CAUSE

We know that the billions the broadcasters do not pay will ultimately fall on the shoulders of the average taxpayers.

JOAN CLAYBROOK, PRESIDENT, PUBLIC CITIZEN

It's one of the biggest corporate giveaways in all time.

JOHN MARTIN

(VO) The groups point to recent Federal Communications Commission auctions for cell phones and radio frequencies, a practice favored by the FCC chairman.

REED HUNDT, CHAIRMAN, FCC

Since 1993, we have now held 13 auctions here at the FCC, and we have raised more than \$20 billion of commitments to pay money to the Treasury. I think this is a pretty good idea.

JOHN MARTIN

(VO) But TV broadcasters say they have already invested a lot of money in the old systems and in moving to the new, as required by the government, they will need to make additional heavy investments. They say "a deal is a deal."

EDDIE FRITTS, NATIONAL ASSOCIATION OF BROADCASTERS

The government said, "We will provide to you the frequencies if you will operate in the public interest." And broadcasters are doing that, and we're living up to our end of that compact.

JOHN MARTIN

(VO) Senator **JOHN McCain** of Arizona says the industry has already won the battle by convincing most of his colleagues to side with the broadcasters.

SEN JOHN MCCAIN, (R) ARIZONA

If I were them, I would want to get it for free as well. But I don't think they should, and -- but the reality is they will.

JOHN MARTIN

(on camera) The reality is they will get it for free? You don't believe this will succeed?

JOHN MCCAIN

No, I do not. I believe they will get it for free. They are the most powerful lobby in Washington.

JOHN MARTIN

Unless there's a change of heart on Capitol Hill, which seems unlikely, there will be no auctions and no billions of dollars in new revenues. It's "Your Money." **JOHN MARTIN, ABC News, Washington.**

PETER JENNINGS

Other items from around the world today ...

(VO) ... a bus carrying Israeli troops was hit by a gasoline bomb, overturned and tumbled down a slope. It happened near a Palestinian refugee camp in the West Bank. Thirteen soldiers were injured. In Nablus, a large crowd mourned a Palestinian policeman who was shot yesterday by Israeli police. And in Gaza, a funeral for one of two

Document ID: WNT19970423
Library: NEWS-NY
Asset Type: Transcript
Air Date: 1997-04-23

----- Segment Number: 6 -----

Story Name: YOUR MONEY NEW MEDICARE COMPUTER PROJECT \$65 MILLION OVER
Air Date: 1997-04-23
Start Time: 00:00:00
End Time: 00:00:00
Run Time: 00:00:00
Anchor: PETER JENNINGS, NEW YORK, NY USA
Correspondent: JOHN MARTIN, WASHINGTON, DC USA
Content: 18:50:32

PETER JENNINGS

In Washington today, another reason to shake your fist at computers and another reason to question how the government is spending some of your money. For our regular report on the government and your tax dollars, ABC's **JOHN MARTIN** reports tonight on the computer that was supposed to bring the Medicare system right into the 21st century.

JOHN MARTIN, ABC NEWS

(VO) Government computer operators were hard at work today looking after the Medicare claims of 38 million Americans at this federal center in Baltimore. But to do the job, they used nine separate computer systems, making it difficult at times to detect fraud. A new project was supposed to reduce the systems to one, but the new system is in deep trouble. Today, House subcommittee chairman William Thomas said health agency workers had given him documents which reveal that the \$36 million Medicare Transaction System, or MTS, as it is called, is \$65.3 million over budget.

REP WILLIAM THOMAS, CHAIRMAN, HEALTH SUBCOMMITTEE

They have spent millions and millions of more dollars than they were supposed to spend without getting anything for that taxpayers' money.

JOHN MARTIN

(on camera) The agency was told it was in trouble 18 months ago. The General Accounting Office warned of a lack of management discipline. But the agency waited until just three weeks ago to announce it was stopping work to try to decide how to correct the problems.

(VO) Bruce Vladeck, the head of the Health Care Financing Administration, which is responsible for the computers, says his agency will not pay any extra money to the private contractor it hired.

BRUCE VLADECK, HEALTH CARE FINANCING ADMINISTRATION

We are looking at a range of contracting options at the moment.

JOHN MARTIN

(on camera) And they may range up to \$65 million or more, is that correct?

BRUCE VLADECK

They may.

JOHN MARTIN

(VO) Vladeck says the new system, once completed, will save enough to pay extra costs. That's his promise. But right now, that extra cost is \$65 million. It's "Your Money." **JOHN MARTIN, ABC News, Washington.**

PETER JENNINGS

On Wall Street today, the Dow Jones Industrials lost nearly 21 points to close at 6812. On the NASDAQ market, stocks gained more than 14 points.

There is an item about air bags today. There's been a lot of concern about their safety and the pressure they exert, especially affecting children. Some have been killed. Ford will announce tomorrow they're going to reduce the power of the air bags in all of their 1998 model cars.

When we come back ...

(VO) ... as the Oklahoma City bombing trial begins, a look at some of the eight lives that are central to the case.

(Commercial Break)

----- Segment Number: 14 -----

Story Name: CHILD ABUSE LEGISLATION MAKING IT EASIER FOR ABUSED KIDS TO FIND HOMES
Air Date: 1997-04-30
Start Time: 08:30:00
End Time: 00:00:00
Run Time: 00:00:00
Anchor: ELIZABETH VARGAS, NEW YORK, NY
Correspondent: JOHN MARTIN, WASHINGTON, DC
Content: 08:30:00

MARCUS SAMUELSON (PH), CHEF, AQUAVIT RESTAURANT
Good morning, America. I m Marcus Samuelson of Restaurant Aquavit. In front of me I have a great typical Swedish smorgasbord. We start with the cured salmon, we have a hot smoked salmon, princess cake, and fruit tarts. The great thing about a smorgasbord is, there s something for every one. What could be a better way to taste your way through Scandinavia? Good morning, America. Wake up! Time to eat.

JOAN LUNDEN, HOST
And a good morning to Chef Marcus Samuelson of the Aquavit Restaurant here in New York, and we re looking forward to the culinary and cultural delights of Scandinavia when we begin our special series, Passport to Europe: Lands of the Midnight Sun. And we begin in Copenhagen at Denmark on May 12.

CHARLES GIBSON, HOST
Does that mean we re going to eat our way right across Scandinavia?
JOAN LUNDEN
Absolutely.

CHARLES GIBSON
With the smorgasbord? Anyway, in this half hour, I ll tell you what we got coming up. Number one, we continue our home improvement series, Bari Lynn here with some colorful tiles that you can use to make the kitchen or the bathroom look a little bit more festive.

JOAN LUNDEN
Also, the -- a really nice story, there s a little boy, he s 10 years old, and he s very, very sick, he has cystic fibrosis, and he needs a lung transplant, so the mom and his grandmother are both going to donate parts of their lung, and they re awaiting the surgery. So we ll be talking to all three of them.

CHARLES GIBSON
And Joely Fisher is going to be here. She is one of the cast members of the program Ellen, that episode of Ellen is going to air tonight, and we wanted to talk to her about what it was like to make it. But let s get the rest of the morning s news from Elizabeth Vargas. Elizabeth?

ELIZABETH VARGAS, ABC NEWS
All right, thanks so much, Charlie. Good morning again, everybody. There are few stories that can cut at the heart like those of abused and neglected children. Today, Congress is considering legislation that would make it easier to help those children find nurturing homes. ABC s JOHN MARTIN has one family story.

JOHN MARTIN, ABC NEWS
(VO) Jim Williams three adopted sons were once his foster children, three young boys severely abused and abandoned nearly five years ago by their mother, according to court records. To adopt JOHN, David, and Clifford, Williams and his wife, Pam, faced more than two years of court hearings and a series of visits by the boy s mother, visits sponsored by authorities trying to be certain she no longer wished to be reunited with her children.

PAM WILLIAMS, ADOPTIVE MOTHER
Their main intent seemed to be reunification at no matter what cost.

JIM WILLIAMS, ADOPTIVE FATHER
The agency used our taxes to fly her in, just so they could say there was a visit, so they could create an excuse to take the kids.

JOHN MARTIN
(VO) Congress is trying to decide whether to pass a law that would permit earlier adoptions for children like JOHN, David, and Clifford, who were tied up and beaten with hands, fists, and coat hangers by their natural mother. Her parental rights were eventually terminated.

REP DAVE CAMP (R) MICHIGAN
What we re saying is, if there is one of these extreme situations, where a child s been tortured, a parent s murdered a sibling, there s been sexual abuse of a child, courts can terminate parental rights at the very first hearing.

JOHN MARTIN
(VO) The Williamses feel it took too long to adopt their children, so Jim Williams is scheduled to travel to Washington today to promote the legislation.

(on camera) Supporters say the law would protect natural parents from arbitrary loss of their rights, while protecting children from danger if they are being abused. They predict easy passage of the bill.
JOHN MARTIN, ABC News, Washington.

ELIZABETH VARGAS

Tonight on PrimeTime Live, Diane Sawyer with a story you haven't heard about Ellen DeGeneres, how she told her family she was gay, and how her mother reacted.
(clip from "PrimeTime Live")

BETTY DEGENERES

I was from that school where you grew up, you got married, you had a husband, and he took care of things, and ...

DIANE SAWYER, ABC NEWS

(VO) Betty DeGeneres says she never argued with her daughter but did keep thinking, hoping perhaps she would change.

ELLEN DEGENERES

At times, when I would have problems in relationships, she would say, "Now, you see? Why don't you just, you know, give this up and meet a nice boy?" And, you know, "Why don't you just ... "She really just kept thinking it was a phase.

ELLEN DEGENERES

Well, it certainly would have been easier on her if it had been. This is not an easy thing, it's not an easy way of life. But it's who she is.

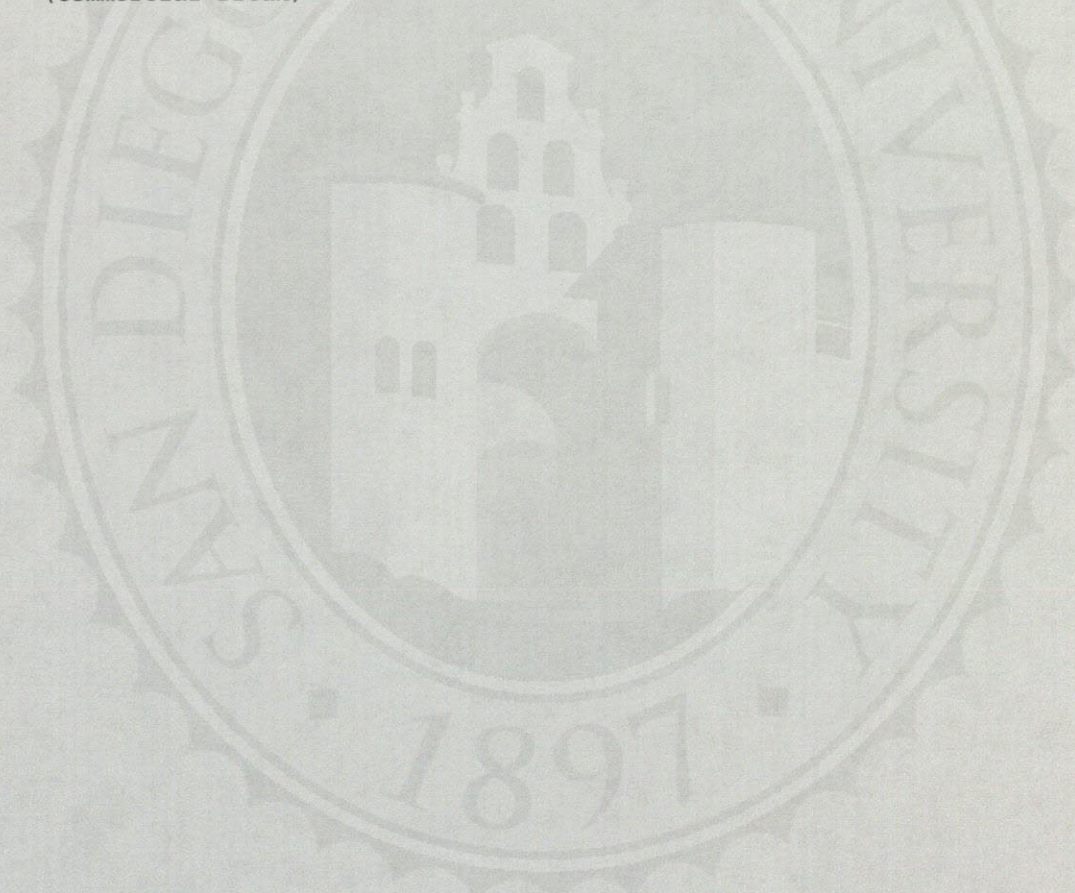
ELIZABETH VARGAS

You can see more of Diane Sawyer's report tonight on PrimeTime Live at 10:00, 9:00 Central, right here on ABC.

And that's the news this morning.

(Weather)

(Commercial Break)



----- Segment Number: 5 -----

Story Name: YOUR MONEY BUILDING BOUGHT 10 YEARS AGO NEEDS COSTLY REPAIR

Air Date: 1997-04-30

Start Time: 00:00:00

End Time: 00:00:00

Run Time: 00:00:00

Anchor: PETER JENNINGS, NEW YORK, NY USA

Correspondent: JOHN MARTIN, SILVER SPRING, MD

Content: 18:48:02

PETER JENNINGS

Our report tonight on how the government is spending your money tests an interesting new proposition. If it is broke, fix it and fix it and fix it. This involves an office building the government bought. A building with so many problems that many private owners might have given up and cut their losses long ago. Not the government. After all, as ABC's **JOHN MARTIN** reports, there is quite a lot of Your Money available.

JOHN MARTIN, ABC NEWS

(VO) The Silver Spring Metro Center Building One in Maryland -- you own it. The federal government purchased it brand new for \$22 million cash 10 years ago.

PAUL CHISTOLINI, GENERAL SERVICES ADMINISTRATION

It has location, location, location, sitting on top of a metro.

JOHN MARTIN

(VO) Great location for government employees who were supposed to work here, but take a look inside. It's empty. Here's why. When they moved in, the floors sloped. Heavy objects like bookcases, desks and file cabinets were risky. But when the federal government tried to fix things, it just made them worse.

(on camera) It's been a bizarre chain of events. First, they had to run beams out from the columns to keep the floors above from sagging. And then, they had to level the floors. In some cases, there was a drop of three and a half inches.

But the compound they used as a filler turned out to create a chemical reaction with the glue and the backing on these carpets, and this sent out noxious fumes that drove everybody out of the building. And that was nearly four years ago.

You chipped this up in order to get that compound out?

GARETH WELLS, GENERAL SERVICES ADMINISTRATION

The previous material out.

JOHN MARTIN

(VO) They had to chip away the old filler to make room for a new one.

GARETH WELLS

That one was poured first. This one was poured most recently.

JOHN MARTIN

(VO) After nearly four years of testing, the government is still spending your money trying to fix the problem.

(on camera) And how soon do you expect to have a conclusion?

GARETH WELLS

We're -- we're hopeful that by the end of this month, we should be able to identify replacement compounds.

JOHN MARTIN

(VO) So far, the government has spent \$4.7 million federal tax dollars for repairs, consultants, relocation costs, heat, lights and testing. That's money that could have been saved if GSA had only heeded its own report issued before it bought the building. It warned that the floors could support only lighter loads and said, "It will be very expensive to correct this."

(on camera) What's the lesson for the taxpayer?

PAUL CHISTOLINI

We may have stubbed our toe on something like this. But we will correct this problem, and it will still be a good deal for the taxpayer.

JOHN MARTIN

(VO) Which is exactly what GSA promised 10 years and nearly \$27 million federal tax dollars ago. It's "Your Money." **JOHN MARTIN**, ABC News, Silver Spring, Maryland.

PETER JENNINGS

When we come back

(VO) with all the talk about Ellen DeGeneres, some serious questions about America's comfort level with lesbians.

(Commercial Break)

----- Segment Number: 5 -----

Story Name: YOUR MONEY HOW MONEY FOR HURRICANE ANDREW VICTIMS WENT ASTRAY

Air Date: 1997-05-07

Start Time: 00:00:00

End Time: 00:00:00

Run Time: 00:00:00

Anchor: PETER JENNINGS, NEW YORK, NY USA

Correspondent: JOHN MARTIN, HOMESTEAD, FL

Content: 18:50:48

PETER JENNINGS

Our report tonight on how the government is spending your money looks at the aftermath of a disaster. As federal and state governments consider spending billions of dollars to help flooding victims in the Northern Plains, we thought it instructive to look at what sometimes happens to such funds.

In this case, state money, earmarked for rebuilding homes in southern Florida after Hurricane Andrew. Here s ABC s JOHN MARTIN.

JOHN MARTIN, ABC NEWS

(VO) Andrew hit south Florida in 1992, causing \$18 billion damage. Homestead was the hardest hit. By now, though, you d think things would be mostly back to normal.

(on camera) But look beneath the surface here, and you ll find that nearly five years later, there are still some buildings and businesses that haven t been rebuilt. What s shocking about this is that not only did the insurance companies and the federal government spend billions to rebuild the area, the state of Florida set up a \$600 million trust fund to finish the job.

(VO) What happened? Some trust funds were spent as much as 50 miles away in areas much less damaged by the storm. This strip in affluent Miami Beach got \$50,000 to buy three art deco lifeguard stands. This nonprofit playhouse in Coconut Grove wasn t even scratched but got \$700,000 for lost ticket sales and donations. This private restaurant on city land in Miami, whose owners had promised the city they would take care of any damage, collected \$800,000 in trust funds.

Meanwhile, near Homestead ...

EDISON WILLIAMS (PH), HOMESTEAD RESIDENT

All this was gone.

JOHN MARTIN

(VO) Edison Williams is rebuilding his home with his own money while still living in a trailer.

EDISON WILLIAMS

It s going. But it s been going real slow -- real slow.

LARCENIA BULLARD, STATE LEGISLATOR

There should not be one person homeless since Hurricane Andrew.

JOHN MARTIN

(VO) This outrages Larcenia Bullard, a state legislator who represents Homestead and showed us what looks like a war zone.

LARCENIA BULLARD

The whole point is people should not be living in this condition, not in America.

JOHN MARTIN

(VO) This injustice was lost on the power brokers in the state capital, where lobbyists worked feverishly to win votes. Lobbyist Ron Book got the money for that Coconut Grove playhouse. He insists his cause was worthy but not others.

RON BOOK, LOBBYIST

There were people out there trying to fund projects that they couldn t otherwise get funded in the budget.

JOHN MARTIN

(VO) So legislator Bullard was forced to watch precious repair money slip away.

LARCENIA BULLARD

To take the dollars from those who were completely homeless, I became angry.

JOHN MARTIN

(VO) Angry, but powerless. An estimated \$100 million in trust funds went astray this way -- money that could have rebuilt homes and lives. It s "Your Money." JOHN MARTIN, ABC News, Homestead, Florida.

PETER JENNINGS

If you have questions or comments, you can reach us by e - mail. Our address is money@abc.com.

When we come back ...

(VO) ... why these children no longer have a team to play on. Hint -- it has something to do with grown - ups.

(Commercial Break)

Document ID: NTL19970513
Library: NEWS-NY
Asset Type: Transcript
Air Date: 1997-05-13

----- Segment Number: 0 (ALL) -----

Story Name: FOOL S GOLD INVESTORS LOSE BIG IN BRE - X SCAM
Air Date: 1997-05-13
Start Time: 00:00:00
End Time: 00:00:00
Run Time: 00:00:00
Anchor: TED KOPPEL, WASHINGTON, DC USA
Correspondent: JOHN MARTIN, WASHINGTON, DC USA
Content: 23:35:00

ANNOUNCER

May 13, 1997.

TED KOPPEL, ABC NEWS

(VO) From deep in the jungles of Borneo came word of an amazing discovery -- gold to rival King Solomon's, the biggest gold discovery ever.

ORE ANALYST

(June 10, 1996) Heading towards drill hole 96. The rock looks extremely favorable.

TED KOPPEL

(VO) The mining company became an overnight sensation. Its stock went from pennies a share to over \$280 a share. Investors put in billions. But then ...

ROBERT HARWOOD (PH)

This was an orchestrated fraud.

VICTOR LASAROVICHI (PH)

This is the biggest scandal that's ever hit this industry.

TED KOPPEL

(VO) There was no gold.

ROBERT HARWOOD

The people who were really hurt are the people who could least afford the losses.

TED KOPPEL

Tonight, fool's gold -- a story of fraud, mysterious death and greed.

ANNOUNCER

This is ABC News Nightline. Reporting from Washington, Ted Koppel.

TED KOPPEL

Several years ago I bought a few shares of a company called Berkshire Hathaway. I bought the shares after having had dinner with Berkshire Hathaway's owner, Warren Buffett. The fact that he is one of the richest men in the country is one of the reasons I bought stock in his company. The other main reason was that several other people whose opinions I respected had also invested in Berkshire Hathaway.

I knew almost nothing about the company itself and really, the only thing I know to this day is that it was one of the best investments I ever made. It's now trading at the ludicrous sum of almost \$40,000 a share.

The point is that Warren Buffett, who's always struck me as being a very straightforward kind of man, has been telling his shareholders for a couple of years now that Berkshire Hathaway is way overvalued. He started saying that when the stock topped \$30,000 a share. I believe him then, I believe him now, but I still haven't sold my Berkshire Hathaway because, for some reason, it keeps going up and I'm greedy.

That's the key to understanding our story tonight, which is about thousands of other investors who allowed greed to overcome their common sense. The difference in their case is that the company they invested in, Bre - X Minerals Limited, was apparently run by a bunch of crooks who pulled off one of the biggest scams in history.

Here's the story from JOHN MARTIN.

JOHN MARTIN, ABC NEWS

(VO) It was supposed to be the biggest deposit of gold ever discovered, more than 70 million ounces in the soil of this Indonesian jungle on the island of Borneo. Just 11 months ago, these pictures were taped by a team of financial analysts who had come to investigate. They were met by this man, Michael de Guzman, the chief geologist for Bre - X, the Canadian exploration company that had been recently listed on the Toronto stock exchange.

ORE ANALYST

So this is a chick (ph) sample here and the actual samples, here.

JOHN MARTIN

The analysts recorded their observations as de Guzman showed them around. Sometimes they seemed to find the answers they were hoping for.

ORE ANALYST

Heading towards drill hole 96. The rock looks extremely favorable. Oh, yes. Mike, we're in good stuff here.

JOHN MARTIN

(VO) Analyst Victor Lasarovichi had visited the site a few months

earlier, meeting with de Guzman and taking the same tour.

VICTOR LASAROVICHI

It looked like it was a professional operation. Certainly I came away thinking they had a very substantial discovery.

JOHN MARTIN

(VO) So did most of the financial world. As a so - called junior company, Bre - X Minerals was given only a secondary listing on the Toronto Stock Exchange but this helped it gain a place on the NASDAQ exchange in the United States and this put Bre - X on the map and on the move. Three of Canada's biggest pension funds bought shares. Boston's Fidelity Investments reportedly purchased more than 15 million shares. The price shot up from 12 cents a share in Bre - X's early days to \$281 Canadian dollars a share by last September. Its officers became celebrated. JOHN Felderhoff, geologist and senior vice president, was named prospector of the year by an industry association. Felderhoff and CEO David Walsh were chosen mining men of the year by a leading trade publication.

But out in the jungle, at the Bre - X site, called Busang, there were dark days ahead and a string of amazing revelations to come. To mine the gold, Bre - X needed a partner. The government of Indonesia, which already owns a large share of Bre - X, decided to bring in Freeport McMoRan of New Orleans, already Indonesia's largest mine operator. Freeport sent a team of experts to Bre - X's drilling sites to take samples then had them analyzed in Freeport's own laboratories as well as by outside firms.

The results, reported by his top investigator to Freeport CEO James Muffet (ph)?

JAMES MUFFET

He said, "We've got our first three chords in and there's insignificant gold." And so that ...

JOHN MARTIN

What did you say?

JAMES MUFFET

I said well, that's an interesting development.

JOHN MARTIN

A second report by an outside firm called Strathcona (ph) described the operation as a fraud. It said, "tampering with core samples and falsification of assay values is of a scale and over a period of time and with a precision that, to our knowledge, is without precedent in the history of mining anywhere in the world."

(VO) de Guzman was summoned back to the Bre - X site from Canada. Waiting for him were Freeport's geologists with a lot of questions.

JAMES MUFFET

He was coming there ostensibly to look at the data so he could explain to his people what we were finding and see if he had any bright ideas about what our -- why we were seeing these irregularities.

JOHN MARTIN

But de Guzman never made it. A helicopter pilot flying him to the meeting said he either jumped or fell into the jungle. A suicide note was reportedly found and a body recovered. There were more reports that de Guzman had several wives and that he and Felderhoff, who attended the funeral, had been part of an earlier mining scandal in Australia.

(Interviewing) Is there any doubt in your mind at this point that this was a case of fraud?

JAMES MUFFET

Well, you know, Strathcona made that statement and I think they used our conclusions and I don't know how as that gold could have gotten there unless somebody put it there. It just didn't show up.

JOHN MARTIN

(VO) Robert Harwood is a New York lawyer whose class action suit alleges Bre - X officials inflated estimates of the gold to inflate the value of the stock before selling off their shares.

ROBERT HARWOOD

Here's how it worked. The company issued very bullish press releases on the amount of gold and reserves in the Busang mine. First they said there was 30 million ounces in reserve. The stock went up. Some of the insiders sold their shares. Then they announced that there was 47 million ounces in reserve. The stock went higher.

JOHN MARTIN

(VO) Across Canada and the United States, people lost millions of dollars, people like investor George Dekmeyer (ph).

GEORGE DEKMEYER

Three quarters of my assets or \$250,000 on which I count to make a living from.

JOHN MARTIN

(VO) Some blamed regulators, but they said it couldn't be helped.

JOHN GELLER, ONTARIO SECURITIES COMMISSION

The only way that it could have been prevented is if we had had people on the ground in Indonesia throughout the drilling process, following the core samples right to the laboratory. That's just not practical in the real world.

JOHN MARTIN

(VO) But investors were not taking the loss philosophically. One class action suit claims \$3 billion damages.

HARVEY STROSBERG, CANADIAN ATTORNEY

That obviously is an amount that is beyond the capacity of any of the defendants to pay. I think the answer is we'll seek what we can get.

REPORTER

What have you got to say, Mr. Austin, to all these investors?

MR. AUSTIN

I think our press release says it all for now.

JOHN MARTIN

(VO) As for the investors, stock analyst Victor Lasarovichi, whose former firm helped underwrite some of Bre-X stock offerings, has a decidedly different explanation of what happened to a stock that was once valued at \$6 billion.

VICTOR LASAROVICHI

This was not a situation where one could say that \$6 billion was lost. You could argue that Bre-X started at zero value and ended at zero value and all that happened in between is the dollars got rearranged.

JOHN MARTIN

(VO) Whatever the final costs to investors and to confidence in the financial markets that trade risky stocks, the Bre-X scandal will almost certainly be a landmark. In the annals of gold mining, never had so much been risked on so little.

For Nightline, this is JOHN MARTIN in Washington.

TED KOPPEL

How could it have taken so long to discover that the mine was a fraud and could there be more fraudulent companies that are publicly traded on the stock market?

Some answers to those questions, in a moment.

(Commercial Break)

TED KOPPEL

Joining us now from Manila in the Philippines, Diane Francis is the editor of Canada's Financial Post newspaper. She's in Manila covering the Bre-X story. Until six months ago, Michael Mann was the head of the SEC's international division. He joins us here in Washington. Greg Chorny is a private investor who paid \$1 million for one percent of the Bre-X company in 1995. He is now part of a class action suit against the company. He joins us from Toronto.

And let me begin with you, because I gather you made a lot of money on it. I mean, you got early, didn't you?

GREG CHORNY, BRE-X INVESTOR

(Toronto, Canada) I did and I guess I'm not one of those who let greed completely overcome common sense.

TED KOPPEL

When I say you made a lot of money, I mean a lot of money. You, a multiple of tens of times what you put into it, right?

GREG CHORNY

I would say 70 times my money.

TED KOPPEL

And yet you're still suing. Why?

GREG CHORNY

The -- a lot, a good portion, though, was left on the table when the stock fell out of bed without warning in early March.

TED KOPPEL

Where do you think the money is going to come from? I mean, who do you think has your money?

GREG CHORNY

Well, I think that Mr. Strosberg is right in some ways in that the identifiable defendants being the company and the management and directors of Bre-X and the engineering firm that worked for Bre-X and signed off on these wild resource calculations don't have the resources to pay the several billion dollars in provable losses.

TED KOPPEL

So where would the money come from, or is this just an effort to punish people?

GREG CHORNY

Well, it's an effort to, as Mr. Strosberg said, get what you can get and also secondarily I think an effort to prove the point to people and to the mining industry that this sort of thing can happen and that those that engage in this sort of fraud and carelessness are going to probably lose everything.

TED KOPPEL

Ms. Francis, I'm wondering whether there are still any ongoing aspects to this story that we don't know about yet. You must feel that there are, or you wouldn't be out in Manila covering the story.

DIANE FRANCIS, EDITOR, "THE FINANCIAL POST"

(Manila, Philippines) Well, yeah. I think there are a number of angles that haven't been pursued. I'm here, of course, researching a book about Bre-X, which will be coming out this fall, but what I really suspect is that Mr. de Guzman's death, which is being billed by the Indonesian police as a suicide, is actually a murder. And what I also suspect is that there was a mastermind or several masterminds behind this fraud and they aren't in North America, and I

think we ll be interested to track down and a lot of regulators will be looking at where these masterminds were located.

This was a very well orchestrated fraud and I believe that it s possible that the people in the Calgary head office of Bre - X are also victims and dupes, however, reckless they were in not supervising what was going on at the mining site. I think they may also, at the end of the day, pay a huge price legally for what they did. But they may not be the culprits.

TED KOPPEL

Do you have any sense that anyone in the Indonesian government was involved?

DIANE FRANCIS

The Indonesian government may not have been directly involved, but I think there may be some interesting Indonesian interests lurking in the background. For instance, I ve discovered that Mr. de Guzman was abducted in February and held captive for five days as a hostage by certain Indonesian people. We don t know exactly whom and what was - what transpired during that abduction.

TED KOPPEL

I gather that other mining companies actually bought property around the Bre - X property. Is -- were there any serious mining companies that did that?

DIANE FRANCIS

Oh, absolutely. Listen, the companies like Freeport and Beric (ph) and Plaserdome, (ph) who wanted to buy, who fought, in fact, this winter over buying Bre - X, were quite right to do so because any one of them who had bought it, ie, Freeport did, would have gone in and done just the same thing and done some double checking by doing their own drilling and also come up empty. So nobody was actually going to pay out any money to buy it, except the shareholders of Bre - X at that point. And because it was touted as the world s biggest ore body, it was actually a requirement that they re -- that they went there to sew up the ore body and then do their homework called due diligence later after the fact. I mean, that s their obligation is to find these things and to grab them as fast as possible.

TED KOPPEL

Now, Mr Mann, that brings us to you. Who should have done the homework? Who, in effect, protects the consumer or is this the classic case of buyer beware?

MICHAEL MANN, FORMER SEC DIRECTOR

(Washington) I don t think it s the classic case of buyer beware because the information that was in the disclosure statement that was filed with the SEC, for example, was very different from the information that was actually being put out in press releases by the company here. And so an investor looking at the information before they made a purchase would have seen the discrepancy at the very least ...

TED KOPPEL

Tell me what you re talking about. What kind of a discrepancy?

MICHAEL MANN

In the report registering the shares that was filed with the SEC, the information that was put out in that report related solely to the operations of Bre - X and did not provide information about this ore strike. The information that was put out on the ore strike was put out in press releases and was not reviewed by the SEC.

TED KOPPEL

Are you telling me that that is fundamentally different from the way that a mining company would normally do things?

MICHAEL MANN

No, I m saying that at the time the information was provided to the SEC, which was December of 95, that information did not contain information concerning the ore strike. In an update that would have been provided at the end of this year, there would have had to have been information. However, that update was never made because the scandal broke before it was provided.

TED KOPPEL

We ve got to take a short break. I ll be back with all three of our guests, in a moment.
(Commercial Break)

TED KOPPEL

And we re back with journalist Diane Francis, former SEC official, Michael Mann and investor Greg Chorny.

Mr Chorny, after all, you did put a million dollars into this stock very early on. Why?

GREG CHORNY

Well, the information that Bre - X had provided prior to the time that I made the investment was assumed by myself and my financial advisers to be honest and accurate. We analyzed it and thought that they had probably discovered a gold mine with six to 10 million ounces of gold reserves. We thought the stock was very under valued and decided that we should take a major position in it.

TED KOPPEL

Ms Francis, is there, was there anything that was out there that the average investor should have known about and if not the average

investor, then certainly some of these pension funds, which presumably are run by more professional kinds of people?

DIANE FRANCIS

Well, that's how the average investor has generally gotten involved in Bre-X and that's through his or her pension fund or mutual fund and those portfolio managers really, I think, have a lot to answer for, in my estimation. First of all, they relied too far -- too much on brokerage firms who earn fees to do their homework for them and not enough Fidelity Mutual Funds and large pension funds have their own analysts on staff or their own independent consulting analysts on staff. So they rely on people who make money if they buy the stock to tell them whether to buy the stock or not. That's pretty silly.

Mr Chorny is a high roller. I mean, I don't think there's a lot that he would have, you know, done differently, because he's a crap shooter, obviously. He's putting \$1 million into a very speculative gold stock. But the average person really has no business, in my estimation, unless they can do their own primary checking out, to get involved in this kind of speculative gold mining stock.

TED KOPPEL

Mr Chorny, I must say, I'm a little surprised that things went as far as they did. I mean, clearly the people running Bre-X must have known they were in deep trouble once they had to take on some partners, right?

GREG CHORNY

I think the people who were behind the falsified drill results must have known that at some point that they would be found out and as time wore on, the stress on them with that knowledge must have been absolutely incredible. If a deal had been arrived at many months sooner by Bre-X, obviously the fraud would have been discovered in the due diligence process in a much more timely fashion.

DIANE FRANCIS

Yeah, can I also say something, though? While I think professionals who earn a lot of money should be doing more homework than they did in this case and in other cases, obviously in other cases, I think that we have to also accept the fact that this is a cautionary tale about capitalism and free enterprise. We have to trust what people tell us. That's what -- that's how the system works. When I buy a widget from somebody in a hardware store and they tell me it works and they tell me it's worth X amount of money, I make a decision. I'm trusting them to give me something that works and I'm trusting them to have charged me a reasonable amount of money.

So, you know, we can't be protected regulatory wise, from out and out fraud and liars, if that's really what's going on. So I'm not trying to get people off the hook for putting pension funds and people's money at risk. On the other hand, you know, we have to accept the fact that these things will happen.

MICHAEL MANN

I think the converse is also true here, which is having the government making these judgments is not the role of government in a case like this. How is a government regulator sitting in Washington going to be able to assess a mining stock or a technology stock or any information that's being put out of a speculative nature?

TED KOPPEL

No, I -- that's a reasonable point. But I suppose the question I would ask is first of all, I think there is an assumption that because the Securities and Exchange Commission is out there, that you are, in a sense, some kind of a safeguard against, I mean, in behalf of the unwary investor and I guess that's less true than we like to think, isn't it?

MICHAEL MANN

Well, I don't think the SEC -- the SEC is not a guarantor that when you buy something, you'll make money. That is ...

TED KOPPEL

No, but that's something different. But I would have thought until today that it was a guarantor that at least I had a fair chance to make money, that I wasn't being ripped off by a bunch of crooks.

MICHAEL MANN

Well, I think that when a fraud is committed, the information is well masked. Here we have a case where we can expect the SEC will be investigating both the trading of all the people on the market, and in terms of insider trading, as well as looking to see if the price of the stock was boosted by those that were making the markets and making the recommendations. It's impossible to judge the absolute truth of the statements in these documents without actually going out and looking at the assays yourself and the government is not in a position to do that.

DIANE FRANCIS

Yeah, brokerage firms are falling all over each other to try and get there and sell people the stock. That's really where the blame lies. Those are the people, the people that earn fees from portfolio managers and the public who are supposed to be the ones that are the real true safeguards and have, they're supposed to have the expertise to find out whether something's legitimately to be invested in or not, not the government. The government is only there to punish the

brokerage firms when they fail to do the job properly.

TED KOPPEL

All right, on that note, let me thank you all, Mr Chorny, Ms Francis, Mr Mann. I appreciate your joining us this evening.

GREG CHORNY

Thank you.

DIANE FRANCIS

Thank you.

MICHAEL MANN

Thank you.

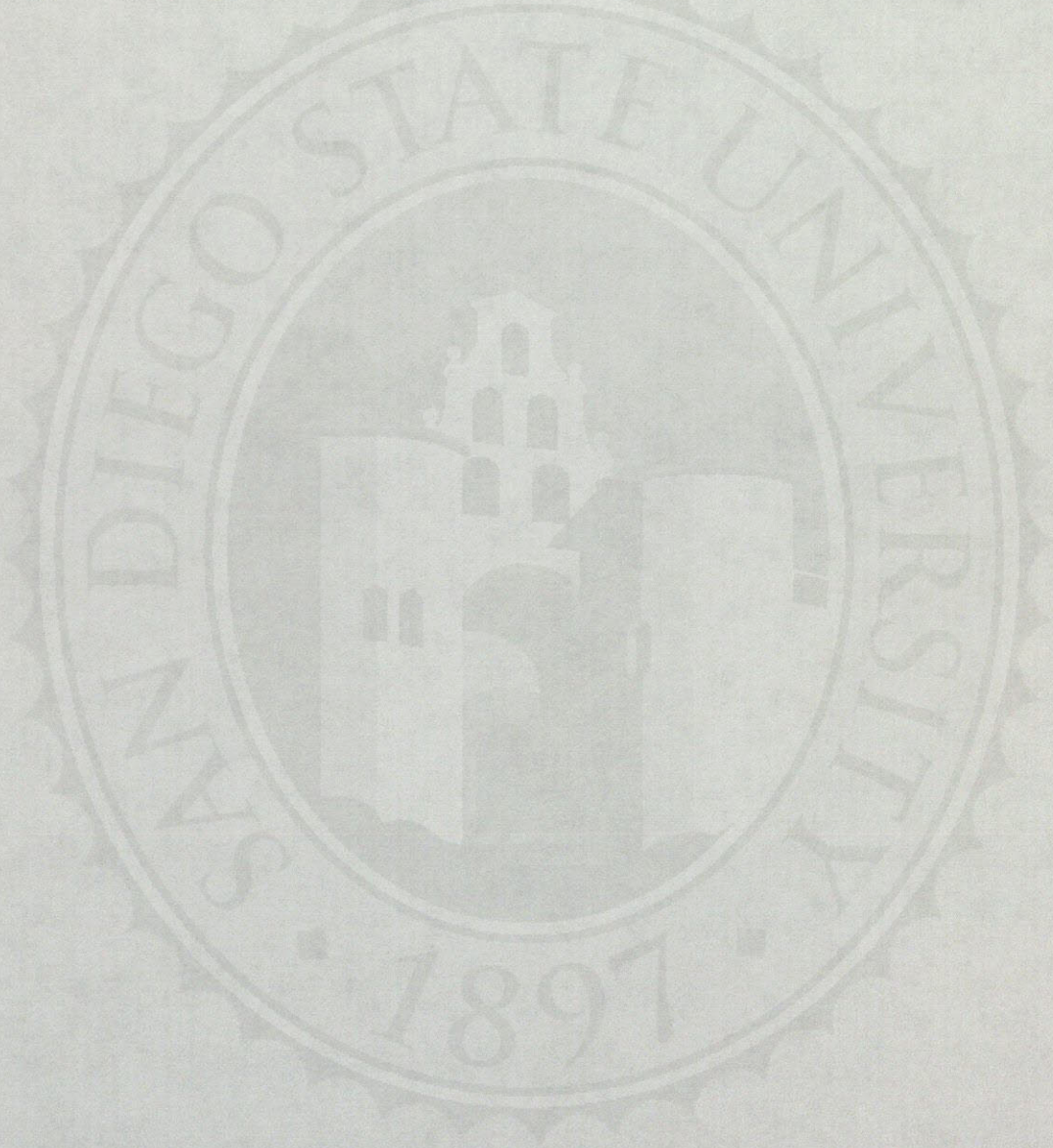
TED KOPPEL

I ll be back, in a moment.
(Commercial Break)

TED KOPPEL

And finally, a program note. Good Morning America continues its programs from Scandinavia. Tomorrow morning, live from Stockholm, Sweden.

And that s our report for tonight. I m Ted Koppel in Washington. For all of us here at ABC News, good night.



----- Segment Number: 6 -----

Story Name: YOUR MONEY MASSIVE UTAH IRRIGATION PROJECT WILL SERVE FEW

Air Date: 1997-06-04

Start Time: 00:00:00

End Time: 00:00:00

Run Time: 00:00:00

Anchor: PETER JENNINGS, WASHINGTON, DC USA

Correspondent: JOHN MARTIN, SPANISH FORK, UT

Content: 18:46:32

PETER JENNINGS

For our report about how the government spends some of "Your Money," we go to the west tonight. In a vast region of the country where water has long been the most precious commodity, we focus on a massive irrigation project in Utah. It's very good news for the few farmers who will benefit. And it's very expensive for the rest of us. Here's ABC's JOHN MARTIN.

JOHN MARTIN, ABC NEWS

(VO) Much of Utah is dry. But right now, it is green and wet. Snow is melting off the mountains and into the sprinklers. There's water, water everywhere. So much water is embarrassing because Utah is spending millions of dollars of your money to bring in more water. (on camera) This seven - mile section of pipeline is called Diamond Fork, and finding some diamonds wouldn't be a bad way to help pay for it. Just building this section alone and a nearby dam is costing 69 million federal tax dollars. But it doesn't end there. Utah is extending the system 50 miles beyond here. Total cost -- 194 million federal tax dollars.

(VO) State taxpayers, most of whom live around Salt Lake City, will kick in an additional \$77 million more, but the water is going 80 miles to the south, at least half of it to one small county. Cary Peterson, the state agriculture commissioner, grows alfalfa and wheat. He will get some of the water.

(on camera) How many farmers actually will benefit from this?

CARY PETERSON, UTAH AGRICULTURE COMMISSIONER

I think there would be a couple hundred, maybe 300 when you add the southern Utah county irrigation district.

JOHN MARTIN

(VO) That works out to nearly \$1 million per farmer. Amazed by that, we called back to see if this was possible. State water officials told us it's more like 2,500 farmers. The federal government said 1,800. Nobody seemed sure just how many farmers would get the water.

But whatever the number, it's a lot of money per farmer. The water district says it will be paid back. But the farmers' share is tiny, and they have 60 years to pay and then only what they can afford.

DAN MCCOOL, UNIVERSITY OF UTAH

We might call it water welfare.

JOHN MARTIN

(VO) Dan McCool lectures on water and politics at the University of Utah.

DAN MCCOOL

It's a situation where the taxpayers pay out a great deal of money to a few individuals who then use it for private, profit - making activity.

JOHN MARTIN

(VO) But the manager of the state agency building Diamond Fork says the state has promised the farmers the water.

DON CHRISTIANSON, WATER PROJECT AGENCY

That is a modern - day commitment that we have to build that project.

JOHN MARTIN

(on camera) You're saying a deal is a deal, and the federal taxpayers, through Congress, agreed to pay it?

DON CHRISTIANSON

Absolutely.

JOHN MARTIN

(VO) So, for 194 million federal tax dollars, a small group of farmers will get water. It's "Your Money." JOHN MARTIN, ABC News, Spanish Fork, Utah.

PETER JENNINGS

Back in just a moment.

(Commercial Break)

----- Segment Number: 4 -----

Story Name: YOUR MONEY FEDERAL COURTHOUSE IN LOUISIANA LARGELY UNUSED

Air Date: 1997-06-25

Start Time: 00:00:00

End Time: 00:00:00

Run Time: 00:00:00

Anchor: FORREST SAWYER, NEW YORK, NY USA

Correspondent: JOHN MARTIN, HOUMA, LA

Content: 18:44:07

FORREST SAWYER

Our report tonight on how the government is spending "Your Money" might be called trial and error, mostly error. It involves a new federal courthouse in Louisiana, where justice is at a standstill. Here's ABC's **JOHN MARTIN**.

JOHN MARTIN, ABC NEWS

(VO) In the graveyard at Houma, Louisiana, this stone marks the life of George Arceneaux -- husband, citizen, Rotarian, lawyer and judge. A few feet away is a federal courthouse named in his honor. There's only one problem. It's empty. Three years after opening, it has held only two short trials. Most days, it's locked up tight, and for months on end, the only motion heard here is the sound of the clock. (Clock ticking)

JOHN MARTIN

(VO) All the while, the federal government pays nearly \$31,000 a month in rent. That's \$369,000 a year. But that's not all. It has paid for dozens of custom items to serve two courtrooms. (on camera) These costs add up. Two boxes for jurors who have nothing to hear -- \$24,000. Sixteen benches for spectators who have nothing to watch -- \$29,000. Security equipment to monitor people who do not appear -- \$66,000. The grand total for special courthouse features -- \$374,000.

(VO) In Washington, the congressman who helped push through the courthouse project says the reason there are no trials in Houma is that the federal court in New Orleans won't let any of them be assigned there.

REP BILLY TAUZIN, (R) LOUISIANA

It's a monumental waste of money for that judge to continue to refuse to try cases in Houma.

JUDGE ADRIAN DUPLANTIER, US DISTRICT COURT

He undoubtedly believes that to be true because he says so. He's misinformed.

JOHN MARTIN

Senior Judge Adrian Duplantier ...

ADRIAN DUPLANTIER

All one has to do in order to get a trial in Houma is to ask for it.

JOHN MARTIN

(VO) The business just isn't there, say the judges. Cases throughout the district are down dramatically, and assigning a full-time staff to Houma, which may be the loneliest judicial outpost in America, would just waste more money.

(Clock ticking)

So time marches on, and the money goes out. Unless something changes, by the time the lease expires in 15 years, you will have paid the people who constructed the building nearly \$6 million for the privilege of almost never using it. It's "Your Money." **JOHN MARTIN**, ABC News, Houma, Louisiana.

FORREST SAWYER

And if you would like to get in touch with us about how the government is spending your money, our e-mail address is money@abc.com.

When we come back ...

(VO) ... the Hong Kong handover. A crisis for some people, an opportunity for others.

(Commercial Break)

Document ID: WNT19970702
Library: NEWS-NY
Asset Type: Transcript
Air Date: 1997-07-02

----- Segment Number: 3 -----

Story Name: YOUR MONEY FIXED - PRICE CONTRACTOR WANTS MORE CLEANUP MONEY
Air Date: 1997-07-02
Start Time: 00:00:00
End Time: 00:00:00
Run Time: 00:00:00
Anchor: FORREST SAWYER, NEW YORK, NY USA
Correspondent: JOHN MARTIN, IDAHO FALLS, ID
Content: 18:38:29

FORREST SAWYER

Now, another enormous government project -- cleaning up the waste from the nation's nuclear weapons program. Not long ago, the Energy Department had a good idea to save some of your money, offering the first ever fixed - price contract to take care of a nuclear waste dump, and no cost overruns allowed. ABC's **JOHN MARTIN** on what happened next.

JOHN MARTIN, ABC NEWS

(VO) Fifty miles west of Idaho Falls, in the middle of nowhere, there is a pit filled with nuclear waste. It was dumped here during the Cold War. Three years ago, the government hired Lockheed **MARTIN** to clean up Pit 9, as it is called. But now, what was praised as a model project at a set cost -- \$179 million -- is on the rocks. (on camera) Here's what happened -- Lockheed **MARTIN** built this first building to move over the pit on rails to scoop up the waste and the debris. Then it built this second building to separate and process the waste. But so far, it hasn't been able to get the equipment in either building to work. So guess what? Even though it signed a fixed -price contract, it wants you to pay at least \$158 million more in cost overruns while it tries to decide what to do.

(VO) Lockheed says it's already been forced to redesign its equipment because the government misinformed it about radiation levels.

JAMES TEGNELLA, LOCKHEED **MARTIN**

Their estimates are uncertain. Nobody knows what's inside the pit.

JOHN MARTIN

(on camera) And you didn't try to find out before you signed the contract whether there were uncertainties of that magnitude?

JAMES TEGNELLA

No. We believed we had the best information that we had on the pits when we signed the contract.

JOHN MARTIN

(VO) But the government says Lockheed officials knew what they were getting into.

JOHN WILCYNISKI, DEPARTMENT OF ENERGY

A deal is a deal. That's why we're saying we won't restructure this deal. We won't change it to a cost - type deal.

JOHN MARTIN

(VO) Idaho state officials are just plain frustrated.

KATHLEEN TREVER, NUCLEAR COORDINATOR

Whether that's money issues, whether it's technology issues, we just want the job done at this point.

JOHN MARTIN

(VO) Congressman Joe Barton's subcommittee watches cleanups. He says this one's a mess.

REP JOE BARTON, (R) TEXAS

What was supposed to be a positive poster child for the Department of Energy in cleaning up these wastes is turning into the "Nightmare on Elm Street."

JOHN MARTIN

(VO) And the nightmare is getting worse. Lockheed has just ordered a work slowdown at Pit 9. And even though it hasn't removed a single ounce of waste, the company demands an extra \$158 million before it goes any further. It's "Your Money." **JOHN MARTIN**, ABC News, Idaho Falls, Idaho.

FORREST SAWYER

And business news. There was relief in the financial community today. The Federal Reserve Board did not raise interest rates, which sent the stock market sharply higher.

(VO) The Dow Jones Industrials gained 73 points, closing at 7795. On the NASDAQ market, stocks gained more than 17 points.

Graphics: Dow Jones 15 - day Trend

Change: Up 73.05

Close: 7795.38

Volume: 526,784,130

NASDAQ 15 - day Trend

Change: Up 17.36

Close: 1455.61

Document ID: WNT19970807
Library: NEWS-NY
Asset Type: Transcript
Air Date: 1997-08-07

----- Segment Number: 4 -----

Story Name: THOUSANDS OF FISH DIE IN RIVER OFF CHESAPEAKE SAME ORGANISM COULD BE MAKING HUMANS SICK
Air Date: 1997-08-07
Start Time: 00:00:00
End Time: 00:00:00
Run Time: 00:00:00
Anchor: FORREST SAWYER, NEW YORK, NY USA
Correspondent: JOHN MARTIN, WASHINGTON, DC USA
Content: 18:40:53

FORREST SAWYER

In Maryland today, health officials have grown extremely concerned about some dead fish that have turned up in a five - mile stretch of river the last two days. They are worried that what is killing the fish could also be making humans sick. Here's ABC's **JOHN MARTIN**.

JOHN MARTIN, ABC NEWS

(VO) It is a mystery. Up to 10,000 dead fish found yesterday and today near the mouth of a river that empties into Chesapeake Bay. But dead from what?

FISHERMAN ON BOAT

I've been doing this 17 years. I've never seen nothing like this.

JOHN MARTIN

(VO) At least eight people, some hospitalized, report rashes, lesions, and the symptoms of flu. But from what? Reports in recent years of up to one billion dead fish in rivers and the Atlantic Ocean off North Carolina. But dead from what? The main suspect is a tiny organism called *Pfiesteria piscicida*, believed to feed on fish and humans. North Carolina State University Biologist, Joann Burkholder has been studying the organism for 10 years and says people often suffer memory loss and disorientation from exposure to it.

JOANN BURKHOLDER, NORTH CAROLINA STATE UNIVERSITY

I think that under some circumstances, this organism could, indeed, represent a serious threat to human health.

JOHN MARTIN

(VO) The organism has turned up here along the Neuse River in North Carolina. But scientists aren't sure whether body sores suffered by people along the banks are caused by the *pfeisteria* or by other organisms in waste from pulp mills and hog farms.

ROY RICE, NORTH CAROLINA FISHERMAN

Sores, memory loss. I tell you, I got out of the water for six weeks. All of it cleared up except for the memory part got worse.

JOHN MARTIN

(VO) For now, North Carolina officials downplay the threat to their state.

DR STANLEY MUSIC, STATE EPIDEMIOLOGIST

We have seen nothing yet that raises red and urgent flags where we have to give special warnings.

JOHN MARTIN

(VO) But late today the state of Maryland decided to take no chances, closing sections of the river with police patrols, aware perhaps that the real danger won't be clear until scientists identify the exact poison the organism carries.

JOHN MARTIN, ABC News, Washington.

FORREST SAWYER

News from the business world when we come back. Why not all Teamsters in the UPS strike are supporting their brothers and sisters.

(Commercial Break)

Document ID: GMA97081201
Library: GMA
Asset Type: Transcript
Air Date: 1997-08-12

----- Segment Number: 10 -----

Story Name: TAP WATER WARNING GROUP SAYS WATER IN SOME MIDWEST TOWNS UNSAFE

Air Date: 1997-08-12

Start Time: 08:04:00

End Time: 00:00:00

Run Time: 00:00:00

Anchor: KEVIN NEWMAN, NEW YORK, NY

Correspondent: JOHN MARTIN, WASHINGTON, DC

Content: 08:04:00

THIS DOCUMENT HAS BEEN PROOFREAD AGAINST VIDEO; HOWEVER, IT MAY
CONTAIN PHONETIC SPELLINGS.

KEVIN NEWMAN, ABC NEWS

The tap water in hundreds of Midwest towns meet government standards, but not those, apparently, applied by an environmental group. It says many people are taking pesticides when they quench their thirst. ABC's JOHN MARTIN has the story.

JOHN MARTIN, ABC NEWS

(VO) This is Shipman, Illinois, a farming town about an hour from St. Louis. The report says drinking water here and in more than 200 other Midwest communities contains weed - killing herbicides.

KEITH BRUEGGEMAN, DIRECTOR, PUBLIC WORKS

During the spraying, when the herbicides are applied to the fields, any heavy runoff, any heavy rains that we get, the runoff water does go right into our lake, thereby contaminating our source.

KEN COOK, ENVIRONMENTAL WORKING GROUP

This contamination in some cases takes the form of three or four or five or in some cases as many as 10 pesticides in a single glass of water.

JOHN MARTIN

(VO) The Cook group report, called "Tough to Swallow," says that by applying the 1996 Food Protection Act standards to water quality, the EPA can lower the risk of cancer from these herbicides to one in a million, which is what the law requires. But an industry spokesman called the report "garbage science" for applying food standards to water quality. And municipal water agencies, which purify water, say they are not alarmed by the report's findings. Still, they do find the cost of purifying drinking water a growing financial burden.

DIANA VANDE HEI, ASSOCIATION FOR MUNICIPAL WATER AGENCIES

We'd like to see is EPA to go after and look at some of the pesticide manufacturers and see how we can keep it out in the first place, rather than transferring the cost to the local communities.

JOHN MARTIN

For its part, the EPA is studying the levels of herbicide cited in the report and says it is looking to adapt new standards. Even so, it says, there is absolutely no cause for alarm.

JOHN MARTIN, ABC News, Washington.

KEVIN NEWMAN

And on World News Tonight With Peter Jennings, cracking down on criminal behavior through civil action, a successful way that cops and lawyers together are cleaning up the streets. You can see how it works on ABC's World News Tonight With Peter Jennings.

Emergency crews in Arizona are going to try to airlift more people out of the Grand Canyon today, as efforts to save those stranded by the flash floods there continue. These were some of them yesterday. So far, workers have rescued 400 people. Most of them are tourists who were visiting the popular area around Havasu Falls. What a mess.

That's the news this Tuesday morning.

(Weather)

Document ID: WNT19970812
Library: NEWS-NY
Asset Type: Transcript
Air Date: 1997-08-12

----- Segment Number: 1 -----

Story Name: A CLOSER LOOK SEARCH & SEIZURE US HISTORY OF CAPTURING FOREIGN POLITICAL FIGURES
Air Date: 1997-08-12
Start Time: 00:00:00
End Time: 00:00:00
Run Time: 00:00:00

Anchor: FORREST SAWYER, NEW YORK, NY USA
Correspondent: JOHN MARTIN, WASHINGTON, DC USA
Content: 18:33:48

FORREST SAWYER

ABC's JOHN McWethy. Thank you very much, JOHN.
There has been an understandable reluctance to mount these kinds of commando operations. It has to do with history. "A Closer Look" from ABC's JOHN MARTIN.

JOHN MARTIN, ABC NEWS

(VO) It might look easy in the movies, but it is not. Capturing high - profile political figures in a foreign country takes the cunning of spies, the footwork of diplomats and the muscle of commandos.

TIM CONNELLY, FORMER DEFENSE DEPARTMENT OFFICIAL

The snatch operation, which is what you're describing, is probably the most difficult mission profile there is in special operations.

JOHN MARTIN

(VO) The United States is not known for its ability to carry out such operations. Four years ago, in Somalia, US Army rangers tried to capture warlord Mohammed Farah Aidid. Sixteen commandos died in eight raids. Aidid was always gone. The rangers were pulled out. Eight years ago in Panama, the United States went after dictator Manuel Noriega. It took an invasion and more than 20,000 US troops to find him, then 10 days to negotiate his surrender. One problem -- innocent bystanders. In Panama, hundreds, if not thousands, of Panamanians died. In Somalia, more than 300 Somalis died in a single raid.

Another problem -- convincing foreign governments to approve or not stand in the way. And one final problem -- sometimes the very attempt helps the target. Take Pancho Villa -- 80 years ago, in Mexico, thousands of American troops tried and failed to capture him. This made him an even bigger hero to his fellow Mexicans.

(on camera) So these operations always pose a difficult task for the United States -- one carried out far more easily by novelists and moviemakers than generals and ambassadors. JOHN MARTIN, ABC News, Washington.

FORREST SAWYER

And when we come back, we will have some of the day's other news.

(VO) Testing union solidarity, as UPS turns up the heat on the Teamsters. Using some old tactics to go after hard - core criminals -- tonight's "Solution." And Princess Diana's latest boyfriend. Why you can't believe everything you see in the pictures.

(Commercial Break)

Document ID: WNT19970813
Library: NEWS-NY
Asset Type: Transcript
Air Date: 1997-08-13

----- Segment Number: 3 -----

Story Name: YOUR MONEY AIR FED DELIVERY INEFFICIENT, UNDER SCRUTINY
Air Date: 1997-08-13
Start Time: 00:00:00
End Time: 00:00:00
Run Time: 00:00:00
Anchor: FORREST SAWYER, NEW YORK, NY USA
Correspondent: JOHN MARTIN, PHILADELPHIA, PA
Content: 18:39:36

FORREST SAWYER

Our report tonight on how the government spends "Your Money" is about another package delivery service. Americans write 65 million checks every year. That's more than any country in the world. This government delivery service transports some of those canceled checks from bank to bank. And not very profitably. Here's ABC's **JOHN MARTIN**.

JOHN MARTIN, ABC NEWS

(VO) To some, Federal Reserve meetings may seem boring. But here's an eye - opener. From behind its palatial exterior, the Fed runs on its own airline. That's right, call it "Air Fed" -- 50 planes flying bags of bank checks all over the country at night. Cost -- \$38 million this year.

(on camera) Now, there is a problem. Even though it's supposed to pay for itself, Air Fed loses \$9 million a year. That's nearly a quarter of its entire budget. Some of your bank fees go to make up those losses. Now, Fed officials refused to talk to us about this on camera.

(VO) But when Fed chairman Alan Greenspan was asked about it, he said the service should pay for itself.

ALAN GREENSPAN, CHAIRMAN, FEDERAL RESERVE

I don't think there is any question that if, indeed, it is being subsidized, it's wrong.

JOHN MARTIN

(VO) The Fed's own employees told congressional investigators there is plenty wrong with the way Air Fed operates. Example -- each year, they admit, they cannot account for up to \$6 million worth of aviation fuel.

Example -- the Fed wasted \$2 million to keep spare planes at this airport in New Jersey. But the planes were almost never there. One was called "the phantom spare no one has seen."

Example, the Fed wasted more than \$200,000 paying a contractor for flights he was unable to make and charter fees for substitute flights.

REP CAROLYN MALONEY, (D) NEW YORK

I would like the Federal Reserve to open up their books and let us -- let the numbers speak for themselves.

JOHN MARTIN

(VO) What those numbers will show, say critics, is that private overnight carriers could do the job for less. About 15 private firms already carry 80 percent of the overnight check business through operations similar to this Air Net hub in Columbus, Ohio.

Even the Fed seems to think it has a problem and has ordered a study to decide whether to stay in the airline business. But until they figure out what to do, this fly - by - night operation will waste at least \$9 million a year. It's "Your Money." **JOHN MARTIN**, ABC News, Philadelphia.

FORREST SAWYER

And other economic news -- lower inflation.

(VO) For the seventh month in a row, producer prices went down last month -- 0.1 percent lower in July.

(on camera) That is the first time wholesale prices have gone down seven consecutive months since the government started keeping track 50 years ago.

On Wall Street today ...

(VO) ... the Dow Jones Industrials lost another 32 1/2 points, closing at 7928. On the NASDAQ market, stocks gained seven points.

Graphics: Dow Jones 15 - day Trend

Change: Down 32.52

Close: 7928.32

Volume: 587,214,790

NASDAQ 15 - day Trend

Change: Up 7.16

Close: 1583.40

Volume: 642,650,022

(on camera) When we come back, a killer flash flood in Arizona.

(Commercial Break)

Document ID: WNT19970820
Library: NEWS-NY
Asset Type: Transcript
Air Date: 1997-08-20

----- Segment Number: 6 -----

Story Name: IT'S YOUR MONEY NEVADA HAZARDOUS WASTE SITE STILL NOT PROVEN SAFE
Air Date: 1997-08-20
Start Time: 00:00:00
End Time: 00:00:00
Run Time: 00:00:00
Anchor: PETER JENNINGS, NEW YORK, NY USA
Correspondent: JOHN MARTIN, YUCCA MOUNTAIN, NV
Content: 18:50:34

PETER JENNINGS

Our report tonight about how the government spends "Your Money" is about the waste that nobody wants. Every year, America's nuclear power plants generate 2,000 tons of radioactive waste, and there is almost no place left to store it. The federal government decided some time ago that it should all be stored in Nevada.

We first went to the site four years ago because it seemed to be taking so long to get things in order. Now ABC's **JOHN MARTIN** has gone back again because nothing has changed. Well, nothing but the price tag.

JOHN MARTIN, ABC NEWS

(VO) In Nevada, there are two monuments to risk -- Las Vegas and Yucca Mountain. This tunnel leads to where the government wants to put the nation's most hazardous nuclear waste. But first, it must prove that it's safe.

This was supposed to take five years and perhaps \$80 million. But so far, it has taken 15 years and so much money that even the government doesn't know whether it is \$3 billion or \$4 billion.

(on camera) So why hasn't Congress eliminated Yucca? Well, for starters, there is no plan B. And then there is the reality that no other state wants the waste, and practically every other state has more clout in Congress. So the government keeps pouring in the money for the studies, and practically no one seems willing to say enough is enough.

(VO) Instead, the Yucca Mountain project has become an empire. It fills seven office buildings in this Las Vegas suburb. It converted this car dealership to a public science center hardly anybody visits. Still, it spent \$106 million one year telling the public and other agencies about its work.

RUSS DYER, DEPARTMENT OF ENERGY

We've proceeded in a slow, logical manner, just to make sure that we're not making a mistake.

JOHN MARTIN

(VO) But they've already made lots of costly mistakes. They lost track of \$48 million worth of rock samples and then spent \$12 million more on new ways to collect and keep track of them. Instead of first checking for surface problems that might disqualify Yucca, they spent \$74 million drilling underground. Then they found there were surface problems -- evidence of water seepage, earthquakes and volcanoes. The state of Nevada says the mountain is not safe for storing nuclear waste.

STEVE FRISHMAN, NEVADA NUCLEAR PROJECTS AGENCY

At this point, the government should essentially go back to the drawing board.

JOHN MARTIN

(VO) But like a gambler who can't quit, the government keeps betting. In the four years since our first report, it has spent \$1 billion. Now, it is spending four more years and yet another billion dollars. It's "Your Money." **JOHN MARTIN, ABC News, Yucca Mountain, Nevada.**

PETER JENNINGS

Now, if you still have questions or comments, you can reach us by e-mail. Our address is money@abc.com.
When we come back ...

(VO) ... it is spy versus spy in the national pastime.
(Commercial Break)

----- Segment Number: 0 (ALL) -----

Story Name: LARGEST MEAT RECALL EVER AT HUDSON FOODS USDA WANTS RECALL OF 25 MILLION LBS OF HAMBURGER

Air Date: 1997-08-21

Start Time: 00:00:00

End Time: 00:00:00

Run Time: 00:00:00

Anchor: PETER JENNINGS, NEW YORK, NY USA

Correspondent: JOHN MARTIN, WASHINGTON, DC USA

Content: 18:30:00

WARNING: THIS IS AN UNCORRECTED COPY. NOT A FINAL VERSION.

PETER JENNINGS, ABC NEWS

(VO) On World News Tonight this Thursday -- the Agriculture Department gets tougher on one of the nation's largest food processors. Twenty - five million pounds of hamburger are going to be destroyed. The FBI sniper who killed a White Supremacist's wife at Ruby Ridge in Idaho five years ago is charged with manslaughter today. And 250 churches who decided they had to do more for children and parents in the foster care system. That's tonight's "Solution."

MARY ROTZIEN, CHILD SHARE FOUNDER

People come together in the church community with a commitment to something other than their own self.

ANNOUNCER

From ABC, this is World News Tonight with Peter Jennings.

PETER JENNINGS

Good evening. The food contamination story tonight involves some very familiar names -- Burger King and Boston Market, Sam's Club and Safeway stores. They are places that get at least some of their meat from the food processing company Hudson Foods.

And now, what started out as a limited recall of frozen food patties by Hudson Foods last week, because they may have been contaminated with the E. coli bacteria, has become the largest meat recall there has ever been. First, here's ABC's **JOHN MARTIN**.

JOHN MARTIN, ABC NEWS

(VO) The announcement was stunning, and the size of the recall was unprecedented -- 25 million pounds of beef.

DAN GLICKMAN, SECRETARY OF AGRICULTURE

Hudson will recall all product that originated at the Columbus, Nebraska, plant, destroy all product they have on hand at that plant and immediately cease operations there.

JOHN MARTIN

(VO) Hudson agreed to the recall only after the USDA threatened to pull its inspectors out of the plant when it discovered Hudson could not verify whether or not the company recycled tainted beef back into production last June.

THOMAS BILLY, DEPARTMENT OF AGRICULTURE

We discovered this morning that the company has a practice of returning unused raw material from a day's production to the next day's production.

JOHN MARTIN

(VO) The new recall involves all frozen four - ounce patties sold by the company, patties usually distributed in three - pound and 15 - pound packages. The beef was distributed to major retailers, including Burger King, Boston Market and Wal - Mart; in 34 states, including Colorado, where 16 people reported confirmed cases of illness associated with the E. coli virus. Four more suspected cases are under study.

At Hudson headquarters in Arkansas, the company said in a statement it is complying with the USDA's wishes out of an abundance of caution and to restore public confidence.

(on camera) The USDA says it is certain that the contaminated beef, if it got back into the company's production cycle, was not tainted there, but before it got there. And it is looking at seven unnamed suppliers to see whether it can trace the contamination back to them.

JOHN MARTIN, ABC News, Washington.

----- Segment Number: 2 -----

Story Name: TEAMSTER PRESIDENT TOLD HIS ELECTION WAS INVALID CAREY'S CAMPAIGN MAY HAVE ACCEPTED IMPROP
Air Date: 1997-08-22
Start Time: 00:00:00
End Time: 00:00:00
Run Time: 00:00:00
Anchor: PETER JENNINGS, NEW YORK, NY USA
Correspondent: JOHN MARTIN, WASHINGTON, DC USA
Content: 18:33:29

WARNING: THIS IS AN UNCORRECTED COPY. NOT A FINAL VERSION.

PETER JENNINGS

In Washington today, what appears to be bad news for the Teamster president Ron Carey. He's going to have to run for office all over again even after his success with UPS. A court - appointed monitor has ruled that improper fund raising contributed to his election the last time. Here is ABC's **JOHN MARTIN**.

JOHN MARTIN, ABC NEWS

(VO) Just a few days ago, the Teamster president was basking in the glow of the UPS settlement. But today he found his position very much in question. The court - appointed officer who had supervised the Teamster election said Carey's campaign may have benefited from improper contributions. And she asked a federal court to order a new vote.

BARBARA ZACK QUINDEL, ELECTION OFFICER

This union belongs to the members. There can't be outside interference, or else the union can lose the most important resource it has -- the support and confidence of its members.

JOHN MARTIN

(VO) Quindel's report found "a complex network of schemes to funnel employer and Teamster funds into the Carey campaign." She said there was no evidence Carey or his aides knew of this. The report says \$221,000 was funneled to a group called "Teamsters for a Corruption - Free Union," which spent the money at the last minute mailing leaflets supporting Carey.

Carey issued a statement today blaming campaign consultants. "Their conduct," he said, "has no place in the Teamsters' union." The election was very close. Fewer than 16,000 votes between Carey and his opponent James Hoffa. Late today, Hoffa boasted that his staff had uncovered the Carey campaign irregularities.

JAMES P. HOFFA, TEAMSTER OFFICIAL

Outside money was used to elect Ron Carey. And that's why we're going to have a new election, and that's why we're going to win this election.

JOHN MARTIN

(on camera) Hoffa also called on Carey to step down until a new vote can be held, a vote that Carey's staff claimed, in light of the UPS settlement, he will win by a greater margin. **JOHN MARTIN, ABC News, Washington.**

PETER JENNINGS

Well, on a day of ups and downs for many people, it was no place for the feint of heart on Wall Street either. If you just looked at today's final numbers, you would think, well, ho - hum nothing happened.

(VO) But look again. At one point today, the Dow Jones Industrial Average was down 177 points, and then stocks rallied in the last half hour. At the finish, the loss was only six points, to close at 7887. And on the NASDAQ market, stocks lost 8 1/2 points.

Graphics: Dow Jones 15 - day Trend

Change: Down 6.04
Close: 7887.91
Volume: 457,592,890
NASDAQ 15 - day Trend
Change: Down 8.67
Close: 1598.69
Volume: 628,903,235

(on camera) But what is going on here? To be honest, we're not perfectly sure. But a lot of analysts say that some people are getting worried and selling, sending the market down. And then others look at the prices, see a bargain and buy, sending it back up. But it's been an interesting few days.

When we come back, we'll have some of today's other news.

(VO) It has been a difficult day in space, to say the least, trying to fix the Russian space station Mir. Burger Kings with no burgers. Just one of the many problems after the Hudson beef recall. And our "Persons of the Week" -- time is still on their side.

(Commercial Break)

Document ID: GMA97082201
Library: GMA
Asset Type: Transcript
Air Date: 1997-08-22

----- Segment Number: 10 -----

Story Name: HUDSON FOODS MEAT RECALL BEEF SUSPECTED OF E. COLI CONTAMINATION

Air Date: 1997-08-22

Start Time: 08:06:00

End Time: 00:00:00

Run Time: 00:00:00

Anchor: KEVIN NEWMAN, NEW YORK, NY

Correspondent: JOHN MARTIN, WASHINGTON, DC

Content: 08:06:00

THIS DOCUMENT HAS BEEN PROOFREAD AGAINST VIDEO; HOWEVER, IT MAY
CONTAIN PHONETIC SPELLINGS.

KEVIN NEWMAN, ABC NEWS

OK, we're going to turn to other news now. Concern over potentially deadly bacteria has prompted the largest food recall ever. The Hudson Foods company is recalling millions of its hamburger patties, and the government has shut down the Hudson plant where the patties are made. ABC's JOHN MARTIN has details.

JOHN MARTIN, ABC NEWS

(VO) The recall came after the USDA threatened to pull out its inspectors, which would have forced Hudson to close the plant anyway. So Hudson agreed to call back 25 million pounds of beef, the most in history, and to revise the way it keeps records to make it easier to identify sources of possible contamination. In Arkansas, Hudson said it was complying with the government's wishes out of "an abundance of caution and to restore public confidence." In Washington, the USDA said it will now ask Congress, for the third time in three years, to give it authority to recall dangerous foods on its own.

DAN GLICKMAN, SECRETARY OF AGRICULTURE

I think with this news, I think the Congress will be a lot more likely to pass this legislation.

JOHN MARTIN

(VO) Meanwhile, the USDA says it is looking at seven unnamed Hudson suppliers as the probable source of E. coli bacteria, which has so far led to 16 reported cases of illness and four suspected cases. The recalled beef comes in four - ounce patties that were sold to major retailers, Burger King, Boston Market, and Wal - Mart among them.

(on camera) The recall came when the USDA discovered that Hudson, like many Americans, recycles leftover beef from one day to the next. What caused the alarm is that the company couldn't say whether stocks of tainted beef, of the kind that had already been recalled, had gotten into the new batch.

JOHN MARTIN, ABC News, Washington.

KEVIN NEWMAN

Five years after the deadly standoff at Ruby Ridge in Idaho, a prosecutor has charged an FBI sharpshooter with manslaughter. The agent shot the wife of white separatist Randy Weaver but says it was an accident. A friend of Weaver has been charged with murdering a US marshal.

Lawyers for Paula Jones and President Clinton appear before a federal judge today in Little Rock. Jones left California for the meeting yesterday. A schedule to exchange information will be discussed, and the judge has said she may set a trial date.

And finally, after spending two months in a coma, a 17 - year - old cheerleader in California is on the mend, and she's about to have a dream come true. Amanda Arthur (ph) was injured when a vehicle flipped over while she was riding near Newport Beach with nine friends, but Amanda spoke for the first time last week in two months, and says she wants to meet the girls from the television show "Beverly Hills 90201." So producer Aaron Spelling says as soon as she's ready, he's going to send a limo to bring Amanda to the set. How about that?

That is the news at eight minutes past. Let's start up the applause and go to Spencer Christian with the weather. Spence?

SPENCER CHRISTIAN

OK, Kevin. Kevin, the question for the day is, what is the one wardrobe item everyone must have to make the best - dressed list? You must have the official Good Morning America breakfast T - shirt, which these folks have, so they're on TV now. Your names are ...

TORRIE (PH)

Torrie.

MEGAN

Megan.

SPENCER CHRISTIAN

And Kayla (ph)?

KAYLA

Yes.

SPENCER CHRISTIAN

----- Segment Number: 0 (ALL) -----

Story Name: AL GORE ON THE HOT SEAT EFFECT OF FUND - RAISING IN WHITE HOUSE ON AL GORE

Air Date: 1997-09-10

Start Time: 00:00:00

End Time: 00:00:00

Run Time: 00:00:00

Anchor: FORREST SAWYER, WASHINGTON, DC USA

Correspondent: JOHN MARTIN, WASHINGTON, DC USA

Content: 23:35:00

ANNOUNCER

September 10, 1997.

VICE PRES AL GORE

Thank you for coming this morning.

FORREST SAWYER, ABC NEWS

(VO) In the campaign fund - raising controversy the spotlight shifts to the vice president.

VICE PRES AL GORE

The reason I was proud to campaign as hard as I did was because a lot was at stake.

FORREST SAWYER

(VO) New revelations bring new questions -- did the vice president illegally solicit campaign funds?

POLITICAL ANALYST

He now is deeply engrossed in this major Democrat scandal that's been going on.

FORREST SAWYER

(VO) Will he be investigated by an independent counsel?

STUART TAYLOR, "LEGAL TIMES"

The investigation could go on and on and on and into the campaign year and be hung around his neck.

CHARLES COOK, "COOK POLITICAL REPORT"

Vice President Gore has always been seen as a Boy Scout, a real straight arrow type and that's what's very damaging about these accusations.

FORREST SAWYER

(VO) Tonight, Al Gore on the hot seat.

ANNOUNCER

This is ABC News Nightline. Substituting for Ted Koppel and reporting from Washington, Forrest Sawyer.

FORREST SAWYER

A quick look at the past few years and you'd easily conclude Al Gore has an inside track on the presidency. He is, after all, a strong, active vice president sitting on a glowing economy. But for weeks, problems have been brewing for Mr Gore. To put it simply, the vice president is accused of soliciting campaign contributions while on federal property, a potentially illegal act.

Now on its face, it doesn't sound like such a great sin. But Mr Gore has made matters worse by consistently failing to reveal all the facts. And today, things got a lot worse. Senate Republicans brought out memos they say Mr Gore should have known he was breaking campaign laws and it may be enough to trigger the appointment of an independent counsel to investigate White House campaign fund - raising, which could mean trouble for Al Gore's presidential campaign.

Take a look at tonight's Nightline poll. "Does Al Gore have the honesty and integrity to be president?" In March, 59 percent said yes. Tonight, it is down to 49 percent. "Should his fund - raising be investigated by an independent counsel?" Fifty - four percent, a majority, say yes.

So how bad is it and how bad is it likely to get? We begin with ABC's JOHN MARTIN.

JOHN MARTIN, ABC NEWS

(VO) If you listened, you could hear the buzz about Al Gore this morning in the Washington offices of "The Hotline."

1ST MONITORED NEWS REPORT

He was making calls from federal property. The White House argues that it's not going to harm the case of the vice president.

JOHN MARTIN

(VO) The "National Journal Hotline" collects stories and editorials around the country and feeds them to subscribers who report and analyze politics. It's a kind of perpetual notion machine.

CRAIG CRAWFORD, EDITOR, "THE HOTLINE"

Hotline's up!

JOHN MARTIN

(VO) The notion today was that reporters and editorial writers are suddenly paying a lot of attention to Gore.

1ST MONITORED NEWS REPORT

As far as Al Gore is concerned, Lisa, that brings us to of course, a

wink to Janet Reno and do we know anything more about whether she might ultimately explore a special prosecutor here?

NORAH O'DONNELL, SENIOR WRITER, "THE HOTLINE"

Well, I think they're certainly using him as a subject, yes, and they're being a little bit sharper against him.

JOHN MARTIN

(VO) Sharper in just the week since Bob Woodward's report in the "Washington Post." Until then, Gore's staff had maintained that the \$695,000 he raised was soft money, that is, money for the general use of the Democratic Party, which would be legal. Woodward reported that, in fact, at least \$120,000 of that was diverted to so - called hard money accounts, that is to fund specific campaigns, including the Clinton - Gore campaign and that raised all kinds of questions.

CRAIG CRAWFORD

We've actually had about 15 stories on Gore in the last three issues of "The Hotline." A lot of it is because White House 2000 is a big deal for us.

JOHN MARTIN

(VO) This morning, "New York Times" said it was a big deal that some 60 donors who thought they were giving so - called soft money to the Democratic Party had their donations diverted to hard money accounts without their knowledge. The story produced an immediate mea culpa.

STEVE GROSSMAN, NATIONAL CHAIRMAN, DEMOCRATIC NATIONAL COMMITTEE

I want to express our profound apology to any of our friends and donors and supporters for any embarrassment or any inconvenience we may have caused by some of these issues being raised and by perhaps our failure to follow the kinds of procedures which are now in place.

JOHN MARTIN

(VO) Until now, there was no evidence to suggest that Gore knew he was raising hard money. But today, the Senate campaign finance hearings produced a damaging February 1996 memo. It is written by the deputy chief of staff, Harold Ickes, directly to the president and vice president. Republicans maintain that it advises both men that some funds were to go to hard money accounts.

SEN THAD COCHRAN, (R), MISSISSIPPI, GOVERNMENTAL AFFAIRS COMMITTEE
It just seems to be as clear as anything could possibly be that the solicitations were being made for federal election campaign purposes.

CHARLES BURSON, COUNSEL TO THE VICE PRESIDENT

The call sheets clearly show that what was being asked for was a non - federal contribution, what's called soft money, and there just can be no doubt about that.

JOHN MARTIN

(VO) But that's not what the vice president said in March, when he defended his decision to make the calls.

VICE PRES AL GORE

My counsel advises me that there is no controlling legal authority or case that says that there was any violation of law whatsoever in the manner in which I asked people to contribute to our reelection campaign.

JOHN MARTIN

(VO) That's right. He said contribution to our campaign, not the Democratic Party. One legal analyst insists this gives Attorney General Reno the evidence she needs to seek an independent counsel.

STUART TAYLOR

The law in question says in essence you cannot raise campaign money in a government office. Vice President Gore made telephone calls from his government office in which he, by his own account, he asked people for campaign money.

GEORGE STEPHANOPOULOS, ABC NEWS CONSULTANT

Whatever the underlying merits, it's now almost inevitable that an independent counsel will be appointed, if only because the attorney general will have so many political problems if she doesn't do it and that can't be good news for Vice President Gore.

JOHN MARTIN

(VO) Still, without direct evidence and proof of wrongdoing, it doesn't amount to much, says "Boston Globe" columnist Tom Oliphant. He says reporters are engaging in a deceitful game of "get Gore."

THOMAS OLIPHANT

We can attribute information to rumors. We can insinuate things we never quite directly allege. We can "raise questions" and then say that the act of raising questions is the same as providing answers. And then we can, and this is the main feature of the modern scandal machine, we can pile these questions up and by the sheer number of them say that somebody is in trouble when, in fact, we have not necessarily established a single fact.

JOHN MARTIN

(VO) So even though it produced no evidence of wrongdoing, last week's spectacle of nuns testifying about fund - raising at a Buddhist temple did Gore little good.

REPORTER

Mr Vice President, can you tell us if you knew whether the temple event was a fund - raiser?

VICE PRES AL GORE

I'm going to do an interview later on.

JOHN MARTIN

(VO) And last week, in what could be seen as a presidential test run in New Hampshire, the vice president and his staff found themselves on the defensive.

So with the next presidential campaign a few years away, Al Gore already finds himself under the harsh spotlight reserved for the front runner. If an independent counsel is appointed, it could be a major problem. Of course, if he's cleared, it could well be a clean bill of health. This is JOHN MARTIN for Nightline in Washington.

FORREST SAWYER

And joining us now from Capitol Hill is ABC's Justice Department Correspondent Linda Douglass. Linda, Janet Reno has steadfastly refused to appoint an independent counsel until now. Surely these past few days do raise the stakes.

LINDA DOUGLASS, ABC NEWS

Oh absolutely. Janet Reno has really taken a lot of heat for her decision not to yet seek the appointment of an independent counsel to investigate all of these fund - raising allegations, which continue to brush up against the president and the vice president. She's been accused really for the first time of being politically motivated. That's been an offensive thing to Janet Reno, who's always liked to see herself as above politics.

She went out on a limb by defending Gore and saying that the fund - raising calls he made were soft money calls and therefore not covered by federal campaign regulations. That's not a legal interpretation that everyone agrees with, but that's the view the Justice Department held.

Well, the problem was, of course, then that her staff people, career prosecutors, failed to find out if, in fact, the money Gore raised was just soft money. Janet Reno was forced to read it in the "Washington Post" that Gore was raising hard money. She was said to be very irritated by that. She put out a public statement saying she's starting an initial review and many now believe that this initial review is the first step toward the ultimate appointment, the seeking of an appointment of an independent counsel.

FORREST SAWYER

You're suggesting that the appointment of an independent counsel is virtually a done deal at this point?

LINDA DOUGLASS

Well, it's never a done deal with Janet Reno. She is somebody who goes by the book. There are many legal hurdles still yet facing the prosecutors as they try to make this decision. One of the things they have to determine, for example, is whether or not the law that prohibits the raising of campaign contributions on federal property actually applies to the president and the vice president. This is a very old law. It's hardly ever been used. There are conflicting opinions on it and that's a matter still to be determined.

FORREST SAWYER

Linda Douglass on Capitol Hill. Thank you, Linda. There is a lot, as you see, to sort through.

We'll look at Al Gore's future and the political land mines in his path, when we return.
(Commercial Break)

FORREST SAWYER

Joining us here in Washington are Roy Neel, Vice President Al Gore's former chief of staff, C. Boyden Gray, counsel to President George Bush and Charles Cook, the editor of "The Cook Political Report", a publication that analyzes politics in America.

Mr Neel, you know what the critics are saying. They are saying this is not business as usual, this is not something both parties engage in, what they are looking at is an unprecedented effort by this White House to raise money. To use the White House as influence by overnights in the Lincoln bedroom, by coffees, by using Democratic National Committee money in the Clinton - Gore campaign. Mr Gore was a central part of that and they want to focus on him.

ROY NEEL, FORMER CHIEF OF STAFF FOR AL GORE

(Washington) Well, that's a ridiculous exaggeration of the facts. The facts are pretty clear. The vice president has done absolutely nothing wrong, nothing illegal, clearly nothing that past White House occupants haven't done. So it'll be clear that when all the facts are out there, when this committee finishes its work, when any other process is completed that the vice president will be vindicated. Every committee witness so far in these hearings has supported what the vice president has said. A reporter from the "Boston Globe" who was at the event in Los Angeles last year, reported that this did not appear like a fund - raiser. So the vice president's going to be borne out on this. He's done nothing wrong and the voters are going to understand this.

FORREST SAWYER

Well, surely, Mr Neel, if it were so clear, we wouldn't be looking at the prospect of an independent counsel at this point.

ROY NEEL

Well, we've been in an unprecedented feeding frenzy by the media and political figures during this, sort of this dead time politically.

We've had over 2,000 stories about the vice president and these activities over the last year. It's no surprise that polling would reflect that, even though most Americans believe that the vice president's integrity is high and he has the right kind of character to serve the country. So, when you have this kind of feeding frenzy and this kind of exaggerated examination of what is really a technical issue, and frankly no big deal, you're going to get an impact like this.

FORREST SAWYER

Well, I guess, Mr Gray, the implication is that we're all worked up in a lather on a slow news day. Is that about right?

C. BOYDEN GRAY, FORMER WHITE HOUSE COUNSEL

(Washington) Well, I think the president and the vice president are pretty lucky that all this broke over this last weekend at the death of Princess Diana and Mother Teresa. So I think they were kind of lucky. I do believe that this is an unprecedented sort of problem. Dick Morris' book lays claim to the fact that this is -- this was totally unprecedented. It was the first televised presidency in US history and, of course, there's going to be fallout when you raise that kind of money and you spend it in the White House.

FORREST SAWYER

Well, Mr Gray, I must tell you that sitting on the outside it does appear that it might be trivial whether he used a White House phone to raise hard money or soft money to somebody on the outside. That does seem just a little trivial to hang a man who has so many years of good work.

C. BOYDEN GRAY

Well, I think if that were the issue, I think I would agree with you. It isn't just the phone calls, of course. It's the coffees. There were 100 - and - something - odd coffees there that I think are generally agreed to have been fund - raisers and the White House raised a ton of money. Gore didn't raise it all. He probably raised less than the president's coffees themselves. He had a few, 15 or 20, I think, I'm told. But the fact nevertheless remains that he was party to a huge fund - raising effort that broke the mold for any White House going back even to Nixon.

FORREST SAWYER

But he hasn't really been associated with all those other activities. Are you tarring him with that brush?

C. BOYDEN GRAY

He gave, oh yes, he gave coffees -- he had coffees himself in the so - called ceremonial office in the old DOB. And I think that's a pretty dangerous thing to be doing when you've agreed that you will limit yourself to \$70 million in spending of the taxpayers' money in return for not raising the money on your own. Well, they took the taxpayer money and then went out and raised about the same amount from private donors and spent it.

FORREST SAWYER

Mr Neel, look at this, if you would, analytically with me. How do you start to dig out of what has certainly become at any rate a public relations problem?

ROY NEEL

Well, first of all, the public is going to put this into perspective. When the 2000 campaign starts, it won't be an isolated examination of some event the vice president and his staff did in 1996. They'll put it into perspective with all of his good work, his unprecedented work in standing as the most relevant, active vice president in history. And let me just say one thing. Mr Gray suggested there was some kind of nefarious activity involving fund - raising. Well, the public's not shocked that the vice president would raise money to help the president himself get reelected to undertake this agenda they passionately believe in. So nobody's going to be shocked that there was fund - raising. I mean, Ronald Reagan raised money out of the White House. I have no idea if President Bush did. Mr Gray was there and he can attest to that. But that's what presidents and vice presidents do. They campaign.

C. BOYDEN GRAY

I have to disagree. They are not supposed to go out and raise money for their own reelection. They're not supposed to do that. That's against the law. That's what the ...

ROY NEEL

The Republicans raised \$400 million last year for their campaign.

C. BOYDEN GRAY

And they didn't have the White House.

ROY NEEL

The Democrats raised about half that. The voters put Bill Clinton and Al Gore back into office. All this was done in the spirit of getting their people elected. It shouldn't be shocking that there's fund - raising, either, whether it's soft money, hard money ...

FORREST SAWYER

Mr Gray, I'm going to give you the last word before we go to a commercial break here.

ROY NEEL

-- it's just not a big deal to the American public.

FORREST SAWYER

Mr Gray, could we have your point, please?

C. BOYDEN GRAY

Well, Vice President Gore admitted that he was raising money for his own, their own reelection, which is against the law. It's all right to raise money for various candidates, outside of the White House, that is, for various candidates' reelections, the Senate and House and governors' races, but not the presidential race.

FORREST SAWYER

Stand by, gentlemen. We'll come back in just a moment and look further at Mr Gore's problems in the political world.
(Commercial Break)

FORREST SAWYER

We are talking about Al Gore's political troubles and the campaign finance discussion that is going on. Let me show you part of the ABC News Nightline poll that was taken just tonight. Favorable impressions of Mr Gore -- 49 percent said they felt favorably about him. In March, that was 59 percent. You see the president is at 57 percent. Newt Gingrich, the Speaker of the House, is at 26 percent.

Charles Cook of "The Cook Political Report", you study polls all the time. What do you make of these numbers?

CHARLES COOK

(Washington) Well, I think that certainly there's a drop. It's having an impact on Vice President Gore. You know, one thing that's interesting is that people have already formed their opinions on President Clinton. There's not much either positive or negative you could tell anyone that would fundamentally change their opinions. But attitudes towards Vice President Gore are much more fluid and they're softer. They're not set in stone. And that's why his numbers can dance around a good bit. I think this is certainly interesting tonight. I'd like to see some numbers a month or two from now, you know, when the dust settles, to see whether there's any permanent damage here.

FORREST SAWYER

Is it fair to say that since Mr Clinton is, of course, not able to run again, the point man in this debate over what has happened with the campaign fund - raising naturally falls to Al Gore?

CHARLES COOK

Well, I think it's logical that Republicans are sort of shifting their guns over. I mean, for one thing, Bill Clinton's name is probably never going to be on a ballot again. Secondly, the guy is so -- the president is so skillful politically that they just haven't been able to lay a glove on him. But Vice President Gore is the overwhelming front runner to be the Democratic nominee in 2000 and may not be the consummate politician that President Clinton is, so they probably can lay a glove on him and it makes sense, really, for them to go after him.

FORREST SAWYER

Boyden Gray, you were counsel to President Bush and you were there during the 1988 campaign when Iran - Contra was looming over you so I think there are some parallels to the political difficulties, aren't there?

C. BOYDEN GRAY

There certainly are. And as in this current difficulty, Iran - Contra was primarily a West Wing, as we say, a White House issue for the president and staff around him, not so much the vice president, but he bore the brunt of it because he was the one who was next up for election. And so the parallels are quite strong. And -- but I think there's a difference, which if I had any advice for Vice President Gore, which I'm sure he wouldn't take, but one of the things that then Vice President Bush tried to do was to be very aggressive, especially behind - the - scenes, in getting the story out as early as he could. If I were to have any advice for Vice President Gore, he should do the same. If, as his counsel suggested on your program earlier tonight, that there are call sheets indicating clearly that it was soft money he thought he was asking for, they ought to get that out and get it out as quickly as possible because the half - life of a political memory is short and by the year 2000, people could have forgotten about this.

FORREST SAWYER

Mr Neel, we remember the vice president's comments about this. First he said well, I made a few calls. Then he said there was no controlling legal authority about this. Has he made some missteps in the way he's handled this?

ROY NEEL

Well, I think a lot of mistakes, and hindsight is cheap. But people are going to put this in perspective and in the end it will be shown that the vice president did nothing wrong. There is no parallel whatsoever to funneling money from the Ayatollah Khomeini to the Contras in Central America. This is not a big deal. This is a political feeding frenzy right now. It will pass. Everybody will take a breather. They'll be looking at this in the context of much larger things and many more things, political and policy - wise. So, ultimately, the vice president's going to be vindicated ...

FORREST SAWYER

That sounds easy to say, but if there is an independent counsel that is looking through all of this, sifting over it day after day, that means that you're going to be getting headlines day after day.

ROY NEEL

Not necessarily. If that happens, the work, the examination would shift to an independent counsel and, ideally, away from these Congressional hearings and this endless press bashing here of the vice president on some fairly minor points and they can get back to looking at the work he's doing on the environment and clean air, reinventing government and so on and the work the president's doing.

FORREST SAWYER

I have just a ...

ROY NEEL

So I think this will be put in perspective.

FORREST SAWYER

I have just 30 seconds, Mr Gray, if I may. This is a terribly confusing issue. I was watching C - SPAN and I thought I needed an interpreter. Does that play in Mr Gore's benefit?

C. BOYDEN GRAY

It does play, as Iran - Contra did, in a sense, for then Vice President Bush. It is complicated and it's up to the Republicans if they want to exploit it to make it simpler.

FORREST SAWYER

On the DEFCON level, Mr Gray, you put this about where?

C. BOYDEN GRAY

Oh, I don't know, four or five. This is not serious, I think, at this stage. But if an independent counsel is named, then I think there's a real problem.

FORREST SAWYER

Do you agree with that Mr Cook?

CHARLES COOK

I think an independent counsel is inevitable and I think while Vice President Gore's own exposure may not be as great as it may seem right now, I think an independent counsel is a fishing expedition. There's no stopping them and that'll cause a few problems through the White House.

FORREST SAWYER

Thank you, sir. Gentlemen, I thank you all for talking to us tonight. We'll talk to you again. And I'll be back in just a moment.

(Commercial Break)

FORREST SAWYER

One program note. In the '60s, it was prescribed to mothers with morning sickness, but the results were tragic. Today, Thalidomide is used by some HIV and cancer patients. Do the benefits outweigh the risks? Find out tomorrow on Good Morning America.

That is our report for tonight. I'm Forrest Sawyer in Washington. For all of us here at ABC News, good night.

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Library: NEWS-NY
Asset Type: Transcript
Air Date: 1997-09-11

----- Segment Number: 5 -----
Story Name: IT'S YOUR MONEY PAYING MILLIONS FOR CLINICS WHERE NOT NEEDED
Air Date: 1997-09-11
Start Time: 00:00:00
End Time: 00:00:00
Run Time: 00:00:00
Anchor: FORREST SAWYER, NEW YORK, NY USA
Correspondent: JOHN MARTIN, MARIANNA, FL
Content: 18:50:10

FORREST SAWYER

Our report tonight on how the government is spending your money is a lesson on good intentions gone awry. Today, the House of Representatives held hearings on the rural health clinic program, a 20 - year - old federal effort to help people in the countryside who don't have access to health care. Congress wants to know how well it's working. Maybe they should talk to the people ABC's JOHN MARTIN recently met.

JOHN MARTIN, ABC NEWS

(VO) If you live in southwest Georgia, one of the poorest places in America, you may not have running water. You may walk miles to the store. And if you get sick, you may not be able to get to a doctor.

WILLIE MAY ALLEN, GEORGIA RESIDENT

We really need some help down here.

JOHN MARTIN

(VO) Willie Mae Allen often needs help for high blood pressure, diabetes and kidney disease.

WILLIE MAY ALLEN

Well, it ain't easy. Real rough.

JOHN MARTIN

(VO) Mrs Allen and her neighbors are supposed to be beneficiaries of a network of health clinics. The idea was to draw nurses and doctors to rural areas by paying up to four times the ordinary rate for Medicare and Medicaid patients.

(on camera) Even though the government started this program 20 years ago with the best of intentions, it has failed to attract a clinic not only here, but many places around the country that desperately need one.

(VO) Today, the people who live in these five rural counties, population 30,000, still struggle with just a few clinics and not enough doctors. But barely two hours away, Marianna, Florida, population 17,000, has one, two, three, four, five, six, seven rural health clinics.

WILLIE MAY ALLEN

Seven? Well, that would make me angry. There ain't nowhere around here for me to go to.

1ST CLINIC WORKER

Is this just a regular follow - up visit?

JOHN MARTIN

(VO) How did this happen? Marianna needed a clinic in 1981 when it was put on the government's list.

CLINIC DOCTOR

Take a deep breath.

JOHN MARTIN

(VO) But nobody updated the list or monitored the program. This allowed entrepreneurs to set up clinics even in communities that were outgrowing their rural status. They chose Marianna because it was easier to operate here.

2ND CLINIC WORKER

They're also going to the state office of rural health.

JOHN MARTIN

(VO) Rural health advocates warned the government it was creating a monster. Nobody listened.

BILL FINERFROCK, NATIONAL ASSOCIATION OF RURAL HEALTH CLINICS

There are probably, you know, over 1,000 communities that could have used a clinic that didn't get a clinic. And there are probably a couple of hundred communities that got clinics that didn't need them.

CLINIC PATIENT

Good morning. How are you all?

JOHN MARTIN

(VO) What's shocking is that in reforming the program last month, Congress eliminated the subsidy which was the incentive to build clinics in areas that never got one, areas like the one where Willie Mae Allen lives. At the same time, federal auditors say that last year subsidies for clinics that were not needed wasted \$265 million. "It's Your Money." JOHN MARTIN, ABC News, Marianna, Florida.

FORREST SAWYER

Business news tonight -- Wall Street ...

(VO) ... the Dow Jones Industrials went down again, losing another

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Asset Type: Transcript
Air Date: 1997-09-11

----- Segment Number: 4 -----

Story Name: SENATE TO FOCUS ON AL GORE'S FUND - RAISING EFFECT OF FUND - RAISING IN WHITE HOUSE ON AL
Air Date: 1997-09-11
Start Time: 00:00:00
End Time: 00:00:00
Run Time: 00:00:00
Anchor: ASHA BLAKE, NEW YORK, NY USA
Correspondent: JOHN MARTIN, WASHINGTON, DC USA
Content: 05:14:59

ANNOUNCER

It's Thursday, September 11, 1997. ABC News continues with Asha Blake.

ASHA BLAKE

And good morning once again. If you're just joining us, here are some of the stories that we're following today. Secretary of State Madeleine Albright meets with Palestinian leader Yasser Arafat. She continues her Mid East peace mission. The Army is expected to reprimand several commanders, possibly ending their careers, as a sexual misconduct investigation wraps up. The Senate votes to repeal a \$50 billion tax break for big tobacco. It was slipped into the budget deal to help the industry pay for a national settlement.

And a Senate committee is now focusing on Vice President Gore's fund - raising. The main issue -- how so - called soft money he solicited wound up in a hard - money account. Now, soft money goes to a particular political party and is not regulated. Hard money, which goes to a particular candidate or campaign, is. Here's ABC's **JOHN MARTIN**.

JOHN MARTIN, ABC NEWS

(VO) The Senate campaign finance hearings produced a damaging February 1996 memo. It is written by the deputy chief of staff, Harold Ickes, directly to the president and vice president. Republicans maintain that it advises both men that some funds were to go to hard - money accounts.

SEN THAD COCHRAN, (R) MISSISSIPPI, GOVERNMENTAL AFFAIRS COMMITTEE
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(VO) One legal analyst insists this gives Attorney General Reno the evidence she needs to seek an independent counsel.

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FEMALE REPORTER

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JOHN MARTIN

(VO) And last week, in what could be seen as a presidential test run in New Hampshire, the vice president and his staff found themselves on the defensive.

(on camera) So with the next presidential campaign a few years away, Al Gore already finds himself under the harsh spotlight reserved for the front runner. If an independent counsel is appointed, it could be a major problem.

(VO) Of course, if he's cleared, it could well be a clean bill of health.

This is **JOHN MARTIN** for Nightline in Washington.

ASHA BLAKE

Well, the controversy over campaign fund - raising appears to be taking its toll on the vice president's public image. An ABC News Nightline poll finds fewer people today believe Gore has the honesty and integrity to be president some day. Forty - nine percent now say he does and that's ten percentage points lower than six months ago.

----- Segment Number: 5 -----

Story Name: IT'S YOUR MONEY EXPENSIVE HOUSING FOR YOSEMITE PARK EMPLOYEES

Air Date: 1997-09-24

Start Time: 00:00:00

End Time: 00:00:00

Run Time: 00:00:00

Anchor: PETER JENNINGS, NEW YORK, NY USA

Correspondent: JOHN MARTIN, YOSEMITE, CA

Content: 18:45:26

PETER JENNINGS

Well, for our report tonight on how the government is spending your money, we're going to take a trip to America's most popular national park -- and certainly not for the scenery. But we will look at the real estate market.

All across the country, housing prices are up, and homeowners are paying a premium for new construction. That is their right, of course. But leave it to the government to find a way to spend even more extravagantly. Here's ABC's **JOHN MARTIN**.

JOHN MARTIN, ABC NEWS

(VO) In the canyons of New York City, real estate prices are soaring -- \$159 per square foot, \$240 per square foot, \$313 per square foot. But that's nothing compared to the canyons of Yosemite National Park. To build these houses for park employees costs \$335 per square foot.

(on camera) So why are these places so expensive? Well, first, they custom designed each house. Added cost -- \$82,000 per house. Then, instead of using a flat surface, they build on these slopes. Added cost -- \$90,000 per house.

Then, the planners and designers in Denver brought in supervisors to monitor the work. Added cost -- up to \$152,000 per house. These expenses raised the total construction cost to an average of \$584,000 per house.

(VO) Park officials say to build this subdivision, some of the money went for roads, sewage treatment and to make the houses more durable.

KEVIN CANN, NATIONAL PARK SERVICE

When it is averaged over the 50 - year maintenance cost of that facility, it goes down substantially.

JOHN MARTIN

(VO) But federal auditors said the added features simply don't explain the extraordinary extra expense. Park visitors felt the same way when we told them the cost per house.

(on camera) An average of \$584,000.

MALE PARK VISITOR

No. Ridiculous, bureaucracy gone mad.

FEMALE PARK VISITOR

Most of the people that come to the park can't afford to live in that kind of a house. So why should they have it?

JOHN MARTIN

(VO) The Park Service says it ultimately wants to house 600 more workers here. But federal auditors ask, at what price? Citing the cost just so far, \$11 million. "It's Your Money." **JOHN MARTIN**, ABC News, Yosemite National Park, California.

PETER JENNINGS

When we come back, the FBI takes aim ...

(VO) ... at one of Mexico's most dangerous drug lords.

(Commercial Break)

Document ID: WNT19971001
Library: NEWS-NY
Asset Type: Transcript
Air Date: 1997-10-01

----- Segment Number: 5 -----

Story Name: IT'S YOUR MONEY TELEMARTETING CONS THAT TARGET THE ELDERLY
Air Date: 1997-10-01
Start Time: 00:00:00
End Time: 00:00:00
Run Time: 00:00:00
Anchor: PETER JENNINGS, NEW YORK, NY USA
Correspondent: JOHN MARTIN, FALLBROOK, CA
Content: 18:50:11

WARNING: THIS IS AN UNCORRECTED COPY. NOT A FINAL VERSION.

PETER JENNINGS

In Washington today, the government announced it is going to try cracking down again on con artists who are finding ever more sophisticated ways to rip off consumers to the tune of about \$40 billion a year. It is often the elderly who are victimized. If you think you are too smart to part with your money, ABC's **JOHN MARTIN** may make you think again.

1ST TELEMARTETER

And his last name, please?

2ND TELEMARTETER

His date of birth?

JOHN MARTIN, ABC NEWS

(VO) This is telemarketing.

3RD TELEMARTETER

I just need to ask these questions.

JOHN MARTIN

(VO) The sounds ...

4TH TELEMARTETER

May I have your home phone number, please?

JOHN MARTIN

(VO) ... and sights of commerce. But this amateur video shows the industry's dark side.

5TH TELEMARTETER

And the grand prize is \$25,000 in cold, hard cash!

JOHN MARTIN

(VO) The cold, hard truth is that this telemarketing company was one of the thousands that use phones as weapons to con millions of you out of your money. Jerry St. Marie (ph) is serving 49 months in federal prison for scamming seniors over the phone.

JERRY ST. MARIE, SCAM ARTIST

You call them up. You create this air of excitement. You assure them that they've won some fabulous gifts.

JOHN MARTIN

(VO) Eighty - four - year - old Robert Gwillim was one of St. Marie's victims.

ROBERT GWILLIM, VICTIM OF SCAM

In our conversation, it sounded like somebody that you could trust, which was the biggest mistake I ever made.

JOHN MARTIN

(VO) Who falls for these scams? Gwillim is a retired investment broker. Like many victims, he is educated and socially active. Like many of his generation, he is trusting, polite and sometimes lonely. St. Marie was so skillful at exploiting these vulnerabilities that even after Gwillim lost \$2,500, he fell for a second scam. In a new twist that takes the deception to a higher level of sophistication, he was sent a contract by mail leading him to believe that he would get his lost money back if he would only send just a little more money.

Today's crackdown is designed to stop this and other kinds of new scams by criminals who exploit direct mail and computerized databases of past victims. So what's the best way for seniors to avoid being scammed?

HELEN BOOSALIS, AMERICAN ASSOCIATION OF RETIRED PERSONS

If you suspect that this is a fraudulent telemarketer, just hang up. If you suspect that the mail that has come to your home is fraudulent, throw it away.

JOHN MARTIN

(on camera) If you could say something now to the person who took all your money, what would you say?

ROBERT GWILLIM

If I was younger and stronger, I'd want to smash his face with my fist.

JOHN MARTIN

(VO) The anger and sorrow felt by Robert Gwillim and millions of other Americans swindled out of \$40 billion a year. "It's Your Money." **JOHN MARTIN, ABC News, Fallbrook, California.**

PETER JENNINGS

On Wall Street today, the Dow Jones Industrials ...

----- Segment Number: 4 -----

Story Name: PRESIDENT LINE - ITEM VETOES 38 MILITARY PROJECTS CUTS SAVE TAXPAYERS NEARLY \$290 MILLION

Air Date: 1997-10-06

Start Time: 00:00:00

End Time: 00:00:00

Run Time: 00:00:00

Anchor: PETER JENNINGS, NEW YORK, NY USA

Correspondent: JOHN MARTIN, WASHINGTON, DC USA

Content: 18:40:12

PETER JENNINGS

In other news today and for only the second time, President Clinton has used his line - item veto to get something specific out of the budget that he doesn't like or doesn't think is needed. By using this device, which so many presidents have wanted, he's taken a bite out of the military construction bill. Some people will think it's about time, and others, who do not, will be upset. Here's ABC's **JOHN MARTIN**.

JOHN MARTIN, ABC NEWS

(VO) With a stroke of the pen, the President vetoed 38 military construction projects in 26 states.

PRES BILL CLINTON

The use of the line - item veto saves the taxpayers nearly \$290 million and makes clear that the old rules have, in fact, changed.

JOHN MARTIN

(VO) Democratic congressman Norman Sisisky of Virginia took the biggest hit -- a veto of nearly \$20 million for facilities the Pentagon had not requested at Norfolk naval shipyard. But Republicans lost big as well. In Florida, Republican congresswoman Tillie Fowler's district lost nearly \$18 million for piers the Pentagon had not requested at the Mayport naval station.

REP TILLIE FOWLER, (R) FLORIDA

I'm very disappointed. This is really an abuse of the line - item veto, which I support.

JOHN MARTIN

(VO) In Kentucky, Republican Edward Whitfield's district lost nearly \$10 million for maintenance and storage facilities the Pentagon did not request for Fort Campbell. Those looking at the possible political explanations for the President's choices made two observations.

First, the President vetoed more than twice as many projects in Republican districts than in Democratic districts.

(on camera) And second, Republican senator Trent Lott of Mississippi gets to keep \$37 million worth of projects critics have labeled pork barrel spending. As Majority Leader, of course, he's somebody the President wants to get along with. **JOHN MARTIN, ABC News, Washington.**

PETER JENNINGS

Not far away in Virginia today, three Americans, including a former Pentagon analyst and her husband, have been charged with spying for East Germany, the Soviet Union -- Russia now -- and South Africa. They're also accused of passing secret documents about America's defense strategy and weaponry. The FBI says they met in the 1970s as Communist sympathizers at the University of Wisconsin.

(VO) On Wall Street today, the Dow Jones Industrials gained more than 61 points to close at 8100. On the NASDAQ market, stocks gained just a fraction over four points.

Graphics: Dow Jones 15 - day Trend

Change: Up 61.64

Close: 8100.22

Volume: 494,826,350

NASDAQ 15 - day Trend

Change: Up 6.04

Close: 1721.91

Volume: 714,624,172

(on camera) In North Carolina, five migrant farm workers who were killed late last night, it turns out were shot several times each with an assault rifle. Police are searching for two brothers, also farm workers, suspected of the crime. Robbery is believed to have been the motive.

And in Charlotte, North Carolina, an armored car driver from the Loomis, Fargo Company is missing with \$15 million. Authorities have not ruled out the possibility that the driver is the victim of a crime.

When we come back ...

(VO) ... a jubilant home coming for a Palestinian leader who's been in prison in Israel.

(Commercial Break)

----- Segment Number: 0 (ALL) -----

Story Name: AMERICANS NOT SAVING ENOUGH FOR RETIREMENT TOO MANY ARE COUNTING ON SOCIAL SECURITY

Air Date: 1997-10-16

Start Time: 00:00:00

End Time: 00:00:00

Run Time: 00:00:00

Anchor: LISA MCREE, NEW YORK, NY USA

Correspondent: JOHN MARTIN, WASHINGTON, DC USA

Content: 18:30:00

LISA MCREE, ABC NEWS

(VO) On World News Tonight this Thursday -- financial future shock. Americans are doing a terrible job preparing for their retirement years. A new warning tonight about anti - lock brakes. Drivers are running right off the road. US ships against Japanese ships. The trade dispute heats up. And a memorial, half a century in the making, finally begins to take shape.

ANNOUNCER

From ABC, this is World News Tonight with Peter Jennings. Sitting in tonight, Lisa McRee.

LISA MCREE

Good evening. For a growing number of Americans, the dream of retirement may turn out to be a fantasy. Despite years of warnings to start saving for the future, a major study out today says most people are still not putting away enough money to live comfortably when they retire.

And the report by the American Association for Retired Persons says that too many workers are counting on Social Security and other investments to bail them out. Here's ABC's **JOHN MARTIN**.

JOHN MARTIN, ABC NEWS

(VO) While more than a third of American workers want to retire before the age of 65, the vast majority do not have a plan for what they'll need to retire. Barely one in four Americans 25 or older has any idea of what they need, said the survey. Some don't even try to find out because they are afraid of what the answer will be. But for most, the problem is overconfidence. They think things will just work out. Sixty - eight percent said they are very confident or somewhat confident of their prospects. This could be a case of ignorant bliss if they fail to save enough money or if their few investments don't pan out, which can mean a rude awakening. The surveyors found 30 percent of those who retired earlier than planned and thought they could afford to do so now say their living standard has declined. The survey's sponsor says this happens for a reason they had not expected.

DALLAS SALISBURY, EMPLOYEE BENEFIT RESEARCH INSTITUTE

Many of today's retirees thought that Medicare would cover all of their health expenses in retirement, and Medicare doesn't come close.

JOHN MARTIN

(VO) The survey also found a generation gap. Unlike older workers, most younger people under 33 do not expect pensions or Social Security to provide enough for retirement and already are saving at much higher rates.

(on camera) What worries economists is that even though the overall number of people who are saving is up 8 percent in just three years, most people approaching 65 have saved only enough to keep themselves barely above the poverty line when they retire. **JOHN MARTIN**, ABC News, Washington.

----- Segment Number: 6 -----

Story Name: IT'S YOUR MONEY WHO IS WATCHING THE WATCHDOG?

Air Date: 1997-10-29

Start Time: 00:00:00

End Time: 00:00:00

Run Time: 00:00:00

Anchor: PETER JENNINGS, NEW YORK, NY USA

Correspondent: JOHN MARTIN, WASHINGTON, DC USA

Content: 18:50:18

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PETER JENNINGS

For tonight's report on how the government spends your money, this question -- who is watching the watchdog? Like many government agencies, the Treasury Department has an inspector general to keep it on the straight and narrow in other words, to make sure the department goes about its business without wasting the taxpayers' money. But ABC's **JOHN MARTIN** reports tonight that the inspector general's office might have taken a closer look at itself.

JOHN MARTIN, ABC NEWS

(VO) A cruise can cost \$4,500. This jeweled broach costs \$4,500. And just one page from this government management study cost you \$4,500. That's the kind of money tossed around the ornate Treasury Department recently when its inspector general was trying to improve management and build morale. But many of her 300 employees are still unhappy. After the morale study, all they got were little plastic rulers.

(on camera) The agency's vision is described on these rulers. But after it spent \$345,000 to come up with about 300 of these, you may begin to see red. That's \$1,150 each.

SEN SUSAN COLLINS, (R) MAINE

Instead of being the watchdog, we have the inspector general engaging in the kinds of practices that the IG's office is supposed to prevent.

JOHN MARTIN

(VO) Senator Collins opens hearings Friday on financial abuses at the Treasury Department. Congressional investigators say in a draft report obtained by ABC News, "It is clear that the agency violated the applicable statute and regulation" against awarding contracts without competitive bids. Treasury IG Valerie Lau declined to be interviewed, but her employees talked as long as we protected their identity.

TREASURY EMPLOYEE

It's just been an abomination, a disgrace, an embarrassment to the good working employees, hard - working employees, and it's incredibly demoralizing.

JOHN MARTIN

(VO) So now, the Treasury faces questions -- what's going on here with the ruler, the bad morale and that \$4,500 - a - page management study? These questionable expenses cost nearly \$500,000. "It's Your Money." **JOHN MARTIN**, ABC News, Washington.

PETER JENNINGS

Critics say that the agency wasted enough money on the two contracts to hire a full - time investigator to monitor IRS abuses for eight years.

Now for some health news. A few years ago, there was a scare when a study discovered a link between two widely used chemicals and breast cancer. Now, a fresh study in the New England Journal of Medicine finds no such association. In fact, researchers actually found that healthy women had a higher level of the two industrial pollutants PCB and DDE in their blood than did breast cancer victims.

And the government may take the sugar substitute saccharin off its list of cancer - causing agents. That means those tiny warning labels you see occasionally, at least it is hard to see them, on the pink packets of Sweet and Low could soon be history. A panel meet meets on Friday to discuss the results of the research which showed it to be safe.

When we come back, why haven't we heard from Mars lately?

(Commercial Break)

Document ID: WNT19971105
Library: NEWS-NY
Asset Type: Transcript
Air Date: 1997-11-05

----- Segment Number: 6 -----

Story Name: IT'S YOUR MONEY THE ETHANOL PROJECT MAKING FUEL OUT OF CORN
Air Date: 1997-11-05
Start Time: 00:00:00
End Time: 00:00:00
Run Time: 00:00:00
Anchor: PETER JENNINGS, NEW YORK, NY USA
Correspondent: JOHN MARTIN, SHERBURN, MN
Content: 18:50:27

WARNING: THIS IS AN UNCORRECTED COPY. NOT A FINAL VERSION.

PETER JENNINGS

Tonight in our report on how the government spends your money, we're going right into the tank, the gas tank in this case. Many of us remember when the price of oil and, thus, gasoline went through the roof about 20 years ago. The oil crisis was quite a shock, and Congress quickly voted to support a search for a viable alternative - one that, by the way, would also be cleaner. ABC's **JOHN MARTIN** tonight on how they've been spending your money.

JOHN MARTIN, ABC NEWS

(VO) These are the kernels of a good idea -- use corn to make a cleaner fuel and help pump up the economy of America's heartland. It's called ethanol, a gasoline additive made from corn. But there's a problem. Nineteen years and more than \$7 billion later, the subsidy for corn fuel is not working as hoped. In fact, say federal auditors, without the subsidy, ethanol production would largely discontinue.

Why? It was supposed to ease dependence on foreign oil but has had little impact because foreign producers have kept prices low. It was supposed to be available nationwide, but it's not because it's expensive to transport outside the Midwest.

(on camera) Pumping ethanol is easy here. You just pull out the nozzle, push up the plate and pump \$600 million a year out of taxpayers' pockets.

(VO) That's \$1,141 a minute, every minute of every day of the year. Despite that cost, corn belt pressure is fueling momentum in Congress to extend the subsidy seven years beyond its expiration date in 2000. One of the biggest producers, which declined comment, is corporate giant Archer Daniels Midland. Congressman William Archer from oil-producing Texas is not related to the Archer Daniels Midland company but is a critic.

REP BILL ARCHER, (R) TEXAS

They've convinced the farmers that they're going to go broke if they don't have this ethanol subsidy, and the farmers then put pressure on the members of Congress.

JOHN MARTIN

(VO) Farmers tell Congress oil and other fuels get subsidies, so ethanol should, too. Producer Steve Core (ph) insists success is just down the road.

STEVE CORE

We need to get this thing going. It might have been here for 20 years, but we're just now getting this thing to really work.

JOHN MARTIN

(VO) But how much work? And how much cost? By the time the corn fuel subsidy expires, it could cost \$1.8 billion more. "It's Your Money." **JOHN MARTIN**, ABC News, Sherburn, Minnesota.

PETER JENNINGS

Last note from Washington, President Clinton made a passionate argument today for the power of something called fast-track trade negotiations. It would let the President make unilateral trade deals with other countries and then present them to Congress for a straight yes or no vote. The President tried to sweeten the deal for critics, proposing that the government spend \$1 billion to help Americans who lose their jobs because of any trade agreements.

(VO) When we come back, the elderly and the animals.

(Commercial Break)

----- Segment Number: 4 -----

Story Name: FDA RECOMMENDS DRUG PROPECIA FOR HAIR GROWTH PANEL DOUBTS IT CAN PREVENT HAIR LOSS

Air Date: 1997-11-13

Start Time: 00:00:00

End Time: 00:00:00

Run Time: 00:00:00

Anchor: PETER JENNINGS, NEW YORK, NY USA

Correspondent: JOHN MARTIN, WASHINGTON

Content: 18:40:53

PETER JENNINGS

While we're still in Washington, there is more news today about that prescription drug to fight baldness we told you about last night. A panel at the Food and Drug Administration has recommended the drug Propecia to promote hair growth. But the panel does have doubts that it can actually stop you losing your hair, and men over 40 listen carefully. Here's ABC's **JOHN MARTIN**.

JOHN MARTIN, ABC NEWS

(VO) It probably won't help the celebrated ...

PATRICK STEWART, ACTOR ("STAR TREK: NEXT GENERATION")

Report.

JOHN MARTIN

(VO) ... or the anonymous if their hair stopped growing or fell out long ago.

DR GARY PECK, WASHINGTON HOSPITAL CENTER

If patients are as bald as I am, it's not going to help.

JOHN MARTIN

(VO) But for men 41 or younger, here's what the Merck company says its drug will do -- a small daily dose of Propecia, as it is called, blocks the body from producing a hormone that causes hair loss when it is changed by an enzyme.

DR THOMAS NIGRA, WASHINGTON HOSPITAL CENTER

It's the hair follicle shrinkage as a result of this enzyme action that causes baldness.

JOHN MARTIN

(VO) But today, with lots of interested parties looking on, the company failed to convince the FDA's advisory committee that Propecia stops hair loss. A company official did convince the committee that the drug grows hair.

VOICE OF DR KEITH KAUFFMAN, MERCK & CO.

This patient was rated as moderately improved at the end of the first year and progresses to great improvement at the end of the second year.

JOHN MARTIN

(VO) Despite this promise, some doctors argue against approval, citing impotence and decreased sex drive, reported by a small percentage of the study group.

DR BRUCE KATZ, DERMATOLOGIST

I think we should be very cautious about using it in young people. And we want to be sure that it's safe long - term.

JOHN MARTIN

(VO) But for some of the men in the study, benefits outweigh possible risks.

STEVEN SANDOE, STUDY PARTICIPANT

It's what we call peach fuzz. And where there's small hairs, there's hope.

JOHN MARTIN

(VO) Hope for those of America's 40 million bald men who consider it a burden. **JOHN MARTIN**, ABC News, Washington.

PETER JENNINGS

The money we use -- the cash, that is -- may be about to undergo an important transition. The House of Representatives has passed a bill today that is going to bring into service ...

(VO) ... a new dollar coin. We don't really know what it will look or feel like. This is a suggestion. Only that it will be different than the Susan B. Anthony dollar, which was a failure. This time, the coin's supporters hope that it will in time replace the paper dollar ...

(on camera) ... as it has so successfully in other countries.

When we come back -- the FBI says ...

(VO) ... that its investigation of TWA 800 is over.

(Commercial Break)

----- Segment Number: 5 -----

Story Name: LEADERSHIP OF TEAMSTERS UNION UP IN THE AIR CAREY DISQUALIFIED FOR ILLEGAL FUND RAISING

Air Date: 1997-11-17

Start Time: 00:00:00

End Time: 00:00:00

Run Time: 00:00:00

Anchor: PETER JENNINGS, NEW YORK, NY USA

Correspondent: JOHN MARTIN, WASHINGTON, DC USA

Content: 18:51:12

PETER JENNINGS

The future leadership of the country's largest private sector union is very much up in the air today. Teamster Union president Ron Carey was disqualified from a special election for next year because of his involvement in an illegal fund - raising scheme. It is merely the latest fallout from an election last year that was overturned because of questionable fund raising. Here is ABC's **JOHN MARTIN**.

JOHN MARTIN, ABC NEWS

(VO) The Teamsters have struggled for years to leave behind the shadow of Jimmy Hoffa and those who followed him to the union presidency and to prison. Ron Carey was elected by promising reforms and last year ran for re - election against Jimmy Hoffa's son by promising more.

RON CAREY, TEAMSTERS UNION

So what this is all about is whether or not we continue to move forward, we continue to clean this union up.

JOHN MARTIN

(VO) But today's decision said that just one month before this rally, Carey had personally approved donations of \$735,000 from the Teamsters' treasury to groups that were to funnel the money back to campaign. Election officer Kenneth Conboy ruled that was a clear and serious violation of the election rules. In Washington, Carey vowed to appeal.

RON CAREY

I have done nothing wrong, and I will fight this decision until it is overturned.

JAMES P. HOFFA, TEAMSTERS PRESIDENTIAL CANDIDATE

It is just shocking that somebody would have the temerity to walk around and call himself a reformer while he's stealing money from the Teamsters Union.

GROUP LEADER

Who's the man?

TEAMSTERS

Hoffa!

JOHN MARTIN

(VO) But Hoffa received millions of dollars in unidentified contributions. And today, election officer Conboy ordered the Hoffa campaign investigated.

(on camera) One analyst called the day a disastrous setback for the union and the nation. Despite his recent UPS strike victory, Carey's status is in shambles and so is the effort to clean up the Teamsters. **JOHN MARTIN**, ABC News, Washington.

PETER JENNINGS

Now a note overseas. In Britain today, what they have done to Windsor Castle since the fire.

(VO) It is five years since fire destroyed more than 100 rooms. Here is a look at the damage done to St. George's Hall, and here it is today. After some pressure on the royal family, the Queen agreed to pay for the \$62 million renovation out of her own funds. The repairs have been finished just in time for the Queen to celebrate her 50th wedding anniversary.

(on camera) One of the world's most famous women is getting a serious makeover. Mattel's Barbie doll has often been criticized for giving young girls an unrealistic standard of beauty. And so, the new Barbie will have a wider waist and will be less voluptuous. Far be it for us to point out that the new Barbie will also need a whole new wardrobe.

(VO) On Wall Street today, the Dow Jones Industrials gained more than 125 points to close at 7698. On the NASDAQ market, stocks gained more than 30 points.

Graphics: Dow Jones 15 - day Trend

Change: Up 125.74

Close: 7698.22

Volume: 575,955,820

NASDAQ 15 - day Trend

Change: Up 30.60

Close: 1614.11

Volume: 652,934,952

(on camera) When we come back, freedom ...

----- Segment Number: 6 -----

Story Name: IT'S YOUR MONEY INELIGIBLE STUDENTS WHO RECEIVE PELL GRANTS

Air Date: 1997-11-20

Start Time: 00:00:00

End Time: 00:00:00

Run Time: 00:00:00

Anchor: PETER JENNINGS, NEW YORK, NY USA

Correspondent: JOHN MARTIN, KANSAS CITY, KS

Content: 18:50:52

PETER JENNINGS

Tonight in our report on how the government spends your money, are some college students sabotaging the future of others? It has been 25 years now since the government began awarding Pell grants. They are meant to help low - income students get through college. So far, the grants have gone to 30 million students at the cost of \$60 billion. But ABC's **JOHN MARTIN** reports tonight that some of that money is going to waste.

RACHEL RISALVATO, STUDENT

OK. Let him go around a couple more times.

JOHN MARTIN, ABC NEWS

(VO) Rachel Risalvato owes the US government \$6,000 for taking an education grant she wasn't entitled to receive.

RACHEL RISALVATO

Now, because of the money that we have to pay, you know, that sets me back from going to school.

JOHN MARTIN

(VO) Rachel and her mother say they didn't know she was ineligible for the grant or was breaking any rules. Ernest Dale Bleam was hired as their middleman for a fee. The Risalvatos claim they didn't know he lied on the application by underreporting their income.

RACHEL RISALVATO

He got away with it for a long time. A lot of people were affected by it.

JOHN MARTIN

(VO) What Bleam allegedly did for Rachel and hundreds of students is not unusual. Dozens of middlemen with hundreds of student clients each are ripping off the government's Pell grant program.

(on camera) How serious is this? This stadium holds 50,000 people. It would take two stadiums this size to hold all the people who should not have gotten Pell grants in a recent year.

(VO) The loss -- \$170 million in just the one year they studied. How could this happen? It's because federal law prevents college officials from verifying income tax statements with the Internal Revenue Service. The US Department of Education has known about this fraud for five years. But it's taken that long to ask Congress to order the IRS to do the checking. Without reform, federal officials say people will continue taking money that isn't theirs.

DIANNE VAN RIPER, DEPARTMENT OF EDUCATION

For every dollar that a student receives fraudulently, that's one less dollar that will be in the pool for eligible recipients.

JOHN MARTIN

(VO) And without those dollars, these future college students may be out of luck if they need a Pell grant. That \$170 million -- "It's Your Money" and theirs. **JOHN MARTIN**, ABC News, Kansas City, Kansas.

PETER JENNINGS

On Wall Street today, the Dow Jones Industrials ...

(VO) ... gained more than 101 points to close at 7826. And on the NASDAQ market, stocks gained 25 points plus.

Graphics: Dow Jones 15 - day Trend

Change: Up 101.87

Close: 7826.61

Volume: 601,794,540

NASDAQ 15 - day Trend

Change: Up 25.34

Close: 1626.56

Volume: 687,509,135

(VO) The trade deficit in September was at its highest level in eight months, up 17 percent to more than \$11 billion.

(on camera) With the holidays approaching, imported toys, particularly from China, were a big part of the increase.

When we come back ...

(VO) ... the dogs that change lives.

(Commercial Break)

----- Segment Number: 5 -----

Story Name: IT'S YOUR MONEY PAYING THE PRICE FOR CROOKED LANDLORDS

Air Date: 1997-12-02

Start Time: 00:00:00

End Time: 00:00:00

Run Time: 00:00:00

Anchor: PETER JENNINGS, NEW YORK, NY USA

Correspondent: JOHN MARTIN, BROOKLYN, NY USA

Content: 18:50:32

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PETER JENNINGS

Tonight in our report on how the government spends your money -- paying the price for crooked landlords. More than four million Americans live in housing that is privately owned but subsidized by the government. The goal is to provide a nice place to live for people who need a little extra financial assistance. The results are often not so nice, and it's the landlords who are living on easy street on your dime. Here's ABC's **JOHN MARTIN**.

JOHN MARTIN, ABC NEWS

(VO) It was supposed to be their version of the American dream here in Brooklyn -- safe, well - maintained, government - subsidized apartments. But something is horribly wrong. Myrna Galindez (ph) and her neighbors must pay rent to appalling conditions.

MYRNA GALINDEZ, TENANT

This is the bathroom. This is where you take a shower in here. All your water comes out the kitchen cabinets.

JOHN MARTIN

(VO) Tens of thousands of families like this are victims of landlords who embezzle money from the government for maintenance and repairs they never make. This costs taxpayers at least \$80 million a year.

(on camera) Here's what you're paying for. There are no doors on the bedroom. Part of the wall is missing. This is just a piece of wood that's been nailed up here to cover a gaping hole to the outside. And worst of all, the ceiling is falling in from water damage.

(VO) Myrna's landlord, Abraham Taub (ph), didn't want to talk to us. He's one of six men accused of pocketing perhaps \$10 million to maintain apartments in five states.

AUDREY GOODING, TENANT

The real story is that he was getting rich at our expense, OK? We're living like this, and he's living large.

JOHN MARTIN

(VO) In Washington, Housing Secretary Andrew Cuomo admits abuse has been rampant but says HUD is now cracking down.

ANDREW CUOMO, HOUSING SECRETARY

We'll find you. We'll convict you. We'll go to the full extent of the law -- literally zero tolerance.

JOHN MARTIN

(VO) This year, HUD has tried to remove 92 landlords. Five years ago, it was only 15. It's too soon to tell if HUD can end long - time corruption, but this tenant lawyer says the agency must be a lot tougher.

RICHARD WAGNER, LEGAL SERVICES CORP.

Unless these owners are seriously faced with the prospect of incarceration and loss of title to the premises, then everything is just good intentions.

JOHN MARTIN

(VO) In Brooklyn, they're still waiting for repairs. We asked Myrna about her landlord.

(on camera) If you could say something to him now, what would you say?

MYRNA GALINDEZ

I would ask him why? Why did he make us live like this? We deserve better.

JOHN MARTIN

(VO) So do taxpayers. That's \$80 million landlords skim each year, "It's Your Money." **JOHN MARTIN**, ABC News, Brooklyn, New York.

PETER JENNINGS

And another sign today that the economy is in good shape.

(VO) The index of leading economic indicators, which forecasts future economic growth, rose 0.2 percent in October.

(on camera) When we come back, we'll go to the bowels of the aircraft carrier ...

(VO) ... Nimitz in the Persian Gulf.

(Commercial Break)

----- Segment Number: 4 -----

Story Name: IT'S YOUR MONEY MONEY TO FEED NEEDY KIDS GOING TO CON ARTISTS
Air Date: 1997-12-16
Start Time: 00:00:00
End Time: 00:00:00
Run Time: 00:00:00
Anchor: PETER JENNINGS, NEW YORK, NY USA
Correspondent: JOHN MARTIN, LOS ANGELES, CALIF USA
Content: 18:45:09

PETER JENNINGS

There was another of those crystal clear reminders today that even though times are good for many, they are, by no means, good for all. UNICEF released its annual report on the state of the world's children.

(VO) And it estimates that seven million children die every year from malnutrition. That's 1 percent of the world's children. The report says that too many children are not getting the vitamins and minerals they need to develop, which leads to blindness and stunted growth, among other things.

(on camera) Tonight, in our report on how the government spends "Your Money," the program that is supposed to help American kids who are hungry -- a \$1.7 billion effort to feed children at homes and day care centers around the country. Trouble is that some of this money is being used for far less noble purposes. In fact, it is nothing short of a scam. And "It's Your Money." Here's ABC's JOHN MARTIN.

JOHN MARTIN, ABC NEWS

(VO) Someone bought this mansion in Los Angeles with \$1.5 million dollars of your money -- money that should have fed these children under a federal program. Who was it? None other than Wan Hee Moon, a state employee in charge of directing food through private sponsors to low - income children.

Wan Hee Moon used aliases to conceal her role as a sponsor. She refused to talk to us but has pled guilty to fraud. Prosecutors say she stole 2.3 million federal tax dollars, using the money not only to buy that mansion, but this house -- and this one and this one.

ROGER VIADERO, USDA INSPECTOR GENERAL

There are controls in place. And there seem to be adequate controls in place. But are they working? Not only no, but hell no.

JOHN MARTIN

(on camera) Based on their suspicions, federal investigators looked at 1 percent of the 1,200 private sponsors who distribute funds to centers like this. They found not 10 percent fraud, not 50 percent fraud, but virtually 100 percent fraud in the sample.

(VO) So the Department of Agriculture has launched 21 criminal investigations in 11 states and Washington, DC. Its findings are stunning. USDA agents say owners claimed this vacant lot as a day care center and received your money. They say the owner of this trailer took your money to feed 20 children but fed only a few.

ROGER VIADERO

We have these rascals out there, these sponsors that are cheating the children, also cheating the taxpayer.

JOHN MARTIN

(VO) California state attorney Joanne Lowe says one reason the Wan Hee Moons escape detection is that the states are not vigilant.

JOANNE LOWE, CALIFORNIA DEPARTMENT OF EDUCATION

We never imagined that an employee of the department would go to such great lengths as creating a number of aliases in order to receive federal funds from the program.

JOHN MARTIN

(on camera) Well, if you don't check, who does?

JOANNE LOWE

I don't believe there's anyone that does check on something like that.

JOHN MARTIN

(VO) Certainly, the USDA doesn't ...

CHILDREN

Let us thank him for our food.

JOHN MARTIN

(VO) To make sure food gets to these children, it has fewer than 100 inspectors nationwide. It admits it's a problem watching \$1.7 billion, but it's your problem. "It's Your Money." JOHN MARTIN, ABC News, Los Angeles.

PETER JENNINGS

When we come back, who's getting soaked ...

(VO) ... in the flood of new credit cards?

(Commercial Break)

Document ID: WNT19971218
Library: NEWS-NY
Asset Type: Transcript
Air Date: 1997-12-18

----- Segment Number: 5 -----

Story Name: IT'S YOUR MONEY CATCHING WANTED CRIMINALS WITH FOOD STAMPS
Air Date: 1997-12-18
Start Time: 00:00:00
End Time: 00:00:00
Run Time: 00:00:00
Anchor: PETER JENNINGS, NEW YORK, NY USA
Correspondent: JOHN MARTIN, CHICAGO, IL
Content: 18:44:33

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PETER JENNINGS

We learned today that a story we've been working on about fraud in the welfare system turns out to be the biggest sting that's ever been mounted to catch welfare cheats. The government was actually after people who had committed even more serious crimes. And they got 2,200 people in all. ABC's **JOHN MARTIN** tonight on how it worked.

JOHN MARTIN, ABC NEWS

(VO) Call it the case of the hungry fugitives. For years, police couldn't catch them. Criminals wanted for everything from armed robbery to murder. But amazingly, these and other fugitives still collected food stamps. Under the law, the government was not allowed to match criminals with food stamp records.

Then the law was changed. Bingo! Investigators found thousands of fugitives and their addresses. So then they decided, here in Chicago and around the country, to con the convicts.

(on camera) This is how part of the sting worked -- a phony research firm set up here. The felons were told to come here for an "evaluation" or they faced the loss of their food stamps. Hundreds of them fell for it.

MICHAEL SHEAHAN, SHERIFF, COOK COUNTY

The individual comes in with the letter, shows her identity. She thought she was at a consulting firm.

JOHN MARTIN

(VO) That's because the police made a play on words with the firm's name, playing with letters spelling out "Arrest Warrant."

MICHAEL SHEAHAN

They now notify her that she is under arrest, and they place her under arrest. She was scamming the government and taking some food stamps, when we really scammed her. It was a real good example, I think, of federal, state and local people working together.

JOHN MARTIN

(VO) In Chicago, they arrested more than 300 fugitives this way. Today, with arrests announced around the country, the government deserves some credit. Cracking down on fugitives and saving millions of dollars in food stamps for people who need them is a good thing. It is saving "Your Money." **JOHN MARTIN**, ABC News, Chicago.

PETER JENNINGS

On the subject of money, another jolt today for workers at Kodak. 6,600 more jobs are going on top of the 10,000 last month. It's an effort to raise profits and the stock price. And Kodak stock jumped almost 3 percent today.

(VO) In other news -- in Plano, Texas, a gunman has released more than 60 people from a day care center and is now inside with just two -- his own son and his step-son.

(on camera) In glowing colors today, a portrait of the weather phenomenon that is punishing much of the globe.

(VO) These new satellite images show El Nino, the warm water mass in the Pacific Ocean, growing over recent months. Red signals the warmest temperature. Scientists say El Nino has probably reached its peak. Put it side to side with the last big El Nino, 1982 to '83, and you can see that this year's is much bigger. This is what's blamed for bad storms off the West Coast, wet weather through the south and the warmer than normal temperatures in the northeast.

(on camera) When we come back, what happens when the bottom ...

(VO) ... falls out in one of the world's giant economies?

(Commercial Break)

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Air Date: 1997-12-23

----- Segment Number: 1 -----

Story Name: SMUGGLING CHARGES AGAINST US COMPANY INS SAYS MEXICANS WERE BROUGHT TO SWEATSHOPS
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Start Time: 00:00:00
End Time: 00:00:00
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Anchor: PETER JENNINGS, NEW YORK, NY USA
Correspondent: JOHN MARTIN, WASHINGTON, DC USA
Content: 18:51:27

PETER JENNINGS

Hello again, everybody. Good evening for those of you who may just be joining us. In addition to the Nichols verdict, which has just come down in Denver, the penalty phase of that trial will begin on Monday. We're going to continue tonight with supply and demand and smuggling.

Today, for the first time, the Immigration and Naturalization Service has actually charged an American company with smuggling Mexicans into the United States. Individuals in four states were indicted. The Mexicans came here to work. Those in the smuggling ring knew that they would work for less. We go to ABC's **JOHN MARTIN** for all the details.

JOHN MARTIN, ABC NEWS

(VO) Immigration officials said these buildings were sweatshops, the destination for the only smuggling network of its kind they had ever seen.

DORIS MEISSNER, INS COMMISSIONER

This is a breakthrough case for us. This is the first time we've been able to establish the connection, and it's a conspiracy between the employer and the smuggler, the smuggler and the point of origin in Mexico.

JOHN MARTIN

(VO) The indictment accuses a Tennessee businessman and eight associates of smuggling Mexicans across the border to a safe house in New Mexico. Their final stop was 1,200 miles to the east in Dalton, Georgia. The operation served Atlantic Finishing, a T-shirt maker, through a network of recruiters, drivers, spotter and expeditors. Dozens of workers were allegedly hidden in these houses while identity papers were forged, then employed here in Trenton, Georgia, and Henagar, Alabama. In New York, the head of a textile workers union said the phenomenon of worker abuse has been growing.

JAY MAZUR, PRESIDENT, UNITE

I think that this is the tip of the iceberg in the sense that there are hundreds of thousands of workers in this country who are exploited without the benefit of protection.

JOHN MARTIN

(VO) Economists say declining wages in Mexico, a shortage of Americans willing to work under certain conditions and rising competition among apparel companies are creating an incentive for employers to smuggle.

JEFF FAUX, ECONOMIC POLICY INSTITUTE

You can bet that they were trying to undercut their competition. That's why they were going to these lengths to get cheap labor.

JOHN MARTIN

(VO) It's not clear who was buying the shirts, but a Kmart official confirmed to ABC News that it had purchased "a very small order" about a year ago through a supplier.

(on camera) Commissioner Meissner says more investigations are under way. This case was discovered at the border, but she says more effort is needed at the source of the problem -- the companies that are willing to break the law to boost their profits. **JOHN MARTIN, ABC News, Washington.**