

### **III. LEGAL ANALYSIS OF EVIDENCE**

#### **A. There Is Insufficient Evidence to Warrant Criminal Prosecution of Any Conduct Related to the Hudson Casino Proposal, Including Secretary Babbitt’s Congressional Testimony**

The Independent Counsel has found insufficient evidence to warrant criminal prosecution of anyone for conduct related to the Hudson casino proposal, including Secretary Babbitt for his testimony about the Hudson matter before Congress. The Special Division charged the Independent Counsel to investigate whether Secretary Babbitt, the “covered person” under 28 U.S.C. § 591, violated federal criminal law by making false statements in the course of congressional testimony and, as necessary to resolve that issue, to investigate whether any other violation of federal criminal law occurred in connection with the Department of the Interior’s consideration of the Hudson casino application. This section of the Report sets forth the Independent Counsel’s legal conclusions arising out of the investigation of the matters mandated by the Special Division.

##### **1. Babbitt’s Testimony and Other Evidence Before the Senate Committee on Governmental Affairs Raised Questions About Whether the Hudson Casino Decision Had Been Criminally Corrupted by Campaign Contributions**

When the Senate Committee on Governmental Affairs held hearings on the Department of the Interior’s denial of an application by three Indian tribes to own and operate an off-reservation casino at an existing dog track in Hudson, Wis., Interior officials testified that there had been no improper influence on their decision.

But the sworn testimony of Secretary Babbitt himself before that Committee – in response to legitimate questions from Democratic and Republican senators alike – raised more questions than it answered, and heightened any pre-existing skepticism that the senators may