

111TH CONGRESS }  
*1st Session*

HOUSE OF REPRESENTATIVES

{ REVIEW NO.  
09-7000

**OFFICE OF CONGRESSIONAL ETHICS  
UNITED STATES HOUSE OF  
REPRESENTATIVES**

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**Report and Findings**

Transmitted to the  
Committee on Standards of Official Conduct  
on August 6, 2009  
and released publicly pursuant to H. Res. 895 of the  
110th Congress as amended



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OFFICE OF  
CONGRESSIONAL ETHICS  
BOARD

UNITED STATES HOUSE OF REPRESENTATIVES  
ONE HUNDRED ELEVENTH CONGRESS

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Leo J. Wise, *Chief Counsel & Staff Director*  
Elizabeth Horton, *Investigative Counsel*

## REPORT

Review No. 09-7000

The Board of the Office of Congressional Ethics, by a vote of no less than four members, on July 24, 2009, adopted the following report and ordered it to be transmitted to the Committee on Standards of Official Conduct of the U.S. House of Representatives.

SUBJECT: Representative Sam Graves

NATURE OF THE ALLEGED VIOLATION: Representative Sam Graves, Ranking Member of the Committee on Small Business, invited Witness A to testify at a Committee hearing on "The State of the Renewable Fuels Industry in the Current Economy." The hearing was held on March 4, 2009. Witness A and Representative Graves' wife, Lesley Graves, both hold financial interests in the same renewable fuels plants in Missouri. Representative Graves conduct may have violated House Rule 23 and House precedent regarding conflict of interest.

RECOMMENDATION: The Board of the Office of Congressional Ethics recommends that the Committee on Standards of Official Conduct further review the above described allegations concerning Representative Graves.

VOTES IN THE AFFIRMATIVE: 6

VOTES IN THE NEGATIVE: 0

MEMBER OF THE BOARD OR STAFF DESIGNATED TO PRESENT THIS REPORT TO THE STANDARDS COMMITTEE:  
Leo Wise, Staff Director & Chief Counsel.

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## FINDINGS OF FACT AND CITATIONS TO LAW

REVIEW NO. 09-7000

On July 24, 2009, the Board adopted the following findings of fact and accompanying citations to law, regulations, rules and standards of conduct (in italics). The Board notes that these findings do not constitute a determination that a violation actually occurred.

### I. INTRODUCTON

1. The House Ethics Manual (“the Manual”) discusses the precedents guiding Members’ actions on matters of personal financial interests. In voting matters, Members are required to abstain from voting on a matter in which they have a personal financial interest if the legislation affects the Member directly and not as one of a class. The Manual advises that other actions such as “sponsoring legislation, advocating or **participating in an action by a House committee**, or contacting an executive branch agency entail “a degree of advocacy above and beyond that involved in voting.”<sup>1</sup> As such, a “Member’s decision on whether to take any such action on a matter that may affect his or her personal financial interests requires added circumspection.” A Member who considers advocating on a matter that may affect his personal financial interests is advised to first contact the Standards Committee for guidance.”<sup>2</sup> The Manual further advises that Members should guard against even the appearance of any impropriety or conflict of interest because such actions may adversely affect public perceptions and confidence.<sup>3</sup>

#### A. SUMMARY OF ALLEGATIONS

2. Based on the information before the OCE, there is substantial reason to believe that an appearance of a conflict of interest was created when Representative Graves invited Witness A, a friend of the Representative’s who was invested in the same ethanol and biodiesel cooperatives as his wife, to testify before the Committee on Small Business.<sup>4</sup>

3. It appears that Representative Graves had knowledge of Witness A’s investment in Golden Triangle Energy Cooperative (“Golden Triangle”) and had reason to believe that Witness A was invested in Biofuels LLC (“Biofuels”), two companies in which Rep-

<sup>1</sup>COMM. ON STANDARDS OF OFFICIAL CONDUCT, 110TH CONG., HOUSE ETHICS MANUAL 237 (2008).

<sup>2</sup>*Id.*

<sup>3</sup>See COMM. ON STANDARDS OF OFFICIAL CONDUCT, 110TH CONG., HOUSE ETHICS MANUAL 24, 71, 88, 188, 200, 209, 211, 213, 215, 238, 290, 309, 321, 327, 352 (2008).

<sup>4</sup>As per Rule 9 of the OFFICE OF CONGRESSIONAL ETHICS, RULES FOR THE CONDUCT OF INVESTIGATION 11 (2009), the Board shall refer a matter to the Standards Committee if it determines there is a substantial reason to believe the allegation.

representative Graves' wife, Lesley Graves, was also invested. As such, it follows that Representative Graves could expect Witness A to testify at the hearing in a manner consistent with Witness A's and his own financial interest.

4. Witness A informed OCE staff that while he was President of the Missouri Soybean Association he had approached Representative Graves about investing in Biofuels. In addition, Witness A's connection to Golden Triangle was previously acknowledged in the press, specifically in an article which included a quote from Representative Graves in which he stated that he "probably should have" disclosed his own interest in Golden Triangle during a previous hearing at which Witness A had testified.

5. Witness A also acknowledged that he had discussed Golden Triangle Energy with Representative Graves and that he had discussed Biofuels with him.

6. Based on emails and testimony, Representative Graves' wife's investments, as they related to witness selection, were raised as a potential conflicts issue when staff were considering witnesses for the March hearing.

7. Representative Graves' Chief of Staff informed OCE staff that it was his practice to contact the Standards Committee when questions concerning conflicts of interest arose but that he did not review Representative Graves' financial disclosure statement.

#### B. JURISDICTIONAL STATEMENT

8. The allegations that are the subject of this review concern Representative Sam Graves, a Member of the United States House of Representatives from the 6th District of Missouri. The Resolution the United States House of Representatives adopted creating the Office of Congressional Ethics directs that, "[n]o review shall be undertaken" . . . by the board of any alleged violation that occurred before the date of adoption of this resolution."<sup>5</sup> The House adopted this Resolution on March 11, 2008. Because the conduct under review occurred or relates to actions taken after March 11, 2008, review by the Office of Congressional Ethics is in accordance with the Resolution.

#### C. PROCEDURAL HISTORY

9. A preliminary review in this matter commenced on April 2, 2009, following a written request by at least two members of the OCE Board made on March 26, 2009.

10. At least three members of the Board voted to initiate a second-phase review in this matter on April 24, 2009. The Board voted to extend the 45-day second-phase review by an additional 14 days, as provided for under the Resolution, on June 12, 2009.

11. The second-phase review ended on June 30, 2009.

12. The Board voted to refer the matter to the Committee on Standards of Official Conduct for further review and adopted these findings on July 24, 2009.

13. This report and findings were transmitted to the Committee on Standards of Official Conduct on August 6, 2009.

<sup>5</sup>H. Res 895, 110th Cong. § 1(e) (2008) (as amended).

## D. SUMMARY OF INVESTIGATIVE ACTIVITY

14. Over the course of its Review, the Office requested and/or gathered testimonial and documentary evidence from a number of sources.

15. The Office interviewed:

- (1) Representative Sam Graves;
- (2) Representative Graves' then Deputy Chief of Staff;
- (3) Representative Graves' Chief of Staff;
- (4) Representative Graves' Communication Director; and
- (5) Witness A.

16. In addition, the office requested and received documents from:

- (1) Representative Sam Graves and
- (2) Witness A

## II. REPRESENTATIVE GRAVES' WITNESS SELECTION FOR COMMITTEE ON SMALL BUSINESS HEARING

## A. APPLICABLE, LAWS, RULES AND STANDARDS OF CONDUCT

17. Code of Official Conduct:

***Under House Rule 23 clause 2, Members "shall adhere to the spirit and the letter of the Rules of the House . . ."***

*Under House Rule 3 clause 1, "Every Member . . . shall vote on each question put, unless he has a direct personal or pecuniary interest in the event of such question."*

*The House Ethics Manual advises "sponsoring legislation, advocating or participating in an action by a House committee, or contacting an executive branch agency . . . entails a degree of advocacy above and beyond that involved in voting, and thus a Member's decision on whether to take any such action on a matter that may affect his or her personal financial interests requires added circumspection."*

*The House Ethics Manual further advises that Members should guard against even the appearance of any impropriety or conflict of interest because such actions may adversely affect public perceptions and confidence.<sup>6</sup>*

B. REPRESENTATIVE GRAVES' WIFE, LESLEY GRAVES, AND WITNESS A BOTH HAVE FINANCIAL INTERESTS IN RENEWABLE FUELS PLANTS LOCATED IN CRAIG AND MEXICO, MISSOURI.

18. Representative Graves' wife, Lesley Graves, is invested in two Missouri nonprofit cooperative marketing associations, Golden Triangle Energy Cooperative ("Golden Triangle") located in Craig, Missouri and Biofuels LLC ("Biofuels") located in Mexico, Missouri.<sup>7</sup> Mrs. Graves' shares in Golden Triangle represent approximately a 0.18% interest in the cooperative which is valued between

<sup>6</sup>COMM. ON STANDARDS OF OFFICIAL CONDUCT, 110TH CONG., HOUSE ETHICS MANUAL 24, 71, 88, 188, 200, 209, 211, 213, 215, 238, 290, 309, 321, 327, 352 (2008).

<sup>7</sup>Statement for Golden Triangle, Biofuels LLC, and Show Me Ethanol (Exhibit 1 at 09-7000-000002-000004).

\$1,000 and \$15,000.<sup>8</sup> Mrs. Graves owns 50 units in the Biofuels cooperative which are valued between \$15,000 and \$50,000.<sup>9</sup>

19. Representative Graves disclosed both of Mrs. Graves' holdings on his 2008 financial disclosure report. A third company, Show Me Ethanol, is also disclosed on the 2008 report.<sup>10</sup> However, Mrs. Graves sold her interest in Show Me Ethanol on October 3, 2008.<sup>11</sup>

20. In a letter to the OCE staff, Witness A confirmed that he was invested in both Golden Triangle and Biofuels and stated that he was not invested in Show Me Ethanol.<sup>12</sup> Witness A's shares in Golden Triangle represent approximately a 0.50% interest in the cooperative.<sup>13</sup> Witness A owns three shares of stock (1/3 of 1 percent) in Biofuels, valued at \$45,000.<sup>14</sup>

21. When interviewed by OCE staff, Representative Graves stated that investments were not something he talks about with Witness A. He could not say what Witness A was invested in because Witness A "goes in and out of investments."<sup>15</sup>

22. The Board notes, however, that Witness A informed OCE staff that he may have spoken with Representative Graves about Golden Triangle at some point in time and that he would have talked with him about Biofuels.<sup>16</sup>

23. In addition, the Board notes that Witness A informed OCE staff that he approached Representative Graves about investing in Biofuels.<sup>17</sup> Witness A stated that he was responsible for recruiting investors for Biofuels and Paseo Cargill. He further stated that he handed out numerous prospectuses to individuals for both entities and that he was responsible for marketing the businesses. He recalled that he gave Representative Graves a prospectus but he did not check with him to see if he had invested in the plant.<sup>18</sup> As stated above, Representative Graves did, in fact, invest in Biofuels.

C. REPRESENTATIVE GRAVES INVITED WITNESS A TO TESTIFY BEFORE THE COMMITTEE ON SMALL BUSINESS ON THE RENEWABLE FUELS INDUSTRY.

24. On February 24, 2009, the Chairwoman of the Committee on Small Business notified Committee staff that a full Committee Hearing entitled "The State of the Renewable Fuels Industry in the Current Economy" was to be held on March 4, 2009.<sup>19</sup>

25. After receiving notice of the meeting, Joe Hartz (a member of the professional staff in the Republican Office of the Committee

<sup>8</sup> Statement for Golden Triangle (Exhibit 1 at 09-7000-000002).

<sup>9</sup> Statement for Biofuels LLC (Exhibit 1 at 09-7000-000003).

<sup>10</sup> Representative Graves' 2008 Financial Disclosure Statement (Exhibit 2 at 09-7000-000009).

<sup>11</sup> Statement for Show Me Ethanol (Exhibit 1 at 09-7000-000004).

<sup>12</sup> Letter to Leo Wise, Staff Director and Chief Counsel, Office of Congressional Ethics from Witness A, Apr. 29, 2009 (Exhibit 3 at 09-7000-000015).

<sup>13</sup> Letter from Sheri Sharp, Controller, Golden Triangle Energy, LLC, to Witness A, Apr. 27, 2009 (Exhibit 3 at 09-7000-000017).

<sup>14</sup> Letter from JP Dunn, Director of Field Services, Biofuels, LLC, Apr. 24, 2009 (Exhibit 3 at 09-7000-000016).

<sup>15</sup> Memorandum of Interview of Representative Sam Graves, June 15, 2009 (Exhibit 4 at 09-7000-000031).

<sup>16</sup> Memorandum of Interview of Witness A, July 13, 2009 (Exhibit 5 at 09-7000-000042).

<sup>17</sup> Memorandum of Interview of Witness A, July 13, 2009 (Exhibit 5 at 09-7000-000041).

<sup>18</sup> *Id.*

<sup>19</sup> Memorandum to Members of the House Small Business Committee, Mar. 4, 2009 (Exhibit 6 at 09-7000-000045).

on Small Business) notified Representative Graves' then Deputy Chief of Staff of the hearing.<sup>20</sup>

26. Representative Graves' then Deputy Chief of Staff immediately forwarded Mr. Hartz's email to members of Representative Graves' staff asking for suggestions for a witness to testify at the hearing.<sup>21</sup>

**From:** Sass, Paul  
**To:** Endicott, Alicia; Higdon, Chad; Klindt, Jason; Kraus, Tommy; Kreps, Angela; Loch, Brittny; Roe, Melissa; Searcy, Shawna; Shupe, Brooke; Smith, Buffy; Swendson, Jalme; Woodward, Sarah  
**Cc:** Brown, Tom  
**Sent:** Tue Feb 24 13:53:16 2009  
**Subject:** Renewable fuels hearing

Please see the email below and let me know if you have any suggestions on who can testify next week on renewable energy. All I need are the names and I can follow up with them and provide more information.

Thanks everyone.

Paul

**From:** Hartz, Joe  
**Sent:** Tuesday, February 24, 2009 1:47 PM  
**To:** Sass, Paul  
**Subject:** Renewable fuels

The majority just let us know (about 15 minutes ago) that next week there will be a hearing on renewable fuels. I know nothing other than that. I have made the calls to the majority to find out. Don't know what the angle is, but is there anybody back in the district who has come to the office to talk alternative fuels that might be a good witness?

Chances that we'll find someone and be able to get them here by next week is slim, but thought I'd ask. The majority needs to do a better job on letting us know what the schedule is.

Joe Hartz  
 Professional Staff/Republican Office  
 House Committee on Small Business  
 (202) 225-████

27. Several members of Representative Graves' staff responded the same day with numerous suggestions for witnesses:

(a) "Steve Flick or an investor at Golden Triangle . . ." <sup>22</sup>

**From:** Shupe, Brooke  
**Sent:** Tuesday, February 24, 2009 1:57 PM  
**To:** Sass, Paul  
**Subject:** Re: Renewable fuels hearing

It would be nice if we had more info on the topic! Oh well....what about Steve Flick or an investor at Golden Triangle....Sam might have a good suggestion there.

Sent from my BBerry Wireless Device

<sup>20</sup> Emails provided by Representative Sam Graves (Exhibit 7 at 09-7000-000047).

<sup>21</sup> *Id.* at 09-7000-000048.

<sup>22</sup> *Id.*

(b) “Dave Flicks brother” (presumably another reference for Steve Flick):<sup>23</sup>

**From:** Brown, Tom  
**Sent:** Tuesday, February 24, 2009 3:15 PM  
**To:** Sass, Paul  
**Subject:** RE: Renewable fuels hearing

Paul – See me about this. David Flicks brother??

T

(c) “Dale Ludwig”:<sup>24</sup>

**From:** Roe, Melissa  
**Sent:** Tuesday, February 24, 2009 4:36 PM  
**To:** Sass, Paul  
**Subject:** RE: Renewable fuels hearing

Only folks that come to mind are the heads of the soybean and ethanol groups... Dale Ludwig, etc.

28. Representative Graves’ Chief of Staff informed OCE staff that he had been impressed by the Flicks on another occasion.<sup>25</sup>

29. According to Representative Graves’ then Deputy Chief of Staff, Representative Graves dismissed the idea of inviting Mr. Flick to testify because Mr. Flick lived outside Representative Graves’ district and Representative Graves wanted a witness from the 6th district to testify at the hearing.<sup>26</sup>

30. Representative Graves’ then Deputy Chief of Staff emailed Representative Graves separately to notify him of the hearing and to ask who he would like to appear as a witness.<sup>27</sup>

**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 4:44 PM  
**To:** SamG  
**Subject:** hearing on renewable fuels

The small business committee is doing a hearing on renewable fuels next week. Do you have anybody off the top of your head who we should invite? Last time we had a hearing on the topic you invited Brooks and Charlie Hurst. Any one you want me to call? Steve Flick?

Paul J. Sass  
 Deputy Chief of Staff  
 Congressman Sam Graves (MO-6)  
 (202) 225-██████

31. When interviewed by OCE staff, Representative Graves stated that he suggested Witness A’s name for consideration but that it was not his decision to choose Witness A. He further stated that he does not choose witnesses for hearings and that he did not know who on his staff was responsible for making those decisions. He believed his then Deputy Chief of Staff or Karen Haas may have made the decision to invite Witness A.<sup>28</sup>

<sup>23</sup> *Id.* at 09-7000-000050.

<sup>24</sup> *Id.* at 09-7000-000053.

<sup>25</sup> Memorandum of Interview of Representative Graves’ Chief of Staff, June 16, 2009 (Exhibit 8 at 09-7000-000095).

<sup>26</sup> Memorandum of Interview of Representative Graves’ then Deputy Chief of Staff, June 16, 2009 (Exhibit 9 at 09-7000-000107).

<sup>27</sup> Emails provided by Representative Sam Graves (Exhibit 7 at 09-7000-000054).

<sup>28</sup> Memorandum of Interview of Representative Sam Graves, June 15, 2009 (Exhibit 4 at 09-7000-000028-000029).

32. In an email dated February 25, 2009, Representative Graves' then Deputy Chief of Staff notified Mr. Hartz and Karen Haas that Representative Graves wanted him to extend an invitation to Witness A.<sup>29</sup> This email, specifically the statement "he wants me to extend an invitation to him" contradicts Representative Graves' statement that he did not choose the witness for the March hearing and that he did not know who had made the decision to invite Witness A.

**From:** Sass, Paul  
**To:** Hartz, Joe; Haas, Karen  
**Cc:** Shupe, Brooke  
**Sent:** Wed Feb 25 09:52:41 2009  
**Subject:** RE: Renewable fuels  
 Back in 2004 SG had a friend (Brooks Hurst) who is a member of the MO Soybean Assn testify on a similar topic and he wants me to extend an invitation to him. I am calling him today to gauge his interest.

Joe let me know if you have any more details on the hearing so I can pass them along.

Also, a contingent of MO Corn Growers will be in town next week with several folks from the 6<sup>th</sup> tagging along. If Mr. Hurst can't make it to town than the MO Corn Growers will be our plan B.

33. In his interview with OCE staff, Witness A stated that it was Representative Graves that contacted him to ask if he was available to testify at the hearing.<sup>30</sup> Representative Graves did not tell OCE that he had, in fact, contacted Witness A and asked him to testify.

34. Based on later email responses from other staff members, it appears that other individuals in addition to those initially suggested by staff were available to testify at the March 4 hearing. Chad Higdon suggested Bill Becker on February 25, 2009:<sup>31</sup>

**From:** Higdon, Chad  
**Sent:** Wednesday, February 25, 2009 10:50 AM  
**To:** Sass, Paul  
**Subject:** RE: Renewable fuels hearing

Anyone at Golden Triangle in Craig  
 Bill Becker at Lifeline would be good.

There is also a new biodiesel plant going in St. Joe, about 95% done but are dealing with some overrun costs right now. I could find you a contact there.

Also might be good to get an actual grain farmer to come in if it fits

<sup>29</sup> Emails provided by Representative Sam Graves (Exhibit 7 at 09-7000-000070).

<sup>30</sup> Memorandum of Interview of Witness A, July 13, 2009 (Exhibit 5 at 09-7000-000040).

<sup>31</sup> Emails provided by Representative Sam Graves (Exhibit 7 at 09-7000-000065).

35. On February 25, 2009, Brooke Shupe forwarded an email with additional names of individuals that were already scheduled to be in Washington on the day of the hearing.<sup>32</sup>

**From:** Shupe, Brooke  
**Sent:** Wednesday, February 25, 2009 10:04 AM  
**To:** Sass, Paul  
**Subject:** FW: S.B hearing

Paul,

Jessica's e-mail is below. Dennis Alt is from Carrollton and Bill Becker is from St. Joe. They will already be in town so if Brooks can't come, one of these guys might work and they would be happy to do it. Thanks.

Brooke

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**From:** Jessica Bennett [mailto:████████@dc.ncga.com]  
**Sent:** Wednesday, February 25, 2009 9:42 AM  
**To:** Shupe, Brooke  
**Subject:** S.B hearing

Hi Brooke,

Per our conversation, we will have some folks in DC next week from the MO Corn Growers. We would welcome the opportunity to testify at Wednesday's hearing in the Small Business Committee if you are looking for someone. I have listed below some of the individuals who will be in town.

Dennis Alt - Interim CEO Show Me Ethanol  
Bill Becker - CEO Lifeline Foods & Ethanol  
Gary Clark - Senior Director of Market Development

Please let me know if there's anything else I can do to help.

Thanks!

Jessica

<sup>32</sup> *Id.* at 09-7000-000069.

36. Representative Graves' then Deputy Chief of Staff forwarded Ms. Shupe's email to staff asking for thoughts on Mr. Becker. He stated in the email that Representative Graves did not want Mr. Becker to testify but had agreed for him to do so if Witness A could not. Representative Graves' then Deputy Chief of Staff later followed up with an email to staff stating that Representative Graves had spoken with Witness A and that he was able to testify.<sup>33</sup> The Board notes this email also contradicts Witness Representative Graves' statement that he did not know who had invited Witness A to testify.

**From:** Sass, Paul  
**Sent:** Thursday, February 26, 2009 5:09 PM  
**To:** Smith, Buffy; Brown, Tom; Klindt, Jason  
**Subject:** RE: small biz hearing

Ok, I just spoke with Sam and apparently Brooks Hurst is back on board. It will get nailed down tomorrow. I got Sam to agree to allowing Bill Becker to testify if Brooks doesn't work out.

---

**From:** Smith, Buffy  
**Sent:** Thursday, February 26, 2009 5:06 PM  
**To:** Sass, Paul; Brown, Tom; Klindt, Jason  
**Subject:** RE: small biz hearing

I have heard of him, but don't know anything about him.

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**From:** Sass, Paul  
**Sent:** Thursday, February 26, 2009 5:01 PM  
**To:** Brown, Tom; Klindt, Jason; Smith, Buffy  
**Subject:** small biz hearing

You guys have any thoughts on Bill Becker? When I mentioned him to SG he didn't want to have him do it, but I'm not sure why. At this point its our only options other then a Show Me Ethanol person.

37. When interviewed by OCE staff, Representative Graves stated that he did not recall why he did not want Mr. Becker to testify or why he was considered as an alternate; he stated that he thought that the office may have worked on a grant issue for Life-line, the company at which Mr. Becker was CEO, and for that reason excluded him from consideration.<sup>34</sup>

<sup>33</sup> *Id.* at 09-7000-000073.

<sup>34</sup> Memorandum of Interview of Representative Sam Graves, June 15, 2009 (Exhibit 4 at 09-7000-000030).

38. Representative Graves' then Deputy Chief of Staff emailed staff on February 26, 2009, to confirm that Witness A was to testify and to notify staff that Witness A was one of Representative Graves' best friends.<sup>35</sup>

**From:** Sass, Paul  
**Sent:** Friday, February 27, 2009 1:59 PM  
**To:** Hartz, Joe  
**Cc:** Haas, Karen  
**Subject:** renewable fuels witness

Joe,

I received confirmation from Brooks Hurst that he is willing and able to testify next week. I told him that you will follow up with him shortly with the details. In order to get his flight paid for I believe he wants to testify on behalf of the Soybean Association, but I told him to go over all that with you. His cell number is [REDACTED] and his email is [REDACTED]@embargo.com and he is expecting to hear from you.

Thanks Joe and let me know if you need anything else.

Paul

FYI-This is one of SG's best friends. They live in the same town etc. Very tight.

Paul J. Sass  
 Deputy Chief of Staff  
 Congressman Sam Graves (MO-6)  
 (202) 225-[REDACTED]

39. Witness A testified before the Committee on Small Business on March 4, 2009.<sup>36</sup>

40. When asked why Witness A was chosen as a witness, Representative Graves stated that there was a "time frame issue" with finding a witness for the hearing and that they needed to find someone who knew renewable fuels. Representative Graves described Witness A as "the foremost person" with knowledge on renewable fuels.<sup>37</sup>

41. When asked why Witness A was the "foremost person", Representative Graves stated that Witness A was the President of the Missouri Soybean Association, was involved with the corn growers, and that he testified throughout the country on renewable fuels.<sup>38</sup>

42. Witness A was introduced at the hearing by Representative Graves as a farmer from northwest Missouri whose family was very active in biodiesel and ethanol production. In his testimony, Witness A also described himself as being an investor in a small ethanol plant in the town of Craig, Missouri.<sup>39</sup>

43. Neither Representative Graves nor Witness A disclosed that Representative Graves' shared financial interests with Witness A during the Committee hearing.

<sup>35</sup> Emails provided by Representative Sam Graves (Exhibit 7 at 09-7000-000079).

<sup>36</sup> Witness List for House Committee on Small Business, Mar. 4, 2009 (Exhibit 11 at 09-7000-000119).

<sup>37</sup> Memorandum of Interview of Representative Sam Graves, June 15, 2009 (Exhibit 4 at 09-7000-000029).

<sup>38</sup> *Id.*

<sup>39</sup> Testimony of Witness A before the House of Representatives Small Business Committee, Mar. 4, 2009, available at, [http://www.youtube.com/view\\_play\\_list?p=A5AA7A25C5CF0401](http://www.youtube.com/view_play_list?p=A5AA7A25C5CF0401) (Renewable Fuels in the Current Economy-7).

D. REPRESENTATIVE GRAVES APPEARED TO BE AWARE OF POTENTIAL CONFLICTS OF INTEREST WITH WITNESS SELECTION PRIOR TO THE MARCH 4, 2009 COMMITTEE HEARING.

44. On November 7, 2007, Roll Call reported that Representative Graves joined several other Midwestern lawmakers in sponsoring legislation to create a national mandate for the use of increasing quantities of biodiesel as a replacement for regular diesel fuel.<sup>40</sup> The article noted that the bill would potentially benefit Representative Graves wife, Lesley, who in 2005 invested \$15,000 in a new biodiesel plant (Biofuels) that had become the largest biodiesel facility in the state.<sup>41</sup> The article also noted that in May of 2004, when Representative Graves was Chairman of the Subcommittee on Rural Enterprises, Agriculture and Technology, (a subcommittee of the full Committee on Small Business) the panel held a hearing on renewable fuels and tax incentives for ethanol and biodiesel.<sup>42</sup> One of the witnesses for the hearing was the treasurer of Golden Triangle, a cooperative in which Representative Graves' wife was and continues to be invested.<sup>43</sup> A second witness, Witness A in the current matter, spoke on behalf of the Missouri Soybean Association about the importance of a tax incentive for the use of biodiesel in blends with regular diesel fuel.<sup>44</sup> The 2007 Roll Call article further noted that a year after the 2004 hearing, Witness A, along with other Missouri farmers, established a new company to build a biodiesel plant in Missouri.<sup>45</sup> Witness A is quoted in the Roll Call article as stating that he recruited Representative Graves' family to invest in the new company. Mrs. Graves is reported as having invested \$15,000 in the new venture.<sup>46</sup>

45. Witness A informed OCE staff that he had recruited Representative Graves to invest in Biofuels.<sup>47</sup> Representative Graves' disclosed his wife's interest in Biofuels on his 2008 Financial Disclosure Statement.<sup>48</sup>

46. A second article was published on December 6, 2007, in the Kansas City Star. The article noted that Witness A and his father were invited to testify before the Small Business Subcommittee to promote federal subsidies for the renewable fuels industry in 2004.<sup>49</sup> It further noted that Witness A and his father were identified at the hearing as members of Golden Triangle but that Representative Graves' financial connection to the cooperative was not disclosed at the hearing. Representative Graves is quoted in the article as saying that failing to disclose his connection to Golden Tri-

<sup>40</sup>The legislation co-sponsored by Representative Graves' in October of 2007 was H. Con. Res. 25 (Exhibit 13 at 09-7000-000129).

<sup>41</sup>Paul Singer, Biofuels, Flights Benefit Graves, ROLL CALL, Nov. 7, 2007 (Exhibit 14 at 09-7000-000131).

<sup>42</sup>*Id.*

<sup>43</sup>*Id.*

<sup>44</sup>*Id.*

<sup>45</sup>*Id.*

<sup>46</sup>*Id.*

<sup>47</sup>Memorandum of Interview of Witness A, July 13, 2009 (Exhibit 5 at 09-7000-000041).

<sup>48</sup>Representative Graves' 2008 Financial Disclosure Statement (Exhibit 2 at 09-7000-000009).

<sup>49</sup>Steve Kraske, Family ties to ethanol plant draw questions for Rep. Graves, KAN. CITY STAR, Dec. 6, 2007 at B1 (Exhibit 15 at 09-7000-000135).

angle at the hearing was a mistake and that “[l]ooking back on it, I probably should have.”<sup>50</sup>

47. As noted above, Witness A was invited again by Representative Graves to testify before the Committee on Small Business on March 4, 2009.<sup>51</sup>

48. Witness A informed the Committee that he volunteered with the Missouri Soybean Association and that he normally testified on behalf of the association. He also stated that the association prepared his testimony and prepped him for the 2009 hearing.<sup>52</sup>

49. During his oral testimony and in his written testimony, Witness A recommended that Congress “extend the federal Biodiesel Blender’s Credit, include glycerin in the federal Bio-based Fuel Blender’s Credit, and implement the Renewable Fuels Standard.”<sup>53</sup> Witness A is further quoted as saying that the blending credit would help one of the biodiesel plants he was involved in by minimizing the risk in “booking business forward.”<sup>54</sup>

50. When asked by OCE staff if he was aware of Witness A’s investments in 2004, Representative Graves stated that he was not aware of Witness A’s investments.<sup>55</sup>

51. Representative Graves further stated that Witness A was not testifying on behalf of Golden Triangle or ethanol at the 2009 hearing, he was testifying on biodiesel issues.<sup>56</sup> He further stated that he never really thought about the 2007 articles before the 2009 hearing, he only thought about the fact that they had to find someone to testify at the hearing who knew what they were talking about and that Witness A knew the issue.<sup>57</sup>

52. When asked by OCE staff about Witness A’s recommendation to extend the Blender Fuel Credit (“BFC”), Representative Graves stated that the BFC was the “big issue” but that it was an agricultural issue, “probably the hottest issue in the industry.”<sup>58</sup>

53. Representative Graves stated that he did not remember Witness A’s recommendation for the BFC but that he would not be surprised if he had made the recommendation.<sup>59</sup> He further stated that it would also not surprise him if Witness A supported the Renewable Fuels Standard (“RFS”).<sup>60</sup> He was sure the corn growers supported the RFS, as it was their biggest issue.<sup>61</sup>

54. With respect to Witness A’s testimony regarding the plant that he was having difficulties “booking business forward”, Representative Graves stated that he did not know which plant Witness A was referring to nor did he know how many businesses Witness A was invested in.<sup>62</sup> He further stated that if it was a glycerin

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<sup>50</sup> *Id.*

<sup>51</sup> Memorandum of Interview of Witness A, July 13, 2009 (Exhibit 5 at 09-7000-000040).

<sup>52</sup> *Id.* at 09-7000-000041.

<sup>53</sup> Written Testimony of Witness A, Mar. 4, 2009 (Exhibit 12 at 09-7000-000126).

<sup>54</sup> *Id.*

<sup>55</sup> Memorandum of Interview of Representative Sam Graves, June 15, 2009 (Exhibit 4 at 09-7000-000032).

<sup>56</sup> *Id.* at 09-7000-000033.

<sup>57</sup> *Id.*

<sup>58</sup> *Id.*

<sup>59</sup> *Id.* at 09-7000-000034.

<sup>60</sup> *Id.*

<sup>61</sup> *Id.*

<sup>62</sup> *Id.*

plant, then it would have been Biofuels but he was not sure (“he did not understand the glycerin deal.”)<sup>63</sup>

55. When asked by OCE staff if he recalled the 2007 Roll Call and Kansas City Star articles, Representative Graves stated that he saw the articles after this issue came up with OCE but he felt that opponents “bring this type of thing that feed these types of articles.”<sup>64</sup>

56. While Representative Graves stated that he did not recall the 2007 Kansas City Star article, when asked by OCE staff about a quote he made that appeared in the article, he stated that the quote was inaccurate.<sup>65</sup> He informed OCE staff that he actually said that looking back he probably should have disclosed the investments he shared with Witness A “if he had known what [Witness A] investments were.”<sup>66</sup> The Board notes that while Representative Graves stated that he did not recall the article, he claimed to remember the precise quote he had given to the reporter.

57. In his interview with OCE, Witness A stated that he did not recall the 2007 Roll Call or Kansas City Star article but that he had seen articles about Representative Graves during campaign years and he did not pay attention to them because he felt they were a campaign tactic.<sup>67</sup> He further stated that he was sure that he would have spoken to Representative Graves about the articles at the time they were published but that he did not think much of the issue because “neither of us owned enough stock to make a difference.”<sup>68</sup>

58. Witness A stated that he did not recall the statement he made during the March hearing about the biodiesel plant that was having trouble booking future business but he was sure the plant he was referring to must have been Biofuels or Paseo Cargill.<sup>69</sup> He further stated that he tries to use personal examples in prepared testimony to make a more personal connection to the subject matter.<sup>70</sup>

59. Witness A stated that the articles on his prior testimony did not come up in conversations when he was asked to testify at the March 2009 hearing.<sup>71</sup> He further stated that he had forgotten about the articles until now.<sup>72</sup>

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<sup>63</sup> *Id.*

<sup>64</sup> *Id.* at 09-7000-000032

<sup>65</sup> *Id.*

<sup>66</sup> *Id.*

<sup>67</sup> Memorandum of Interview of Witness A, July 13, 2009 (Exhibit 5 at 09-7000-000041).

<sup>68</sup> *Id.*

<sup>69</sup> *Id.*

<sup>70</sup> *Id.*

<sup>71</sup> *Id.* at 09-7000-000042.

<sup>72</sup> *Id.*

E. REPRESENTATIVE GRAVES' STAFF APPEARED TO BE AWARE OF POTENTIAL CONFLICTS OF INTEREST WITH WITNESS SELECTION PRIOR TO THE MARCH 4, 2009 COMMITTEE HEARING.

60. On the afternoon of February 24, 2009, Representative Graves' Communications Director responded to Representative Graves' then Deputy Chief of Staff's email, which asked for suggestions for a witness for the hearing, stating, "[l]ets make sure that we do not get a renewable company that SG or his wife is invested in."<sup>73</sup>

**From:** Klindt, Jason  
**Sent:** Tuesday, February 24, 2009 2:56 PM  
**To:** Sass, Paul  
**Subject:** RE: Renewable fuels hearing

Lets make sure that we do not get a renewable company that SG or his wife is invested in.

61. Representative Graves' then Deputy Chief of Staff replied to Mr. Hartz later that afternoon and asked which companies Representative Graves was invested in.<sup>74</sup>

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<sup>73</sup> Emails provided by Representative Sam Graves (Exhibit 7 at 09-7000-000051).

<sup>74</sup> *Id.*

62. Mr. Hartz replied providing Representative Graves' then Deputy Chief of Staff with the names of three companies—Golden Triangle, Biofuels LLC, and Show Me Ethanol.<sup>75</sup>

**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 4:17 PM  
**To:** Klindt, Jason  
**Subject:** RE: Renewable fuels hearing

Thanks Jason,

There is something up in St. Joe, but we might go we Steve Flick from Show me Energy, which is just south of the district. Last time we did this we have Brooks Hurst come out on behalf of the MO Soybean Assn.

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**From:** Klindt, Jason  
**Sent:** Tuesday, February 24, 2009 4:15 PM  
**To:** Sass, Paul  
**Subject:** RE: Renewable fuels hearing

Golden Triangle (Craig), BioFuels LLC (Mexico, Mo) and Show Me Ethanol (Carrollton)

Isn't there a renewable energy plant/thing in St. Joseph?

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**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 4:08 PM  
**To:** Klindt, Jason  
**Subject:** RE: Renewable fuels hearing

Which ones are they again?

63. When interviewed by OCE staff, Representative Graves' Communications Director stated that after he received the mass email about the hearing, articles in the press about Show Me Ethanol came to his mind.<sup>76</sup> Several articles had been published about a funding issue related to Show Me Ethanol during the campaign in 2008.<sup>77</sup> He stated that he emailed Representative Graves' then Deputy Chief of Staff about Representative Graves' holdings because he was trying to avoid bad press.<sup>78</sup> According to Representative Graves' Communications Director, the articles were not about Representative Graves or his wife; instead they dealt with an issue between the state's Governor and the state's Treasurer.<sup>79</sup> The state's Treasurer was denying funding for Show Me Ethanol because the Governor's brother and a state representative were invested in the company.<sup>80</sup> Mrs. Graves was mentioned in the articles because she was also an investor.<sup>81</sup> Representative Graves' Communications Director stated that Mrs. Graves sold her interest in Show Me Ethanol because she did not want to be an impediment for Show Me Ethanol to get state funding.<sup>82</sup>

<sup>75</sup> *Id.*

<sup>76</sup> Memorandum of Interview of Representative Graves' Communications Director, June 16, 2009 (Exhibit 16 at 09-7000-000140).

<sup>77</sup> *Id.*

<sup>78</sup> *Id.*

<sup>79</sup> *Id.*

<sup>80</sup> *Id.*

<sup>81</sup> *Id.*

<sup>82</sup> *Id.*

64. One of the articles mentioned by Representative Graves' Communications Director, "Conflicts of interest stop ethanol plant from getting state aid" was published on January 21, 2008.<sup>83</sup>

65. Representative Graves' Communications Director further stated that he called Representative Graves' then Deputy Chief of Staff the Friday before the hearing to see if the office had found a witness and he was told that Witness A was going to testify.<sup>84</sup> He informed OCE staff that the only thing that came to his mind regarding Witness A was the Congressman's and Witness A's shared interest in aviation.<sup>85</sup>

66. Representative Graves' Communications Director also stated that he did not know what Witness A did, if anything, on behalf of Golden Triangle. He thought that he was just an investor.<sup>86</sup>

67. When asked by OCE staff whether Representative Graves' Communications Director's email raised any concerns with respect to Witness A, Representative Graves' then Deputy Chief of Staff stated that he did not want to use a witness from any of the three companies named in the email—"someone with their name on a business card."<sup>87</sup> He stated that he did not have discussions of witnesses' personal financial records.<sup>88</sup> He further stated that witnesses must disclose if they have contracts with the government but they are not obligated to provide personal financial information.<sup>89</sup>

68. When asked if the Congressman's friendship with Witness A was an issue, Representative Graves' then Deputy Chief of Staff stated that it was not because Witness A was a credible witness and that he was involved with "all the associations."<sup>90</sup>

69. When interviewed by OCE staff, Representative Graves' Chief of Staff stated that he did not recall the 2007 Roll Call article.<sup>91</sup> He vaguely recalled the Kansas City Star article when it was shown to him by OCE staff. He further stated that something like the Roll Call article did not happen without comment (in other words he would have discussed it with Representative Graves), but he felt that the reporter was way off.<sup>92</sup> He felt the article was for headlines for their opponent.<sup>93</sup> He thought both articles were merely political.<sup>94</sup>

70. Representative Graves' Chief of Staff informed OCE staff that he called the Standards Committee about conflict of interest issues and that there was also a lawyer in the office at that time that would consult Standards on issues that arose.<sup>95</sup> He stated that if he thought there was any issue with the hearing, he would have

<sup>83</sup> Steve Kraske, Conflicts of interest stop ethanol plant from getting state aid, KAN. CITY STAR, Jan. 21, 2008 (Exhibit 17 at 09-7000-000144).

<sup>84</sup> Memorandum of Interview of Representative Graves' Communications Director, June 16, 2009 (Exhibit 16 at 09-7000-000140).

<sup>85</sup> *Id.*

<sup>86</sup> *Id.* at 09-7000-000141.

<sup>87</sup> Memorandum of Interview of Representative Graves' then Deputy Chief of Staff, June 16, 2009 (Exhibit 9 at 09-7000-000106).

<sup>88</sup> *Id.*

<sup>89</sup> *Id.* at 09-7000-000108.

<sup>90</sup> *Id.* at 09-7000-000109.

<sup>91</sup> Memorandum of Interview of Representative Graves' Chief of Staff, June 16, 2009 (Exhibit 8 at 09-7000-000096).

<sup>92</sup> *Id.* at 09-7000-000095.

<sup>93</sup> *Id.* at 09-7000-000096.

<sup>94</sup> *Id.*

<sup>95</sup> *Id.*

contacted Standards.<sup>96</sup> However, he further stated that he had never reviewed Representative Graves' financial disclosure statement.

71. When interviewed by OCE staff, Representative Graves stated that he did not know why the conflict of interest issue would come up.<sup>97</sup> He further stated that neither his Communications Director nor his then Deputy Chief of Staff raised the issue with him.<sup>98</sup>

### III. CONCLUSION

72. The House Ethics Manual states that "advocating or participating in an action by a House committee . . . entails a degree of advocacy above and beyond that involved in voting and thus a Member's decision on whether to take any such action on a matter that may affect his or her own personal financial interests requires added circumspection." Further, such actions may implicate the standards of House Rule 3 Clause 1.<sup>99</sup>

73. The Board notes that the House Ethics Manual does not provide precise guidance for conflicts of interest where a Member has a personal financial interest in Committee actions as Congressman Graves has in this matter. However, the House Ethics Manual advises in numerous instances that Members should guard against even the appearance of any impropriety or conflict of interest because such actions may adversely affect public perceptions and confidence.<sup>100</sup>

74. To be clear, the Board is aware that the House Ethics Manual does not expressly prohibit a Member from participating in Committee actions, including selecting a witness for a hearing where the Member and witness share a financial interest that may be affected by the hearing. However, based on the information before the OCE, there is substantial reason to believe that Representative Graves' invitation to Witness A to testify before the Committee on Small Business on a matter that related to both Witness A's and his own financial interests created an appearance of a conflict of interest.

75. It appears that Representative Graves had knowledge of Witness A's investment in Golden Triangle and had reason to believe that Witness A was also invested in Biofuels. As such, it follows that Representative Graves could expect Witness A to testify at the hearing in a manner beneficial to both Witness A and his own financial interests.

76. The Board notes that Representative Graves' lack of candor in his responses to OCE staff denotes a level of knowledge that his invitation to Witness A to testify before the Committee on Small Business was problematic.

77. Representative Graves informed OCE staff that he did not choose Witness A to testify before the Committee on Small Busi-

<sup>96</sup>*Id.*

<sup>97</sup>Memorandum of Interview of Representative Sam Graves, June 15, 2009 (Exhibit 4 at 09-7000-000030).

<sup>98</sup>*Id.*

<sup>99</sup>COMM. ON STANDARDS OF OFFICIAL CONDUCT, 110TH CONG., HOUSE ETHICS MANUAL 237 (2008).

<sup>100</sup>See COMM. ON STANDARDS OF OFFICIAL CONDUCT, 110TH CONG., HOUSE ETHICS MANUAL 24, 71, 88, 188, 200, 209, 211, 213, 215, 238, 290, 309, 321, 327, 352 (2008).

ness nor did he know who did. However, statements made to OCE staff by Representative Graves' staff and emails submitted to the OCE by Representative Graves show otherwise.

78. On the afternoon of February 24, 2009, Representative Graves' then Deputy Chief of Staff asked Representative Graves in an email who he wanted to invite to testify at the March hearing; the following morning Representative Graves' then Deputy Chief of Staff sent an email to Committee staff members Joe Hartz and Karen Haas that stated Representative Graves wanted him to extend an invitation to Witness A. Witness A also informed OCE staff that it was Representative Graves that called him to ask him to testify at the hearing.

79. Representative Graves also told OCE staff that he was not aware of Witness A's investments. However, Witness A informed OCE staff that he had spoken with Representative Graves about Golden Triangle and that he had recruited the Congressman's family to invest in Biofuels. Witness A further stated that he had spoken with Representative Graves about Biofuels.

80. It further appears that Representative Graves knew of and disregarded the probability that inviting Witness A to testify, without disclosing the financial interests he shared with Witness A, would create an appearance of a conflict of interest. In 2007, Representative Graves himself acknowledged in the *Kansas City Star* article that his failure to disclose his connection to Golden Triangle at a 2004 subcommittee hearing was a mistake and that he probably should have disclosed his interest in Golden Triangle at the hearing.

81. For the reasons stated above, the Board finds there is substantial reason to believe that the guidance in the House Ethics Manual—advising Members to employ “added circumspection” when participating in actions that may affect their personal financial interest and to guard against taking any action that would give the appearance of any impropriety or conflict of interest—would compel Representative Graves to disclose the financial interests he shared with Witness A at the time of the Committee hearing or refrain from extending Witness A an invitation to appear.

82. While the Board finds that there is substantial reason to believe that Representative Graves' invitation to Witness A created an appearance of a conflict of interest, the Board notes that any disqualifying interest that Representative Graves had in this matter would likely have affected Representative Graves only as a member of a class; therefore, there is not substantial reason to believe that Representative Graves' invitation to Witness A violated the spirit of House Rule 3.<sup>101</sup>

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<sup>101</sup>The House Ethics Manual, on page 234, advises Members that, in the context of voting, Members should “withdraw when a question concerning himself arises; but . . . the disqualifying interest must be such as affects the Member directly, and not as one of a class.”

**EXHIBIT 1**



April 8, 2009

Matt Hubbard  
[REDACTED]@lathropgage.com

Re: Lesley Graves Percentage of Ownership

To Whom it May Concern:

Lesley Graves is a member of Golden Triangle Energy Cooperative, Inc. a Missouri nonprofit cooperative marketing association ("GTEC"). As a member, she has the right and obligation to provide 5683 bushels of corn each year. Her Interest as related to those bushels and as a percent of the Cooperative would be approximately .18% (or .0018).

If you have any questions please feel free to call me.

Sincerely,

A handwritten signature in cursive script that reads "Sheri Sharp".

Sheri Sharp, Controller  
Golden Triangle Energy, LLC  
660-683-5646 ext [REDACTED]  
660-683-5537 fax

FORMED UNDER THE LAWS OF THE STATE OF MISSOURI

Certificate No. 49

1 share = 50 Units

### Biofuels, LLC

This Certifies that *Lesley Graves* is the owner(s) of 50 units of the above named *Missouri Nonprofit Cooperative Marketing Association* transferable only on the books of the Cooperative by the holder(s) hereof in person or by duly authorized Attorney upon surrender of this Certificate properly endorsed. The transfer of this Cooperative interest is subject to restrictions set forth in the Cooperative's Bylaws, and the transfer of the related membership rights may be effected only upon compliance with any procedure provided in the Bylaws.

IN WITNESS WHEREOF, the said Cooperative has caused this Certificate to be executed on its behalf by its duly authorized officers this 29th day of March, 2005.

  
Warren Stemmie  
Chairman

  
Dale R. Ludwig  
Secretary/Treasurer

\*\*\*Biofuels, LLC, is comprised of 400 former/investors owning a total of 800 shares.\*\*\*

09-7000\_000003

04/09/2009 THU 12:58 FAX 6605426392

002/002



*Missouri Owned & American Grown*

26530 Highway 24 East Phone: 660-542-6493  
P.O. Box 9 Fax: 660-542-6392  
Carrollton, MO 64633 www.ShowMeEthanolLLC.com

April 9, 2009

Lesley Graves  
110 S. 10<sup>th</sup> St  
Tarkio, MO 64491

Dear Ms. Graves;

According to our files, Lesley's 1/3<sup>rd</sup> interest in 2 units of Show Me Ethanol, LLC were transferred on the books and records of the Company as of October 3, 2008. There were a total of 2,133 units outstanding to investors of Show Me Ethanol, LLC at the time Ms. Graves's interest was transferred.

Sincerely,

Dennis Alt  
General Manager

09-7000\_000004

**EXHIBIT 2**

**HAND DELIVERED**

LEGISLATIVE RESOURCE CENTER  
2009 MAY 13 4:11:19 PM  
(Office Use-Only)

**UNITED STATES HOUSE OF REPRESENTATIVES**  
**FINANCIAL DISCLOSURE STATEMENT FOR CALENDAR YEAR 2007**

Page 1 of 8  
**FORM A**  
For use by Members, officers, and employees

Samuel B. "Sam" Graves, Jr.  
(Full Name)  
State: MO District: 6th  
Employing Office:  
(Daytime Telephone)  
Termination Date:

Filer Status:  Member of the U.S. House of Representative  
Report Type:  Annual (May 15)  Amendment  Termination  
A \$200 penalty shall be assessed against anyone who files more than 30 days late.

**PRELIMINARY INFORMATION - ANSWER EACH OF THESE QUESTIONS**

I. Did you or your spouse have "earned" income (e.g., salaries or fees) of \$200 or more from any source in the reporting period?  
Yes  No  VI. Did you, your spouse, or a dependent child receive any reportable gift in the reporting period (i.e., aggregating more than \$200 and not otherwise exempt)?  
If yes, complete and attach Schedule VI. Yes  No   
II. Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period?  
Yes  No  VII. Did you, your spouse, or a dependent child receive any reportable travel or reimbursements for travel in the reporting period (worth more than \$200 from one source)?  
If yes, complete and attach Schedule VII. Yes  No   
III. Did you, your spouse, or a dependent child receive "unearned" income of more than \$1,000 at the end of the period?  
If yes, complete and attach Schedule III. Yes  No  VIII. Did you hold any reportable positions on or before the date of filing in the reporting period?  
If yes, complete and attach Schedule VIII. Yes  No   
IV. Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset in a transaction exceeding \$1,000 during the reporting period?  
If yes, complete and attach Schedule IV. Yes  No  IX. Did you have any reportable agreement or arrangement with an outside entity?  
If yes, complete and attach Schedule IX. Yes  No   
V. Did you, your spouse, or a dependent child have any reportable liability (more than \$1,000) during the reporting period?  
If yes, complete and attach Schedule V. Yes  No

**EXCLUSION OF SPOUSE, DEPENDENT, OR TRUST INFORMATION - ANSWER EACH OF THESE QUESTIONS**

Trusts- Details regarding "Qualified Blind Trusts" approved by the Committee on Standards of Official Conduct and certain other "excepted trusts" need not be disclosed. Have you excluded from this report details of such a trust benefiting you, your spouse, or dependent child? Yes  No   
Exemptions-- Have you excluded from this report any other assets, "unearned" income, transactions, or liabilities of a spouse or dependent child because they meet all three tests for exemption? Yes  No

**SCHEDULE I - EARNED INCOME**

Name Samuel B. "Sam" Graves, Jr. Page 2 of 8

List the source, type, and amount of earned income from any source (other than the filer's current employment by the U.S. Government) totaling \$200 or more during the preceding calendar year. For a spouse, list the source and amount of any honoraria; list only the source for other spouse earned income exceeding \$1,000.

Source	Type	Amount
Tarkio, Missouri R-1 School District	Teachers Salary of spouse, Lesley, J. Graves	Not Applicable

09-7000\_000007

**SCHEDULE III - ASSETS AND "UNEARNED" INCOME**

BLOCK A Asset and/or Income Source		BLOCK B Year-End Value of Asset	BLOCK C Type of Income	BLOCK D Amount of Income	BLOCK E Transaction
<p>Identify (a) each asset held for investment or production of income with a fair market value exceeding \$1,000 at the end of the reporting period, and (b) any other assets or sources of income which generated more than \$200 in "unearned" income during the year. For rental property or land, provide a complete address. Provide full names of stocks and mutual funds (do not use ticker symbols). For all IRAs and other retirement plans (such as 401(k) plans) that are self-directed (i.e., plans in which you have the power, even if not exercised, to select the specific investments), provide the name and income information on each asset in the account that exceeds the reporting threshold. For retirement plans that are not self-directed, name the institution, the account and its value at the end of the reporting period. For an active business that is not publicly traded, state the name of the business, the nature of its activities, and its geographic location in Block A. For additional information, see the instruction booklet.</p> <p>Exclude: Your personal residence(s) (unless there is rental income); any debt owed to you by your spouse, or by your or your spouse's child, parent or sibling; any deposits totaling \$5,000 or less in personal savings accounts; any financial interest in or income derived from U.S. Government retirement programs.</p> <p>If you so choose, you may indicate that an asset or income source is that of your spouse (SP) or dependent child (DC) or is jointly held (JT), in the optional column on the far left.</p>		<p>at close of reporting year. If you use a valuation method other than fair market value, please specify the method used. If an asset was sold and is included on the schedule, it is reported because it is reported income; the value should be "None."</p>	<p>Check all columns that apply. Check "None" if asset did not generate any income during the calendar year. If other than one of the listed categories, specify the type of income by writing a brief description in this block. (For example: Partnership income or Farm Income)</p>	<p>For retirement plans or accounts that do not allow you to choose specific investments, you may write "NA" for income. For all other assets, indicate the category of income by checking the appropriate box below. Dividends, even if reinvested, should be listed as income. Check "None" if no income was earned.</p>	<p>Indicate if asset had purchases (P), sales (S), or exchanges (E) exceeding \$1,000 in reporting year.</p>
JT	Sam Graves Farms: Clark Township & Tarkio Township, Atchison County, MO	\$500,001 - \$1,000,000	Farm Income	\$15,001 - \$50,000	
JT	Rydex Mutual Funds/OTC Index Fund	\$1,001 - \$15,000	None	NONE	
JT	Janus Research Fund	\$1,001 - \$15,000	None	NONE	
JT	Oracle Corporation	\$1 - \$1,000	None	NONE	
JT	Cisco Corporation	\$1 - \$1,000	DIVIDENDS	\$1 - \$200	
JT	E-Trade Checking Account	\$15,001 - \$50,000	INTEREST	\$201 - \$1,000	

09-7000\_000008

SCHEDULE III - ASSETS AND "UNEARNED" INCOME

		Name: Samuel B. "Sam" Graves, Jr.		Page 4 of 6	
SP	Golden Triangle Energy Cooperative (Craig, MO)	\$1,001 - \$15,000	DIVIDENDS	\$5,001 - \$15,000	
JT	Farm Equipment & Machinery	\$15,001 - \$50,000	None	NONE	
JT	US Bank (2 Checking Accounts)	\$15,001 - \$50,000	INTEREST	\$1 - \$200	
JT	State of Missouri Retirement System	None	None	NONE	
JT	Home Depot	None	DIVIDENDS	\$1 - \$200	S
SP	Show Me Ethanol LLC (Ethanol Plant in Carroll County, Missouri)	\$1,001 - \$15,000	None	NONE	
JT	Nokia Corporation	None	DIVIDENDS	\$1 - \$200	S
JT	Time Warner, Inc.	\$1,001 - \$15,000	DIVIDENDS	\$1 - \$200	
JT	Janus Contrarian Fund	\$1,001 - \$15,000	DIVIDENDS/ CAPITAL GAINS	\$201 - \$1,000	
JT	Janus Midcap Value Fund	\$1,001 - \$15,000	DIVIDENDS/ CAPITAL GAINS	\$201 - \$1,000	
SP	Biofuels LLC (Biodiesel Plant in Mexico, MO)	\$15,001 - \$50,000	None	\$1,001 - \$2,500	
JT	Congressional Federal Credit Union	\$1,001 - \$15,000	INTEREST	\$1 - \$200	
JT	Qualcomm	\$1 - \$1,000	INTEREST	\$1 - \$200	

**SCHEDULE IV - TRANSACTIONS**

Name Samuel B. "Sam" Graves, Jr.

Report any purchase, sale or exchange by you, your spouse, or dependent child during the reporting year of any real property, stocks, bonds, commodities futures, or other securities when the amount of the transaction or series of transactions exceeded \$1,000. Include transactions that resulted in a loss. Do not report a transaction between you, your spouse, or your dependent child, or the purchase or sale of your personal residence, unless it is rented out. Provide a brief

SP, DC, JT	Asset	Type of Transaction	Date	Amount of Transaction
JT	Home Depot	S	11-9-07	\$1,001 - \$15,000
JT	Nokia Corporation	S	11-9-07	\$1,001 - \$15,000

**SCHEDULE V - LIABILITIES**

Name Samuel B. "Sam" Graves, Jr.

Page 6 of 8

Report liabilities of over \$10,000 owed to any one creditor at any time during the reporting period by you, your spouse, or dependent child. Mark the highest amount owed during the year. Exclude: Any mortgage on your personal residence (unless all or part of it is rented out); loans secured by automobiles, household furniture, or appliances; and liabilities owed to a spouse, or the child, parent, or sibling of you or your spouse. Report "revolving charge accounts" (i.e., credit cards) only if the balance at the close of the preceding calendar year exceeded \$10,000.

SP, DC, JT	Creditor	Type of Liability	Amount of Liability
JT	Farmers State Bank, Tarkio, MO	Mortgage on Farm 1 (115 acres)	\$15,001 - \$50,000
JT	Farmers State Bank, Tarkio, MO	Mortgage on Farm 2 (240 acres)	\$50,001 - \$100,000
JT	Farmers State Bank, Tarkio, MO	Mortgage on Farm	\$15,001 - \$50,000

09-7000\_000011

**SCHEDULE VIII - POSITIONS**

Name Samuel B. "Sam" Graves, Jr.

Page 7 of 8

Report all positions, compensated or uncompensated, held during the current calendar year as an officer, director, trustee of an organization, partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or any business enterprise, any nonprofit organization, any labor organization, or any educational or other institution other than the United States. Exclude: Positions held in any religious, social, fraternal, or political entities; positions solely of an honorary nature; and positions listed on Schedule I.

Position	Name of Organization
Owner	Sam Graves Farms

**SCHEDULE IX - AGREEMENTS**

Date	Parties To	Terms of Agreement
2000	State of Missouri Employment Retirement System	State of Missouri Employee Retirement Program as a member of the Missouri General Assembly

Name Samuel B. "Sam" Graves, Jr. Page 8 of 8

Identify the date, parties to, and general terms of any agreement or arrangement with respect to: future employment; a leave of absence during the period of government service; continuation or deferral of payments by a former or current employer other than the U.S. Government; or continuing participation in an employee welfare or benefit plan maintained by a former employer.

**EXHIBIT 3**

Brooks Hurst  
18541 State Highway O  
Tarkio, MO 64491

April 29, 2009

Mr. Leo Wise,  
Staff Director & Chief Counsel,  
1017 Longworth House Office Building  
Fax (202) 226-0997  
Phone (202) 225-9739

Re: Request for Information

Dear Mr. Wise:

I received a letter from you dated April 15, 2009, that asked me for information and documents regarding my participation at a small business committee hearing on "The State of the Renewable Fuels Industry in the Current Economy", my financial interests in three companies, and my relationship with Sam and Lesley Graves.

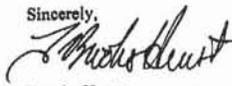
The staff members for Congressman Graves that I remember assisting me with my participation at the hearing are Buffy Smith, who helped coordinate my travel, and Paul Sass. Joe Hartz who is with the House Committee on Small Business also assisted me. The only correspondence or documents I have concerning the hearing are a few e-mails that I've attached.

Regarding my financial interests, I do not have any financial interest in Show Me Ethanol, LLC. I do own three shares of stock in Biofuels LLC, and my ownership investment is less than 1/3 of 1 percent. I also own 15,634 bushels of corn each year in Golden Triangle Energy Cooperative, and my ownership investment is 1/2 of 1 percent.

I don't have any business relationship with Sam or Leslie Graves. Sam Graves and I are constructing a small plane and are using parts from some other inoperable planes that we also own.

You mentioned you may want to interview me. Please let me know when that might be so I can plan ahead.

Sincerely,



Brooks Hurst



P.O. Box 104778 · 3337 Emerald Lane · Jefferson City, MO 65110  
Phone 573-635-3819 · 800-MO-BEAN-1 · Fax 573-635-5122  
[www.mosoy.org](http://www.mosoy.org)

April 24, 2009

To Whom It May Concern,

Mr. Thomas Brooks Hurst, farmer-investor, in Biofuels, LLC, currently owns 3 shares of stock valued at \$45,000. Mr. Hurst's ownership investment is less than 1/3 of 1 percent, or 0.326797.

Please don't hesitate to contact us if you need additional information.

Regards,

JP Dunn  
Director of Field Services

MAY-01-2009 08:02 AM HURST.FARM.TARKIO.COOP 6607365781 P.02



Golden Triangle Energy, LLC  
15053 Highway 111  
Craig, MO 64437

April 27, 2009

Brooks Hurst  
[REDACTED]@embarqmail.com

Re: Brooks Hurst Percentage of Ownership

To Whom it May Concern:

Brooks Hurst is a member of Golden Triangle Energy Cooperative, Inc. a Missouri nonprofit cooperative marketing association ("GTCC"). As a member, he has the right and obligation to provide 15,634 bushels of corn each year. His interest as related to those bushels and as a percent of the Cooperative would be approximately .50% (or .005).

If you have any questions please feel free to call me.

Sincerely,

Sheri Sharp, Controller  
Golden Triangle Energy, LLC  
660-683-5646 ext [REDACTED]  
660-683-5537 fax

MAY-01-2009 08:03 AM HURST.FARM.TARKIO.COOP 6607365781 P. 03

-----Original Message-----  
**From:** Adam Buckallew [mailto: [REDACTED]@mosoy.org]  
**Sent:** Tuesday, March 03, 2009 1:43 AM  
**To:** [REDACTED]@embarqmail.com  
**Subject:** FW: Biodiesel Talking Points

Brooks,

JP had previously written this set of talking points for Missouri biodiesel production. He was supposed to send me a few things he wanted to add to this list this evening and then I was going to look it over for him and pass it on to you. I hadn't heard anything from JP tonight, but I wanted to make sure you had something to take with you to the Capitol. We may end up sending an email to Congressman Graves' office that has additional information for you.

Sorry about the delay.

Adam

Biodiesel receives a \$1 per gallon blender's tax credit from the federal government. B99 (99% biodiesel + 1% petro diesel) usually has had the credit applied, while B100 (100%) biodiesel has not. B99 sold over the summer for more than \$4.30 per gallon while it is currently below \$2 per gallon.

Glycerin can be utilized in many environmentally friendly industrial products. However, Glycerin itself can serve as a fuel and/or fuel conditioner with #4 fuel-oil.

Missouri has focused on drawing production to the state and encouraging majority farmer owned partnerships. This means transportation jobs, construction jobs, and returning earnings to rural communities. Besides that, biodiesel plants have created additional demand for soybean oil. That means additional demand for beans and additional meal to be fed to livestock (further adding value to a Missouri product).

Crush capacity has and continues to expand in Missouri. That requires construction of new facilities which means soybean demand will remain strong for Missouri farmers and meal supplies will be abundant for those feeding hogs, poultry, cattle, etc. This is especially evident along the I-29 corridor. For the first time, to my knowledge, the basis for soybeans may be higher on the western side of the state than along the Mississippi. The basis will be lower for soybean meal which will push protein/feed prices downward. That means additional profits for soybean farmers and livestock producers. Profits that they reinvest in their local communities.

Not only are construction jobs, transportation jobs, and earnings for rural communities created, but biofuels add to the fuel supply. Farmer-owned biodiesel and ethanol production facilities across the midwest have the capacity to provide 5% of our nation's liquid fuel requirements. Building these facilities is the same as adding 5% to our nation's refining capacity. The difference is that we have reduced our dependence on foreign petroleum and that these facilities are unaffected by a single weather event (like when a hurricane hits Houston).

**SOYBEANS PROVIDE FOOD, FEED, AND FUEL**  
 Whole soybeans are rarely fed to animals or eaten whole by people. The beans get processed (crushed), the protein and hulls go to make feed/food, and we've been working on uses for the oil since the soybean checkoff's inception.

2/3 of a bushel of soybeans yields approx. 7.5 lbs (1 gallon) of oil, 30 lbs of meal, and 3 lbs hulls.

1 gallon of soybean oil = 1 gallon of biodiesel. You put in 10% methanol and take out 10% glycerin (by volume). (glycerin weighs approx. 10 lbs per gallon)

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MAY-01-2009 08:03 AM HURST.FARM.TARKIO.COOP 6607365781 P.04

So, for every gallon of biodiesel, you have 30lbs of meal, 3 lbs of hulls, and 1lb of glycerin.

% of that meal, hulls, and glycerin is fed to animals.

Hulls have virtually the same feed value as corn.

Glycerin is an energy component in feed for all livestock and can be refined to a pharmaceutical grade that is used in foods.

Meal is predominantly fed to hogs and poultry, but can be fed as protein supplement to beef cattle and dairy cattle as well.

For every gallon of biodiesel you sell, you have to sell 4 gallons of feed.

We are doubling our soybean crush (processing) capacity in Missouri because of the biodiesel industry.

Out of the average 200 million bushels Missouri produces annually, 70 million bushels has been processed here in the past, while we exported the remaining 130 million to other states or foreign countries.

MO will now be adding value to 140 million bushels here in the state and still shipping out 60 million bushels or more as yields increase.

We are processing those beans for their oil which is in demand because of biodiesel. The price for vegetable oil may be inflated due to speculators investing in commodities, but the additional crush capacity is being built to provide feedstocks for biodiesel plants.

That means that there is going to be twice as much soy hulls and 100% more soybean meal and 175% more glycerin entering in to an already matured livestock feed market.

That would suggest that feed prices will be pressured downward.

% are already over 150 million gallons of biodiesel production in Missouri annually.

If all the soybean meal we are producing was going to feed one type of animal: we'd need 1 hog to eat the meal from every 4 gallons of biodiesel produced, or 1 dairy cow for every 17 gallons, or 2 turkeys for every gallon, or 10 chickens for every gallon of biodiesel produced.

Soy oil is shouldering the value of a bushel of beans.

Soybean oil is being utilized less and less for cooking, because of trans fats. The only low linolenic soybeans that are currently available are grown along the I-80 corridor. Requirements for biodiesel feedstocks has reversed the trend for Missouri's soybean oil demand.

Soybeans provide feed AND fuel.

Biodiesel is extending the diesel fuel supply and diesel prices have a larger effect on food prices than commodity prices do. Transportation, processing and delivery makes up a much larger percentage of food costs than the grains they are made.

Diesel fuel prices have a great effect on all consumer goods because of manufacturing and transport.

So, biodiesel is good for all consumers (even those that don't drive a diesel vehicle) because it helps extend the fuel supply and lower high fuel prices for the transportation industry.

#### PURPOSED B5 BILL

A 5% biodiesel fuel inclusion standard might not sound like it would have an impact on consumers, but imagine how much fuel prices would go up if we lost 5% of our petroleum diesel supply when demand for fuel is so tight.

A 5% biodiesel fuel inclusion standard means a 5% reduction in diesel emissions or a reduction of 15.4 million lbs of particulate emissions and a 168 million lb reduction in carbon monoxide emissions annually.

Missouri's B5 bill is necessary to allow biodiesel to extend the state's fuel supply and reduce costs for consumers. Most fuel distributors are contractually bound to a petroleum company and they can only sell that company's product. Those petroleum companies have been unwilling to offer biodiesel at bulk loading and blending facilities or allow the sale of biodiesel "under their

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MAY-01-2009 08:04 AM HURST.FARM.TARKIO.COOP 6687365781 P.05

canopy". The B5 Bill would break-up petroleum's current fossil fuel diesel mandate and allow the free market to work.

**PRODUCTION**

The following facilities make up most of Missouri's biodiesel production volume:

- Mid America Biofuels - Mexico, MO - 30 million gallon capacity
- Warrior Pride - Deerfield, MO - 30 million gallon capacity
- Paseo Cargill Energy - Kansas City, MO - 40 million gallon capacity
- Northwest Biodiesel - St. Joseph, MO - 15 million gallon capacity
- AGP - St. Joseph, MO - 30 million gallon capacity
- Global Fuels - Dexter, MO - 3-5 million gallon capacity
- Natural Biodiesel - Steele, MO - 3-5 million gallon capacity
- High Hill Biodiesel - High Hill, MO - 3-5 million gallon capacity
- Producer's Choice Soy Energy - Moberly, MO - under construction - 15 million gallon capacity
- Terra - St. Joseph, MO - under construction - 30 million gallon capacity
- American Energy Producers - Carrollton, MO - under construction - 50 million gallon capacity
- Great River - Libourn, MO - for sale - 3-5 million gallon capacity

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MAY-01-2009 08:07 AM HURST.FARN.TARKIO.COOP 6687365781 P. 18

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-----Original Message-----

**From:** Hartz, Joe [mailto:Joe.Hartz@mail.house.gov]  
**Sent:** Monday, March 02, 2009 3:03 PM  
**To:** [REDACTED]@embarqmail.com  
**Subject:** RE: Wednesday's hearing

Thank you.

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**From:** [REDACTED]@embarqmail.com [mailto:[REDACTED]@embarqmail.com]  
**Sent:** Monday, March 02, 2009 3:10 PM  
**To:** Hartz, Joe  
**Subject:** Re: Wednesday's hearing

Mr. Hartz,

Go ahead and use my title as member of the board of directors for both Paseo-Cargill Biofuels plant and Missouri Soybean Association.

Thanks,  
Brooks

Sent via BlackBerry by AT&T

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**From:** "Hartz, Joe"  
**Date:** Mon, 2 Mar 2009 14:56:36 -0500  
**To:** <[REDACTED]@embarqmail.com>  
**Subject:** Wednesday's hearing  
Hello Mr. Hurst—

I just wanted to check in to see how you would like your affiliation to be for the hearing on Wednesday. Again, you can be affiliated with any (or all) of the hats you wear. We just want to make sure we are publicizing the event properly and you are represented as you would like to be. Please just let me know as soon as you can. Thanks—Joe

Joe Hartz  
Professional Staff/Republican Office  
House Committee on Small Business  
(202) 225-[REDACTED]

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09-7000\_000021

MAY-01-2009 08:08 AM HURST.FARM.TARKIO.COOP 6607365781 P. 11

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-----Original Message-----

**From:** Hartz, Joe [mailto:Joe.Hartz@mail.house.gov]

**Sent:** Monday, March 02, 2009 1:57 PM

**To:** [REDACTED]@embargo.com

**Subject:** Wednesday's hearing

Hello Mr. Hurst—

I just wanted to check in to see how you would like your affiliation to be for the hearing on Wednesday. Again, you can be affiliated with any (or all) of the hats you wear. We just want to make sure we are publicizing the event properly and you are represented as you would like to be. Please just let me know as soon as you can. Thanks—Joe

Joe Hartz  
Professional Staff/Republican Office  
House Committee on Small Business  
(202) 225- [REDACTED]

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[http://republicans.smbtz.house.gov/press/asp\\_sign\\_up\\_for\\_email\\_press\\_release.asp](http://republicans.smbtz.house.gov/press/asp_sign_up_for_email_press_release.asp)

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MAY-01-2009 08:05 AM HURST.FARM.TARKIO.COOP 6607365781 P.06

-----Original Message-----

From: Smith, Buffy [mailto:Buffy.Smith@mail.house.gov]  
 Sent: Wednesday, March 04, 2009 3:48 PM  
 To: [REDACTED]@embarqmail.com  
 Subject: FW: Hurst Testifies to Congress

From: Klindt, Jason  
 Sent: Wednesday, March 04, 2009 3:26 PM  
 To: Klindt, Jason  
 Subject: Hurst Testifies to Congress

FOR IMMEDIATE RELEASE

PHONE: 816 792-3976

Wednesday, March 4, 2009

CONTACT: Jason Klindt

## Hurst Testifies to Congress

*Graves, Small Business Committee Hear Views of Local Man*

(Washington D.C.) Brooks Hurst of Tarkio testified today to the Small Business Committee in Washington. Local Congressman Sam Graves is the ranking member on the panel. The Hearing was entitled, "*The State of the Renewable Fuels Industry in the Current Economy.*"

Hurst, a member of the board of directors for the Paseo-Cargill Biofuels plant, testified on behalf of the Missouri Soybean Association. His testimony was given as a part of a panel of experts on renewable fuels.

"Brooks did a great job representing the Sixth District and Missouri," said Graves. "Renewable fuels are an important part of moving our country off of its addiction to foreign oil. We also know that it can create jobs right here in Missouri."

Excerpts of Hurst's testimony are below.

"Nationally, biodiesel's production capacity is near 2.55 billion gallons per year; however, actual production was approximately 700 million gallons in 2008. Still, biodiesel was able to displace more than 20 million barrels of petroleum in 2008. These numbers help to show that there is great potential to increase the level of U.S. biodiesel production and reduce dependency on foreign oil when operating capital is available and/or the markets are not as volatile as they are today. For ethanol, approximately 9.5 billion gallons were produced in 2008, which displaced more than 300 million gallons of foreign oil."

"One 30-40 million gallon biodiesel plant that is integrated with a soybean crush facility will employ over 50 individuals with a payroll of over \$2 million annually. The construction of that plant provided jobs and transportation jobs have been created as a result of the transfer of goods in and out."

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"Aside from the requirements for capital and financing, three recommendations for the committee and the federal government come to mind: extension of the federal Biodiesel Blender's Credit, inclusion of glycerin in the federal Bio-based Fuel Blender's Credit and implementation of the Renewable Fuels Standard. I believe that biofuels producers who make it through this volatile shake-out period will be successful long term. Extending

and properly implementing the programs already in place can aid this fledgling industry."

"I believe that we, as a nation, stand at a crossroads. The decisions that are made today will impact this country for years to come. It is my hope that my testimony will help demonstrate the importance of the biofuels industry and that the Small Business Committee will consider my recommendations. It is crucial that we work together to ensure that the U.S. biofuels industry continues to play an important role in rural development and growing our fuel supply."

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MAY-01-2009 08:06 AM HURST.FARM.TARKIO.COOP 6607365781 P.08

-----Original Message-----

**From:** Smith, Buffy [mailto:Buffy.Smith@mail.house.gov]  
**Sent:** Wednesday, March 04, 2009 3:47 PM  
**To:** [redacted]@embarqmail.com  
**Subject:** FW: "I'D RATHER DEPEND ON U.S. FARMERS FOR ENERGY THAN SAUDI ARABIA"

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**From:** Landers, Angela  
**Sent:** Wednesday, March 04, 2009 4:45 PM  
**To:** Landers, Angela  
**Subject:** "I'D RATHER DEPEND ON U.S. FARMERS FOR ENERGY THAN SAUDI ARABIA"

U.S. HOUSE OF REPRESENTATIVES  
 SMALL BUSINESS COMMITTEE REPUBLICANS  
 REPRESENTATIVE SAM GRAVES, RANKING MEMBER

### "I'D RATHER DEPEND ON U.S. FARMERS FOR ENERGY THAN SAUDI ARABIA"

WASHINGTON, DC - The House Small Business Committee held a hearing today to hear from small businesses and trade associations in the renewable fuels industry about how current economic conditions and federal policies are affecting them. The hearing titled, "*The State of the Renewable Fuels Industry in the Current Economy*," began with an underlying consensus from the witness panel and Committee Members that we must work fast to provide the U.S. with energy independence. Currently, sixty-percent of the petroleum the U.S. needs is imported. Ranking Member Graves highlighted this agreement by saying, "I'd rather depend on U.S. farmers for energy than Saudi Arabia."

According to the National Biodiesel Board, the biodiesel industry in 2008 consisted of 176 plants with 2.6 billion gallons in production capacity and supported 51,893 jobs. The biodiesel industry added \$4.287 billion to the nation's Gross Domestic Product (GDP) and generated \$866.2 million in tax revenue for federal, state and local governments.

Several witnesses from the renewable fuels industry told the Committee that the biggest obstacle they are facing, as many small businesses dually claim, is access to capital to help keep their business operating. The falling economy and gasoline prices were the next concern and the fading ability to provide jobs to the surrounding area of fuel production plants was also mentioned. The Energy Independence and Security Act of 2007 expanded the Renewable Fuels Standard (RFS), which determines the volume of renewable fuel required to be blended into gasoline, from 9 billion gallons in 2008 to 36 billions gallons by 2022. Mr. Brooks Hurst, member of the Board of Directors of the Paseo-Cargill Biofuels Plant recommended that the Congress urge the Obama Administration to move to implement the RFS provision to provide additional support for

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MAY-01-2009 08:07 AM HURST.FARM.TARKIO.COOP 6607365781 P.09

the nation's biofuels producers.

In his testimony, Mr. Hurst of Tarkio, MO, closed by saying, "It is crucial that we work together to ensure that the U.S. biofuels industry continues to play an important role in rural development and growing our fuel supply."

###

Angela Landers  
Communications Director  
Small Business Committee Republicans

(202) 226-████

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[http://republicans.smbiz.house.gov/press/asp\\_sign\\_up\\_for\\_email\\_press\\_release.asp](http://republicans.smbiz.house.gov/press/asp_sign_up_for_email_press_release.asp)

4/29/2009

09-7000\_000026

**EXHIBIT 4**

## CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

OFFICE OF CONGRESSIONAL ETHICS  
UNITED STATES HOUSE OF REPRESENTATIVES

Memorandum of Interview

In Re: Representative Sam Graves  
Review #: 09-7000  
Date: June 15, 2009  
Location: Law Offices of Lathrop & Gage, Kansas City, MO  
Time: 4:30 pm  
Participants: Leo Wise  
Elizabeth Horton  
Terry Brady  
Matt Hubbard

Summary: Representative Sam Graves is a Member of the United States House of Representatives and represents the sixth district of Missouri. He was interviewed pursuant to Review 09-7000. We requested an interview with Representative Graves and he consented to an interview. Representative Graves made the following statements in response to our questioning:

1. Representative Graves was given a copy of 18 U.S.C. § 1001, the False Statements Act, before he was interviewed and he signed a written acknowledgement of its receipt.
2. Brooks Hurst was the easiest witness to find for the hearing that was held in March given the short time frame for locating witnesses and he was one of the most knowledgeable persons available.
3. He was not aware of the process for finding witnesses for the hearings, staff handles finding witnesses.
4. Many times, he does not know who the witness will be until the hearing.
5. He was not sure who chose Brooks Hurst to testify at the hearing; he believed that it might have been Paul Sass.

## CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

6. He did not decide to invite Brooks Hurst to testify but he threw out Brooks Hurst name for consideration.
7. He did not know who chose the witness; he doesn't normally make those decisions.
8. The Committee on Small Business ("the Committee") has a hearing a week; so, he is not sure who chooses witnesses.
9. He is not sure who on the Committee staff makes witness decisions. It might be Paul Sass or Karen Haas.
10. Paul Sass was involved with the decision to invite Brooks Hurst; that was his job.
11. There was a time frame issue with finding a witness; they needed to find someone who knew renewable fuels. Brooks Hurst is the foremost person with such knowledge.
12. When asked why he was the foremost person, Representative Graves answered "because he knows it."
13. Brooks Hurst is the President of the Missouri Soybean Association, he is involved with the corn growers, and he testifies throughout the country on renewable fuels.
14. The email address in the February 24 email from Paul Sass is his regular email account. (Attachment 1)
15. When a hearing is scheduled the minority receives notice a few days before the hearing is to be held. The minority is allotted a certain number of witnesses depending on the hearing.
16. The Committee has hearings every week. The Small Business Committee is an oversight committee. They do not handle legislation. Hearings do not stand out unless the topic is something that is grabbing and the Committee just doesn't have that many grabbing issues.
17. The Committee held a hearing last week and he could not remember the topic.
18. Brooks Hurst is a personal friend.
19. The Committee always has hearings. The Women's Chamber always testifies on Chamber of Commerce hearings. Representative Graves stated that he knows all of the

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- individuals who repeatedly testify personally. Some of the relationships he developed with individuals who testify repeatedly before the Committee occurred in DC.
20. Brooks Hurst is a close, close friend. He grew up with Brooks Hurst; so, he may not know other witnesses as well as he knows Brooks Hurst, but he knows other witnesses who testify and have testified well.
  21. With respect to the email from Jason Klindt to Paul Sass that questioned his financial holdings, Rep. Graves stated that he did not know why the issue would have come up. Neither Jason Klindt nor Paul Sass raised the issue with him. He didn't know why it would have come up.
  22. He did not remember why he did not want Bill Becker to testify but he remembered that the Committee had done some things for Lifeline on grants and they may have been in the middle of doing something for the company at that time, possibly working on a waiver for a grant.
  23. He did not remember why Brooks Hurst was off the witness list and then back on.
  24. He did not recall why Bill Becker was an alternate witness; those types of issues are handled in passing.
  25. He was not sure if Brooks Hurst was off then on because of a conflict with planting.
  26. He was surprised that there were as many emails on the matter as there were and he was surprised that it was so hard to find a witness for the hearing.
  27. Paul Sass asked who they could get for a witness and he suggested calling Brooks Hurst.
  28. Paul Sass knows the process better than anyone.
  29. When asked about the members of the corn growers being in town at the time of the meeting, Representative Graves stated that "if he remembered correctly" the Committee already had an "ethanol guy" and they were looking for a "biodiesel guy" to balance out the witness list as much as possible.
  30. He did not talk to anyone about the corn growers; he did not even know Jessica Bennett.

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Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

31. He has run into situations where someone was supposed to testify and then that person was unable to get a flight. He did not know the process.
32. He always introduces the witness.
33. He always has a typed introduction that he reads.
34. The introductions are normally a half page.
35. After the opening statement, there is a half page introduction about where the witness is from, if they are a family farmer, how many acres they farm, how long they have been in business, etc.
36. The opening statement is different from the introduction; it sometimes comes off of the witness list.
37. He generally goes through the witness list and makes a general introduction from the information on the list. "It's like sitting down and eating supper, it's very routine."
38. In introductions, he only identifies who the individual is testifying on behalf of, no other entities that the witness may be associated with are noted.
39. Investments are not something he talks about with Brooks Hurst. He could not say what Brooks Hurst was invested in; he goes in and out of investments so he wouldn't know what he was invested in.
40. When asked if Brooks Hurst stated that he recruited the Graves to invest in Golden Triangle, Rep. Graves stated that Brooks Hurst easily could have made such a statement, but he didn't know if he had. "People say things to show how closely related they are to a Member."
41. He did not recall Brooks Hurst asking him to invest in Golden Triangle.
42. Personal investments are not something that comes up in conversations that he has with Brooks Hurst, he talks to Brooks Hurst mostly about "flying stuff." "They don't sit down and go over investments."
43. His wife's father advises his wife on financial matters. He is an "environmental guy." His father-in-law does not know Brooks Hurst.

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44. He and his wife laugh about their investments; the only one that has done well is Golden Triangle.
45. The organization started early and had good management. The management firm was kicked out. They were one of the first plants but they are a small company. "It's not where you want to be today but they paid down all of their debt."
46. He spoke at the company's meetings when he was in the State Senate.
47. The conversation between him and his wife about investing was a long time ago. She invested in the company when he was in the State Senate.
48. Terry Brady, his attorney, prepares his financial disclosure. He reviews the report along with his wife's financial disclosure report, she files for her position with the state university.
49. When asked if he remembered Brooks Hurst's testimony, Representative Graves stated that he did not recall the hearings, and that he usually works on other issues using his blackberry during the hearings.
50. There is only one ethanol plant in Craig, MO. It is Golden Triangle
51. Brooks Hurst last spoke before the committee when Representative Graves was chair of a subcommittee.
52. When asked if he recalled the *Roll Call* article regarding Brooks Hurst's prior testimony, Representative Graves stated that he saw the article after this issue came up and that opponents "bring this type of thing that feed these types of articles."
53. When asked about his quote from the article that "looking back" he should have disclosed his connection with Brooks Hurst, Representative Graves stated that the author did not publish his full statement. He stated that he actually said that looking back he probably should have disclosed "if he had known what his (Brooks Hurst) investments were." He also stated that the article was frustrating but typical; he further stated that the issue would not make a story but misquoting his statements would.
54. When asked if he was aware of Brooks Hurst's investments in 2004, he stated that Brooks Hurst testified with Golden Triangle but that he didn't know what Brooks Hurst was personally invested in.

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55. He stated that he did not recall the 2007 *Roll Call* article but that Brooks Hurst was not testifying on ethanol at the March hearing.
56. Brooks wasn't testifying on Golden Triangle or ethanol; he was testifying on biodiesel at the March hearing.
57. When asked if he recalled the 2007 article, Representative Graves stated that he never really thought about it. The Committee had to find someone to testify that knew what they were talking about and Brooks Hurst knew the issue.
58. Lifeline is an ethanol company; he did not believe they produced biodiesel fuel.
59. When asked if he recalled Brooks Hurst's prior testimony, Representative Graves stated that he did not because it was "a zillion hearings ago."
60. With respect to finding a witness for the March hearing, he stated that you want someone who knows the subject matter. "In a confrontational hearing, which isn't the case now, but when it is, the majority is trying to discredit the minority and vice versa." "So you always want there to be no embarrassing comments – someone throwing out facts that are then attacked." "The DNC/RNC will make some political issue out of comments. To avert that, you get best witness possible."
61. He stated that the Committee doesn't have that type of adversarial relationship but that other entities can also attack the hearing, like oil companies, so you have to be prepared.
62. With respect to the purpose of the hearings, the committee is an oversight Committee; it does not do legislation except the authorization of the Small Business Association. The hearings are "feel good hearings." "The chair is from NY and I think she is being nice to me in holding the hearing because I am a farmer." The Committee can look at venture capital, healthcare, animal pharmaceuticals, anything. The committee doesn't have a real agenda other than the Small Business Association so they look at all types of industries. "When I was head of the subcommittee I held aviation hearings."
63. With respect to the recommendation made by Brooks Hurst for the Blender Fuel Credit, Representative Graves stated that the Blender Fuel Credit was the big issue and that it was an "agricultural issue, probably the hottest issue in the industry."

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64. He did not remember Brooks Hurst advocating for the Blenders Fuel Credit at the hearing but he would not be surprised if he had. He (Representative Graves) did not know anything about glycerin. It would also not surprise him if Brooks Hurst supported the Renewable Fuels Standard. He was sure the corn growers supported the Renewable Fuels Standard, it is their biggest issue.
65. He also would not be surprised if the Renewable Fuels Standard would help Brooks Hurst. He knew the corn growers would have recommended the Renewable Fuels Standard.
66. He did not recall any recommendations at the hearing but it would not surprise him if recommendations were made. He stated that he had been doing this for ten years and "it's the same thing every year – again and again and again."
67. With respect to Brooks Hurst's testimony regarding the plant that he was having difficulty with "booking business forward," Representative Graves stated that he did not know which plant Brooks Hurst was referring to nor did he know how many plants Brooks Hurst was invested in. He stated, "if it's glycerin then it would be Biofuels" but he was not sure. He further stated that he did not understand the glycerin deal.
68. He does not review hearing testimony, everyone submits their oral comments and sometimes the comments are twenty pages in length. He further stated that some hearings have twenty witnesses. He does not read opening statements until the Chair is reading her statement.
69. His wife's father is her financial advisor.
70. His wife is employed as a school teacher.
71. Their investments are not very good. They spend very little time investing; they have not done well since 2000. The only time the issue of investments comes up in conversations with his wife is when his wife "spends Golden Triangle money, which is her money." He did not know how long the company would be profitable because it is a very small company.
72. When asked if he talked to Brooks Hurst about the hearing, Representative Graves stated that he had not, "other than this issue and how ridiculous it is."

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73. When asked why it is a ridiculous issue, Representative Graves stated that it was simply a lot of money and time that was being used to look into the matter and there was not anything there; he thought the OCE "must not have anything better to do." He further stated that Paul Singer (the author of the 2007 and 2009 *Roll Call* articles) did not like him because he was forced to do a retraction of bad information published in a previous article and that he acted like a jerk to him.
74. He has not talked to anyone else regarding this matter. He stated that the Committee held hearings every week and the matter was just not an issue.
75. He stated that "when you bring a witness in, you want them to feel important but in many cases their testimony is meaningless because the Committee has no jurisdiction." "You don't tell people that, that their testimony won't have an impact." He further stated that "every Speaker has tried to eliminate the Small Business Committee." He explained that the legislation goes through the Commerce Committee and that the Small Business Committee holds "feel good hearings." He stated that the Chair holds hearings that interest her and that he has been involved with venture capital hearings. Several hearings are held on venture capital which relates to the Small Business Administration, which the Committee has jurisdiction over. He believes the Chair is "throwing him a bone" on agriculture issues. But he wishes she would ask for input because he would pick a different topic.
76. The Committee does not have work after the legislation affecting the Small Business Administration is completed but hearings bring publicity. The minority will use hearings to attack policies on small business. The hearings generate a lot of press at home; the hearings show that they are taking care of small business.
77. It breaks down to subcommittees. They don't hold many hearings; the object is to generate press, trying to show you're doing your job.
78. The Committee holds a hearing every week at 2:00 pm on Wednesday. The Committee does not have any office space and Committee staff is in three different buildings. There are no anti-chambers, no money, and no jurisdiction.
79. He only interacts with staff at the hearings. The staff doesn't think he engages enough but he may have listened to the same testimony for the past 10 years. Staff is frustrated over his lack of interaction with the staff.

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80. One staff member (Paul Sass) has a new girlfriend and he wants to get off at 5:00pm so he moved from the personal office staff to the committee so he wouldn't have to work until 10:00pm. He (Paul Sass) doesn't think I know but I do.

Elizabeth Horton  
Investigative Counsel

# ATTACHMENT 1

**Sass, Paul**

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**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 4:44 PM  
**To:** SamG  
**Subject:** hearing on renewable fuels

The small business committee is doing a hearing on renewable fuels next week. Do you have anybody off the top of your head who we should invite? Last time we had a hearing on the topic you invited Brooks and Charlie Hurst. Any one you want me to call? Steve Flick?

Paul J. Sass  
Deputy Chief of Staff  
Congressman Sam Graves (MO-6)  
(202) 225-████

4/8/2009

09-7000\_000038

**EXHIBIT 5**

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Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

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OFFICE OF CONGRESSIONAL ETHICS  
UNITED STATES HOUSE OF REPRESENTATIVES

Memorandum of Interview

In Re: Witness A  
Review #: 09-7000  
Date: July 13, 2009  
Location: Telephone Interview  
Time: 12:00pm  
Participants: Leo Wise  
Elizabeth Horton

Summary: Witness A was interviewed pursuant to Review 09-7000. We requested an interview with Witness A and he consented to an interview. Witness A made the following statements in response to our questioning:

1. Witness A was sent a copy of 18 U.S.C. § 1001, the False Statements Act, before he was interviewed and he signed a written acknowledgement of its receipt.
2. He was invited to testify at the March 4, 2009, hearing by Representative Graves. The hearing was scheduled on short notice and Representative Graves called him to see if he could get away to come to D.C. to testify.
3. He did not recall when he received the phone call but he recalled that it was a "rush deal."
4. He spoke with Buffy Smith (staff member) about his plane tickets not more than a week before the hearing.
5. He stated that he was the first person that Representative Graves thought of because he was the President of the Missouri Soybean Association and he had worked on biodiesel issues in the past and because the hearing was scheduled with such notice.
6. He was not involved with planting at the time of the hearing so he was able to testify.

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7. He may have initially said that he could not testify and then changed his mind but he could not recall whether he had said no initially or not.
8. He did not recall the dates of the hearing.
9. He had been invited to testify before the Committee on Small Business on two previous occasions. He recalled being invited for the first time by Representative Jim Talent. He could recall that it was Representative Talent because it was his first time testifying before Congress.
10. He works with the Missouri Soybean Association. The association provided him with written testimony and prepped him for the March hearing, as they have done on other occasions when he testified on behalf of the association.
11. He did not recall the press article about his testimony before the Committee in 2004.
12. He had seen articles about Representative Graves in campaign years but he didn't pay attention to them because he felt they were a campaign tactic.
13. He was sure he would have spoken to Representative Graves at the time of the article, he and Representative Graves grew up together, but he wasn't concerned about the article because "neither of us owned enough stock to make a difference."
14. He was not aware that Representative Graves was invested in Golden Triangle; he could have guessed but he wasn't sure.
15. He did not recall the statements he made at the March hearing including the statement about the plant that had trouble booking business forward. But he was sure the plant was Biofuels or Paseo Cargill.
16. He stated that it always helps to use examples to connect the prepared testimony to yourself when testifying on an issue.
17. Biofuels is located in Mexico, MO. The Missouri Soybean Association helped get the business started.
18. He recruited investors for the plant. He gave Representative Graves a prospectus for the plant but he didn't check with him afterward to see if he had invested in the venture. He stated that he felt it was rude to ask people about their money.

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19. He stated that he probably tried to recruit Representative Graves' brother Danny more than he tried to recruit Representative Graves.
20. Representative Graves' brother is a farmer as well.
21. He stated that he would have talked about Golden Triangle to Representative Graves at some point because it was doing great at one time. But he probably would have talked to him more about soybean planting, Biofuels, and Paseo Cargill.
22. The article about his prior testimony did not make an impression on him because "there was nothing there."
23. He stated that he and Representative Graves were stockholders; they were not in business together.
24. He gave out hundreds of prospectus on Biofuels and Paseo Cargill about five years ago. He spent a lot of time marketing the businesses.
25. He never thought there was a conflict with his testimony; he thought the articles were a joke and a waste of time.
26. The previous articles did not come up in conversations he had with Representative Graves or his staff prior to his testimony in March.
27. He did not think of the articles until the phone call with OCE staff. He did not think they were an issue; he believed that they were campaign rhetoric and so they didn't affect him.
28. He did not recall hearing about the 2009 *Roll Call* article but he hated to answer with an "absolute no" because Representative Graves probably told him about it.
29. He asked OCE staff if the same person had written both articles and then stated that he assumed that the writer was bringing up the "same stuff as before" but he didn't pay any attention to the matter.
30. He did not approach Representative Graves about investing in Golden Triangle. He wasn't involved in selling shares in Golden Triangle.
31. He stated that Golden Triangle had done well for three years. It had not done well the first two years and it was not doing so well now. When corn went up, Golden Triangle

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- quit doing well. If the price of corn goes up and the price of oil goes down, the ethanol won't do well.
32. He stated that no one was making money on biodiesel now.
33. He did not know the purpose of the March hearing; he just knew that Representative Graves needed someone to testify and that he had testified on the subject before.
34. He did not recall talking to Representative Graves about the hearing prior to testifying. He recalled discussing meeting his cousin for dinner with Representative Graves prior to the hearing.
35. He sees Representative Graves every weekend when he comes home.
36. He worked with Buffy Smith to make his travel arrangements.
37. Paul Sass contacted him to ask if he needed anything for the hearing and referred him to Joe Hartz.
38. Joe Hartz emailed him what he needed for the hearing.
39. He has met Representative Graves' wife's father because he is family friends with the Graves. But Mrs. Graves' father is not someone that he normally talked with.
40. He has not talked to Mrs. Graves' father about any investment.
41. He may have talked with Mrs. Graves about investments because she is also a friend.
42. He could not recall if he ever talked with Representative Graves about Golden Triangle doing well but he thought it could have been mentioned when it was doing well.
43. He thought it was a topic that could have come up because he spoke to a lot of his friends about ethanol doing well when it was doing well. Ethanol had not been doing well in the past year to year and a half.

Elizabeth Horton  
Investigative Counsel

**EXHIBIT 6**

NYDIA M. VELAZQUEZ, New York  
ChairwomanSAM GRAVES, Missouri  
Ranking Member

## Congress of the United States

U.S. House of Representatives  
Committee on Small Business  
2360 Rayburn House Office Building  
Washington, DC 20511-9111

February 25, 2009

NOTICE

**TO:** Members of the House Committee on Small Business  
**FROM:** Chairwoman Velázquez  
**DATE:** March 4, 2009  
**TIME:** 1:00PM  
**LOCATION:** 2360 Rayburn HOB  
**RE:** Full Committee Hearing entitled: *"The State of the Renewable Fuels Industry in the Current Economy."*

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The House Committee on Small Business will hold a hearing entitled, *"The State of the Renewable Fuels Industry in the Current Economy."* The Committee will examine the state of the renewable fuels industry and the challenges in light of current economic factors. The Committee will hear from farmers, producers, and other industry representatives. The hearing will take place on Wednesday, March 4, 2009, at 1:00 p.m. in 2360 of the Rayburn House Office Building.

The hearing will focus on access to capital issues, the effect of volatile energy prices, and how the overall economic downturn is affecting the renewable fuels industry. Please note that there will be a preparatory staff briefing on Monday, March 2, 2009 at 2:00 p.m. in room 2360 RHOB. If you or your staff has any questions concerning the hearing, please contact Mark Palmer, Agriculture Counsel of the Committee at ext. 5-4038.

09-7000\_000045

**EXHIBIT 7**

**Sass, Paul**

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**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 1:54 PM  
**To:** Hartz, Joe  
**Subject:** RE: Renewable fuels

I'll put out the feelers. We should be able to find someone for this hearing. Let me know when you learn the angle.

Thanks Joe.

---

**From:** Hartz, Joe  
**Sent:** Tuesday, February 24, 2009 1:47 PM  
**To:** Sass, Paul  
**Subject:** Renewable fuels

The majority just let us know (about 15 minutes ago) that next week there will be a hearing on renewable fuels. I know nothing other than that. I have made the calls to the majority to find out. Don't know what the angle is, but is there anybody back in the district who has come to the office to talk alternative fuels that might be a good witness?

Chances that we'll find someone and be able to get them here by next week is slim, but thought I'd ask. The majority needs to do a better job on letting us know what the schedule is.

Joe Hartz  
Professional Staff/Republican Office  
House Committee on Small Business  
(202) 225-████

4/8/2009

09-7000\_000047

**Sass, Paul**

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**From:** Shupe, Brooke  
**Sent:** Tuesday, February 24, 2009 1:57 PM  
**To:** Sass, Paul  
**Subject:** Re: Renewable fuels hearing

It would be nice if we had more info on the topic! Oh well....what about Steve Flick or an investor at Golden Triangle....Sam might have a good suggestion there.

-----  
Sent from my BBerry Wireless Device

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**From:** Sass, Paul  
**To:** Endicott, Alicia; Higdson, Chad; Klindt, Jason; Kraus, Tommy; Kreps, Angela; Loch, Brittney; Roe, Melissa; Searcy, Shawna; Shupe, Brooke; Smith, Buffy; Swendson, Jaime; Woodward, Sarah  
**Cc:** Brown, Tom  
**Sent:** Tue Feb 24 13:53:16 2009  
**Subject:** Renewable fuels hearing

Please see the email below and let me know if you have any suggestions on who can testify next week on renewable energy. All I need are the names and I can follow up with them and provide more information.

Thanks everyone.

Paul

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**From:** Hartz, Joe  
**Sent:** Tuesday, February 24, 2009 1:47 PM  
**To:** Sass, Paul  
**Subject:** Renewable fuels

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Joe Hartz  
Professional Staff/Republican Office  
House Committee on Small Business  
(202) 225-████

4/8/2009

09-7000\_000048

**Sass, Paul**

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**From:** Klindt, Jason  
**Sent:** Tuesday, February 24, 2009 2:56 PM  
**To:** Sass, Paul  
**Subject:** RE: Renewable fuels hearing

Lets make sure that we do not get a renewable company that SG or his wife is invested in.

---

**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 1:53 PM  
**To:** Endicott, Alicia; Higdson, Chad; Klindt, Jason; Kraus, Tommy; Kreps, Angela; Loch, Brittney; Roe, Melissa; Searcy, Shawna; Shupe, Brooke; Smith, Buffy; Swendson, Jaime; Woodward, Sarah  
**Cc:** Brown, Tom  
**Subject:** Renewable fuels hearing

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Joe Hartz  
Professional Staff/Republican Office  
House Committee on Small Business  
(202) 225-████

4/8/2009

09-7000\_000049

**Sass, Paul**

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**From:** Brown, Tom  
**Sent:** Tuesday, February 24, 2009 3:15 PM  
**To:** Sass, Paul  
**Subject:** RE: Renewable fuels hearing

Paul - See me about this. David Flicks brother??

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**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 1:53 PM  
**To:** Endicott, Alicia; Higdon, Chad; Kilndt, Jason; Kraus, Tommy; Kreps, Angela; Loch, Brittney; Roe, Melissa; Searcy, Shawna; Shupe, Brooke; Smith, Buffy; Swendson, Jaime; Woodward, Sarah  
**Cc:** Brown, Tom  
**Subject:** Renewable fuels hearing

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**To:** Sass, Paul  
**Subject:** Renewable fuels

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Joe Hartz  
Professional Staff/Republican Office  
House Committee on Small Business  
(202) 225-████

4/8/2009

09-7000\_000050

**Sass, Paul**

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**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 4:17 PM  
**To:** Klindt, Jason  
**Subject:** RE: Renewable fuels hearing

Thanks Jason,

There is something up in St. Joe, but we might go we Steve Flick from Show me Energy, which is just south of the district. Last time we did this we have Brooks Hurst come out on behalf of the MO Soybean Assn.

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**From:** Klindt, Jason  
**Sent:** Tuesday, February 24, 2009 4:15 PM  
**To:** Sass, Paul  
**Subject:** RE: Renewable fuels hearing

Golden Triangle (Craig), BioFuels LLC (Mexico, Mo) and Show Me Ethanol (Carrollton)

Isn't there a renewable energy plant/thing in St. Joseph?

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**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 4:08 PM  
**To:** Klindt, Jason  
**Subject:** RE: Renewable fuels hearing

Which ones are they again?

---

**From:** Klindt, Jason  
**Sent:** Tuesday, February 24, 2009 2:56 PM  
**To:** Sass, Paul  
**Subject:** RE: Renewable fuels hearing

Lets make sure that we do not get a renewable company that SG or his wife is invested in.

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**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 1:53 PM  
**To:** Endicott, Alicia; Hlgdon, Chad; Klindt, Jason; Kraus, Tommy; Kreps, Angela; Loch, Brittny; Roe, Melissa; Searcy, Shawna; Shupe, Brooke; Smith, Buffy; Swendson, Jalme; Woodward, Sarah  
**Cc:** Brown, Tom  
**Subject:** Renewable fuels hearing

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Paul

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**Sent:** Tuesday, February 24, 2009 1:47 PM

4/8/2009

**To:** Sass, Paul  
**Subject:** Renewable fuels

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Chances that we'll find someone and be able to get them here by next week is slim, but thought I'd ask. The majority needs to do a better job on letting us know what the schedule is.

Joe Hartz  
Professional Staff/Republican Office  
House Committee on Small Business  
(202) 225-████

4/8/2009

09-7000\_000052

**Sass, Paul**

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**From:** Roe, Melissa  
**Sent:** Tuesday, February 24, 2009 4:36 PM  
**To:** Sass, Paul  
**Subject:** RE: Renewable fuels hearing

Only folks that come to mind are the heads of the soybean and ethanol groups...Dale Ludwig, etc.

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**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 1:53 PM  
**To:** Endicott, Alicia; Higdon, Chad; Klindt, Jason; Kraus, Tommy; Kreps, Angela; Loch, Brittney; Roe, Melissa; Searcy, Shawna; Shupe, Brooke; Smith, Buffy; Swendson, Jaime; Woodward, Sarah  
**Cc:** Brown, Tom  
**Subject:** Renewable fuels hearing

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Thanks everyone.

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**To:** Sass, Paul  
**Subject:** Renewable fuels

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Joe Hartz  
Professional Staff/Republican Office  
House Committee on Small Business  
(202) 225-████

-4/8/2009

09-7000\_000053

**Sass, Paul**

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**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 4:44 PM  
**To:** SamG  
**Subject:** hearing on renewable fuels

The small business committee is doing a hearing on renewable fuels next week. Do you have anybody off the top of your head who we should invite? Last time we had a hearing on the topic you invited Brooks and Charlie Hurst. Any one you want me to call? Steve Flick?

Paul J. Sass  
Deputy Chief of Staff  
Congressman Sam Graves (MO-6)  
(202) 225-████

4/8/2009

09-7000\_000054

**Hartz, Joe**

**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 4:46 PM  
**To:** Hartz, Joe  
**Subject:** RE: Renewable fuels

Can I just get it to you tomorrow at the hearing?

**From:** Hartz, Joe  
**Sent:** Tuesday, February 24, 2009 4:11 PM  
**To:** Sass, Paul; Haas, Karen  
**Subject:** RE: Renewable fuels

That clears it up then. I'd love to see the copy of the briefing (book)? Do you have an intern who can run it over or just bring it to the hearing tomorrow?

**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 4:05 PM  
**To:** Haas, Karen; Hartz, Joe  
**Subject:** RE: Renewable fuels

Sorry for the delay, I have been away from my desk for a little while.

We should not have any problem finding a person from the 6<sup>th</sup> to testify at this hearing. We have extensive Ag contacts in the district.

Given SG's agricultural background and the crops he grows (beans and corn) SG is a huge supporter of the renewable fuels standard (RFS). SG would NOT invite a witness who is irritated with the RFS because of the impact it has made on feed prices and such. Trust me, plenty of folks, mainly the cattle industry, have come to us about the increased in feed prices due to the RFS, but SG still remains supportive.

In his mind, commodities are volatile by nature. Some times beef prices are up and corn down, sometimes corn is up and beef is down, but his point is somebody is going to be complaining, its just a matter of weathering the storm.

In 2004 SG held a hearing on "the Benefits of tax Incentives for Producers of Renewable Fuels and its impact on Small Business and Farmers." We invited former Rep. Hulshof, MO Soybean Assn, National Corn Growers Assn, Renewable Fuels Assn, the National Biodiesel Board, the National Ethanol Vehicle Coalition, and the Environmental and Energy Study Institute. Joe, I can give you a copy of the briefing for your reference.

Let me get some names together and I will follow up with Joe with what I get.

**From:** Haas, Karen  
**Sent:** Tuesday, February 24, 2009 3:38 PM  
**To:** Hartz, Joe; Sass, Paul  
**Subject:** RE: Renewable fuels

This seems like a little bit of a reach for a hearing topic. I am curious to hear from Paul about Mr. Graves's position from an agricultural perspective. Jay Cranford in the Leader's office and Rep Shimkus office could also be good resources for potential witnesses on this issue.

4/8/2009

09-7000\_000055

Karen

---

**From:** Hartz, Joe  
**Sent:** Tuesday, February 24, 2009 2:34 PM  
**To:** Sass, Paul  
**Cc:** Haas, Karen  
**Subject:** RE: Renewable fuels

Theme is ethanol/biodiesel/cellulosic ethanol (derived from renewable biomass feedstocks such as corn stover, switchgrass, wood chips, etc). Basic state of the industry stuff—especially what they are encountering with the economy the way it is. They are envisioning as witnesses producers from the ethanol, biodiesel, and cellulosic ethanol industries. Then maybe an academic and possibly a farmer who produces crops for fuel. 1 paracl.

I was thinking that we can go one of two ways—we can look for a producer from the district and go with the flow, or we can find a pissed off farmer who's paying more for supplies or has had his world turned upside down because of the volatility of the ethanol markets (imagine a dairy farmer who watched their feed prices soar during the corn-based ethanol boom). Now that demand for ethanol is down a bit, we see what the impact was on that dairy farmer and how he's dealt with it. Draw the distinction that the federal push for ethanol, while laudable, has had some side effects that are hurting small business as well.

Thoughts? And what can I do to help the search.

---

**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 2:21 PM  
**To:** Hartz, Joe  
**Subject:** RE: Renewable fuels

Don't ever feel like you are passing it on, I usually know someone; which makes things easier for everyone.

---

**From:** Hartz, Joe  
**Sent:** Tuesday, February 24, 2009 1:56 PM  
**To:** Sass, Paul  
**Subject:** RE: Renewable fuels

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---

**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 1:54 PM  
**To:** Hartz, Joe  
**Subject:** RE: Renewable fuels

I'll put out the feelers. We should be able to find someone for this hearing. Let me know when you learn the angle.

Thanks Joe.

4/8/2009

09-7000\_000056

---

**From:** Hartz, Joe  
**Sent:** Tuesday, February 24, 2009 1:47 PM  
**To:** Sass, Paul  
**Subject:** Renewable fuels

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Chances that we'll find someone and be able to get them here by next week is slim, but thought I'd ask. The majority needs to do a better job on letting us know what the schedule is.

Joe Hartz  
Professional Staff/Republican Office  
House Committee on Small Business  
(202) 225-████

4/8/2009

09-7000\_000057

**Hartz, Joe**

**From:** Haas, Karen  
**Sent:** Tuesday, February 24, 2009 4:10 PM  
**To:** Sass, Paul  
**Cc:** Hartz, Joe  
**Subject:** RE: Renewable fuels

That's all very helpful.

**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 4:05 PM  
**To:** Haas, Karen; Hartz, Joe  
**Subject:** RE: Renewable fuels

Sorry for the delay, I have been away from my desk for a little while.

We should not have any problem finding a person from the 6<sup>th</sup> to testify at this hearing. We have extensive Ag contacts in the district.

Given SG's agricultural background and the crops he grows (beans and corn) SG is a huge supporter of the renewable fuels standard (RFS). SG would NOT invite a witness who is irritated with the RFS because of the impact it has made on feed prices and such. Trust me, plenty of folks, mainly the cattle industry, have come to us about the increased in feed prices due to the RFS, but SG still remains supportive.

In his mind, commodities are volatile by nature. Some times beef prices are up and corn down, sometimes corn is up and beef is down, but his point is somebody is going to be complaining, its just a matter of weathering the storm.

In 2004 SG held a hearing on "The Benefits of tax incentives for Producers of Renewable Fuels and its impact on Small Business and Farmers." We invited former Rep. Hulshof, MO Soybean Assn, National Corn Growers Assn, Renewable Fuels Assn, the National Biodiesel Board, the National Ethanol Vehicle Coalition, and the Environmental and Energy Study Institute. Joe, I can give you a copy of the briefing for your reference.

Let me get some names together and I will follow up with Joe with what I get.

**From:** Haas, Karen  
**Sent:** Tuesday, February 24, 2009 3:38 PM  
**To:** Hartz, Joe; Sass, Paul  
**Subject:** RE: Renewable fuels

This seems like a little bit of a reach for a hearing topic. I am curious to hear from Paul about Mr. Graves's position from an agricultural perspective. Jay Cranford in the Leader's office and Rep Shimkus office could also be good resources for potential witnesses on this issue.

Karen

**From:** Hartz, Joe  
**Sent:** Tuesday, February 24, 2009 2:34 PM  
**To:** Sass, Paul  
**Cc:** Haas, Karen

4/8/2009

09-7000\_000058

**Subject:** RE: Renewable fuels

Theme is ethanol/biodiesel/cellulosic ethanol (derived from renewable biomass feedstocks such as corn stover, switchgrass, wood chips, etc). Basic state of the industry stuff—especially what they are encountering with the economy the way it is. They are envisioning as witnesses producers from the ethanol, biodiesel, and cellulosic ethanol industries. Then maybe an academic and possibly a farmer who produces crops for fuel. 1 panel.

I was thinking that we can go one of two ways—we can look for a producer from the district and go with the flow, or we can find a pissed off farmer who's paying more for supplies or has had his world turned upside down because of the volatility of the ethanol markets (imagine a dairy farmer who watched their feed prices soar during the corn-based ethanol boom). Now that demand for ethanol is down a bit, we see what the impact was on that dairy farmer and how he's dealt with it. Draw the distinction that the federal push for ethanol, while laudable, has had some side effects that are hurting small business as well.

Thoughts? And what can I do to help the search.

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**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 2:21 PM  
**To:** Hartz, Joe  
**Subject:** RE: Renewable fuels

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**From:** Hartz, Joe  
**Sent:** Tuesday, February 24, 2009 1:56 PM  
**To:** Sass, Paul  
**Subject:** RE: Renewable fuels

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**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 1:54 PM  
**To:** Hartz, Joe  
**Subject:** RE: Renewable fuels

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Thanks Joe.

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**From:** Hartz, Joe  
**Sent:** Tuesday, February 24, 2009 1:47 PM  
**To:** Sass, Paul  
**Subject:** Renewable fuels

The majority just let us know (about 15 minutes ago) that next week there will be a hearing on renewable fuels. I

4/8/2009

09-7000\_000059

know nothing other than that. I have made the calls to the majority to find out. Don't know what the angle is, but is there anybody back in the district who has come to the office to talk alternative fuels that might be a good witness?

Chances that we'll find someone and be able to get them here by next week is slim, but thought I'd ask. The majority needs to do a better job on letting us know what the schedule is.

Joe Hartz  
Professional Staff/Republican Office  
House Committee on Small Business  
(202) 225-████

4/8/2009

09-7000\_000060

Hartz, Joe

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**From:** Haas, Karen  
**Sent:** Tuesday, February 24, 2009 3:55 PM  
**To:** Hartz, Joe  
**Subject:** RE: Renewable fuels

Got it

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**From:** Hartz, Joe  
**Sent:** Tuesday, February 24, 2009 3:52 PM  
**To:** Haas, Karen; Sass, Paul  
**Subject:** RE: Renewable fuels

Spot filler, according to Mark Palmer. This wasn't supposed to take place until later as the Majority had a few things on the burner that never materialized. This was a quick fix. Probably, one of the Democrats will be introducing an energy themed bill(s) that would benefit small renewable fuels producers.

---

**From:** Haas, Karen  
**Sent:** Tuesday, February 24, 2009 3:50 PM  
**To:** Hartz, Joe; Sass, Paul  
**Subject:** RE: Renewable fuels

I get that but what is the "take away" from the hearing?

---

**From:** Hartz, Joe  
**Sent:** Tuesday, February 24, 2009 3:40 PM  
**To:** Haas, Karen; Sass, Paul  
**Subject:** RE: Renewable fuels

This is probably the 4<sup>th</sup> or 5<sup>th</sup> one of these in two years. It's not *that* much of a stretch. Most of the ethanol plants are classified as small businesses. The farms that supply them as well.

---

**From:** Haas, Karen  
**Sent:** Tuesday, February 24, 2009 3:38 PM  
**To:** Hartz, Joe; Sass, Paul  
**Subject:** RE: Renewable fuels

This seems like a little bit of a reach for a hearing topic. I am curious to hear from Paul about Mr. Graves's position from an agricultural perspective. Jay Cranford in the Leader's office and Rep Shimkus office could also be good resources for potential witnesses on this issue.

Karen

---

**From:** Hartz, Joe  
**Sent:** Tuesday, February 24, 2009 2:34 PM  
**To:** Sass, Paul  
**Cc:** Haas, Karen  
**Subject:** RE: Renewable fuels

4/8/2009

09-7000\_000061

There is ethanol/biodiesel/cellulosic ethanol (derived from renewable biomass feedstocks such as corn stover, switchgrass, wood chips, etc). Basic state of the industry stuff--especially what they are encountering with the economy the way it is. They are envisioning as witnesses producers from the ethanol, biodiesel, and cellulosic ethanol industries. Then maybe an academic and possibly a farmer who produces crops for fuel. I panel.

I was thinking that we can go one of two ways--we can look for a producer from the district and go with the flow, or we can find a pissed off farmer who's paying more for supplies or has had his world turned upside down because of the volatility of the ethanol markets (imagine a dairy farmer who watched their feed prices soar during the corn-based ethanol boom). Now that demand for ethanol is down a bit, we see what the impact was on that dairy farmer and how he's dealt with it. Draw the distinction that the federal push for ethanol, while laudable, has had some side effects that are hurting small business as well.

Thoughts? And what can I do to help the search.

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**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 2:21 PM  
**To:** Hartz, Joe  
**Subject:** RE: Renewable fuels

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**From:** Hartz, Joe  
**Sent:** Tuesday, February 24, 2009 1:56 PM  
**To:** Sass, Paul  
**Subject:** RE: Renewable fuels

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**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 1:54 PM  
**To:** Hartz, Joe  
**Subject:** RE: Renewable fuels

I'll put out the feelers. We should be able to find someone for this hearing. Let me know when you learn the angle.

Thanks Joe.

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**From:** Hartz, Joe  
**Sent:** Tuesday, February 24, 2009 1:47 PM  
**To:** Sass, Paul  
**Subject:** Renewable fuels

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4/8/2009

09-7000\_000062

Is there anybody back in the district who has come to the office to talk alternative fuels that might be a good witness?

Chances that we'll find someone and be able to get them here by next week is slim, but thought I'd ask. The majority needs to do a better job on letting us know what the schedule is.

Joe Hartz  
Professional Staff/Republican Office  
House Committee on Small Business  
(202) 225-████

4/8/2009

09-7000\_000063

**Hartz, Joe**

---

**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 2:21 PM  
**To:** Hartz, Joe  
**Subject:** RE: Renewable fuels

Don't ever feel like you are passing it on, I usually know someone, which makes things easier for everyone.

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**Sent:** Tuesday, February 24, 2009 1:56 PM  
**To:** Sass, Paul  
**Subject:** RE: Renewable fuels

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**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 1:54 PM  
**To:** Hartz, Joe  
**Subject:** RE: Renewable fuels

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Thanks Joe.

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**From:** Hartz, Joe  
**Sent:** Tuesday, February 24, 2009 1:47 PM  
**To:** Sass, Paul  
**Subject:** Renewable fuels

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Joe Hartz  
Professional Staff/Republican Office  
House Committee on Small Business  
(202) 225-████

4/8/2009

09-7000\_000064

**Sass, Paul**

---

**From:** Higdon, Chad  
**Sent:** Wednesday, February 25, 2009 10:50 AM  
**To:** Sass, Paul  
**Subject:** RE: Renewable fuels hearing

Anyone at Golden Triangle in Craig

Bill Becker at Lifeline would be good.

There is also a new biodiesel plant going in St. Joe, about 95% done but are dealing with some overrun costs right now. I could find you a contact there.

Also might be good to get an actual grain farmer to come in if it fits

---

**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 1:53 PM  
**To:** Endicott, Alicia; Higdon, Chad; Klindt, Jason; Kraus, Tommy; Kreps, Angela; Loch, Brittney; Roe, Melissa; Searcy, Shawna; Shupe, Brooke; Smith, Buffy; Swendson, Jalme; Woodward, Sarah  
**Cc:** Brown, Tom  
**Subject:** Renewable fuels hearing

Please see the email below and let me know if you have any suggestions on who can testify next week on renewable energy. All I need are the names and I can follow up with them and provide more information.

Thanks everyone.

Paul

---

**From:** Hartz, Joe  
**Sent:** Tuesday, February 24, 2009 1:47 PM  
**To:** Sass, Paul  
**Subject:** Renewable fuels

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Joe Hartz  
Professional Staff/Republican Office  
House Committee on Small Business  
(202) 225-████

4/8/2009

09-7000\_000065

**Sass, Paul**


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**From:** Hartz, Joe  
**Sent:** Wednesday, February 25, 2009 10:36 AM  
**To:** Sass, Paul  
**Subject:** RE: Renewable fuels

FYI—the hearing is scheduled for 1pm.

Also, SG's been on the Committee since he was elected in 2001, correct?

---

**From:** Sass, Paul  
**Sent:** Wednesday, February 25, 2009 9:58 AM  
**To:** Hartz, Joe  
**Subject:** RE: Renewable fuels

Yea come on by.

---

**From:** Hartz, Joe  
**Sent:** Wednesday, February 25, 2009 9:56 AM  
**To:** Sass, Paul  
**Subject:** Re: Renewable fuels

U in the office? I'm on campus and can stop by to get the book.

Sent using BlackBerry

---

**From:** Sass, Paul  
**To:** Hartz, Joe; Haas, Karen  
**Cc:** Shupe, Brooke  
**Sent:** Wed Feb 25 09:52:41 2009  
**Subject:** RE: Renewable fuels  
 Back in 2004 SG had a friend (Brooks Hurst) who is a member of the MO Soybean Assn testify on a similar topic and he wants me to extend an invitation to him. I am calling him today to gauge his interest.

Joe let me know if you have any more details on the hearing so I can pass them along.

Also, a contingent of MO Corn Growers will be in town next week with several folks from the 6<sup>th</sup> tagging along. If Mr. Hurst can't make it to town than the MO Corn Growers will be our plan B.

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**From:** Hartz, Joe  
**Sent:** Tuesday, February 24, 2009 4:11 PM  
**To:** Sass, Paul; Haas, Karen  
**Subject:** RE: Renewable fuels

That clears it up then. I'd love to see the copy of the briefing (book)? Do you have an intern who can run it over or just bring it to the hearing tomorrow?

4/8/2009

**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 4:05 PM  
**To:** Haas, Karen; Hartz, Joe  
**Subject:** RE: Renewable fuels

Sorry for the delay, I have been away from my desk for a little while.

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**From:** Haas, Karen  
**Sent:** Tuesday, February 24, 2009 3:38 PM  
**To:** Hartz, Joe; Sass, Paul  
**Subject:** RE: Renewable fuels

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Karen

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**Sent:** Tuesday, February 24, 2009 2:34 PM  
**To:** Sass, Paul  
**Cc:** Haas, Karen  
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4/8/2009

09-7000\_000067

distinction that the federal push for ethanol, while laudable, has had some side effects that are hurting small business as well.

Thoughts? And what can I do to help the search.

---

**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 2:21 PM  
**To:** Hartz, Joe  
**Subject:** RE: Renewable fuels

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**From:** Hartz, Joe  
**Sent:** Tuesday, February 24, 2009 1:56 PM  
**To:** Sass, Paul  
**Subject:** RE: Renewable fuels

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**To:** Hartz, Joe  
**Subject:** RE: Renewable fuels

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**Subject:** Renewable fuels

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Joe Hartz  
Professional Staff/Republican Office  
House Committee on Small Business  
(202) 225-████

4/8/2009

09-7000\_000068

S.B hearing

Page 1 of 1

**Sass, Paul**

---

**From:** Shupe, Brooke  
**Sent:** Wednesday, February 25, 2009 10:04 AM  
**To:** Sass, Paul  
**Subject:** FW: S.B hearing

Paul,

Jessica's e-mail is below. Dennis Alt is from Carrolton and Bill Becker is from St. Joe. They will already be in town so if Brooks can't come, one of these guys might work and they would be happy to do it. Thanks.

Brooke

---

**From:** Jessica Bennett [mailto:████████@dc.ncga.com]  
**Sent:** Wednesday, February 25, 2009 9:42 AM  
**To:** Shupe, Brooke  
**Subject:** S.B hearing

Hi Brooke,

Per our conversation, we will have some folks in DC next week from the MO Corn Growers. We would welcome the opportunity to testify at Wednesday's hearing in the Small Business Committee if you are looking for someone. I have listed below some of the individuals who will be in town.

Dennis Alt - Interim CEO Show Me Ethanol

Bill Becker - CEO Lifeline Foods & Ethanol  
Gary Clark - Senior Director of Market Development

Please let me know if there's anything else I can do to help.

Thanks!

Jessica

4/8/2009

09-7000\_000069

Hartz, Joe

**From:** Sass, Paul  
**Sent:** Wednesday, February 25, 2009 9:53 AM  
**To:** Hartz, Joe; Haas, Karen  
**Cc:** Shupe, Brooke  
**Subject:** RE: Renewable fuels

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**To:** Sass, Paul; Haas, Karen  
**Subject:** RE: Renewable fuels

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**Subject:** RE: Renewable fuels

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**From:** Haas, Karen

4/8/2009

09-7000\_000070

**Sent:** Tuesday, February 24, 2009 3:38 PM  
**To:** Hartz, Joe; Sass, Paul  
**Subject:** RE: Renewable fuels

This seems like a little bit of a reach for a hearing topic. I am curious to hear from Paul about Mr. Graves's position from an agricultural perspective. Jay Cranford in the Leader's office and Rep Shimkus office could also be good resources for potential witnesses on this issue.

Karen

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**From:** Hartz, Joe  
**Sent:** Tuesday, February 24, 2009 2:34 PM  
**To:** Sass, Paul  
**Cc:** Haas, Karen  
**Subject:** RE: Renewable fuels

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Thoughts? And what can I do to help the search.

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**Sent:** Tuesday, February 24, 2009 2:21 PM  
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**To:** Sass, Paul  
**Subject:** RE: Renewable fuels

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---

**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 1:54 PM

4/8/2009

09-7000\_000071

**To:** Hartz, Joe  
**Subject:** RE: Renewable fuels

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Thanks Joe.

---

**From:** Hartz, Joe  
**Sent:** Tuesday, February 24, 2009 1:47 PM  
**To:** Sass, Paul  
**Subject:** Renewable fuels

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Joe Hartz  
Professional Staff/Republican Office  
House Committee on Small Business  
(202) 225-████

4/8/2009

09-7000\_000072

S.B hearing

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**Smith, Buffy**

**From:** Sass, Paul  
**Sent:** Thursday, February 26, 2009 5:13 PM  
**To:** Smith, Buffy  
**Subject:** RE: small biz hearing

Ok, he is calling me tomorrow morning to figure it out, I will follow up with you afterwards.

**From:** Smith, Buffy  
**Sent:** Thursday, February 26, 2009 5:11 PM  
**To:** Sass, Paul  
**Subject:** RE: small biz hearing

Let me know the details when you have them. I can handle Brooks' flight and hotel, but want to know what he is doing before I call him.

**From:** Sass, Paul  
**Sent:** Thursday, February 26, 2009 5:09 PM  
**To:** Smith, Buffy; Brown, Tom; Klindt, Jason  
**Subject:** RE: small biz hearing

Ok, I just spoke with Sam and apparently Brooks Hurst is back on board. It will get nailed down tomorrow. I got Sam to agree to allowing Bill Becker to testify if Brooks doesn't work out.

**From:** Smith, Buffy  
**Sent:** Thursday, February 26, 2009 5:06 PM  
**To:** Sass, Paul; Brown, Tom; Klindt, Jason  
**Subject:** RE: small biz hearing

I have heard of him, but don't know anything about him.

**From:** Sass, Paul  
**Sent:** Thursday, February 26, 2009 5:01 PM  
**To:** Brown, Tom; Klindt, Jason; Smith, Buffy  
**Subject:** small biz hearing

You guys have any thoughts on Bill Becker? When I mentioned him to SG he didn't want to have him do it, but I'm not sure why. At this point its our only options other than a Show Me Ethanol person.

**From:** Shupe, Brooke  
**Sent:** Wednesday, February 25, 2009 10:04 AM  
**To:** Sass, Paul  
**Subject:** FW: S.B hearing

Paul,

Jessica's e-mail is below. Dennis Alt is from Carrolton and Bill Becker is from St. Joe. They will already be in

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S.B hearing

Page 2 of 2

town so if Brooks can't come, one of these guys might work and they would be happy to do it. Thanks.

Brooke

---

**From:** Jessica Bennett [mailto:████████@dc.ncga.com]  
**Sent:** Wednesday, February 25, 2009 9:42 AM  
**To:** Shupe, Brooke  
**Subject:** S.B hearing

Hi Brooke,

Per our conversation, we will have some folks in DC next week from the MO Corn Growers. We would welcome the opportunity to testify at Wednesday's hearing in the Small Business Committee if you are looking for someone. I have listed below some of the individuals who will be in town.

Dennis Alt - Interim CEO Show Me Ethanol

Bill Becker - CEO Lifeline Foods & Ethanol

Gary Clark - Senior Director of Market Development

Please let me know if there's anything else I can do to help.

Thanks!

Jessica

4/8/2009

09-7000\_000074

**Sass, Paul**

---

**From:** Sass, Paul  
**Sent:** Thursday, February 26, 2009 3:13 PM  
**To:** Hartz, Joe  
**Subject:** RE: Witness

We are good, its going to be a corn grower from the 6<sup>th</sup> who will happen to be in town with the National Corn Growers next week. Its between two candidates, which we should nail down here soon. Once we identify the person I will turn it over to you.

---

**From:** Hartz, Joe  
**Sent:** Thursday, February 26, 2009 3:10 PM  
**To:** Sass, Paul  
**Subject:** Witness

How is it coming and what can I do to help?

Joe Hartz  
Professional Staff/Republican Office  
House Committee on Small Business  
(202) 225-██████████

4/8/2009

09-7000\_000075

**Sass, Paul**

---

**From:** Sass, Paul  
**Sent:** Thursday, February 26, 2009 5:11 PM  
**To:** Hartz, Joe  
**Subject:** RE: Witness

Slight change of plans, our plan A is back in the picture. This should all be nailed down by tomorrow morning. Will keep you posted.

---

**From:** Hartz, Joe  
**Sent:** Thursday, February 26, 2009 3:24 PM  
**To:** Sass, Paul  
**Subject:** RE: Witness

word

---

**From:** Sass, Paul  
**Sent:** Thursday, February 26, 2009 3:13 PM  
**To:** Hartz, Joe  
**Subject:** RE: Witness

We are good, its going to be a corn grower from the 6<sup>th</sup> who will happen to be in town with the National Corn Growers next week. Its between two candidates, which we should nail down here soon. Once we identify the person I will turn it over to you.

---

**From:** Hartz, Joe  
**Sent:** Thursday, February 26, 2009 3:10 PM  
**To:** Sass, Paul  
**Subject:** Witness

How is it coming and what can I do to help?

Joe Hartz  
Professional Staff/Republican Office  
House Committee on Small Business  
(202) 225-████

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09-7000\_000076

**Hartz, Joe**

---

**From:** Sass, Paul  
**Sent:** Thursday, February 26, 2009 5:11 PM  
**To:** Hartz, Joe  
**Subject:** RE: Witness

Slight change of plans, our plan A is back in the picture. This should all be nailed down by tomorrow morning. Will keep you posted.

---

**From:** Hartz, Joe  
**Sent:** Thursday, February 26, 2009 3:24 PM  
**To:** Sass, Paul  
**Subject:** RE: Witness

word

---

**From:** Sass, Paul  
**Sent:** Thursday, February 26, 2009 3:13 PM  
**To:** Hartz, Joe  
**Subject:** RE: Witness

We are good, its going to be a corn grower from the 6<sup>th</sup> who will happen to be in town with the National Corn Growers next week. Its between two candidates, which we should nail down here soon. Once we identify the person I will turn it over to you.

---

**From:** Hartz, Joe  
**Sent:** Thursday, February 26, 2009 3:10 PM  
**To:** Sass, Paul  
**Subject:** Witness

How is it coming and what can I do to help?

Joe Hartz  
Professional Staff/Republican Office  
House Committee on Small Business  
(202) 225-████

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09-7000\_000077

**Smith, Buffy**

---

**From:** Sass, Paul  
**Sent:** Friday, February 27, 2009 2:01 PM  
**To:** Smith, Buffy  
**Cc:** Klindt, Jason; Brown, Tom; Roe, Melissa; Higdon, Chad  
**Subject:** renewable Fuels hearing witness

Buffy, just letting you know that we confirmed Brooks Hurst to testify at next weeks hearing. I told him to expect a call from you to help set up flights and a hotel. Also, Sam mentioned doing a dinner or something Wednesday or Tuesday night so try to keep some time open for that.

Thanks.

Paul J. Sass  
Deputy Chief of Staff  
Congressman Sam Graves (MO-6)  
(202) 225-██████

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09-7000\_000078

**Sass, Paul**

---

**From:** Hartz, Joe  
**Sent:** Friday, February 27, 2009 2:08 PM  
**To:** Sass, Paul  
**Cc:** Haas, Karen  
**Subject:** RE: renewable fuels witness

I'll give him a call right now. Thanks, Paul.

---

**From:** Sass, Paul  
**Sent:** Friday, February 27, 2009 1:59 PM  
**To:** Hartz, Joe  
**Cc:** Haas, Karen  
**Subject:** renewable fuels witness

Joe,

I received confirmation from Brooks Hurst that he is willing and able to testify next week. I told him that you will follow up with him shortly with the details. In order to get his flight paid for I believe he wants to testify on behalf of the Soybean Association, but I told him to go over all that with you. His cell number is [REDACTED] and his email is [REDACTED]@embargo.com and he is expecting to hear from you.

Thanks Joe and let me know if you need anything else.

Paul

FYI-This is one of SG's best friends. They live in the same town etc. Very tight.

Paul J. Sass  
Deputy Chief of Staff  
Congressman Sam Graves (MO-6)  
(202) 225-[REDACTED]

4/8/2009

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**Smith, Buffy**

**From:** Southwest Airlines [SouthwestAirlines@mail.southwest.com]  
**Sent:** Friday, February 27, 2009 6:29 PM  
**To:** Smith, Buffy  
**Subject:** Ticketless Confirmation - HURST/THOMAS - J247C4



**LOW FARES. NO HIDDEN FEES.** [SAVE NOW >](#)

Receipt and Itinerary as of 02/27/09 6:28 PM

**Confirmation Number**  
 J247C4



Confirmation Date: 02/27/09  
 Received: THOMAS H

**Passenger Information**

Passenger Name	Account Number	Ticket#	Expiration <sup>1</sup>
HURST/THOMAS	[REDACTED]	526-8773567156-1	02/27/10

<sup>1</sup> All travel involving funds from this Confirmation Number must be completed by the expiration date.

**Itinerary**

Date	Flight	Routing Details
Tue Mar 03	280	Depart KANSAS CITY INTL (MCI) at 9:00 AM Arrive in BALTIMORE-WASHNTN (BWI) at 12:25 PM
Wed Mar 04	1843	Depart BALTIMORE-WASHNTN (BWI) at 6:35 PM Arrive in KANSAS CITY INTL (MCI) at 8:35 PM

**Cost and Payment Summary**

Air	\$ 133.96
Tax	\$ 17.24
PFC Fee	\$ 9.00
Security Fee	\$ 5.00

**Total Payment: \$165.20**

**Current payment(s)**

02/27/09 MASTERCARD xxxxxxxxxxxx4818 Ref 526-8773567156-1 \$165.20

**Fare Rule(s)**

Valid only on Southwest Airlines. NON REFUNDABLE/ STANDBY REQ UPGRADE TO YL All travel involving funds from this Confirmation Number must be completed by the expiration date. Any change to this itinerary may result in a fare increase.

**Fare Calculation:**

ADT- 1 MCIWNBWI TZCNR 72.00 BWIWNMCI TZCNR 72.00 \$144.00 ZPMCI BWI XFMC14.50

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BWI4.50 AYMC12.50 BWI2.50 \$165.20

**Important Checkin Requirement**

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09-7000\_000081

**Sass, Paul**

---

**From:** Sass, Paul  
**Sent:** Tuesday, March 03, 2009 11:27 AM  
**To:** Hartz, Joe  
**Subject:** RE: Opening statement

Looks good Joe.

---

**From:** Hartz, Joe  
**Sent:** Tuesday, March 03, 2009 10:41 AM  
**To:** Sass, Paul  
**Subject:** Opening statement

Hi Paul—

The opening statement has been through Karen and Angela already. You're the last person to see it. Please let me know if you have any edits you would like to make.—Joe

Joe Hartz  
Professional Staff/Republican Office  
House Committee on Small Business  
(202) 225-██████

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09-7000\_000082

**Sass, Paul**

---

**From:** Sass, Paul  
**Sent:** Tuesday, March 03, 2009 7:45 PM  
**To:** Hartz, Joe  
**Cc:** Haas, Karen  
**Subject:** Re: A few quick things

Thanks Joe, SG will handle the introduction of Brooks, no prep needed.

Paul J. Sass  
Deputy Chief of Staff  
Congressman Sam Graves

---

**From:** Hartz, Joe  
**To:** Sass, Paul  
**Sent:** Tue Mar 03 18:39:00 2009  
**Subject:** A few quick things

Last two testimonies came in tonight. They're attached. Will send the questions over later (possibly AM).

I left my notepad in one of the briefing books I dropped off. I don't need it, but please pull it out in case that's the one that goes to SG. I can pick it up tomorrow.

How do we approach the intro for Mr. Hurst? He didn't send a bio. I assume SG will wing it because of their relationship, but want to get something in front of him if he needs it/wants it.

Joe Hartz  
Professional Staff/Republican Office  
House Committee on Small Business  
(202) 225-████

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**Hartz, Joe**

---

**From:** Loch, Britney  
**Sent:** Tuesday, March 03, 2009 6:00 PM  
**To:** Hartz, Joe  
**Subject:** FW:  
**Attachments:** Written Testimony Brooks Hurst 3-4-09 House Small Business.doc

Brooks Hurst's testimony for tomorrow

---

**From:** JP Dunn [mailto: [REDACTED]@mosoy.org]  
**Sent:** Tuesday, March 03, 2009 5:57 PM  
**To:** blyd@att.blackberry.net  
**Cc:** Loch, Britney  
**Subject:**

J.P. Dunn  
Manager of Field Services  
Missouri Soybean Association  
Missouri Soybean Merchandising Council  
3337 Emerald Lane, Jefferson City, MO 65110  
573-635- [REDACTED] or [REDACTED] (cell)  
[REDACTED]@mosoy.org

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Hartz, Joe

---

**From:** [REDACTED]@embarqmail.com  
**Sent:** Tuesday, March 03, 2009 4:40 PM  
**To:** Hartz, Joe  
**Subject:** Re: Wednesday's hearing

The soybean association is supposed to email it to sams office I will see where it is at  
Thanks  
Brooks

Sent via BlackBerry by AT&T

---

**From:** "Hartz, Joe"  
**Date:** Tue, 3 Mar 2009 16:37:14 -0500  
**To:** [REDACTED]@embarqmail.com  
**Subject:** RE: Wednesday's hearing

Hi Mr. Hurst--

I was just wondering when we can expect your testimony? Please just let me know, and thanks again.--Joe

---

**From:** [REDACTED]@embarqmail.com [mailto:[REDACTED]@embarqmail.com]  
**Sent:** Monday, March 02, 2009 3:10 PM  
**To:** Hartz, Joe  
**Subject:** Re: Wednesday's hearing

Mr. Hartz,

Go ahead and use my title as member of the board of directors for both Paseo-Cargill Biofuels plant and Missouri Soybean Association.

Thanks,  
Brooks

Sent via BlackBerry by AT&T

---

**From:** "Hartz, Joe"  
**Date:** Mon, 2 Mar 2009 14:56:36 -0500  
**To:** <BLYD@embarqmail.com>  
**Subject:** Wednesday's hearing  
Hello Mr. Hurst--

I just wanted to check in to see how you would like your affiliation to be for the hearing on Wednesday. Again, you can be affiliated with any (or all) of the hats you wear. We just want to make sure we are publicizing the event properly and you are represented as you would like to be. Please just let me know as soon as you can. Thanks--Joe

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Joe Hartz  
Professional Staff/Republican Office  
House Committee on Small Business  
(202) 225-████

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09-7000\_000086

Hartz, Joe

---

**From:** Christian, Lisa  
**Sent:** Tuesday, March 03, 2009 1:34 PM  
**To:** Hartz, Joe  
**Subject:** RE: witness info

Thanks.

---

**From:** Hartz, Joe  
**Sent:** Tuesday, March 03, 2009 1:33 PM  
**To:** Christian, Lisa  
**Subject:** RE: witness info

Mr. Brooks Hurst  
Board of Directors for both the Pasco-Cargill Biofuels Plant  
and The Missouri Soybean Association  
18541 State Highway O -----as in Oscar  
Tarkio MO 64491  
(C) [REDACTED]  
[REDACTED]@embarqmail.com

---

**From:** Christian, Lisa  
**Sent:** Tuesday, March 03, 2009 1:31 PM  
**To:** Hartz, Joe  
**Subject:** witness info

Joe,

When you have a moment could you send me the contact info for our witness tomorrow?

Thanks,

Lisa Christian  
Professional Staff  
Republican Office  
Committee on Small Business  
8363 Rayburn House Office Building  
Washington, DC 20515  
202.225 [REDACTED]

4/8/2009

09-7000\_000087

**Hartz, Joe**

---

**From:** Sass, Paul  
**Sent:** Tuesday, March 03, 2009 11:45 AM  
**To:** Hartz, Joe  
**Subject:** RE: Opening statement

I don't think I will be able to attend the staff briefing because of a scheduling conflict, so you might want to come by before to drop them off.

Also, no worries with the testimony, just email them to me when you get them.

---

**From:** Hartz, Joe  
**Sent:** Tuesday, March 03, 2009 11:29 AM  
**To:** Sass, Paul  
**Subject:** RE: Opening statement

Are you going to be at the staff meeting today at 5? If so, I was going to give you the books then. If not, I'll stop in a little before and drop it off in the office.

Also, we may have a similar problem as last time. We only have one testimony in thus far. Hopefully, they'll all make their way to me before this afternoon, but I may have to e-mail the questions tomorrow morning if they don't get in in time.

---

**From:** Sass, Paul  
**Sent:** Tuesday, March 03, 2009 11:27 AM  
**To:** Hartz, Joe  
**Subject:** RE: Opening statement

Looks good Joe.

---

**From:** Hartz, Joe  
**Sent:** Tuesday, March 03, 2009 10:41 AM  
**To:** Sass, Paul  
**Subject:** Opening statement

Hi Paul—

The opening statement has been through Karen and Angela already. You're the last person to see it. Please let me know if you have any edits you would like to make.—Joe

Joe Hartz  
Professional Staff/Republican Office  
House Committee on Small Business  
(202) 225-████

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09-7000\_000088

**Hartz, Joe**

---

**From:** Sass, Paul  
**Sent:** Wednesday, March 04, 2009 11:13 AM  
**To:** Hartz, Joe  
**Subject:** RE: we good

Good to go

---

**From:** Hartz, Joe  
**Sent:** Wednesday, March 04, 2009 11:04 AM  
**To:** Sass, Paul  
**Subject:** we good

Or is there anything else I can do before 1pm?

Joe Hartz  
Professional Staff/Republican Office  
House Committee on Small Business  
(202) 225-████

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09-7000\_000089

**Smith, Buffy**


---

**From:** Loch, Brittney  
**Sent:** Wednesday, March 11, 2009 2:05 PM  
**To:** Smith, Buffy  
**Subject:** RE: Pictures for SG to sign

In IQ the thank you letter in the system for constituents who testify before the House Small Business Committee. The letter has the Thank You affiliation code and is titled Thank you letter (small business committee). Let me know if you have problems finding it.

Brittney

---

**From:** Smith, Buffy  
**Sent:** Wednesday, March 11, 2009 1:09 PM  
**To:** Loch, Brittney  
**Subject:** RE: Pictures for SG to sign

I have all of these ready or sent. Can you tell me where the letter is to send to Brooks?

---

Buffy Smith  
 Congressman Sam Graves (MO-06)  
 Scheduler  
 Office: (816) 792-3976  
 Cell: (202) 731-3116  
 Fax: (816) 792-0694  
 buffy.smith@mail.house.gov

---

**From:** Loch, Brittney  
**Sent:** Friday, March 06, 2009 2:09 PM  
**To:** Smith, Buffy  
**Subject:** Pictures for SG to sign

We need these signed. I don't know if Sg wants to sign Brook's photo but Paul does want the thank you letter sent to him with the photo. I also have some more of him that Angela sent me if he wants the electronic version of them. If Sg doesn't want to sign it let me know and I will print one here and send it with the letter.

The group of Men:  
 Gary Clark and the Cornrowers Merchandising Council  
 3118 Emerald Lane  
 Jefferson City, MO 65109

Les Kerr and Cindy Curtis  
 400 East 9<sup>th</sup> Street, Floor 5  
 Kansas City, Mo 64106

Benjamin Jones (blue shirt dark tie)  
 Union Pacific Railroad

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6455 E. Commerce Ave.,  
Kansas City, MO 64120

Joe Kneib (red tie blue shirt)  
Herzog  
600 S Riverside Road  
St. Joe, MO 64507

Thanks!

**Brittney Loch**  
Staff Assistant/Assistant Scheduler  
Congressman Sam Graves (MO-06)  
1415 Longworth Building  
Washington, DC 20515  
Phone: 202-225-  
Fax: 202-225-8221  
Brittney.Loch@mail.house.gov

4/8/2009

09-7000\_000091

**Sass, Paul**

---

**From:** Loch, Brittney  
**Sent:** Monday, April 06, 2009 11:41 AM  
**To:** Sass, Paul  
**Subject:** letter sent on March 6th

Dear Brooks:

Thank you for making the trip to Washington D.C. to testify before the United States House Small Business Committee. Your participation was greatly appreciated.

As Ranking Member of the Committee, it is important to me to have an individual from the 6th Congressional District come and give us their perspective on the business climate. I strongly believe this input helps provide members of the Committee a well rounded understanding on how the things we do in Washington affect everyone else.

Again, I thank you for your participation and look forward to working with you in the future.

**Brittney Loch**  
Staff Assistant/Assistant Scheduler  
Congressman Sam Graves (MO-06)  
1415 Longworth Building  
Washington, DC 20515  
Phone: 202-225-  
Fax: 202-225-8221  
Brittney.Loch@mail.house.gov

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09-7000\_000092

**EXHIBIT 8**

## CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

OFFICE OF CONGRESSIONAL ETHICS  
UNITED STATES HOUSE OF REPRESENTATIVES

Memorandum of Interview

In Re: Representative Graves' Chief of Staff  
Review #: 09-7000  
Date: June 16, 2009  
Location: Law Offices of Lathrop & Gage, Kansas City, MO  
Time: 10:00 am  
Participants: Leo Wise  
Elizabeth Horton  
Terry Brady  
Matt Hubbard

Summary: Representative Graves' Chief of Staff was interviewed pursuant to Review 09-7000. We requested an interview with Representative Graves' Chief of Staff and he consented to an interview. Representative Graves' Chief of Staff made the following statements in response to our questioning:

1. Representative Graves' Chief of Staff was given a copy of 18 U.S.C. § 1001, the False Statements Act, before he was interviewed and he signed a written acknowledgement of its receipt.
2. He has been Chief of Staff for Representative Graves for over three years.
3. He hired Karen Haas as the Staff Director (for the minority) for the Small Business Committee ("the Committee"). He also recommended hiring Mr. Sass and a couple of other people for the Committee.
4. He visits the Committee staff once a week to see how they are doing.
5. He has been to only one Committee meeting and he only stayed at that meeting for twenty minutes. He only went because Representative Graves was losing his temper. The topic of the hearing must have been aviation.

## CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

6. He has never been involved in a briefing for a hearing.
7. He might have gone to one other hearing. He does watch the hearings on CSPAN.
8. He did not recall the email he received from Mr. Sass regarding the witness selection for the hearing. Mr. Sass sits next to him. Mr. Sass probably mentioned the hearing to him and he then suggested one of the Flicks. He had been impressed by the Flicks on another occasion.
9. He gave Mr. Sass Mr. Flick's name and Mr. Sass then went in to talk with Representative Graves and Representative Graves suggested Brooks Hurst.
10. With respect to the hearing process, he stated that the democrats will call Karen Haas to notify the minority about a hearing. There are slots for minority witnesses but he was not sure how the witnesses were chosen.
11. He did not know who made the decision as to who would be chosen as a witness. He thought that it might be Karen Haas or that the majority had to approve witnesses.
12. To his knowledge, Representative Graves does not choose the witness. If he did, he did not know of it.
13. He did not know Bill Becker; he had no idea who he was.
14. He has no knowledge of Show Me Ethanol (Representative Graves' Chief of Staff asked if Bill Becker was from Show Me Ethanol).
15. He does not review testimony for the Committee. He only listens to the hearings on CSPAN. Karen Haas is very good, the Committee is very fortunate to have her. Just as someone runs the district office when he is in DC, Karen Haas runs the Committee staff. He has good people to runs things while he is not there.
16. He was really impressed with Brooks Hurst's testimony, he watched it on television.
17. He did not remember the 2007 *Roll Call* article. He stated that something like that didn't happen without comment but he felt that the reporter was way off.
18. He did not recall talking to Mr. Sass about the hearing. He probably spoke with the Congressman but he did not recall the conversation.

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Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

19. Mr. Sass sits next to him. When Mr. Sass got off the call about the hearing, he told him the topic of the hearing and said that they needed a witness. He suggested Steve Flick or his brother. Mr. Sass then went to talk to Representative Graves and Representative Graves mentioned Brooks Hurst.
20. He does not work on the Congressman's financial disclosure, he didn't know if he had ever seen it.
21. When asked if the office has any policy on dealing with conflicts of interest, he stated that he called the Standards Committee about issues. There is also a lawyer in the office that would also consult Standards on issues that arose. If he thought there was any issue with the hearing, he would have contacted Standards.
22. He did not know what Brooks Hurst does and he did not know what Representative Graves was invested in.
23. He did not recall the 2007 *Roll Call* article.
24. When shown the articles from the *Kansas City Star* and *Roll Call*, he stated that he kind of remembered the articles but only vaguely, they looked familiar. Attachment 1.
25. He did not recall discussing the article with Representative Graves in 2007 but he stated that it seemed like they would have discussed it.
26. He thought that a lot of things came out around that time in 2007, there were other articles that amounted to nothing. He thought the *Roll Call* article was for headlines for the opponent. He thought the articles were merely political.
27. He probably didn't read the 2009 *Roll Call* article word for word. He thought nothing would come from it since nothing came from the other article.
28. He is pretty sure that he did not have a conversation about the article with Representative Graves.
29. The attorney that had worked for the personal office, Melissa Burt, took a job in the White House. She probably left in January of 2008.

Elizabeth Horton  
Investigative Counsel

# ATTACHMENT 1



## Biofuels, Flights Benefit Graves

Nov. 7, 2007  
 By Paul Singer  
 Roll Call Staff

09-7000\_000098

At the beginning of October, Rep. Sam Graves (R-Mo.) joined several other Midwestern lawmakers in sponsoring legislation to create a national mandate for the use of increasing quantities of biodiesel as a replacement for regular diesel fuel.

Graves has long been an advocate of renewable fuels, and his spokesman argues that biodiesel is "good for the environment, good for the economy and good for the producers."

But the bill also would be good for Graves' wife, Lesley, a public school teacher who in 2005 invested \$15,000 in a new biodiesel plant that has since become the largest biodiesel facility in the state.

The biodiesel plant is one of several questionable entries on Graves' financial disclosure forms, including his receipt of thousands of dollars worth of flights on the private plane of a personal friend who is also a contractor with significant financial interests before the committees on which Graves serves.

Graves spokesman Jason Klindt said the Congressman has long been a supporter of renewable fuels. "There is a wide and deep support in Missouri and the Midwest for biodiesel and renewable fuels," Klindt said, and Graves' "support of renewable fuels is well documented."

In May 2004, when Graves was chairman of the Small Business Subcommittee on Rural Enterprises, Agriculture and Technology, the panel held a hearing on the promise of renewable fuels and tax incentives for ethanol and biodiesel.

One of the witnesses was the treasurer of Golden Triangle Energy Cooperative, a small ethanol plant in northwest Missouri. At the time, Graves listed on his financial disclosure forms that he owned jointly with his wife stock in Golden Triangle worth between \$1,000 and \$15,000, which produced less than \$1,000 in dividends.

In his most current disclosure report filed in May, the Golden Triangle stock is listed as belonging to his wife, and the dividend income is listed between \$15,000 and \$50,000.

Another witness at the May 2004 hearing was Brooks Hurst, a farmer from Graves' small hometown who spoke on behalf of the Missouri Soybean Association. Hurst discussed the importance of a tax incentive for the use of biodiesel in blends with regular diesel fuel. Congress passed the biodiesel tax credit in 2004; Hurst called it "the single most important legislative initiative in the history of the soybean industry."

The following year, Hurst and a dozen other Missouri farmers established a new company to build a biodiesel plant in the state. They put up their own money and then recruited friends and colleagues to make up the rest of the initial capital.

Hurst said in an interview this week that in 2005, "I got in touch with the Graves family and told them about the opportunity." Hurst said he has known the Graves family for years, and he and Graves are among the handful of users of an airstrip in Tarkio, Mo.

Lesley Graves invested \$15,000 in the plant; Hurst said there are about 400 investors in the project, which is now

up and running with a production capacity of about 30 million gallons a year, according to statistics provided by the National Biodiesel Board. The plant is in Mexico, Mo., next door to an existing Archer Daniels Midland processing facility, Hurst said.

In 2005, national biodiesel capacity was 75 million gallons; with the federal incentives in place that number is likely to reach 300 million this year, according to the Biodiesel Board. The legislation Graves introduced with the other Midwestern members in October would set a national target of 1.25 billion gallons of biodiesel consumption annually by 2012.

Klindt said there is nothing untoward about Lesley Graves' renewable-fuels investments. "Most of [the fuels plants] in Missouri are small-town farm families that band together to support ethanol and biodiesel in order to revitalize small-town Missouri and break our dependence on foreign oil."

Klindt also argues that Graves and other Members regularly vote on issues that affect their own finances. "He votes on No Child Left Behind and his wife is a schoolteacher," Klindt said.

Ethics experts say Graves' investments are probably not in violation of any House rules, though they may create the appearance of a conflict of interest.

Several ethics lawyers consulted for this article — none of whom would agree to speak on the record — said the more troubling items on Graves' financial disclosure form are the regular recreational flights he accepts from Stanley Herzog, who owns a road and rail contracting company in Graves' district.

According to Graves' financial reports, the Congressman accepted trips to Florida on Herzog's corporate jet in 2006, twice in 2004 and once in 2003. In 2002, he reported accepting a flight to Arizona from Herzog and another to Florida from another friend. Most of the flights were to NASCAR races in Florida.

Graves' financial records vary on how the flights are characterized. The 2006 report values the one-way flight to the NASCAR race "in excess of \$250"; the 2003 report values the round-trip flight to the same event at \$1,004.90. In each case, Graves' reports say "Determination on personal friendship received from the Committee on Standards."

Under House ethics rules, Members of Congress and their staff can receive gifts of value from personal friends, though for any gift valued over \$250 they need to get prior approval from the ethics committee.

The problem posed by the Herzog flights, ethics lawyers said, is if the airplane belongs not to Herzog but to his company, Herzog Contracting Corp. As one ethics lawyer said, "corporations don't have friends," so in order for the flights to be a "gift" from a "friend," Herzog would have had to reimburse the company for the cost of the flights, unless the cost of the airplane comes directly out of his pocket.

In addition, Herzog Contracting has significant issues pending in Congress, and Graves, as a member of the Transportation and Infrastructure Committee, may have input on those issues.

For example, Herzog's transit subsidiaries provide rail service in competition with Amtrak in several cities. In 2002, Graves' local newspaper, the St. Joseph News-Press, wrote that with Congress considering reform of Amtrak, "Mr. Herzog, executive vice president of Herzog Contracting Corp., said the St. Joseph company is ready to roll as a major competitor to Amtrak — if Congress takes action. He's optimistic that, after years of lip service, Congress is on board with the idea of competition."

In 2005, Graves was named by then-Transportation Chairman Don Young (R-Alaska) to be a member of a special Amtrak working group to review Amtrak management and finances.

In a letter dated Nov. 29, 2006, the bipartisan leaders of the ethics committee wrote Graves saying he would be allowed to accept a flight from Herzog under the circumstances that Graves had described to them. The letter quoted Graves as saying Herzog "is in the construction business and has no official business before the House."

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But between April 2001 and December 2006, Herzog's firm employed Ann Eppard Associates to lobby the House on railroad issues.

Graves also described the airplane as belonging to Herzog LLC, but the Federal Aviation Administration has no record of an airplane registered to an entity of that name.

Klindt said Graves "sought and received permission from the chairman and ranking member of the Committee on Standards of Official Conduct" after accepting the flight. "If there are any discrepancies, we will immediately work to resolve those issues," Klindt said.

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The Kansas City Star

December 6, 2007 Thursday

**SECTION:** B; Pg. 1**LENGTH:** 1182 words**HEADLINE:** Family ties to ethanol plant draw questions for Rep. Sam Graves**BYLINE:** STEVE KRASKE, The Kansas City Star**BODY:**

When Rep. Sam Graves looked across the hearing room that day in 2004, he saw a pair of old friends looking back - Charlie Hurst and his son, Brooks Hurst.

Both were from northwest Missouri and came to Washington at Graves' invitation as witnesses to promote federal subsidies for the renewable fuels industry. They were identified as members of a small ethanol plant cooperative in Craig, Mo., known as Golden Triangle Energy.

Left unsaid that morning was the Graves family's ties to Golden Triangle. In 1999, Graves' wife, Lesley, had invested \$13,000 in the cooperative, and in 2006 she would invest \$6,826 more.

Graves

Graves told *The Kansas City Star* on Wednesday that his failure to disclose his connection to Golden Triangle at the hearing was a mistake.

"Looking back on it, I probably should have," the Tarkio Republican said.

He also acknowledged several mistakes in his personal financial disclosure forms filed each May. One of those concerned the amount of his wife's investment in Golden Triangle.

"We're fixing that right now," Graves said. "We have an attorney helping us with the disclosures to get it right. Some numbers were not high enough. Some were too high. Why that was done, I have no idea."

Graves said he double-checked the disclosures, but didn't "double-check it closely enough."

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Family ties to ethanol plant draw questions for Rep. Sam Graves The Kansas City Star December 6, 2007 Thursday

Democrats, already engaged in a fierce race to unseat Graves in 2008, say the miscues add up to larger concerns about the congressman.

"Sadly, Congressman Graves seems to be making a habit of bending the rules in Washington so they work for him and not everyday families in northwest Missouri," said Kay Barnes, a Democrat and former Kansas City mayor seeking to unseat the four-term incumbent. "He's been caught playing fast and loose with the ethics rules."

The disclosures follow reporting by *Roll Call*, the Capitol Hill newspaper that has, among other things, raised questions about the opportunity the Graves family received to invest not only in Golden Triangle, but also a biodiesel plant in Mexico, Mo. Lesley Graves has invested \$15,000 in the plant.

Graves told *The Star* that his wife has made no money in the investment and that involvement in such cooperatives is a way for farmers to seize control of their own financial fates and boost the burgeoning renewable fuels industry. Graves is a grain farmer, but leaves the operation to relatives.

The *Roll Call* stories are the result of a well-orchestrated Democratic attack and the highly charged partisan atmosphere in Washington, he said.

"It's a campaign," Graves said. "And campaigns are a dirty business."

The articles also spotlighted his acceptance of trips to Florida and other locales apparently on a corporate jet belonging to the Herzog Corp. of St. Joseph. Members of Congress can accept gifts from personal friends, although gifts valued at more than \$250 need approval from the House ethics committee.

According to Graves' disclosure reports, he received that approval. But if the flights were on a plane owned by the Herzog Corp., as opposed to Vice President Stanley Herzog personally, that could require Herzog to reimburse his company for the cost of the flights. An aide to Graves said Wednesday the congressman's office was still checking the plane's ownership.

*Roll Call* also pointed out that Herzog, which runs construction, rail service and rail-testing businesses, has significant issues before Congress, and Graves, as a member of the Transportation Committee, is in a position to help. The newspaper said a November 2006 letter from the ethics committee quoted Graves as saying Herzog "has no official business before the House."

Graves acknowledged that Herzog, a friend of more than 20 years who could not be reached for comment, has hired lobbyists who work on his behalf in the nation's capital.

"Stan has never asked me to do anything," Graves said. "He's never asked me to propose a bill for him or propose legislation."

Graves spokesman Jason Klindt said if any discrepancies arise, "we will immediately work to resolve those issues."

One ethics expert, Steve Carpinelli of the Center for Public Integrity, said Graves should have acknowledged his ties to Golden Triangle in the subcommittee hearing of the House Small Business Committee. The only consequence for not doing so, he said, would be if another member of Congress files an ethics complaint, a practice common during election years.

As for Graves fixing mistakes in his personal financial disclosure statements, Carpinelli said amendments are fairly routine.

"It's not all that unusual for there to be a mistake when it comes to the wrong box being checked in disclosure reports," he said.

Family ties to ethanol plant draw questions for Rep. Sam Graves The Kansas City Star December 6, 2007 Thursday

Graves said the Small Business Committee is an oversight panel that passes legislation only involving the Small Business Administration and its programs.

As a result, the hearing on renewable fuels was intended to be only informational.

"It doesn't bother me in the least to say that my family invests in this, and that I'm a huge supporter," Graves said. "This is the best thing that's happened to farmers."

Flying a 1943 biplane Rep. Sam Graves has accepted free flights in a Boeing "Super Stearman" airplane belonging to one of his biggest campaign contributors. And he's not disclosed them. That, says the Capitol Hill newspaper Roll Call, which detailed Graves' use of the plane in a story this week, could be a violation of House ethics rules. The plane is question, however, is not some sleek corporate jet. It is a 1943 open-cockpit biplane. Graves said he's done nothing wrong because he's the one providing the favor by flying it. "You disclose gifts," he said in an interview. "I fail to see how it's a gift." Graves, an avid flier, said he is one of only three people qualified to fly the vintage barnstorming aircraft registered to Herzog Contracting Corp., a transportation firm in St. Joseph whose employees have donated tens of thousands of dollars to Graves. None of those pilots works for Herzog. Stanley Herzog, an executive of the company, is a longtime friend. Another of his aircraft, a passenger jet, has ferried Graves to Florida. Those flights have been approved by the House ethics committee, although a question has been raised about proper reimbursement. When the Herzogs need the old biplane flown to an air show, Graves sometimes volunteers. "If I'm asked to fly it, sure, I'll fly it if I'm available," he said. Because it's an open-air plane, Graves said he can't wear a suit in the craft even if he wanted to use it on official congressional business. Roll Call said Graves flew it in July 2006 to a huge air show in Oshkosh, Wis., and in April piloted it to an event in Chillicothe, Mo., where he staged a brief air demonstration. Graves said he's logged fewer than 10 hours in the aircraft this year. The other two pilots can charge Herzog Corp. for flying the plane. Graves said he would, too, if congressional disclosure rules weren't so cumbersome. "You have to take it up once in a while," Graves said, "or the oil pools in the cylinders."

To reach Steve Kraske, call 816-234-4312 or send e-mail to [skraske@kcastar.com](mailto:skraske@kcastar.com) | Steve Kraske

**LOAD-DATE:** December 6, 2007

09-7000\_000103

**EXHIBIT 9**

## CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

OFFICE OF CONGRESSIONAL ETHICS  
UNITED STATES HOUSE OF REPRESENTATIVES

Memorandum of Interview

In Re: Representative Graves' Then Deputy Chief of Staff  
Review #: 09-7000  
Date: June 16, 2009  
Location: Law Offices of Lathrop & Gage, Kansas City, MO  
Time: 9:00 am  
Participants: Leo Wise  
Elizabeth Horton  
Terry Brady  
Matt Hubbard

**Summary:** Representative Graves' then Deputy Chief of Staff is currently Deputy Staff Director for the House Committee on Small Business. He was interviewed pursuant to Review 09-7000. We requested an interview with Representative Graves' then Deputy Chief of Staff and he consented to an interview. Representative Graves' then Deputy Chief of Staff made the following statements in response to our questioning:

1. Representative Graves' then Deputy Chief of Staff was given a copy of 18 U.S.C. § 1001, the False Statements Act, before he was interviewed and he signed a written acknowledgement of its receipt.
2. At the time of the March hearing, he was a shared employee between the personal office of Representative Graves and the Small Business Committee ("the Committee"). Representative Graves had just obtained the Ranking Member position on the Committee and his duties required him to help identify witnesses for hearings and prepare the opening statements and introductions of witnesses.
3. He is now a full time employee of the Committee. His duties include working on roundtables, conducting hearings, and staffing the Congressman. He also provides guidance to staff on witness messaging for hearings.

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4. His boss was new to the Ranking Member position and wanted the witness to come from the 6<sup>th</sup> district and to be competent. He started looking for witnesses from the district and then branched out from there to other parts of the state.
5. The Committee has limited jurisdiction so they can talk about anything at hearings. The "take-away" is to try and get press. Other than getting press on an issue, the Committee can't really do anything.
6. The Committee tries to hold hearings on timely issues; they have held hearings on the automobile industry and on cap and trade issues.
7. When asked about the email that was sent to him from Jason Klindt (at Attachment 1) regarding finding a witness who did not share Representative Graves' financial holdings, he stated that the email from Jason Klindt was sent in reference to an older article which related to an issue in the Governor's race. During the race there was an issue regarding the renewable fuel standard. He could not recall specific facts but remembered that it was a topic of conversation during the race.
8. Jason Klindt was a campaign manager during that time.
9. With respect to the article that appeared in *Roll Call* in 2009 regarding Brooks Hurst's previous testimony before the Committee, he recalled that the article was about Representative Graves' relationship with Brooks Hurst and disclosure. He stated that the article was "out of sight" and he didn't tie the March hearing with the article. He knew Brooks Hurst was a friend of Representative Graves but he thought he would be a good witness.
10. When asked if there were other emails between staff and/or the Congressman, he stated that there could be but he thought that he had "got them all."
11. With respect to the hearing, he did not want a witness from any companies that Representative Graves was invested in – someone with their name on a business card. He does not have discussions of witnesses' personal financial records.
12. Tom Brown (Representative Graves Chief of Staff) mentioned the name Steve Flick to him.

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13. When asked if he talked to Tom Brown about the hearing, he stated that he could have “verbally” talked about the hearing with him.
14. When asked if he talked to Tom Brown about Jason Klindt’s email, he stated that he had and Tom Brown had suggested Steve Flick.
15. He threw out the idea of inviting Steve Flick because he wasn’t from the 6<sup>th</sup> district. He did not believe that he worked for any of the companies but he resided outside the district.
16. When asked if he had a conversation with the Congressman, he stated that “Sam doesn’t get involved in the process” and that he “ran it by him” (in an email) for input since it was an agricultural issue. He could not recall if the Congressman replied to the email. He may have, he liked the idea of Brooks Hurst. However, Brooks Hurst was away on vacation with his family.
17. Representative Graves rarely gets involved with the process, he got involved in this hearing because it was an agricultural issue.
18. When asked why Representative Graves liked Brooks Hurst as a witness, he stated that it was because he didn’t like the other options staff had come up with. He probably talked to Representative Graves about Brooks Hurst’s email (which provided a list of potential witnesses).
19. Dennis Alt from Show me Ethanol was out because it was one of the companies listed in Jason Klindt’s email. Bill Becker didn’t get along with Representative Graves. And an ethanol witness may not have been good because the majority identified with ethanol. He was not sure why Gary Clark was not good, he may not have been from the district.
20. The decision as to who will be selected as a witness is a group decision. The staff brainstormed and whittles down the list. There is no ultimate sign-off.
21. No one raised a flag on Brooks Hurst so they went with him. It was a group decision.
22. Joe Hartz and Karen Haas were not involved in the approval, he and Jason Klindt and Tom Brown decided on the witness.

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23. He thinks that he suggested Brooks Hurst to Representative Graves. He definitely thought that it was his idea.
24. He had also suggested Brooks Hurst (to Representative Graves) to be a witness years ago when Representative Graves was on the subcommittee.
25. The invitation to be a witness technically comes from the Chairwoman of the Committee but he actually invited Brooks Hurst.
26. He left Brooks Hurst several emails but Brooks Hurst had not responded so he pushed using Bill Becker.
27. Bill Becker was already in DC.
28. He might have popped in Representative Graves' office to let him know that he couldn't get in touch with Brooks Hurst and to ask if they could go with Bill Becker instead.
29. When he gave Representative Graves all the witness options, Representative Graves may have played more of a roll but he was definitely leading the Congressman to go with Brooks Hurst.
30. When asked if his conversation with the Congressman included a discussion of the 2007 *Roll Call* article, he stated that they just didn't want a representative from one of the companies.
31. He thought Brooks Hurst was the best fit.
32. He did not believe that he was involved in discussions regarding the 2007 *Roll Call* article; he did not play a role in prepping Representative Graves for the interview.
33. Witnesses must disclose if they have contracts with the government, the Committee staff is not obligated to ask for witnesses' personal financial information.
34. As for other options, some individuals lived outside the district and they try to get someone within the district to testify. They wanted someone with strong ties to people in the district so they didn't use their contacts with any association in DC.

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35. Joe Hartz is a professional staffer with the Committee. The Committee doesn't have experts like other committees. Joe Hartz was left over from the previous Congress. He may have handled hearings in the past.
36. Joe Hartz wrote the memo for the Committee opening statement and wrote questions for the hearing. He sat next to Representative Graves.
37. He spoke to Representative Graves before he spoke to Brooks Hurst, Representative Graves told him that Brooks Hurst would testify.
38. Karen Haas is the staff director for the Committee.
39. He did not review any testimony. Joe Hartz would have reviewed the testimony.
40. Bullet items are questions, the questions go to all Members. Anybody can ask a question; Representative Graves has the preference of going first.
41. He did not know about the plant that Brooks Hurst mentioned in his testimony and he did not have any discussions with anyone after the hearing.
42. They don't have an action item so they don't necessarily discuss the hearings. There is no follow-up other than a thank you.
43. He thought the hearing went smoothly.
44. Representative Graves was "fired up" over the article. He thinks the same reporter wrote both articles and holds a grudge.
45. When asked if the Congressman's friendship with Brooks Hurst was an issue, he stated that it was not because Brooks Hurst was a credible witness, he is involved with all the associations so it was not a concern.
46. Representative Graves mentioned to him that the investment concern was not an issue, and that the writer was digging for something that wasn't there.
47. He kept the article because Representative Graves likes to keep articles in which he is named.

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48. There was no discussion on factual questions of the shared investment. Representative Graves may have stated that he didn't know Brooks Hurst's investments.
49. Any conversation about the article lasted only a quick moment. Representative Graves poked his head in his office and ranted for a minute about the article. It would have been a brief conversation; Representative Graves can't sit down with anyone.
50. He and Representative Graves did not talk about the 2007 *Roll Call* article.
51. The Congressman had the same reaction to the 2007 article as to the 2009 article.
52. He was aware of the 2007 article but he did not think it was a big deal.
53. He does not play a role in preparing the Congressman's financial disclosure other than to walk the document down to get it stamped.
54. He does not review the Congressman's financial disclosure because he feels that it would be disrespectful.
55. When asked about Joe Hartz's email regarding the introduction for the hearing, he stated that the Chair can give the Ranking Member the opportunity to introduce witnesses. Joe Hartz asked him if he needed to write an introduction and he told Joe Hartz that he did not because the Congressman and Brooks Hurst were friends, but Representative Graves later wanted an introduction for the hearing. He had thought that Representative Graves would do the introduction off-the-cuff but he was wrong; so, Joe Hartz wrote the introduction at the hearing.
56. Brooks Hurst had not responded to his emails because he was skiing in Colorado. Brooks Hurst called on Friday morning to confirm that he could come. Once Brooks Hurst was on board he turned things over to Joe Hartz.
57. Representative Graves doesn't get involved in the weeds, everything is staff driven. Decisions can be made better that way. He may talk with Representative Graves once a week.
58. Representative Graves doesn't interact with staff; he talks more now but rarely.

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59. He worked with Committee staff in previous years. He probably talked to Jason Klindt and Tom Brown about the 2009 *Roll Call* story, generally talking about what happened and where they went wrong, wondering why Brooks Hurst didn't raise any flags. They missed the ball, he only saw company names and Brooks Hurst wasn't a representative of any of the groups.
60. They probably won't invite Brooks Hurst back again. The staff needs to pay more attention. They should have picked up on the issue; they can't let these things happen.
61. It was his plan to switch to the Committee staff from the personal office, for the leadership role and better standing. He had been with the personal office since 2002. He should have moved sooner.

Elizabeth Horton  
Investigative Counsel

# ATTACHMENT 1

**Sass, Paul**

---

**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 4:17 PM  
**To:** Klindt, Jason  
**Subject:** RE: Renewable fuels hearing

Thanks Jason,

There is something up in St. Joe, but we might go we Steve Flick from Show me Energy, which is just south of the district. Last time we did this we have Brooks Hurst come out on behalf of the MO Soybean Assn.

---

**From:** Klindt, Jason  
**Sent:** Tuesday, February 24, 2009 4:15 PM  
**To:** Sass, Paul  
**Subject:** RE: Renewable fuels hearing

Golden Triangle (Craig), BioFuels LLC (Mexico, Mo) and Show Me Ethanol (Carrollton)

Isn't there a renewable energy plant/thing in St. Joseph?

---

**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 4:08 PM  
**To:** Klindt, Jason  
**Subject:** RE: Renewable fuels hearing

Which ones are they again?

---

**From:** Klindt, Jason  
**Sent:** Tuesday, February 24, 2009 2:56 PM  
**To:** Sass, Paul  
**Subject:** RE: Renewable fuels hearing

Lets make sure that we do not get a renewable company that SG or his wife is invested in.

---

**From:** Sass, Paul  
**Sent:** Tuesday, February 24, 2009 1:53 PM  
**To:** Endicott, Alicia; Higdon, Chad; Klindt, Jason; Kraus, Tommy; Kreps, Angela; Loch, Brittney; Roe, Melissa; Searcy, Shawna; Shupe, Brooke; Smith, Buffy; Swenson, Jaime; Woodward, Sarah  
**Cc:** Brown, Tom  
**Subject:** Renewable fuels hearing

Please see the email below and let me know if you have any suggestions on who can testify next week on renewable energy. All I need are the names and I can follow up with them and provide more information.

Thanks everyone.

Paul

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**From:** Hartz, Joe  
**Sent:** Tuesday, February 24, 2009 1:47 PM

4/8/2009

09-7000\_000113

**EXHIBIT 10**

## LATHROP & GAGE, LLP

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April 9, 2009

***COPY TRANSMITTED VIA E-MAIL  
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Mr. Leo J. Wise, *Staff Director & Chief Counsel*  
 Ms. Elizabeth A. Horton, *Investigative Counsel*  
 Office of Congressional Ethics  
 1017 Longworth Building,  
 Washington, DC 20515

Re: Initial Preliminary Review No.: 09-7000

Dear Mr. Wise & Ms. Horton,

On April 1, 2009, Congressman Graves received correspondence from you notifying him of an initial preliminary review No. 09-7000 ("Review"). The Review concerns a hearing that occurred on March 4, 2009, held by the House Small Business Committee. The hearing was entitled, *The State of the Renewable Fuels Industry in the Current Economy* ("Hearing"). In addition, Congressman Graves received a request for information ("RFI"). Enclosed with this correspondence are the materials and documents that you requested in the RFI and a brief summary of the matter.

On February 25, 2009, the Members of the House Committee on Small Business received a notice of the Hearing. (*See Tab 1*). As the Ranking Member, Congressman Graves was informed by the majority that he could call a witness to testify. However, Congressman Graves did not have much time to find a witness due to the short notice of the Hearing that was scheduled for March 4, 2009. Congressman Graves wanted to find someone from the 6<sup>th</sup> Missouri District to testify who was very knowledgeable on the subject matter of the Hearing. Thus, it was Congressman Graves' idea to ask Mr. Hurst to testify because he knew Mr. Hurst would be an excellent witness for subject matter of the Hearing and Mr. Hurst is also from the 6<sup>th</sup> Missouri District. Mr. Hurst is also a life long friend of Congressman Graves and he believed Mr. Hurst might come testify on such short notice. Congressman Graves' office contacted Mr. Hurst and was pleased to hear that Mr. Hurst could testify on such short notice. On February 27, 2009, at

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Mr. Leo J. Wise  
 Ms. Elizabeth A. Horton  
 April 9, 2009  
 Page 2

Congressman Graves' recommendation, Chairwoman Nydia M. Velazquez invited Mr. Hurst to testify. (See Tab 2).

On March 4, 2009, The House Small Business Committee held the Hearing for informational purposes to see how the renewable fuel business community is affected by current economic conditions. Mr. Hurst submitted written testimony and orally testified at the hearing on behalf of the Missouri Soybean Association. We have enclosed the documents and memorandums Congressman Graves received regarding the Hearing, as well as Mr. Hurst's written testimony. (See Tab 3). Mr. Hurst's testimony at the Hearing clearly showed his qualifications to offer testimony on the subject matter.

The April 1, 2009, correspondence to Congressman Graves regarding Review No. 09-7000 states that Congressman "Graves' conduct may have violated House Rule 23," and, that "[n]either Representative Graves nor Mr. Hurst disclosed the financial connection between Mr. Hurst and Mrs. Graves to the Committee during the hearing."

It is not the practice of the members of the House Small Business Committee at these hearings to disclose the companies that both their spouses and witnesses are invested in. Moreover, it is unlikely that members will know this information about witnesses who testify at these hearings. Congressman Graves is unaware of any House Rule that addresses this issue. In addition, the House Small Business Committee has no legislative jurisdiction over the renewable fuel issue, which was the subject of the Hearing as it relates to current economic conditions. Therefore, there is no financial benefit to any bio fuel industry company coming from the Hearing.

Your RFI requests information and materials concerning Lesley Graves' financial interests in Show Me Ethanol, LLC, Golden Triangle Energy Cooperative, and Biofuels, LLC. Please be advised that Leslie Graves is no longer an individual investor in Show Me Ethanol, LLC ("Show Me"). Lesley sold her 1/3<sup>rd</sup> interest in 2 units of Show Me in October of 2008. (See Tab 4). There were a total of 2133 units outstanding to investors of Show Me at the time Lesley sold her interest. Lesley is a member of Golden Triangle Energy Cooperative, Inc. ("Golden Triangle"), a Missouri nonprofit cooperative marketing association. Lesley holds a .0018 interest in Golden Triangle. (See Tab 5). Lesley also owns a single share of Biofuels, LLC ("Biofuels"). Biofuels is Missouri nonprofit cooperative marketing association. There are a total of 800 shares outstanding that are issued to 400 farmers/investors in Biofuels, LLC. (See Tab 6). Please note that Lesley Graves has never been a member of the board or directors or an officer of any of these cooperatives. Also, please note that it is very common for farmers like the Graves to invest in bio fuel companies.

Your RFI further requests the names and contact information for people who assisted in arranging for Mr. Brooks Hurst's participation at the Hearing. The primary individuals that were involved were Paul Sass, *Deputy Chief of Staff*, Tom Brown, *Chief of Staff*, Congressman Graves, and Jason Klindt, *Communications Director*. Each of these individuals can be reached at the Office of Congressman Graves, 1415 Longworth

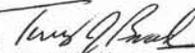
Mr. Leo J. Wise  
Ms. Elizabeth A. Horton  
April 9, 2009  
Page 3

HOB, Washington, DC 20515, with the exception of Jason Klindt, who can be reached at the Office of Representative Sam Graves, 113 Blue Jay, Suite 100, Liberty, MO 64068. We have enclosed the documents that you requested (1) that concern the arranging for Mr. Hurst's participation at the Hearing, and (2) that were created after the Hearing. (See Tab 7). Your RFI also requests the person(s) who is responsible for staffing Congressman Graves at the Hearing. Joe Hartz is a Professional Staffer for Congressman Graves and was responsible for staffing Congressman Graves at the Hearing.

We believe we have provided you with all the information and documents that you requested in your RFI. After you have had an opportunity to review the documents and information, please let either me or Matt Hubbard of my office know if we can provide you with any additional information or documents. We welcome your call.

Sincerely,

LATHROP & GAGE LLP

By:   
Terry J. Brady  
Matt R. Hubbard

**EXHIBIT 11**

House Committee on Small Business  
"The State of the Renewable Fuels Industry in the Current Economy"  
Wednesday, March 4, 2009, 1:00pm  
2360 Rayburn House Office Building

Witness List

Mr. Nathan Kimpel  
President and Chief Operating Officer  
New Energy Corp.  
South Bend, IN

Mr. John Howe  
Vice President of Public Affairs  
Verenium Corporation  
Cambridge, MA

Mr. Manning Feraci  
Vice President of Federal Affairs  
National Biodiesel Board

Mr. Ron Litterer  
Chairman  
National Corn Growers Association  
Greene, IA

Mr. Brooks Hurst  
Member of the Board of Directors  
The Paseo-Cargill Biofuels Plant  
Tarkio, MO  
On Behalf of the Missouri Soybean Assn

**Nathan Kimpel—New Energy Corp**

- How many of these biofuel producing plants are small businesses?
- Can you explain a little more about corn input costs? Specifically, what are the costs, and how volatile have they been in recent months/years?
- Where do ethanol producers get the majority of their start-up funding?
- How many producers utilize the SBAs lending programs? What can we do to make this a more viable option?
- What are the major obstacles to raising the limit on ethanol blending with gasoline? In your opinion, where is the logjam?

**John Howe—Verenium Corporation**

- Due to the cutting edge technology involved with cellulosic biofuel production, does venture capital play a role in early start-ups? If so, how much?
- I am sure it varies from region to region, but what are the best crops to produce for cellulosic ethanol?
- Are colleges and universities offering degrees that are specifically designed for jobs in the biofuels industry? What types of degrees do the higher-end technical jobs at biofuel plants require?

**Manning Feraci—National Biodiesel Board**

- What are the complications of moving biodiesel through traditional petroleum pipelines and what needs to be done to overcome that?

- As you and others have mentioned, biodiesel is produced both from feedstocks and reclamation of waste oils. What is the approximate ratio of feedstock to reclamation of oils when the total biodiesel production is calculated? What can be done to boost reclamation efforts?
- What is on the horizon? What is the “next big thing” in the biodiesel industry?
- If every biodiesel plant was operating at full capacity, how much biodiesel would this country be able to produce?
- In regard to the difficulty in accessing credit to expand—the economic bailout legislation was intended to help fix this. A lot of industries have testified before this Committee to say that the legislation has done little, if anything to really free up the necessary capital. Do most people in your industry look to large commercial banks (where the majority of the bailout money has been filtered) or to smaller community banks (where it hasn't)?

**Ron Litterer—National Corn Growers Association**

- Could you explain why the price of corn has fluctuated so much in recent months/years? What is causing the volatility?
- Mr. Husrt mentioned in his testimony that there is no fuel versus food debate to be had here. Could you also comment on that?
- Could you go into further detail about the “blend wall” you mention in your written testimony and describe what needs to be done to address the issue?

- As we all know, American auto makers are having serious issues. Do you foresee a way that we could combine these two industries more closely that could benefit both?

**Brooks Hurst—Missouri Soybean Association**

- Is there an international market for U.S. produced biofuels? Are there obstacles that Congress could address that could open up markets abroad for our biofuels?
- Could you explain a little bit more on how critical these small biofuel plants are to local rural economies?
- What are state legislatures doing to foster the growth of the biofuels industry? Are there any particular efforts in one state that could be emulated by other states?

**EXHIBIT 12**

**Written Testimony of Brooks Hurst, Tarkio, MO, 3/4/2009**

My name is Brooks Hurst I farm in northwest Missouri (Tarkio, MO). In addition to serving on the board of a majority farmer-owned biodiesel production facility located in Kansas City, Mo., I am also invested in several other new-generation cooperatives and limited liability companies. I was asked to testify about the impact the economic downturn has had on the biofuels industry.

Because I am more involved with the biodiesel industry than I am ethanol, I will focus on biodiesel. However, I do believe that I can accurately answer any questions the Small Business Committee might have about liquid biofuels and/or direct the members to helpful resources.

For clarification: biodiesel is made from vegetable oil and most of this oil comes from soybeans, although any fatty acid can be utilized. Biodiesel is blended with petroleum-based diesel fuel and can power any vehicle or piece of machinery that has a diesel engine. Ethanol is alcohol that is distilled from a sugar or starch-based mash. Corn is currently the most economically feasible feedstock for ethanol production. Ethanol is blended with gasoline for use in cars and light-duty trucks that have gasoline engines.

These two fuels represent real technology that we are able to produce now. Biofuels are reducing our dependence on foreign oil, adding to our fuel supply and creating jobs by encouraging the proliferation of "bio-refineries" in the rural areas of this nation. And the displacement of fossil fuels with these renewable fuels is good for our environment. For every unit of energy that is used for drilling, transporting and refining gasoline, only 0.9 of a unit is gained. With tillage, fertilizer, processing, etc., figured-in, ethanol yields 1.2 units of energy for every unit of input. Biodiesel's return on energy investment is even more impressive. From field to fuel tank, biodiesel gives 3.5 units for every unit of energy while reducing the carbon footprint for every gallon by 70 percent.

While I'm dispelling misinformation, I will also mention that there is no food vs. fuel issue when it comes to biodiesel. The following figures can also aid in demonstrating the impact that commodity prices have on the biodiesel industry.

Whole soybeans are rarely fed to animals or eaten by people. The beans are processed (crushed) to separate the oil (20 percent of the soybean itself), meal (75 percent), and hulls (5 percent). More than 95 percent of all domestically-produced soybean meal is fed to livestock, but it can also be made into soymilk, tofu, etc. The hulls are fed to animals and have the same market value as corn. Only the soybean oil is used to make biodiesel. In other words, for every unit of biodiesel produced, there are more than three times as many units of feed and/or food produced. What about cooking oil? Used cooking oil is also utilized to make biodiesel. So, foods can be fried in oil, and then the oil can be made into biodiesel. The more soybeans we grow for vegetable oil to be processed into biodiesel, the more feed and food is produced. The biodiesel industry provides food, feed, AND fuel.

Every 60-pound bushel of soybeans yields approximately 1.5 gallons of soybean oil which subsequently yields 1.5 gallons of biodiesel. The formula for biodiesel is simple: 90 percent fatty acid + 10 percent alcohol + catalyst = 90 percent biodiesel and 10 percent glycerin. I will expand on the role glycerin plays near the conclusion of this testimony. Soybean oil weighs approximately 7.5 pounds per gallon. If you multiply 7.5 by the Chicago Board of Trade price for soybean oil, which gives you a rough idea of the break-even price for biodiesel.

It is understandable that commodity prices, along with fuel prices, have the greatest impact on the feasibility of the biofuels industry. I don't know how direct the relationship is between the economy and fuel prices, but the dipping petroleum market has affected our bottom line as much as high feedstock prices did over the summer.

The situation in the world of finance has affected many biofuels operations also. At a time when a great deal of operating capital is/was required to pay for margin calls or to simply keep the operation afloat, lenders tightened the purse strings. Even though interest rates are low, financial institutions are not willing to loan the money. I know of an example where a loan on a biodiesel plant was purchased by a large firm who put a stop to the farmer-owned plant borrowing money from a local bank. However, the new financier would not extend operating capital to the plant. The biodiesel cooperative is now trying to squeeze more money from its original investors. They have no other option!

I also know of a large scale, farmer-owned biodiesel production facility for which 40 percent of the capital requirement for construction was met by farmer-investors. Three years ago, when the shares were sold to farmers, diesel prices at the pump were around \$3 per gallon and soybean oil prices were around \$0.28 per pound. With the Dollar Blenders Credit from the Federal Government, the future looked bright for biodiesel investors and financiers were knocking on doors wanting the business of these co-ops and LLCs. We all knew things would tighten-up, but we didn't know how dramatically. This particular group had three different lenders willing to put up 60 percent of the capital. Their equity drive closed and construction started at about the same time that commodity prices began to climb. Those lenders all raised their required interest rates which prolonged negotiations and before an agreement was reached with one of the firms. Soybean oil prices were over \$0.70 per pound and projected margins were thin. New lenders were courted, but then the financial world collapsed. The plant is now partially built, but the capital raised has been depleted and the construction crews have been sent home until further capital is raised or a lender steps forward.

I have been fortunate to be involved in business models with a better position in the industry. But, things are still tough. Nationally, biodiesel's production capacity is near 2.55 billion gallons per year; however, actual production was approximately 700 million gallons in 2008. Still, biodiesel was able to displace more than 20 million barrels of petroleum in 2008. These numbers help to show that there is great potential to increase the level of U.S. biodiesel production and reduce dependency on foreign oil when

operating capital is available and/or the markets are not as volatile as they are today. For ethanol, approximately 9.5 billion gallons were produced in 2008, which displaced more than 300 million gallons of foreign oil.

One 30-40 million gallon biodiesel plant that is integrated with a soybean crush facility will employ over 50 individuals with a payroll of over \$2 million annually. The construction of that plant provided jobs and transportation jobs have been created as a result of the transfer of goods in and out. The demand for soybeans is higher and the feed for animals is cheaper because the plant was built. Those additional profits combined with the earnings from the farmer-owned facility are reinvested in rural communities, creating retail and service jobs. That exemplifies why it is critical to keep the biofuels ball rolling.

I suppose the government has done everything possible to encourage lenders to extend operating capital to existing biodiesel and ethanol production facilities. If not, those avenues need to be explored to maintain the industry we have created and which has truly had a positive impact on Rural America and our nation as a whole. There is no need to throw money at "pie-in-the-sky programs" when we have part of the answer to our future energy needs at hand.

Aside from the requirements for capital and financing, three recommendations for the committee and the federal government come to mind: extension of the federal Biodiesel Blender's Credit, inclusion of glycerin in the federal Bio-based Fuel Blender's Credit and implementation of the Renewable Fuels Standard. I believe that biofuels producers who make it through this volatile shake-out period will be successful long term. Extending and properly implementing the programs already in place can aid this fledgling industry.

One of the biodiesel plants I am involved in is finding it difficult to book business forward because of the uncertainty of the continuance of the Biodiesel Blender's Credit program. If extended for three more years, operations could minimize their risks by contracting forward. It would also assure lenders that projections relying on the credit were accurate and that possible market implications were not a nearby concern.

Likewise, if the Department of Revenue would decide that glycerin is eligible for the fifty-cent Bio-based Fuel Blending Credit, it would establish a floor for the price of the co-product coming out of biodiesel plants. There are many uses for glycerin, but its pricing has fluctuated as greatly as the petroleum and commodity markets. Glycerin is being successfully utilized as a fuel conditioner in #4 fuel oil. It works as a fuel when blended at 20 percent in burners that fire asphalt plants. It is bio-based and there is no reason why it should not be eligible for that tax credit program. Inclusion in the tax credit program would also help the Environmental Protection Agency move their classification of glycerin from a waste product to a fuel.

Finally, implementing the Renewable Fuel Standard that Congress passed in the latest Energy Bill would help to provide additional support for the nation's biofuels producers. The specifics for the enforcement of the RFS are still to be determined, but we need it to

be enacted as soon as possible. Even when biofuels have been less expensive than petroleum based fuels, we have seen petroleum companies resist making biodiesel or ethanol available to consumers. The RFS is necessary to help the free market because petroleum companies have a monopoly on the distribution infrastructure.

Making biofuels available to the public and increasing domestic demand is more important than ever. All exports of biodiesel to Europe have been stopped as of the first of the year pending determinations on trade conflicts between U.S. biodiesel producers and the European Union.

I believe that we, as a nation, stand at a crossroads. The decisions that are made today will impact this country for years to come. It is my hope that my testimony will help demonstrate the importance of the biofuels industry and that the Small Business Committee will consider my recommendations. It is crucial that we work together to ensure that the U.S. biofuels industry continues to play an important role in rural development and growing our fuel supply.

**EXHIBIT 13**

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### Item 1 of 199

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#### H.CON.RES.25

**Title:** Expressing the sense of Congress that it is the goal of the United States that, not later than January 1, 2025, the agricultural, forestry, and working land of the United States should provide from renewable resources not less than 25 percent of the total energy consumed in the United States and continue to produce safe, abundant, and affordable food, feed, and fiber.

**Sponsor:** [Rep Peterson, Collin C.](#) [MN-7] (Introduced 1/10/2007) [Cosponsors \(72\)](#)

**Related Bills:** [S.CON.RES.3](#)

**Latest Major Action:** 10/16/2007 Referred to Senate committee. Status: Received in the Senate and referred to the Committee on Agriculture, Nutrition, and Forestry.

**House Reports:** [110-344 Part 1](#)

<a href="#">All Information (except text)</a>	<a href="#">Text of Legislation</a>	<a href="#">CRS Summary</a>	<a href="#">Major Congressional Actions</a>
<a href="#">Titles</a>	<a href="#">Cosponsors (72)</a>	<a href="#">Committees</a>	<a href="#">All Congressional Actions</a>
<a href="#">Related Bills</a>	<a href="#">Amendments</a>	<a href="#">Related Committee Documents</a>	All Congressional Actions with Amendments With links to <i>Congressional Record</i> pages, votes, reports
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**EXHIBIT 14**

# ROLL CALL

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## Biofuels, Flights Benefit Graves

Nov. 7, 2007  
By Paul Singer  
Roll Call Staff

09-7000\_000131

At the beginning of October, Rep. Sam Graves (R-Mo.) joined several other Midwestern lawmakers in sponsoring legislation to create a national mandate for the use of increasing quantities of biodiesel as a replacement for regular diesel fuel.

Graves has long been an advocate of renewable fuels, and his spokesman argues that biodiesel is "good for the environment, good for the economy and good for the producers."

But the bill also would be good for Graves' wife, Lesley, a public school teacher who in 2005 invested \$15,000 in a new biodiesel plant that has since become the largest biodiesel facility in the state.

The biodiesel plant is one of several questionable entries on Graves' financial disclosure forms, including his receipt of thousands of dollars worth of flights on the private plane of a personal friend who is also a contractor with significant financial interests before the committees on which Graves serves.

Graves spokesman Jason Klindt said the Congressman has long been a supporter of renewable fuels. "There is a wide and deep support in Missouri and the Midwest for biodiesel and renewable fuels," Klindt said, and Graves' "support of renewable fuels is well documented."

In May 2004, when Graves was chairman of the Small Business Subcommittee on Rural Enterprises, Agriculture and Technology, the panel held a hearing on the promise of renewable fuels and tax incentives for ethanol and biodiesel.

One of the witnesses was the treasurer of Golden Triangle Energy Cooperative, a small ethanol plant in northwest Missouri. At the time, Graves listed on his financial disclosure forms that he owned jointly with his wife stock in Golden Triangle worth between \$1,000 and \$15,000, which produced less than \$1,000 in dividends.

In his most current disclosure report filed in May, the Golden Triangle stock is listed as belonging to his wife, and the dividend income is listed between \$15,000 and \$50,000.

Another witness at the May 2004 hearing was Brooks Hurst, a farmer from Graves' small hometown who spoke on behalf of the Missouri Soybean Association. Hurst discussed the importance of a tax incentive for the use of biodiesel in blends with regular diesel fuel. Congress passed the biodiesel tax credit in 2004; Hurst called it "the single most important legislative initiative in the history of the soybean industry."

The following year, Hurst and a dozen other Missouri farmers established a new company to build a biodiesel plant in the state. They put up their own money and then recruited friends and colleagues to make up the rest of the initial capital.

Hurst said in an interview this week that in 2005, "I got in touch with the Graves family and told them about the opportunity." Hurst said he has known the Graves family for years, and he and Graves are among the handful of users of an airstrip in Tarkio, Mo.

Lesley Graves invested \$15,000 in the plant; Hurst said there are about 400 investors in the project, which is now

up and running with a production capacity of about 30 million gallons a year, according to statistics provided by the National Biodiesel Board. The plant is in Mexico, Mo., next door to an existing Archer Daniels Midland processing facility, Hurst said.

In 2005, national biodiesel capacity was 75 million gallons; with the federal incentives in place that number is likely to reach 300 million this year, according to the Biodiesel Board. The legislation Graves introduced with the other Midwestern members in October would set a national target of 1.25 billion gallons of biodiesel consumption annually by 2012.

Klindt said there is nothing untoward about Lesley Graves' renewable-fuels investments. "Most of [the fuels plants] in Missouri are small-town farm families that band together to support ethanol and biodiesel in order to revitalize small-town Missouri and break our dependence on foreign oil."

Klindt also argues that Graves and other Members regularly vote on issues that affect their own finances. "He votes on No Child Left Behind and his wife is a schoolteacher," Klindt said.

Ethics experts say Graves' investments are probably not in violation of any House rules, though they may create the appearance of a conflict of interest.

Several ethics lawyers consulted for this article — none of whom would agree to speak on the record — said the more troubling items on Graves' financial disclosure form are the regular recreational flights he accepts from Stanley Herzog, who owns a road and rail contracting company in Graves' district.

According to Graves' financial reports, the Congressman accepted trips to Florida on Herzog's corporate jet in 2006, twice in 2004 and once in 2003. In 2002, he reported accepting a flight to Arizona from Herzog and another to Florida from another friend. Most of the flights were to NASCAR races in Florida.

Graves' financial records vary on how the flights are characterized. The 2006 report values the one-way flight to the NASCAR race "in excess of \$250"; the 2003 report values the round-trip flight to the same event at \$1,004.90. In each case, Graves' reports say "Determination on personal friendship received from the Committee on Standards."

Under House ethics rules, Members of Congress and their staff can receive gifts of value from personal friends, though for any gift valued over \$250 they need to get prior approval from the ethics committee.

The problem posed by the Herzog flights, ethics lawyers said, is if the airplane belongs not to Herzog but to his company, Herzog Contracting Corp. As one ethics lawyer said, "corporations don't have friends," so in order for the flights to be a "gift" from a "friend," Herzog would have had to reimburse the company for the cost of the flights, unless the cost of the airplane comes directly out of his pocket.

In addition, Herzog Contracting has significant issues pending in Congress, and Graves, as a member of the Transportation and Infrastructure Committee, may have input on those issues.

For example, Herzog's transit subsidiaries provide rail service in competition with Amtrak in several cities. In 2002, Graves' local newspaper, the St. Joseph News-Press, wrote that with Congress considering reform of Amtrak, "Mr. Herzog, executive vice president of Herzog Contracting Corp., said the St. Joseph company is ready to roll as a major competitor to Amtrak — if Congress takes action. He's optimistic that, after years of lip service, Congress is on board with the idea of competition."

In 2005, Graves was named by then-Transportation Chairman Don Young (R-Alaska) to be a member of a special Amtrak working group to review Amtrak management and finances.

In a letter dated Nov. 29, 2006, the bipartisan leaders of the ethics committee wrote Graves saying he would be allowed to accept a flight from Herzog under the circumstances that Graves had described to them. The letter quoted Graves as saying Herzog "is in the construction business and has no official business before the House."

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But between April 2001 and December 2006, Herzog's firm employed Ann Eppard Associates to lobby the House on railroad issues.

Graves also described the airplane as belonging to Herzog LLC, but the Federal Aviation Administration has no record of an airplane registered to an entity of that name.

Klindt said Graves "sought and received permission from the chairman and ranking member of the Committee on Standards of Official Conduct" after accepting the flight. "If there are any discrepancies, we will immediately work to resolve those issues," Klindt said.

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09-7000\_000133

**EXHIBIT 15**



1 of 1 DOCUMENT

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The Kansas City Star

December 6, 2007 Thursday

**SECTION:** B; Pg. 1**LENGTH:** 1182 words**HEADLINE:** Family ties to ethanol plant draw questions for Rep. Sam Graves**BYLINE:** STEVE KRASKE, The Kansas City Star**BODY:**

When Rep. Sam Graves looked across the hearing room that day in 2004, he saw a pair of old friends looking back - Charlie Hurst and his son, Brooks Hurst.

Both were from northwest Missouri and came to Washington at Graves' invitation as witnesses to promote federal subsidies for the renewable fuels industry. They were identified as members of a small ethanol plant cooperative in Craig, Mo., known as Golden Triangle Energy.

Left unsaid that morning was the Graves family's ties to Golden Triangle. In 1999, Graves' wife, Lesley, had invested \$13,000 in the cooperative, and in 2006 she would invest \$6,826 more.

Graves told *The Kansas City Star* on Wednesday that his failure to disclose his connection to Golden Triangle at the hearing was a mistake.

"Looking back on it, I probably should have," the Tarkio Republican said.

He also acknowledged several mistakes in his personal financial disclosure forms filed each May. One of those concerned the amount of his wife's investment in Golden Triangle.

"We're fixing that right now," Graves said. "We have an attorney helping us with the disclosures to get it right. Some numbers were not high enough. Some were too high. Why that was done, I have no idea."

Graves said he double-checked the disclosures, but didn't "double-check it closely enough."

09-7000\_000135

Page 2

Family ties to ethanol plant draw questions for Rep. Sam Graves The Kansas City Star December 6, 2007 Thursday

Democrats, already engaged in a fierce race to unseat Graves in 2008, say the miscues add up to larger concerns about the congressman.

"Sadly, Congressman Graves seems to be making a habit of bending the rules in Washington so they work for him and not everyday families in northwest Missouri," said Kay Barnes, a Democrat and former Kansas City mayor seeking to unseat the four-term incumbent. "He's been caught playing fast and loose with the ethics rules."

The disclosures follow reporting by *Roll Call*, the Capitol Hill newspaper that has, among other things, raised questions about the opportunity the Graves family received to invest not only in Golden Triangle, but also a biodiesel plant in Mexico, Mo. Lesley Graves has invested \$15,000 in the plant.

Graves told *The Star* that his wife has made no money in the investment and that involvement in such cooperatives is a way for farmers to seize control of their own financial fates and boost the burgeoning renewable fuels industry. Graves is a grain farmer, but leaves the operation to relatives.

The *Roll Call* stories are the result of a well-orchestrated Democratic attack and the highly charged partisan atmosphere in Washington, he said.

"It's a campaign," Graves said. "And campaigns are a dirty business."

The articles also spotlighted his acceptance of trips to Florida and other locales apparently on a corporate jet belonging to the Herzog Corp. of St. Joseph. Members of Congress can accept gifts from personal friends, although gifts valued at more than \$250 need approval from the House ethics committee.

According to Graves' disclosure reports, he received that approval. But if the flights were on a plane owned by the Herzog Corp., as opposed to Vice President Stanley Herzog personally, that could require Herzog to reimburse his company for the cost of the flights. An aide to Graves said Wednesday the congressman's office was still checking the plane's ownership.

*Roll Call* also pointed out that Herzog, which runs construction, rail service and rail-testing businesses, has significant issues before Congress, and Graves, as a member of the Transportation Committee, is in a position to help. The newspaper said a November 2006 letter from the ethics committee quoted Graves as saying Herzog "has no official business before the House."

Graves acknowledged that Herzog, a friend of more than 20 years who could not be reached for comment, has hired lobbyists who work on his behalf in the nation's capital.

"Stan has never asked me to do anything," Graves said. "He's never asked me to propose a bill for him or propose legislation."

Graves spokesman Jason Klindt said if any discrepancies arise, "we will immediately work to resolve those issues."

One ethics expert, Steve Carpinelli of the Center for Public Integrity, said Graves should have acknowledged his ties to Golden Triangle in the subcommittee hearing of the House Small Business Committee. The only consequence for not doing so, he said, would be if another member of Congress files an ethics complaint, a practice common during election years.

As for Graves fixing mistakes in his personal financial disclosure statements, Carpinelli said amendments are fairly routine.

"It's not all that unusual for there to be a mistake when it comes to the wrong box being checked in disclosure reports," he said.

09-7000\_000136

Family ties to ethanol plant draw questions for Rep. Sam Graves The Kansas City Star December 6, 2007 Thursday

Graves said the Small Business Committee is an oversight panel that passes legislation only involving the Small Business Administration and its programs.

As a result, the hearing on renewable fuels was intended to be only informational.

"It doesn't bother me in the least to say that my family invests in this, and that I'm a huge supporter," Graves said. "This is the best thing that's happened to farmers."

Flying a 1943 biplane Rep. Sam Graves has accepted free flights in a Boeing "Super Stearman" airplane belonging to one of his biggest campaign contributors. And he's not disclosed them. That, says the Capitol Hill newspaper Roll Call, which detailed Graves' use of the plane in a story this week, could be a violation of House ethics rules. The plane is question, however, is not some sleek corporate jet. It is a 1943 open-cockpit biplane. Graves said he's done nothing wrong because he's the one providing the favor by flying it. "You disclose gifts," he said in an interview. "I fail to see how it's a gift." Graves, an avid flier, said he is one of only three people qualified to fly the vintage barnstorming aircraft registered to Herzog Contracting Corp., a transportation firm in St. Joseph whose employees have donated tens of thousands of dollars to Graves. None of those pilots works for Herzog. Stanley Herzog, an executive of the company, is a longtime friend. Another of his aircraft, a passenger jet, has ferried Graves to Florida. Those flights have been approved by the House ethics committee, although a question has been raised about proper reimbursement. When the Herzogs need the old biplane flown to an air show, Graves sometimes volunteers. "If I'm asked to fly it, sure, I'll fly it if I'm available," he said. Because it's an open-air plane, Graves said he can't wear a suit in the craft even if he wanted to use it on official congressional business. Roll Call said Graves flew it in July 2006 to a huge air show in Oshkosh, Wis., and in April piloted it to an event in Chillicothe, Mo., where he staged a brief air demonstration. Graves said he's logged fewer than 10 hours in the aircraft this year. The other two pilots can charge Herzog Corp. for flying the plane. Graves said he would, too, if congressional disclosure rules weren't so cumbersome. "You have to take it up once in a while," Graves said, "or the oil pools in the cylinders."

To reach Steve Kraske, call 816-234-4312 or send e-mail to [skraske@kcastar.com](mailto:skraske@kcastar.com) | Steve Kraske

**LOAD-DATE:** December 6, 2007

09-7000\_000137

**EXHIBIT 16**

CONFIDENTIAL

Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

OFFICE OF CONGRESSIONAL ETHICS  
UNITED STATES HOUSE OF REPRESENTATIVES

Memorandum of Interview

In Re: Representative Graves' Communications Director  
Review #: 09-7000  
Date: June 16, 2009  
Location: Law Offices of Lathrop & Gage, Kansas City, MO  
Time: 11:00 am  
Participants: Leo Wise  
Elizabeth Horton  
Terry Brady  
Matt Hubbard

Summary: Representative Graves' Communications Director was interviewed pursuant to Review 09-7000. We requested an interview with him and he consented to an interview. He was provided a copy of 18 U.S.C. 101 Representative Graves' Communications Director made the following statements in response to our questioning:

1. Representative Graves' Communications Director was given a copy of 18 U.S.C. § 1001, the False Statements Act, before he was interviewed and he signed a written acknowledgement of its receipt.
2. He has been Representative Graves' Communications Director since 2003, with breaks for work on various campaigns. He was Representative Graves' campaign manager for the 2008 and 2004 elections.
3. He received a mass email about the hearing, which he responded to, but he did not participate in any other email conversations. He may have been copied on other emails but he stated that he would not have responded to any other emails.

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4. After he received the mass email about the hearing, he thought about ongoing articles about Show Me Ethanol. The articles were published during the campaign in 2008. He noted the investment issue in his email to Mr. Sass because he was trying to avoid bad press. The articles he recalled from 2008 weren't about Representative Graves or his wife; they dealt with an issue between the State's Governor and the State Treasurer.
5. The articles dealt with funding issues. The State Treasurer was denying funding for Show Me Ethanol because the Governor's brother and a state representative were invested in the company. Leslie Graves was mentioned in the articles because she was also an investor. The funding was a tax matter.
6. He knew that Representative Graves was invested in Show Me Ethanol and the two other companies because they were listed on the Congressman's disclosure statement.
7. Show Me Ethanol was the holding mentioned in the press.
8. The state issue was over a tax credit. He didn't pay much attention to the issue since it was a state issue. The matter involved a conflict of interest for state officials but the state was trying to interpret the matter more broadly to include federal officials.
9. Leslie Graves sold her interest in Show Me Ethanol because she didn't want to be an impediment for Show Me Ethanol to get the credit/funding.
10. He pulled Representative Graves' financial disclosure statement to see what the Congressman was invested in after Mr. Sass, in response to his email, asked which companies Representative Graves was invested in.
11. He called Mr. Sass to see if the office had found a witness and Mr. Sass told him that Brooks Hurst had agreed to testify.
12. The only issue that came to his mind when he heard that Brooks Hurst would testify was Representative Graves' and Brooks Hurst's mutual interest in aviation, which he stated was different than Show Me Ethanol.
13. He did not speak with Representative Graves about the hearing.
14. He has very little contact with Representative Graves since he works in Liberty.

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15. He does not talk with him on the phone, no one approves his work. He works with the Legislative Staff Director. He calls Mr. Sass when he needs to find out whom to talk with on an issue.
16. He remembered calling Mr. Sass on the Friday prior to the hearing.
17. With respect to the *Roll Call* article that appeared in 2009, he would have formulated the office response to the article but he was traveling that day. He spoke to Angela Landers and Karen Haas regarding the response. He called to see what the article would be about. The reporter brought up the article from 2007.
18. He would have to pull files to find the response to the 2007 article but to paraphrase he felt that Brooks Hurst was there on behalf of the industry and the majority agreed that he was a qualified witness.
19. He knew that Representative Graves was invested in Golden Triangle, he had fact checked the article after it came out.
20. His recollection of the 2007 article was that the reporter wanted a different slant for political piece. He thought the political expedient response to the article was for Representative Graves to say that he "probably should have" disclosed his financial interest in the matter even though it was incorrect grammar, he would have advised him to say "probably should have."
21. He did not recall the actual article from 2007. He was sure that there would have been a discussion about the article at the time but he did not recall any specific conversation.
22. He did not know what Brooks Hurst did, if anything, on behalf of Golden Triangle. He thought that he was just an investor.
23. The first thing that would have raised a conflict issue in his mind with respect to Brooks Hurst would have been airplanes.
24. He reviews the write-ups for hearings for Representative Graves' quotes. He makes sure any quotes sound like the Congressman.

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25. His only knowledge of the March 2009 hearing was from the initial email that he received from Mr. Sass about the need to find a witness for the hearing.
26. He remembers the press release for the hearing because it included a quote supposedly made by Representative Graves that referenced "Saudi Arabian farmers" in a comment. He knew the quote was incorrect because "Saudis don't farm." So, he had back and forth conversations with the Committee's Communication Director to correct the quote.
27. He would have drafted a press release, Angela Landers would have sent him Brooks Hurst's testimony and he would have pasted it in the release.
28. He was certain that Brooks Hurst supported Representative Graves' campaign.
29. He doesn't recall being at any campaign event with Brooks Hurst and he is unaware of whether he is a campaign contributor.
30. He was sure that Brooks Hurst voted for Representative Graves and, if asked, he was sure Brooks Hurst would say that he supported the Congressman.
31. He doesn't recall seeing any letter to the editor. It would have stuck in his mind if a letter was published in St. Joe.
32. He did not believe Brooks Hurst had ever hosted an event for Representative Graves; the campaign doesn't do any events in the home county. The Congressman does well in his home county. He lives there, the people know him.

Elizabeth Horton  
Investigative Counsel

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Conflicts of interest stop ethanol plant from getting state aid

JEFFERSON CITY, Mo. (AP) — A potential conflict of interest involving a congressman's wife, the governor's brother and a state legislator has kept a new \$82 million ethanol plant from receiving a valuable state financing incentive.

If the politicians, or their relatives, don't sell their shares soon, the hundreds of other investors in Show Me Ethanol LLC could be forced to shoulder millions of dollars of additional interest to pay off the plant's loan.

Show Me Ethanol, which is on track to open this spring, received conditional approval 15 months ago from State Treasurer **Sarah Steelman** to benefit from a program in which banks offer below-market interest rates.

But that condition required Show Me Ethanol to comply with Steelman's strict conflict-of-interest policy for its investors. No incentives can be given if the company has even a single investor who is a lawmaker, statewide elected official, state department director or a parent, sibling, spouse or child of any of those officials.

So far, Show Me Ethanol has been unable to comply. That's because its investors include state Rep. **John Quim**, R-Chillicothe; his wife, **Mary**; and **Andy Blunt**, the brother of Republican Gov. **Matt Blunt**. Also invested in the plant is **Lesley Graves**, the wife of U.S. Rep. **Sam Graves**, R-Mo.

The treasurer's policy doesn't specifically list Missouri's federal lawmakers as prohibited investors, but Steelman has interpreted her policy so that it does.

The Graves family was unaware its investment could pose a potentially costly conflict for Show Me Ethanol until contacted last month by The Associated Press, said the congressman's spokesman, **Jason Klindt**. As a result, Lesley Graves now plans to sell her investment, Klindt said.

"She didn't want Show Me to be held to some sort of different standards just because she was an investor," Klindt said.

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The Quinns and Andy Blunt are still holding on to their shares, though they told the AP they would consider selling if Steelman remains steadfast and the company needs them to do so.

Steelman insists no exceptions to her policy will be made.

"This is the taxpayers' money, and I don't think it's right for legislators or elected officials to be able to access that benefit, which helps them directly profit," said Steelman, a Republican.

The treasurer's BIG Missouri program deposits state money in Missouri banks at interest rates up to 3 percentage points lower than the typical deposit rate. That reduced rate then must be passed on to the entity receiving the loan. With Steelman's backing, legislators expanded the list of qualifying borrowers in 2005 to include ethanol plants and other value-added agriculture facilities.

So far, no ethanol plant has benefited. Show Me Ethanol is the only one to even apply.

Other companies have been scared away from the state program by Steelman's strict policy, said Gary Clark, the senior market development director for the Missouri Corn Growers Association, who works with groups seeking to open new ethanol plants.

If its politically connected investors sold their shares, Show Me Ethanol could save about \$6 million in interest over 10 years by participating in the treasurer's program, said Dave Durham, a northern Missouri farmer who is chairman of Show Me Ethanol's board of directors.

But Durham is frustrated that Steelman has neither budgeted nor explicitly assured Show Me Ethanol it will get the cheap bank loan if the Quinns and Blunt sell their shares.

"The reality of the matter is there are not a lot of farmers," Durham said, "and a lot of legislators are farmers, and they're big supporters of (the ethanol) business and they want to be a part of it."

Quinn believes the treasurer's office should relax its policy, perhaps allowing up to 5 percent of investors to have political connections. Because Show Me Ethanol has more than 700 investors, Quinn would not have to sell his shares under such a standard.

"I think she has basically carried it to the extreme," Quinn said.

The treasurer's program is just one of several Missouri incentives for ethanol. The state also offers an income tax credit for farmers who invest in ethanol plants and provides the facilities up to \$15.6 million in production-based subsidies over their first five years of operation.

The Department of Agriculture has no conflict-of-interest policy for the production subsidies. Its conflict-of-interest prohibition for the tax credits applies only if a lawmaker, statewide official, department director or an immediate family member owns more than 10 percent of the company.

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"We haven't even come close to anyone being at that 10 percent level," said **Tony Stafford**, executive director of the Missouri Agricultural and Small Business Development Authority, which administers the tax credits.

Farmers who invested in Show Me Ethanol received their individual tax credits last July, Stafford said.

The Corn Growers group contends there is no difference between legislator-farmers receiving ethanol incentives and legislator-doctors getting paid under the state's Medicaid program.

But Steelman believes the wrong message would be sent if even one public official were to benefit from her ethanol incentive program.

"We need to make it clear to the taxpayers of this state that their money is being invested wisely and we're not investing it in elected officials," Steelman said.

Submitted by Steve Laska on January 21, 2008 - 4:42pm.  
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