

STATEMENT ISSUED BY WILLIAM J. CASEY

Mr. Casey issued the following statement in response to the Washington Post article of January 7, 1982, concerning his legal representation of the Government of Indonesia in 1976:

The Senate Select Committee on Intelligence, in its review of Mr. Casey's representation of the Government of Indonesia, specifically stated that the question of registration was "a technical one involving whether there was an attempt to influence or persuade agency officials, and, if so, whether an exemption applied because representation was in the course of an established agency proceeding."

The Foreign Agents Registration Act specifically exempts "[a]ny person qualified to practice law, insofar as he engages or agrees to engage in the legal representation of a disclosed foreign principal before any court of law or any agency of the Government of the United States: Provided, That for the purposes of this subsection legal representation does not include attempts to influence or persuade agency personnel or officials other than in the course of established agency proceedings, whether formal or informal." Rogers & Wells, in undertaking to represent Indonesia, made a good faith determination that all elements of the lawyer's exemption were applicable. Rogers & Wells and Mr. Casey disclosed their legal representation of the Government of Indonesia to the appropriate agencies (Treasury and IRS), with whom they discussed the matter. The thrust of those early meetings was exploratory in nature and were essential in order to obtain enough information to be able to advise their client.

On December 15, 1981, Mr. Casey's lawyers, the firm of Shea & Gould, took a fresh look and advised that "it is our opinion that Mr. Casey was exempt from the registration requirements of the Act under subsection 3(d) [conduct

not involving political activity], 3(g) [lawyer's exemption], or both, of the Act." After reading the Post article, the firm again reviewed the matter and stands by its original determination.

The writer of the Post article continuously refers to an "established" proceeding. He omits to state that the proceeding may be either "formal or informal." It is quite clear that Rogers & Wells and Mr. Casey were dealing with a Revenue Ruling and in every respect served as attorneys when seeking a clarification of the IRS position on the matter and later attempting to have their client comply with it. Specifically, they wanted the appropriate U.S. Government agencies to understand their client's position and they wanted to explore and understand their (Treasury's and IRS') position in order to advise their client of what actions it must take to ease the impact that an adverse IRS ruling had placed on American companies doing business in Indonesia. As a result of this exploration, Indonesia took steps to revise its tax law and its contractual arrangements with U.S. companies in order to meet the requirements of the Revenue Ruling.

Rogers & Wells made a good-faith determination in 1976 that no registration was called for. The firm continues to believe that that determination was correct.