



September 13, 2005

Representative Randy "Duke" Cunningham
2350 Rayburn Building
Washington, D.C. 20515

Dear Representative Cunningham:

Common Cause urges you to step down from your seats on the Appropriations Subcommittee for Defense and the Permanent Select Committee on Intelligence in light of published reports concerning your relationship with defense contractor Mitchell Wade.

While you have said you will not seek re-election next year, you are still a member of the Intelligence Committee and the Appropriations Subcommittee for Defense, which are key committees handling sensitive information and decisions. The reported facts about the questionable sale of your home to Wade around the time his company was seeking your support for government contracts represent a conflict of interest and demonstrate poor judgment.

According to published reports, you sold your house in the Del Mar area of California to Wade, the president of MZM, Inc., in 2003 for \$1.6 million. Wade sold the house less than a year later for \$975,000, taking a loss of nearly \$700,000. Independent real estate agents have publicly stated that the \$1.6 million price was well above fair market value for the house, and the significant loss realized by Wade at the sale of the house appears to confirm this.

Federal prosecutors recently filed court papers as part of a grand jury investigation, which charge that you "demanded and received" a bribe from Wade in the form of the overpayment for the house described above. "Cunningham demanded and received this money in return for being influenced in the performance of his official acts as a public official," says the court filing.

Around the time of the sale of the house, you advocated for the award of defense contracts to Wade's company, MZM, which was "seeking to earn substantial income from contracts with the United States." You supported MZM's bid for tens of millions of dollars in defense contracts as a member of the Appropriations Subcommittee for Defense.

Because your conduct is related to your influence over the awarding of defense contracts and this influence derives principally from your capacity as a member of the Appropriations Subcommittee for Defense, Common Cause urges you to step down from this committee.

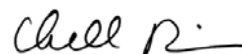
Given the sensitivity and importance of the awarding of defense contracts, especially during a time of war, it is not unreasonable to hold yourself, as a member of the Appropriations Subcommittee for Defense to a higher, standard of ethical conduct.

Furthermore, because of the nature of facts described above, Common Cause urges you to also remove yourself from the Permanent Select Committee on Intelligence, also known as the Intelligence Committee.

The Intelligence Committee is responsible for the oversight of our intelligence gathering services. According to the committee's website: "There is no doubt that intelligence is and must be our first line of defense. Although it is important to have a robust intelligence capability, it is also important to have an effective oversight process to ensure that intelligence resources are not misused and that intelligence activities are conducted lawfully." The reported facts about your conduct call into question your ability to exercise effective and trustworthy oversight in this role as a member of the Intelligence Committee.

We realize this is a difficult decision, but we feel it is an appropriate step to maintain the integrity of that institution in the eyes of the public.

Sincerely,



Chellie Pingree
President
Common Cause