

[Transcript] The Daily / Gold Bars, Wads of Cash and a Senator's Indictment

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From The New York Times, I'm Sabrina Tavernisi and this is The Daily.

In one of the most explosive political corruption cases in recent history, federal prosecutors have accused a senior U.S. senator of trading the power of his position for cash, gifts and gold. Today, my colleague Tracy Tully on the lurid charges against Robert Menendez, his wife Nadine, and an Egyptian-American businessman at the center of the scheme. It's Tuesday, September 26th.

So Tracy, tell me about this corruption case against Senator Robert Menendez of New Jersey.

It came out at the end of last week and I was reading the coverage over the weekend.

It just seemed to get bigger and bigger. The details are just kind of unbelievable.

It's now Monday afternoon. Tell me what we know.

So Senator Menendez, who's a Democrat, he's in his third term in the Senate, but he's represented New Jersey and Congress for three decades.

He was the chairman of the Senate Foreign Relations Committee and he is now accused of taking bribes, which came in the form of a Mercedes convertible, hundreds of thousands of dollars in cash, and gold bullion bars. And in exchange for these gifts and bribes, according to the indictment, he is accused of trying to help several business men in New Jersey and also a foreign government of Egypt.

Okay, so this is something we don't hear about in the Senate every day, a sprawling bribery case involving a foreign power, piles of cash, and gold bars. I mean, it's just remarkable. So let's dig in here. Where does the story of this case start?

Well, this story starts pretty much where his last legal troubles ended.

This morning, New Jersey's senior senator finds himself in the defendant's seat, as day one of his corruption trial gets underway.

In 2017, he stood trial, it was a nine-week trial for corruption.

Menendez is facing multiple counts of bribery and conspiracy for allegedly-

He was accused of accepting gifts and bribes from a doctor.

There was a hung jury, the judge throughout the most serious charges.

A mistrial was declared today in the federal bribery trial of Democratic Senator Robert Menendez of New Jersey. The jury in Newark was hopelessly deadlocked after six days of deliberations. To those who embraced me in my darkest moment, I love you.

To those New Jerseyans who gave me the benefit of the doubt, I thank you.

And Justice Department in late January of 2018 decided not to pursue the case any further.

And a few weeks later, he starts dating a woman

who is at the center of this new investigation, Nadine Arslanian.

So who is Nadine Arslanian? Tell me about her.

Nadine is also from New Jersey, not far from where Menendez is from.

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She's a stay-at-home mom with two adult children.

And she struggled financially after her divorce.

They begin dating in February of 2018.

And by all accounts, it's a whirlwind romance.

They start traveling together.

Puerto Rico, Greece, Turks and Caicos, Colombia.

And finally, in October of 2019, they're in India traveling.

And he pops the question.

It's videotaped and in grand style, in front of the Taj Mahal, in song.

He's fond of singing and calling people for their birthdays and singing happy birthday.

But he sings never enough from the greatest showman.

Wow, that's quite a proposal.

It was quite a proposal, yes.

She accepts.

Oh my God!

And one year later, they're married in a small pandemic ceremony in Queens.

So how did this whirlwind romance turn into a legal liability?

What happened?

So before Nadine even began dating Senator Menendez, she was part of a social circle in northern New Jersey, a small group of friends.

And they would go to dinners together.

And they shared a love of Cuban cigars.

And some of them did karaoke.

And one of these people is an Egyptian-American businessman

by the name of Wil Hannah, who had some experience with import-export into Egypt.

And he becomes a very central character in Nadine and Senator Menendez' life, but also in the indictment.

What do you mean?

Wil Hannah, according to the indictment, is the link to the bribery scheme involving Senator Menendez and his wife Nadine.

Hannah runs a Halal certification company based in New Jersey.

And he, in a meeting with the senator and Nadine, agrees to put Nadine on the payroll of his company in a low or no-show job.

And in exchange for this compensation for Nadine, Senator Menendez, according to prosecutors, agrees to help further the interests of the Egyptian government by way of military equipment and financial aid at a time when the Egyptian government was very concerned that its aid could have dipped based on some very public concerns about humanitarian issues that were going on in Egypt.

And why was Hannah doing that?

Was he connected to the Egyptian government or the Egyptian military?

Was he working for them?

We really don't know, but he definitely had connections with Egyptian military leaders.

And they've developed a system whereby Nadine would pass messages to Hannah, and then Hannah would pass them to the Egyptian officials, sometimes in encrypted calls,

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sometimes through text messaging.

We know at one point that at the request of an Egyptian official, Senator Menendez, according to the indictment, actually ghost wrote and edited a letter trying to convince other U.S. senators to provide \$300 million in aid to Egypt.

And he sent this secret letter to Nadine from his personal email account.

Nadine then forwards this ghost written letter to Hannah, and then Hannah sends it back to Egyptian officials.

Were there other things Menendez was alleged to have done on behalf of Egypt?

Yes, there were several specific things mentioned in the indictment that Senator Menendez is accused of doing.

For example, at one point he seeks information from the State Department.

It's non-public information regarding the number of people and the nationality of people at the U.S. Embassy in Cairo.

This was not classified information, but it was deemed highly sensitive because it could pose some significant security concerns if disclosed.

And they pass this information from Nadine to Wil Hannah, and then ultimately ends up with an Egyptian military official.

And in another situation, there is a discussion about military financing in foreign military sales to Egypt, and the next day Senator Menendez texts Nadine and says, tell Wil, I'm going to sign off on this sale to Egypt today.

And Nadine forwards this text to Hannah.

Hannah forwards it to an Egyptian official.

And the Egyptian official replies via text with a thumbs up emoji.

So Menendez is using his really powerful position in the Senate to essentially help Egypt with some of the things it wants from the U.S., including military aid.

And he's doing it through Hannah as an intermediary.

At the same time, Hannah has put Menendez's wife on staff at his company.

That's right.

And an interesting part of the indictment was there's a sense that Nadine was very frustrated by her friend Hannah because the company wasn't doing terribly well.

And in turn, she wasn't being paid for her low or no-show job.

But that all changes April of 2019, when all of a sudden the Egyptian government gave this company the monopoly, this Halal monopoly.

And Wil Hannah's company is pretty much overnight given the entire United States business.

All meat imported into Egypt, certified Halal comes through Wil Hannah.

And that's a sudden change of fortune for Hannah.

And it turns out also for Nadine.

In one text cited in the indictment, Nadine texts Senator Menendez, seems like Halal went through.

It might be a fantastic 2019 all the way around.

So the government of Egypt is giving, effectively, carte blanche to this one tiny company run by Hannah.

So this decision gives essentially a monopoly to Hannah's company and enriches him and Nadine.

But does that connect to Menendez?

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Is there a line there?

The indictment shows that Menendez does get involved here.

After the Egyptian government gave a monopoly to this one company, several people from the USDA raised concerns.

They raised concerns because prior to this monopoly, four companies in the United States had been doing this work.

And they were concerned that this shift to a sole operator could increase costs of meat to an entire nation and also could disrupt markets in the United States.

The USDA asked the Egyptian government to reconsider its decision.

And around that time in late May, Senator Menendez calls a high-level USDA official and essentially conveys the message to back off and to stop raising objections to this monopoly.

So when do federal prosecutors actually close in on Senator Bob Menendez?

Like, when does this go from an investigation where they're looking into things into a criminal prosecution where he's being charged?

Well, what we know is that in June of 2022, federal agents raided the home of Nadine and Senator Menendez in Englewood Cliffs and also searched a safe deposit box in Nadine's name.

And they found a lot and we learned exactly what it was they found last Friday.

My name is Damien Williams and I'm the United States Attorney here in the Southern District of New York. When the U.S. Attorney for the Southern District of New York, Damien Williams, revealed all of the many items that were taken from their house that day.

Special agents with the FBI executed search warrants on the residents and safe deposit box of Senator Menendez and Nadine Menendez in New Jersey.

And those included approximately \$500,000 of cash stuffed into envelopes and closets. Cash.

Agents also discovered a lot of gold.

13 bars of gold bullion.

Home mortgage payments.

A Mercedes Benz.

And other things of value to the senator and his wife.

It was really stunning what prosecutors laid out.

This investigation is very much ongoing.

We are not done.

And I want to encourage anyone with information to come forward and to come forward.

It was so sweeping and so damning, if true, that it led political leaders throughout the state and throughout the country to begin to question whether Senator Menendez had become so compromised

that he could not serve any longer.

And this then all set the stage for the political challenge that Senator Menendez is now facing.

We'll be right back.

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Hey, it's Lauren Dragon from Wire Cutter, the product recommendation service from The New York Times,

and I test headphones.

Sweat is actually conductive because of the saline content in it.

So we basically make our own fake sweat and spray it over and over on these headphones to see what happens to them over time.

This is 85 dB of airplane noise.

We're going to put on some noise-canceling headphones and see how well they actually block out the sounds.

Put them on the ground and kick them over there.

Okay.

Go.

Are they broken?

No.

I have 3,136 entries in my database.

Kids, workout, running.

Does it have a connector that's lightning or USB-C?

What version of Bluetooth is it?

Does it have FxHD?

We have ones that track your...

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We even have one that's solar powered.

So Tracy, really explosive charges in this indictment.

What is the initial reaction to them?

It was swift.

We just got a statement from the governor.

And let me read it to you because it's very serious.

So by 5 o'clock Friday night, the governor of New Jersey, Phil Murphy, who's a Democrat, issues an email.

The allegations in the indictment against Senator Menendez and four other defendants are deeply disturbing.

And calls for Menendez's immediate resignation.

The alleged facts are so serious that they compromise the ability of Senator Menendez to effectively represent the people of our state.

Within seconds, a tsunami of emails flow in from pretty much all other major Democratic leaders in the state.

And lockstep calling for Senator Menendez's resignation, which was very different than what we saw in 2017,

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when political leaders throughout the state stood with Senator Menendez.
And Tracy, why would they not have done that in the past prosecution of Menendez, but they're doing it now?
Why are they calling for his stepping down now?
I think there's two reasons for that.
One is the indictment appears on its face to be far more serious this time around. And involves a foreign government, federal aid weapons, and potentially meddling into criminal investigations.
But additionally, when Senator Menendez faced trial in 2017, New Jersey had a Republican governor, Governor Chris Christie, which meant that if Menendez had stepped down, then the governor would have chosen a Republican replacement more than likely. But now, if Senator Menendez were to step down, a Democratic governor, Governor Murphy, would choose his replacement. And so it's a little bit of a different calculus.
Okay, so that's Democrats in the state of New Jersey.
What about national level Democrats?
They've had a far more muted response.
We heard initially from Senator Chuck Schumer of New York, basically saying he deserves his day in court.
Let's not rush to judgment.
A few other folks in the Senate have, in fact, called for his resignation. John Federman of Pennsylvania, Ezra Sherrod Brown of Ohio.
But in general, the White House was sending signals that they're not going to put their fingers on the scale, that it's really up to Senator Menendez and the Democratic leaders in the Senate to decide whether he steps down or not.
And I think it's slightly different because they're concerned more about the balance of power in the Senate, which is already a razor thin majority for Dems, and not upsetting that balance of power if they don't need to. And what was considered a very safe seat for a very long time the thought of having to defend that seat and to spend money defending it is not appealing.
So what does Menendez himself actually say about what happened in the charges?
We heard a lot at a news conference held in his home turf in Hudson County, Union City.
Good morning.
Thank you to all of you who are here today, especially the New Jerseyans, who have joined me as I address the events of the last few days.
And he basically asked, and he used the word humbly, I humbly ask.
All I humbly ask for in this moment is to pause and allow for all the facts to be presented. That you give me a chance and let the case play out as it should.
I firmly believe that when all the facts are presented, not only will I be exonerated, but I still will be the New Jersey's senior senator.
He's confident that he will be exonerated.

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Remember, prosecutors get it wrong sometimes.

And the facts have been presented in a way that are salacious by the federal prosecutors and that it's really not that bad, guys.

And then he tried to explain the cash.

For 30 years, I have withdrawn thousands of dollars in cash from my personal savings account.

He said that it had become his habit to withdraw large sums of money to keep in his home.

Which I have kept for emergencies and because of the history of my family facing confiscation in Cuba.

He's sort of suggested, without fully explaining,

that this was a habit that stemmed from his parents' experience in Cuba.

They were both refugees from Cuba.

So he's basically denying it, but in a not very strident, almost kind of sheepish way.

I would say that's right.

I think even by raising it as an issue, he recognizes that it's going to be difficult to explain that away.

Thank you very much.

So Tracy, stepping back a little here, this is a man who already spent

a number of years of his career fighting corruption charges, even going to trial over them.

So it kind of mystifies me that he is accused of doing it again.

How do you explain that?

People were, frankly, gobsmacked by the timing and especially as laid out in the indictment.

The allegations are that within a month of being cleared by the Justice Department in early 2018,

he essentially, according to prosecutors, begins this corrupt scheme to accept bribes for the benefit of the Egyptian government.

And it's just mind-boggling, if true.

It appears almost reckless.

So soon after getting out from under earlier charges that took years of his life

and to throw himself headlong into this new scheme,

it just people were just scratching their heads and saying, how is this even possible?

According to the indictment, it was Nadine and Hannah that were the ones planning the meetings, were the ones that were the go-betweens with the Egyptian officials.

And I think there is a lot yet to be learned about how knowing Senator Menendez was, at least in the beginning, about the true motive of the Egyptian officials.

Tracy, thank you.

Thank you.

Today, several senators called for Menendez to step down, including New Jersey's junior senator, Cory Booker.

And on Wednesday, Menendez and his wife, Nadine, are scheduled to be arraigned at a federal courthouse in Manhattan.

They are expected to plead not guilty.

We'll be right back.

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Here's what else you should know today.

On Monday, Ukraine's military claimed that it had killed the commander of Russia's Black Sea Fleet in an audacious attack, which, if true, would represent a major blow to Russia's navy.

The Ukrainian attack, which involved a combination of missiles and exploding drones, targeted a meeting of Russian military leaders on Friday at their headquarters in Crimea.

Video footage of the attack showed an airborne weapon plunging into the Russian headquarters and then detonating.

The building was engulfed in debris and smoke.

Ukrainian officials say the attack killed 34 Russian officers and wounded dozens more, including two senior Russian generals.

Today's episode was produced by Sydney Harper and Stella Tan, with help from Alexandra Lee Young,

Eric Kruppke, and Luke Vanderpulg.

It was edited by Lexi Diao and Lisa Chow, contains original music by Marion Lozano and Elisheva Itu, and was engineered by Chris Wood.

Our theme music is by Jim Brunberg and Ben Landsfork of Wonderland.

That's it for the daily. I'm Sabrina Taverti-Sea. See you tomorrow.

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